



Meridian.

# Monthly Operating Report

July 2023

## July highlights

In the month to 11 August 2023, national hydro storage decreased from **121%** to **106%** of historical average

South Island storage decreased to **112%** of average and North Island storage decreased to **81%** of average by 11 August 2023

Meridian's July 2023 monthly total inflows were **86%** of historical average

Waiau catchment inflows in July 2023 were **98%** of historical average

Meridian's Waitaki catchment water storage at the end of July 2023 was **126%** of historical average

Snow storage in Meridian's Waitaki catchment was **94%** of average in early August

Water storage in Meridian's Waiau catchment was **107%** of average at the end of July 2023

National electricity demand in July 2023 was **1.0%** lower than the same month last year

July 2023 temperatures were above average for most of the country. Rainfall was above average in eastern and southern parts of the South Island, and below average for the rest of the country

New Zealand Aluminium Smelter's average load during July 2023 was **569MW**

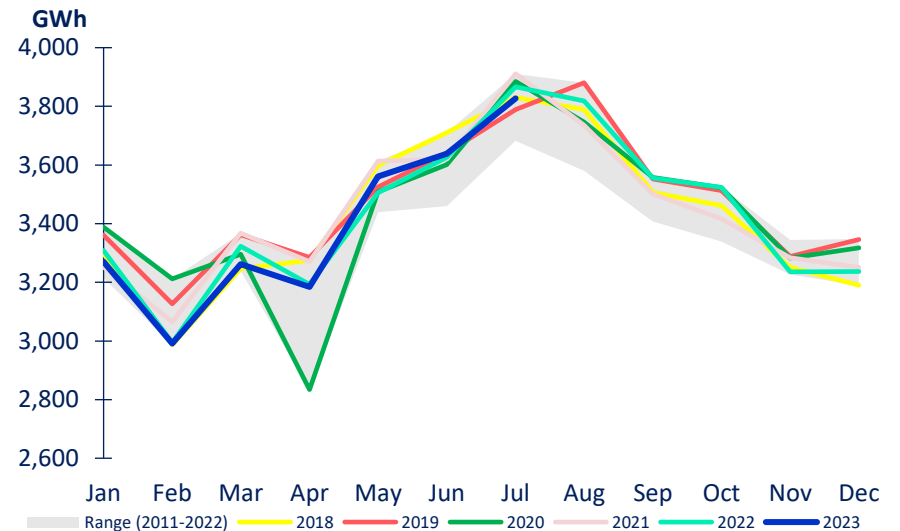
Meridian's retail sales volumes in July 2023 were **0.6%** higher than July 2022

Compared to July 2022, segment sales decreased in residential -3.4%, small medium business -0.5%, large business -1.5% and agriculture -0.4%. Corporate sales increased +4.4%

## Market data

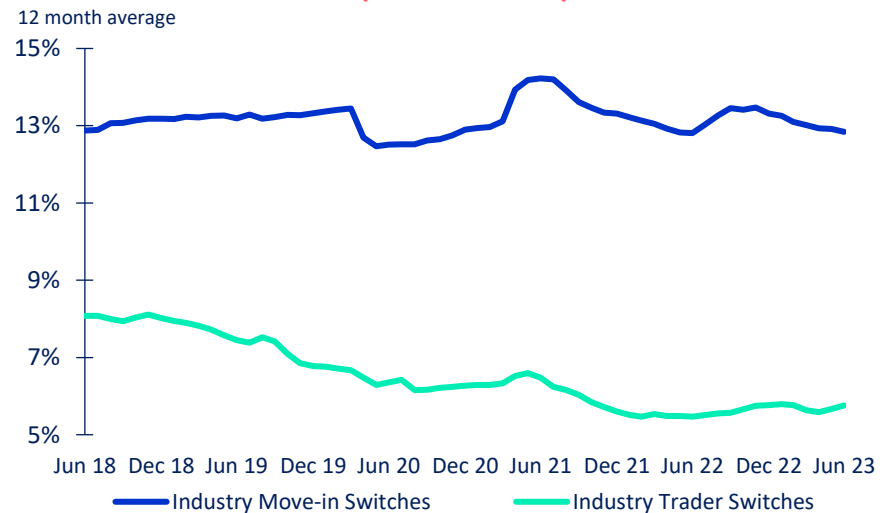
- National electricity demand in July 2023 was 1.0% lower than the same month last year
- July 2023 temperatures were above average for most of the country. Rainfall was above average in eastern and southern parts of the South Island, and below average for the rest of the country
- Demand in the last 12 months was 0.2% higher than the preceding 12 months
- New Zealand Aluminium Smelter's average load during July 2023 was 569MW
- 12-month average switching rate of customers changing retailers but not moving ("trader" switch) was 5.8% at the end of June 2023
- 12-month average switching rate of customers moving and changing retailers ("move-in" switch) was 12.8% at the end of June 2023

