

Energy Link Electricity Contract Indexes

March 2021

Index Update 144

**March 2021
ELL Index**

12.0 c/kWh

(at Haywards)

Other Nodes

The index is referenced to:
 Otahuhu 12.8 c/kWh
 Benmore 11.7 c/kWh

Change

The index increased by 16.5% since mid February

Volume

8 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 386 GWh over the period Jul-21 to Jun-25

Contract Types

0 FPVV (fixed price variable volume)

ELL CFD & FPVV Index

ELL FPVV 10.2 c/kWh
 ELL CFD 12.0 c/kWh

Spread

2.9 c/kWh from Jul-21 to Jun-25

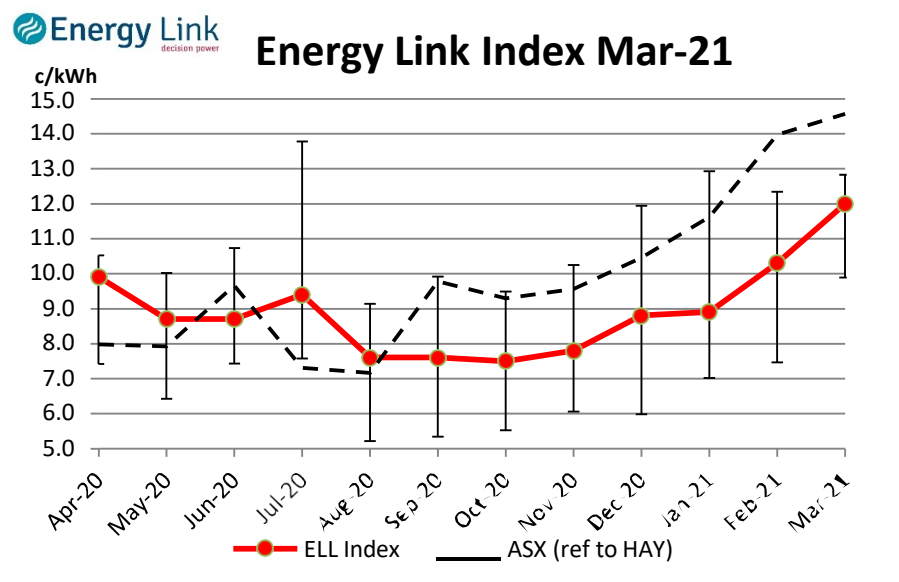
Location Factors

Expected location factors were updated in this issue

ASX Futures

Based on the 3 year average 'previous settlement' dates for 2021-2024 as of Tuesday 16

Otahuhu 15.6 c/kWh
 Benmore 14.0 c/kWh



There were no FPVV contracts traded over the last month, so the FPVV index goes sideways this month, i.e. it defaults to last month's value of 10.2 c/kWh.

One large, atypical contract that was excluded last month remains excluded this month: at \$35/MWh, and related to the new deal between Meridian and the Tiwai Pt smelter, this level of pricing is not available to the wider market.

It is unusual not to have any FPVV contracts trade for a whole month, but we suspect that large consumers are somewhat horrified by the latest price trends and, if their respective contracts are about to expire, are holding off re-contracting at these rates, in the hope that by waiting the rates will come down.

Bob Hope might disagree, but there is an old saying - hope is not a strategy.

Large consumers and independent retailers are concerned by the current prices, and with the prospect of there not being much relief in sight. What we need is rain in the hydro lake catchments, and lots of it.

But spot prices have come back from their highs of February and earlier this month, which is due to Waipipi windfarm being fully commissioned, to a modest increase in inflows into the hydro lakes, and to there now being three units (750 MW) at Huntly in the market.

