

Energy Link Electricity Contract Indexes

June 2021

Index Update 147

June 2021

ELL Index

12.0 c/kWh

(at Haywards)

Other Nodes

The index is referenced to:

Otahuhu 12.5 c/kWh
 Benmore 11.9 c/kWh

Change

The index decreased by 7.7% since mid May

Volume

7 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 370 GWh over the period May-21 to Dec-26

Contract Types

5 FPVV (fixed price variable volume)
 2 CFD (contract for differences)

ELL CFD & FPVV Index

ELL FPVV 11.8 c/kWh
 ELL CFD 16.5 c/kWh

Spread

7.6 c/kWh from May-21 to Dec-

Location Factors

Expected location factors were updated in this issue

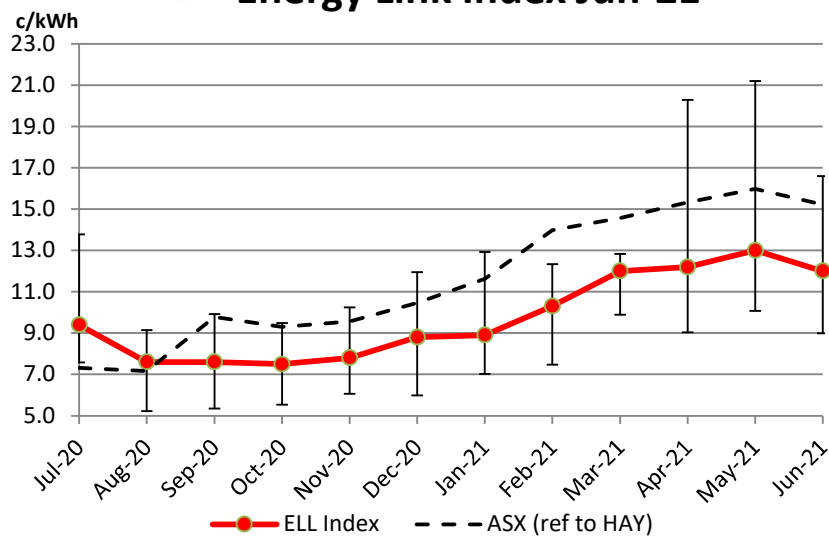
ASX Futures

Based on the 3 year average 'previous settlement' dates for 2021-2024 as of Monday 21

Otahuhu 16.6 c/kWh
 Benmore 14.4 c/kWh



Energy Link Index Jun-21



There were 7 contracts traded that were eligible to include in the index calculations this month, which was a step up from last month which had only 3 contracts.

The main index came down this month by 7.7% driven by a fall in both sub-indexes. The CFD index is still eye-wateringly high, even after it fell by a whopping 21%. The two CFDs that were traded were once again relatively short term (9 months each) commencing in October, which means they span a period of exceptionally high prices driven by the gas shortage.

The five FPVV contracts are an interesting bunch because the shortest term among them is 2.8 years, and the other four have terms from 3.5 to 5 years. Larger consumers have recently wanted to contact longer term so that the average price is minimised.

But this still locks in a relatively high price when one considers how the market could look by the end of 2022, assuming gas supplies are restored, new generation is about to come on line, with 55 MW of industrial demand gone from the market at Kawerau, not to mention 2024, when Tiwai will have its "Clash moment" (*So if you want me off your back, Well, come on and let me know, Should I stay or should I go?*) and may exit in 2025.

There was some more good news in the last week as we saw NZ storage rise to be almost what it was at the same time last year. While this doesn't solve or fully offset the gas problem, it certainly takes the pressure off the market and will help to keep spot prices down.