### NATIONAL DEMAND



Source: Electricity Authority (reconciled demand)

### MARKET ICP SWITCHING (ALL RETAILERS)

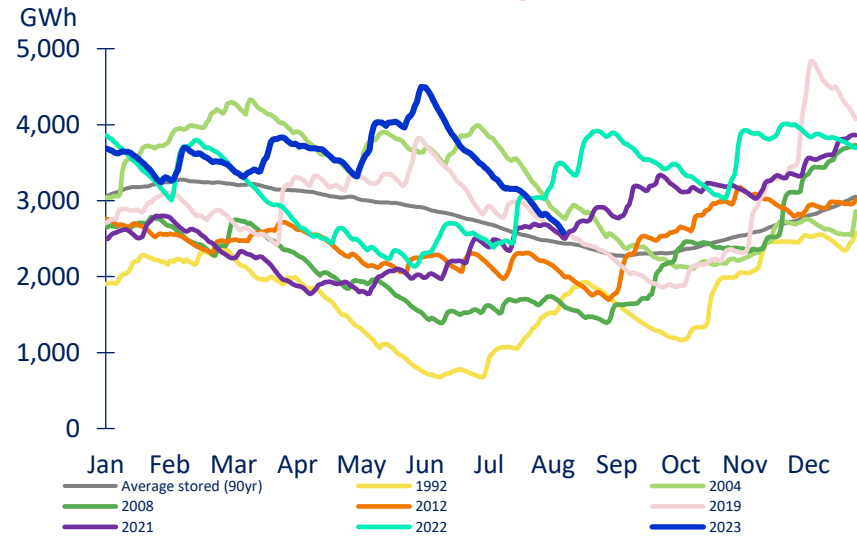


Source: Electricity Authority

# Market data

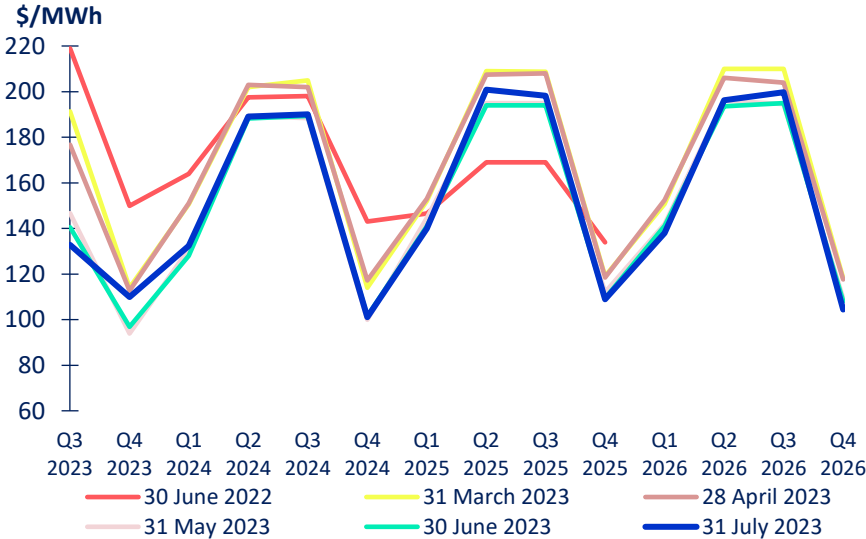
- July 2023 saw increases in near-term ASX prices
- National storage decreased from 121% of average on 12 July 2023 to 106% of average on 11 August 2023
- South Island storage decreased to 112% of historical average by 11 August 2023. North Island storage decreased to 81% of average