In the next four years we will probably have the end of the Tiwai smelter in sight (although we can never rule out it staying much longer), and a large increase in renewable capacity coming on stream, including the Tuahara geothermal expansion, the Turitea windfarm, the Mt Cass winfarm, the Harapaki windfarm, and probably others. We may even see our first grid-scale solar farms

For FPVV & CFD specific sub-indexes, see page 2

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FPVV & CFD Electricity Contract Indexes

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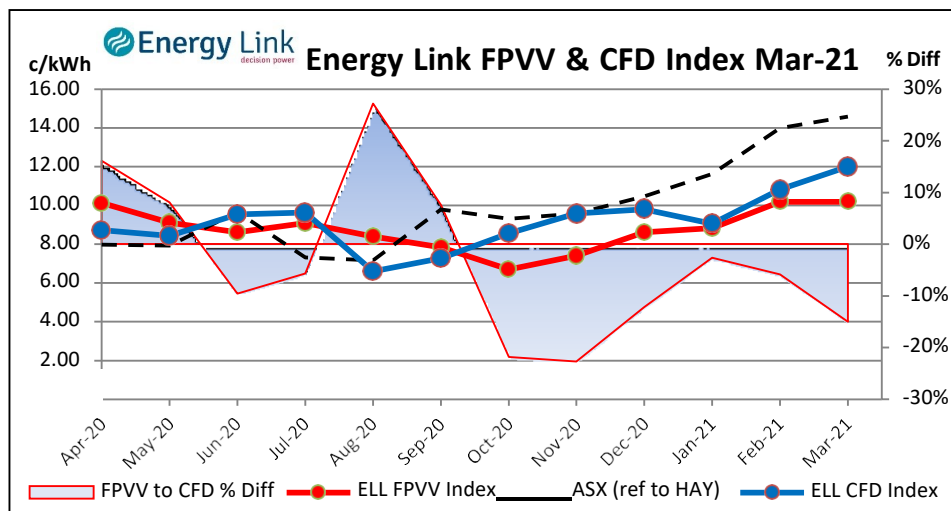
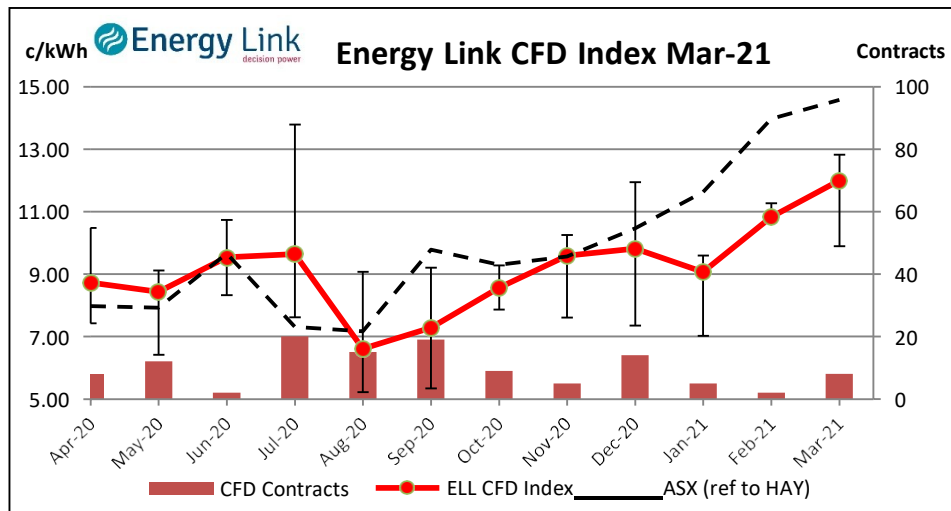
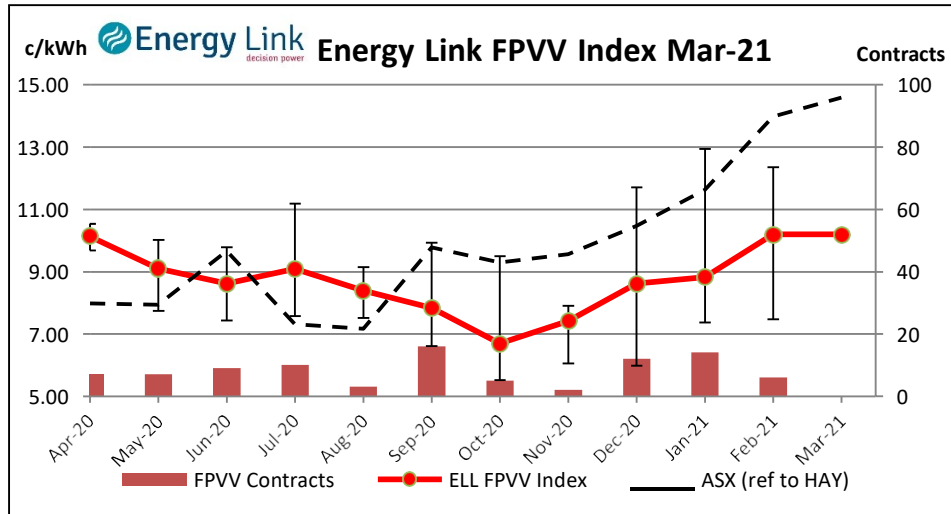
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FPVV & CFD Contract