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

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FPVV & CFD Electricity Contract Indexes

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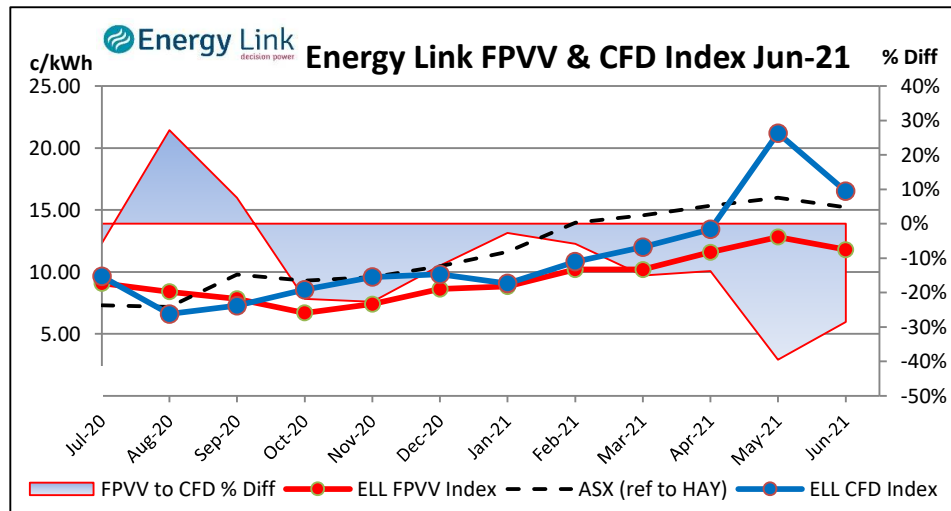
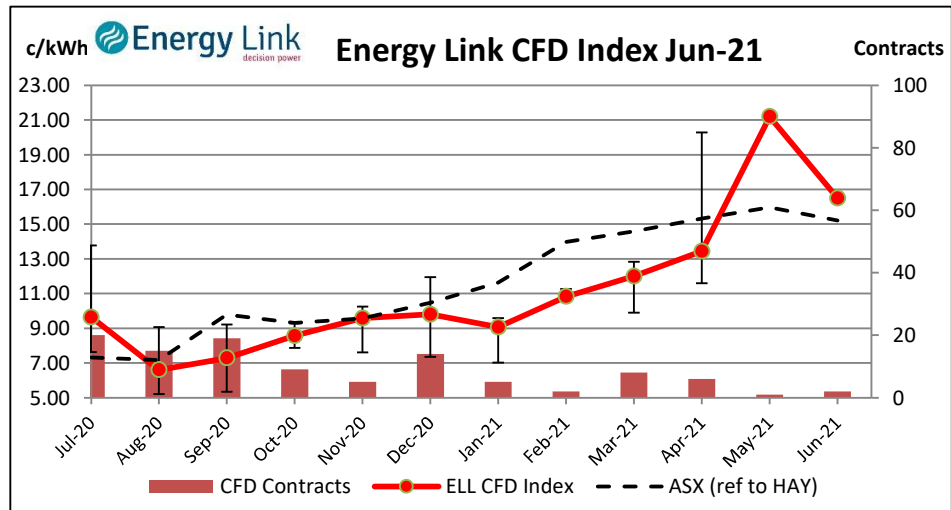
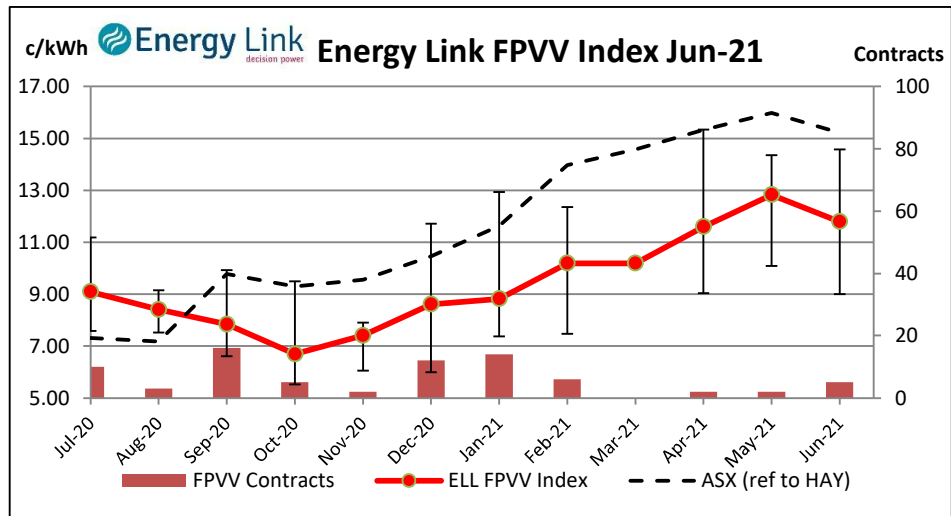
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FPVV & CFD Contract