## NATIONAL HYDRO STORAGE (11 August 2023)



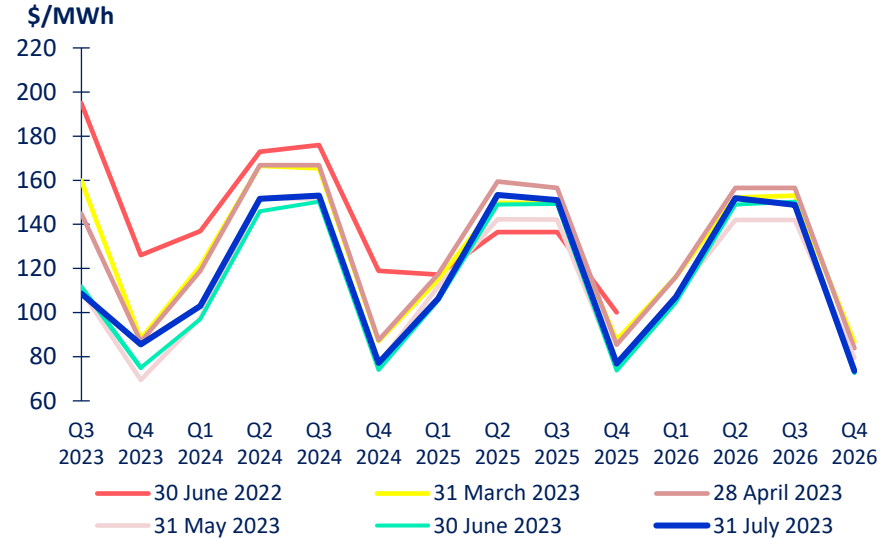
Source: NZX

## OTAHUHU ASX FUTURES SETTLEMENT PRICE



Source: ASX

## BENMORE ASX FUTURES SETTLEMENT PRICE

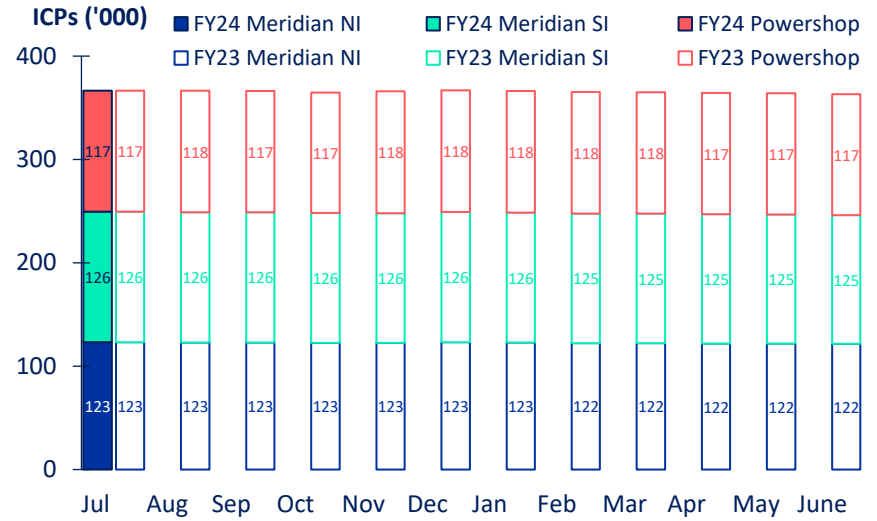


Source: ASX

# Meridian retail

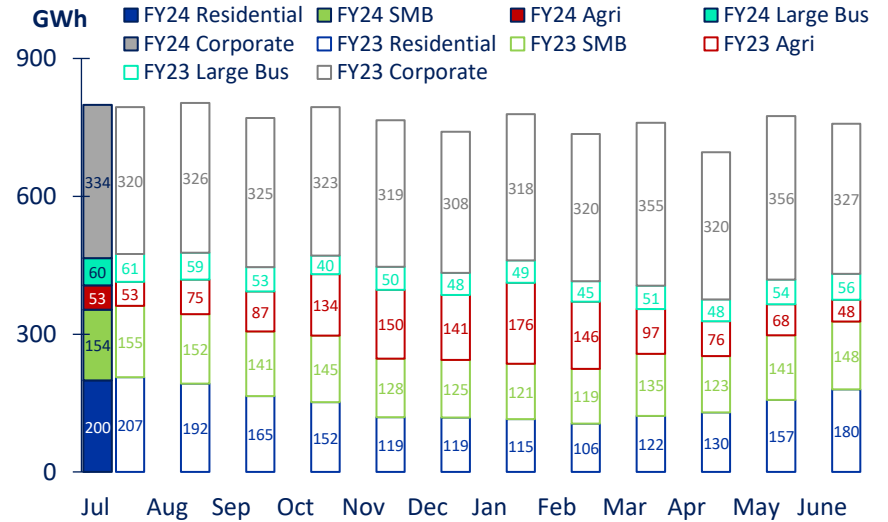
- Meridian’s customer connection numbers increased +0.9% during July 2023 and have increased +0.1% since July 2022
- Retail sales volumes in July 2023 were 0.6% higher than July 2022
- Compared to July 2022, segment sales decreased in residential -3.4%, small medium business -0.5%, large business -1.5% and agricultural -0.4%. Corporate sales increased by +4.4%