The top two charts at right break the main ELL Index into two indices focusing specifically on either FPVV or CFD contracts. This makes the premium that is priced into the FPVV contracts (for the security of having no spot exposure) more readily apparent. These graphs also show the number of contracts of each type used in the calculation of each Index value. Index values generated from low contract volumes should be used with caution.

The bottom graph compares the two indices directly and also tracks the price difference between the FPVV & CFD contracts as a percentage of the CFD price.



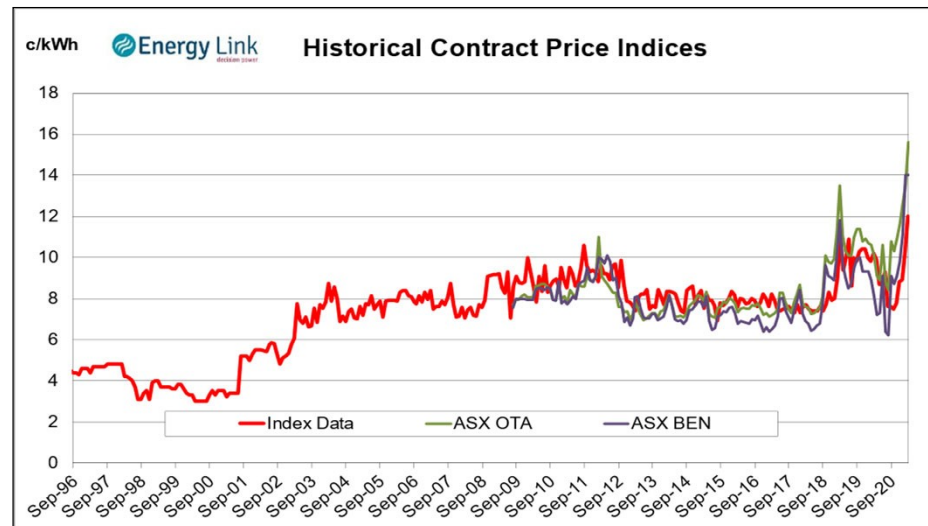
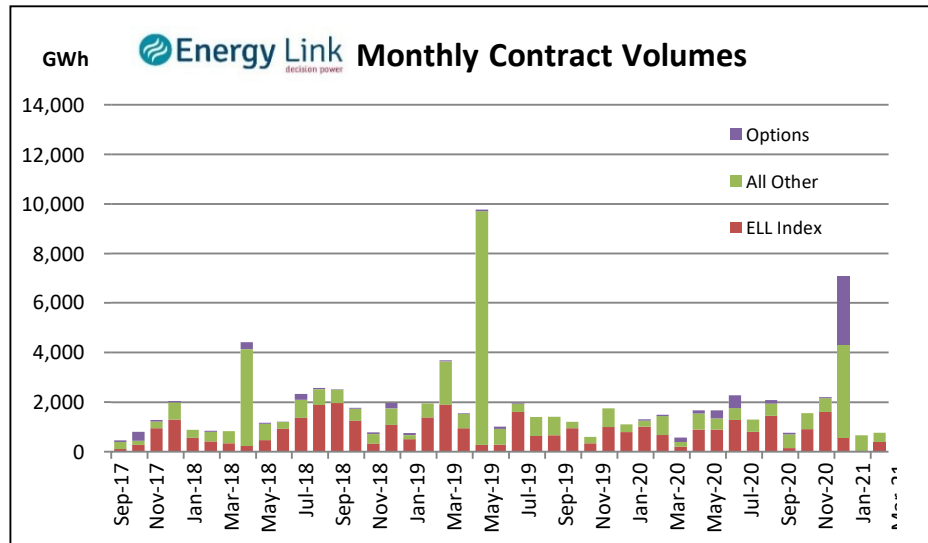
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Volume and Price History