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.



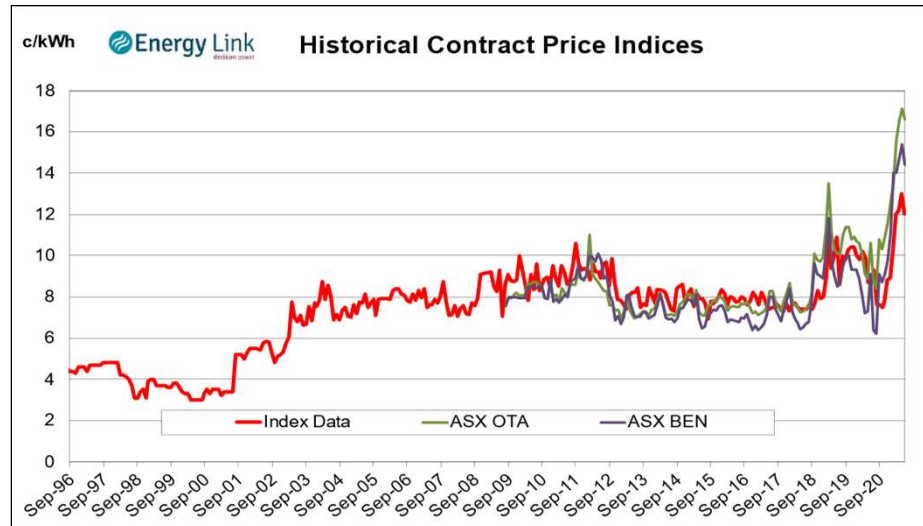
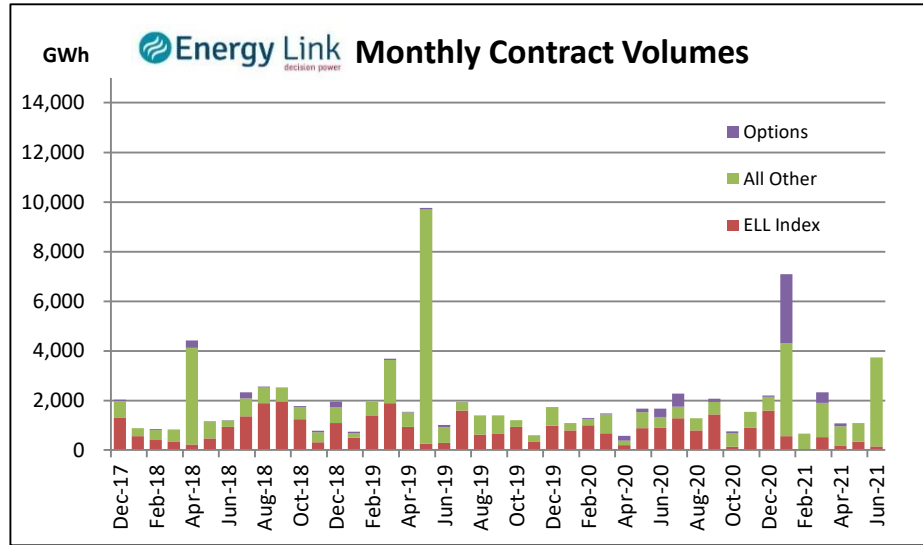
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Volume and Price History