## MERIDIAN'S CUSTOMER CONNECTIONS



Source: Meridian

## MERIDIAN'S RETAIL SALES VOLUME\*



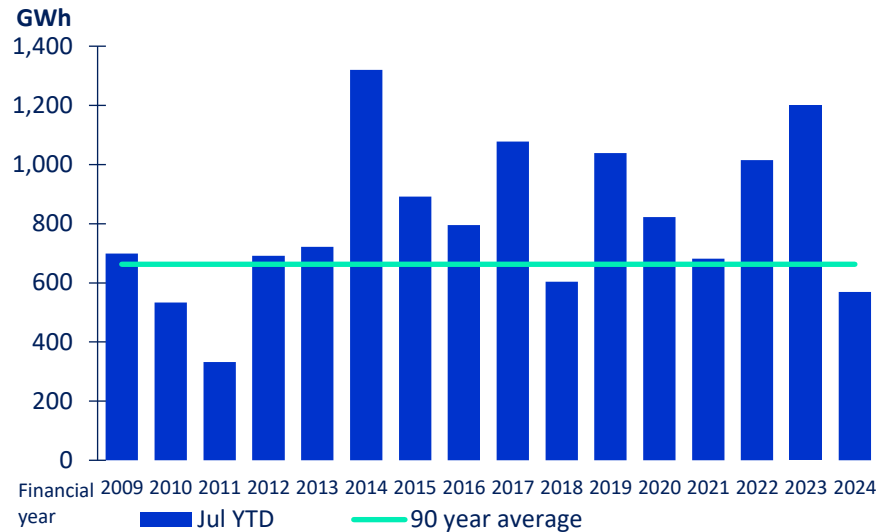
Source: Meridian

\*excludes volumes sold to New Zealand Aluminium Smelters and CFDS

# Meridian inflows and storage

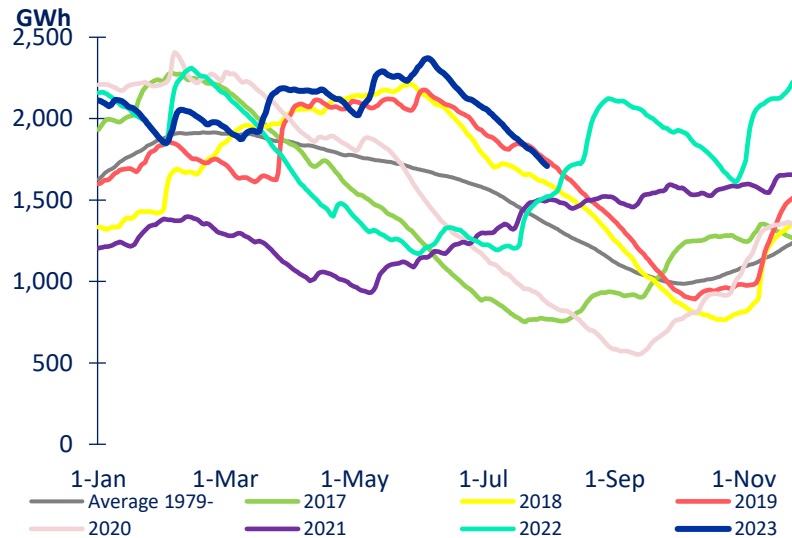
- July 2023 monthly inflows were 86% of historical average
- Waiau catchment inflows in July 2023 were 98% of historical average, lower than the same time last year
- Meridian’s Waitaki catchment water storage moved from 2,075GWh to 1,709GWh during July 2023
- Waitaki water storage at the end of July 2023 was 126% of historical average and 12% higher than the same time last year
- Snow storage in Meridian’s Waitaki catchment was 94% of average in early August
- Water storage in Meridian’s Waiau catchment was 107% of average at the end of July 2023