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The Energy Link Ltd (ELL) index chart shows the values over the 12 months up to publication date. All prices are referenced to the **Haywards** reference node on the grid (lower North Island), and the error bars show the highest and lowest contract value in the 36 month period covered by the index. Details of the index methodology are available from Energy Link.

The indexes exclude futures contracts traded on the ASX, contracts that are less than 6 months in duration, and contracts with volumes significantly less than disclosure rules require, or that are unverified or in dispute.

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Appendix: Electricity Contract Listing

The tables below list the new Electricity Contracts that were eligible for inclusion in the ELL Indices this month.

The first table lists those contracts used to generate the indices while the second table lists those contracts that would have been eligible but were excluded as they were not entered into the Hedge Disclosure System in a timely manner.

This month 6 FPVV contracts were excluded due to the size of the contract falling below 1 MW or contract effective date being longer than 120 days limit in the Electricity Industry Participation Code.

The data source for these contracts is the Electricity Authority's "Electricity Hedge Disclosure" website (www.electricitycontract.co.nz)

Eligible Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration
797628	CFD	2-Mar-21	1-May-22	30-Apr-23	26,280	Otago	123.48	Verified	5-Mar-21	365
797629	CFD	2-Mar-21	1-Nov-23	31-Oct-24	26,352	Otago	107.58	Verified	3-Mar-21	366
803045	CFD	3-Mar-21	1-Jul-24	30-Jun-25	87,600	Otago	110	Verified	10-Mar-21	365
803046	CFD	3-Mar-21	1-Jul-22	30-Jun-23	43,800	Whakamaru	130	Verified	9-Mar-21	365
803047	CFD	3-Mar-21	1-Jul-23	30-Jun-24	43,920	Whakamaru	122	Verified	9-Mar-21	366
803048	CFD	3-Mar-21	1-Jul-24	30-Jun-25	87,600	Whakamaru	111.5	Verified	9-Mar-21	365
803049	CFD	3-Mar-21	1-Jul-23	30-Jun-24	43,920	Whakamaru	110	Verified	11-Mar-21	366
813632	CFD	9-Mar-21	1-Jul-21	30-Jun-22	26,280	Islington	132.18	Verified	16-Mar-21	365

Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
767132	CFD	13-Jan-21	14-Jan-21	31-Dec-24	3,513,360	Benmore	34.86	Verified	20-Jan-21	1448	Atypical Contract
797593	FPVV	2-Mar-21	1-May-21	30-Apr-24	25,611	Islington	97.97	Not disputed	4-Mar-21	1096	< 1 MW
797594	FPVV	2-Mar-21	1-May-21	30-Apr-24	2,371	Benmore	98.12	Not disputed	4-Mar-21	1096	< 1 MW
799102	CFD	25-Feb-21	1-Apr-21	31-Mar-22	1,250	Haywards	174.5	Not disputed	9-Mar-21	365	< 0.25 MW
800258	CFD	25-Feb-21	1-Apr-21	31-Mar-22	1,250	Haywards	164.39	Verified	5-Mar-21	365	< 0.25 MW
804418	FPVV	24-Feb-21	1-Apr-21	31-Mar-24	17,498	Islington	118.73	Not disputed	12-Mar-21	1096	< 1 MW
804419	FPVV	24-Feb-21	1-Apr-21	31-Mar-24	21,716	Benmore	110.95	Not disputed	12-Mar-21	1096	< 1 MW

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