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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
842370	FPVV	14-May-21	1-Jan-22	31-Dec-26	135,319	Whakamaru	115.98	Not disputed	18-May-21	1826
843443	FPVV	10-May-21	1-May-21	29-Feb-24	32,899	Whakamaru	90.61	Not disputed	22-May-21	1035
843452	FPVV	19-May-21	1-Aug-21	31-Jan-25	51,196	Otahuhu	146.58	Not disputed	22-May-21	1280
857952	CFD	10-Jun-21	1-Oct-21	30-Jun-22	7,622	Benmore	152.15	Not disputed	17-Jun-21	273
857953	CFD	10-Jun-21	1-Oct-21	30-Jun-22	7,622	Benmore	152.15	Verified	15-Jun-21	273
857975	FPVV	8-Jun-21	1-Jul-21	30-Jun-26	55,119	Haywards	113.49	Not disputed	16-Jun-21	1826
858893	FPVV	14-Jun-21	1-Sep-21	31-Aug-26	80,556	Otahuhu	129.67	Not disputed	17-Jun-21	1826

Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
764172	CFD	8-Jan-21	1-Jan-21	30-Jun-21	651	Benmore	126.62	Not disputed	13-Apr-21	181	< 0.25 MW
834046	CFD	19-Apr-21	1-Apr-21	30-Sep-21	2,196	Benmore	250	Verified	15-Jun-21	183	Traded>2 mths ago
842369	FPVV	14-May-21	1-Jan-22	31-Dec-26	12,254	Otahuhu	120.62	Not disputed	18-May-21	1826	< 1 MW
842371	FPVV	12-May-21	1-Jan-22	31-Dec-26	21,725	Otahuhu	125.67	Not disputed	19-May-21	1826	< 1 MW
842372	FPVV	12-May-21	1-Jan-22	31-Dec-26	19,023	Whakamaru	121.79	Not disputed	19-May-21	1826	< 1 MW
842373	FPVV	12-May-21	1-Jan-22	31-Dec-26	14,824	Haywards	119	Not disputed	19-May-21	1826	< 1 MW
842374	FPVV	12-May-21	1-Jan-22	31-Dec-26	14,179	Islington	110.38	Not disputed	19-May-21	1826	< 1 MW
842375	FPVV	12-May-21	1-Jan-22	31-Dec-26	8,553	Benmore	103.28	Not disputed	19-May-21	1826	< 1 MW
842376	FPVV	12-May-21	1-Jan-22	31-Dec-26	21,725	Otahuhu	125.67	Not disputed	19-May-21	1826	< 1 MW
842377	FPVV	12-May-21	1-Jan-22	31-Dec-26	19,023	Whakamaru	121.79	Not disputed	19-May-21	1826	< 1 MW
842378	FPVV	12-May-21	1-Jan-22	31-Dec-26	14,824	Haywards	119	Not disputed	19-May-21	1826	< 1 MW
842379	FPVV	12-May-21	1-Jan-22	31-Dec-26	14,179	Islington	110.38	Not disputed	19-May-21	1826	< 1 MW
842380	FPVV	12-May-21	1-Jan-22	31-Dec-26	8,553	Benmore	103.28	Not disputed	19-May-21	1826	< 1 MW
847912	FPVV	25-May-21	1-Jun-21	31-May-26	21,973	Whakamaru	136.6	Not disputed	29-May-21	1826	< 1 MW
847913	FPVV	25-May-21	1-Jun-21	31-May-26	33,964	Haywards	136.32	Not disputed	29-May-21	1826	< 1 MW
849838	FPVV	24-May-21	1-Aug-21	31-Jul-26	43,246	Otahuhu	136.75	Not disputed	2-Jun-21	1826	< 1 MW
849839	FPVV	24-May-21	1-Aug-21	31-Jul-26	19,809	Whakamaru	133.56	Not disputed	2-Jun-21	1826	< 1 MW
849840	FPVV	24-May-21	1-Aug-21	31-Jul-26	20,237	Islington	121.83	Not disputed	2-Jun-21	1826	< 1 MW

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