## MERIDIAN'S COMBINED CATCHMENT INFLOWS



Source: Meridian

## MERIDIAN'S WAITAKI STORAGE

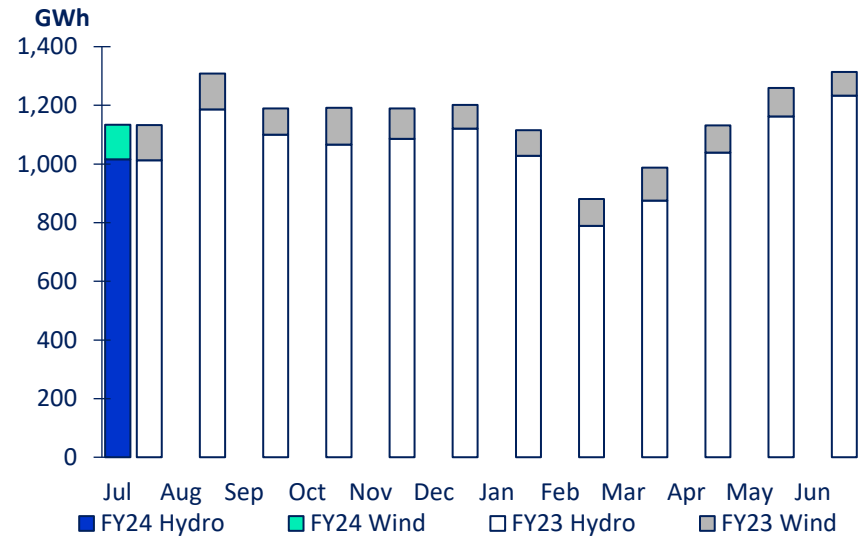


Source: Meridian

# Meridian generation

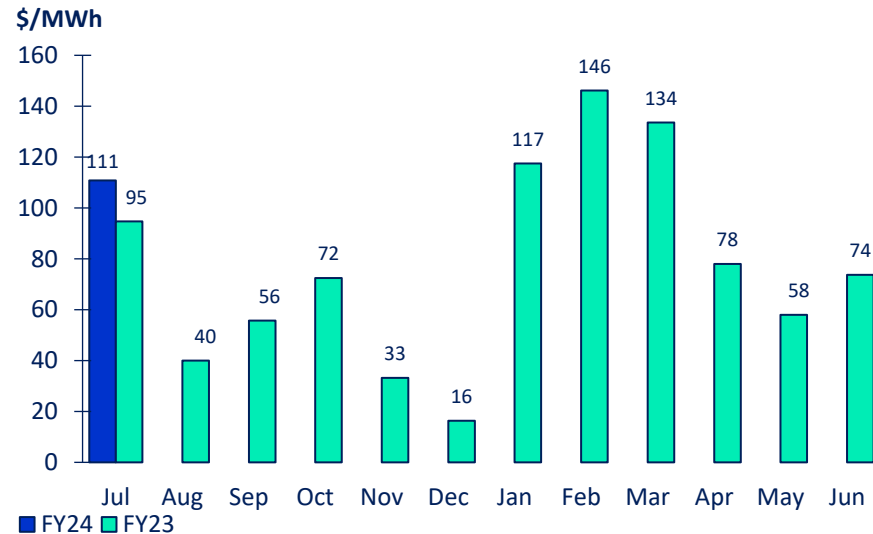
- Meridian’s generation in July 2023 was 0.1% higher than the same month last year, reflecting higher hydro generation and lower wind generation
- The average price Meridian received for its generation in July 2023 was 17.0% higher than the same month last year
- The average price Meridian paid to supply customers in July 2023 was 10.5% higher than the same month last year

## MERIDIAN'S GENERATION



Source: Meridian

## MERIDIAN'S AVERAGE GENERATION PRICE\*



\*price received for Meridian’s physical generation

Source: Meridian

# Monthly operating information

	<b>JULY 2023 MONTH</b>	<b>JULY 2022 MONTH</b>	<b>JUNE 2023 MONTH</b>	<b>MAY 2023 MONTH</b>	<b>1 MONTH TO JULY 2023</b>	<b>1 MONTH TO JULY 2022</b>
<b>New Zealand contracted sales</b>						
Residential sales volume (GWh)	200	207	180	157	200	207
Small medium business sales volume (GWh)	154	155	148	141	154	155
Agricultural sales volume (GWh)	53	53	48	68	53	53
Large business sales volume (GWh)	60	61	56	54	60	61
Corporate and industrial sales volume (GWh)	334	320	327	356	334	320
<b>Retail contracted sales volume (GWh)</b>	<b>800</b>	<b>795</b>	<b>759</b>	<b>775</b>	<b>800</b>	<b>795</b>
Average retail contracted sales price <sup>1</sup> (\$NZ/MWh)	\$149.2	\$133.3	\$123.6	\$151.5	\$149.2	\$133.3
NZAS sales volume (GWh)	426	426	412	426	426	426
Financial contract sales volumes <sup>2</sup> (GWh)	338	190	342	338	338	190
Average wholesale & financial contracts sales price <sup>3</sup> (\$NZ/MWh)	\$78.6	\$65.4	\$75.3	\$78.5	\$78.6	\$65.4
Retail customer supply volumes (GWh)	845	835	769	839	845	835
Cost to supply retail customers (\$NZ/MWh)	\$128.6	\$110.6	\$95.2	\$67.2	\$128.6	\$110.6
Cost to supply wholesale customers (\$NZ/MWh)	\$109.2	\$97.6	\$71.3	\$55.5	\$109.2	\$97.6
Cost of financial contracts (\$NZ/MWh)	\$109.5	\$120.6	\$74.5	\$72.4	\$109.5	\$120.6
Total New Zealand customer connections <sup>4</sup>	364,389	366,518	363,335	364,148		

See page 10 for footnotes



# Monthly operating information

	<b>JULY 2023 MONTH</b>	<b>JULY 2022 MONTH</b>	<b>JUNE 2023 MONTH</b>	<b>MAY 2023 MONTH</b>	<b>1 MONTH TO JULY 2023</b>	<b>1 MONTH TO JULY 2022</b>
<b>New Zealand generation</b>						
Hydro generation volume (GWh)	1,016	1,013	1,233	1,162	1,016	1,013
Wind generation volume (GWh)	118	120	81	97	118	120
<b>Total generation volume (GWh)</b>	<b>1,134</b>	<b>1,133</b>	<b>1,314</b>	<b>1,259</b>	<b>1,134</b>	<b>1,133</b>
Average generation price <sup>5</sup> (\$NZ/MWh)	\$110.8	\$94.7	\$73.7	\$58.0	\$110.8	\$94.7
<b>New Zealand hedging</b>						
Hedging volume <sup>6</sup> (GWh)	505	428	440	413	505	428
Hedging cost average price (\$NZ/MWh)	\$142.4	\$131.4	\$134.7	\$135.2	\$142.4	\$131.4
Hedging spot revenue average price (\$NZ/MWh)	\$115.7	\$113.0	\$89.9	\$66.6	\$115.7	\$113.0
Future contract close outs (\$NZm)	\$14.0	-\$1.1	\$1.6	\$0.4	\$14.0	-\$1.1

See page 10 for footnotes

# Monthly operating information

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<b>New Zealand costs</b>						
Employee and Operating Costs (\$m)	23	19	24	24	23	19
Stay in Business Capital Expenditure (\$m)	4	3	5	6	4	3
Investment Capital Expenditure (\$m)	15	9	12	18	15	9
<b>Total Capital Expenditure (\$m)</b>	<b>19</b>	<b>12</b>	<b>17</b>	<b>24</b>	<b>19</b>	<b>12</b>

## Footnotes

- Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs
- Derivatives sold excluding the sell-side of virtual asset swaps
- Average price of both NZAS sales volume and derivative sales volumes
- Meridian Retail and Powershop New Zealand installation control points (ICPs), excluding vacants
- Volume weighted average price received for Meridian's physical generation
- Over the counter and ASX contract volumes excluding the buy-side of virtual asset swaps

# FY24 operating information

	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Q1 FY24	YoY change	Q2 FY24	YoY change	Q3 FY24	YoY change	Q4 FY24	YoY change	
<b>New Zealand contracted sales</b>																					
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Future contract close outs (\$NZm)	\$14.0																				
<b>Meridian Group</b>																					
Employee and Operating Costs (\$NZ m)	23																				
Stay in Business Capital Expenditure (\$NZ m)	3																				
Investment Capital Expenditure (\$NZ m)	15																				
<b>Total Capital Expenditure (\$NZ m)</b>	<b>19</b>																				

# FY23 operating information

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Q1 FY23	YoY change	Q2 FY23	YoY change	Q3 FY23	YoY change	Q4 FY23	YoY change
<b>New Zealand contracted sales</b>																				
Residential sales volume (GWh)	207	192	165	152	119	119	115	106	122	130	157	180	564	-8	390	-0	343	+2	467	-3
Small medium business sales volume (GWh)	155	152	141	145	128	125	121	119	135	123	141	148	448	+52	398	+44	375	+14	411	+12
Agricultural sales volume (GWh)	53	75	87	134	150	141	176	146	97	76	68	48	214	+12	425	+38	419	+31	191	-25
Large business sales volume (GWh)	61	59	53	40	50	48	49	45	51	48	54	56	173	+33	137	+11	144	+16	157	+17
Corporate and industrial sales volume (GWh)	320	326	325	323	319	308	318	320	355	320	356	327	970	+30	950	+7	993	-33	1,003	-15
<b>Retail contracted sales volume (GWh)</b>	<b>795</b>	<b>804</b>	<b>771</b>	<b>795</b>	<b>766</b>	<b>741</b>	<b>779</b>	<b>736</b>	<b>761</b>	<b>696</b>	<b>775</b>	<b>759</b>	<b>2,369</b>	<b>+119</b>	<b>2,301</b>	<b>+100</b>	<b>2,275</b>	<b>+30</b>	<b>2,230</b>	<b>-14</b>
Average retail contracted sales price (\$NZ/MWh)	\$133.3	\$134.2	\$134.9	\$124.0	\$121.5	\$122.5	\$126.3	\$127.5	\$134.3	\$144.5	\$151.5	\$123.6	\$134.1	+\$10.9	\$122.7	+\$14.4	\$129.3	+\$15.0	\$139.8	+\$13.7
NZAS sales volume (GWh)	426	425	411	426	411	425	426	384	426	412	426	412	1,262	-1	1,262	-1	1,236	+0	1,250	+18
Financial contract sales volumes (GWh)	190	281	176	257	251	277	308	179	190	310	338	342	647	-81	785	-78	677	-96	989	+389
Average wholesale & financial contracts sales price (\$NZ/MWh)	\$65.4	\$60.4	\$50.5	\$56.5	\$55.8	\$54.2	\$72.4	\$66.8	\$66.1	\$77.5	\$78.5	\$75.3	\$58.9	-\$13.5	\$55.5	-\$4.3	\$68.7	+\$5.0	\$77.1	+\$7.1
Retail customer supply volumes (GWh)	835	843	823	847	825	793	804	775	818	704	839	769	2,501	+138	2,465	+127	2,396	+39	2,312	-63
Cost to supply retail customers (\$NZ/MWh)	\$110.6	\$49.1	\$64.5	\$82.8	\$44.2	\$23.6	\$124.7	\$159.5	\$151.5	\$97.5	\$67.2	\$95.2	\$74.7	-\$75.6	\$50.8	-\$24.1	\$145.1	-\$25.3	\$85.7	-\$114.0
Cost to supply wholesale customers (\$NZ/MWh)	\$97.6	\$40.2	\$49.7	\$70.7	\$29.7	\$12.7	\$123.4	\$154.7	\$143.3	\$78.1	\$55.5	\$71.3	\$62.7	-\$51.7	\$37.8	-\$19.7	\$140.0	-\$25.9	\$68.1	-\$129.1
Cost of financial contracts (\$NZ/MWh)	\$120.6	\$58.7	\$63.1	\$73.7	\$33.7	\$22.2	\$125.8	\$135.8	\$125.3	\$84.4	\$72.4	\$74.5	\$78.1	-\$54.9	\$42.7	-\$28.0	\$128.3	-\$24.9	\$76.9	-\$115.7
Total New Zealand customer connections	366,518	366,599	366,285	364,700	365,946	366,936	366,362	365,444	365,260	364,537	364,148	363,335	366,285	+11,475	366,936	+8,586	365,260	+1,830	363,335	-2,011
<b>New Zealand generation</b>																				
Hydro generation volume (GWh)	1,013	1,187	1,101	1,066	1,086	1,121	1,028	789	876	1,039	1,162	1,233	3,300	+170	3,274	+1	2,693	-321	3,434	+579
Wind generation volume (GWh)	120	122	89	126	103	81	87	92	113	92	97	81	331	-39	310	-30	291	+27	270	-42
<b>Total generation volume (GWh)</b>	<b>1,133</b>	<b>1,308</b>	<b>1,190</b>	<b>1,192</b>	<b>1,190</b>	<b>1,202</b>	<b>1,115</b>	<b>881</b>	<b>988</b>	<b>1,131</b>	<b>1,259</b>	<b>1,314</b>	<b>3,631</b>	<b>+131</b>	<b>3,583</b>	<b>-29</b>	<b>2,984</b>	<b>-293</b>	<b>3,705</b>	<b>+537</b>
Average generation price (\$NZ/MWh)	\$94.7	\$39.9	\$55.7	\$72.4	\$33.1	\$16.3	\$117.4	\$146.1	\$133.5	\$77.9	\$58.0	\$73.7	\$62.2	-\$62.0	\$40.6	-\$22.4	\$131.2	-\$21.5	\$69.6	-\$118.4
<b>New Zealand hedging</b>																				
Hedging volume (GWh)	428	425	352	350	347	358	396	429	450	378	413	440	1,205	+231	1,054	+51	1,276	-7	1,232	+117
Hedging cost average price (\$NZ/MWh)	\$131.4	\$122.0	\$116.7	\$103.3	\$100.2	\$99.1	\$117.0	\$142.1	\$125.4	\$136.6	\$135.2	\$134.7	\$123.8	-\$0.0	\$100.8	+\$1.5	\$128.4	+\$14.4	\$135.4	+\$2.9
Hedging spot revenue average price (\$NZ/MWh)	\$113.0	\$39.6	\$64.7	\$77.2	\$35.8	\$25.5	\$142.0	\$146.1	\$136.1	\$93.9	\$66.6	\$89.9	\$73.0	-\$70.6	\$46.0	-\$31.2	\$82.0	-\$90.1	\$83.3	-\$109.8
Future contract close outs (\$NZm)	-1.1	12.7	20.7	\$5.4	13.7	-0.2	-2.5	-2.8	-0.9	-1.0	0.4	1.6	32.4	+32.9	18.9	+19.7	-6.2	-9.5	1.0	-5.8
<b>Meridian Group</b>																				
Employee and Operating Costs (\$NZ m)	19	20	20	21	21	21	18	19	23	20	24	24	60	+8	62	+15	60	+6	68	+3
Stay in Business Capital Expenditure (\$NZ m)	3	4	4	3	4	4	2	4	4	3	6	6	11	+1	11	-1	10	+4	15	+3
Investment Capital Expenditure (\$NZ m)	9	9	12	11	50	59	20	44	25	31	18	12	30	-6	119	+85	90	+67	61	+20
<b>Total Capital Expenditure (\$NZ m)</b>	<b>12</b>	<b>13</b>	<b>16</b>	<b>14</b>	<b>54</b>	<b>62</b>	<b>22</b>	<b>48</b>	<b>29</b>	<b>34</b>	<b>24</b>	<b>17</b>	<b>41</b>	<b>-5</b>	<b>130</b>	<b>+84</b>	<b>99</b>	<b>+70</b>	<b>76</b>	<b>+23</b>

# Glossary

Hedging volumes	buy-side electricity derivatives excluding the buy-side of virtual asset swaps
Average generation price	the volume weighted average price received for Meridian’s physical generation
Average retail contracted sales price	volume weighted average electricity price received from retail customers, less distribution costs
Average wholesale contracted sales price	volume weighted average electricity price received from wholesale customers (including NZAS) and financial contracts
Combined catchment inflows	combined water inflows into Meridian’s Waitaki and Waiau hydro storage lakes
Cost of hedges	volume weighted average price Meridian pays for derivatives acquired
Cost to supply contracted sales	volume weighted average price Meridian pays to supply contracted customer sales and financial contracts
Contracts for Difference (CFDs)	an agreement between parties to pay the difference between the wholesale electricity price and an agreed fixed price for a specified volume of electricity. CFDs do not result in the physical supply of electricity
Customer connections (NZ)	number of installation control points, excluding vacants
GWh	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
Historic average inflows	the historic average combined water inflows into Meridian’s Waitaki and Waiau hydro storage lakes over the last 85 years
Historic average storage	the historic average level of storage in Meridian’s Waitaki catchment since 1979
HVDC	high voltage direct current link between the North and South Islands of New Zealand
ICP	New Zealand installation control points, excluding vacants
ICP switching	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
National demand	Electricity Authority’s reconciled grid demand <a href="http://www.emi.ea.govt.nz">www.emi.ea.govt.nz</a>
NZAS	New Zealand Aluminium Smelters Limited
Retail sales volumes	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
Financial contract sales	sell-side electricity derivatives excluding the sell-side of virtual asset swaps
Virtual Asset Swaps (VAS)	CFDs Meridian has with Genesis Energy and Mercury New Zealand. They do not result in the physical supply of electricity