

Energy Link Electricity Contract Indexes

December 2021

Index Update 153

December 2021

ELL Index

11.1 c/kWh

(at Haywards)

Other Nodes

The index is referenced to:
 Otahuhu 11.6 c/kWh
 Benmore 10.8 c/kWh

Change

The index decreased by 0% since mid November

Volume

21 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 2,174 GWh over the period Oct-21 to Dec-29

Contract Types

14 FPVV (fixed price variable volume)

ELL CFD & FPVV Index

ELL FPVV 11.6 c/kWh
 ELL CFD 10.2 c/kWh

Spread

6.1 c/kWh from Oct-21 to Dec-29

Location Factors

Expected location factors were updated in this issue

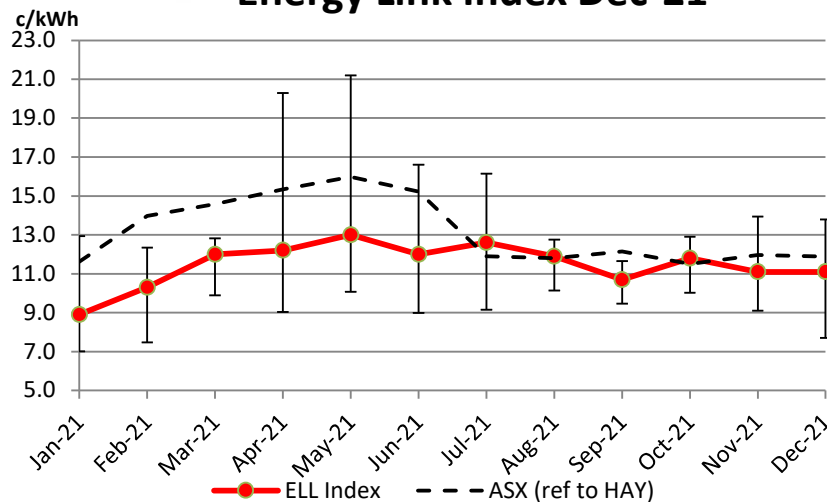
ASX Futures

Based on the 3 year average 'previous settlement' dates for 2021-2024 as of Friday 17

Otahuhu 13.2 c/kWh
 Benmore 10.9 c/kWh



Energy Link Index Dec-21



CFD index went down, FPVV index went up, so no change to the overall index this month, as the period of relative stability continued. With storage lake levels sitting high for this time of year, low demand over the holiday period, and a weekend of prices mostly in the single digits, we can expect this to continue for at least two or three weeks.

But things can turn around quickly, so no one should let their guard down.

There was a healthy number of contracts traded over the last month, a sign perhaps of renewed activity spurred by lower prices. It's likely that some buyers, who did not want to be caught with high-priced hedges, held off buying until conditions improved, which they have. As a result, we could be seeing a return to the market by larger consumers and independent retailers.

Futures prices for 2025 remain higher than would be expected if the Tiwai smelter closes after its contract expires on 31st December 2024. This could be a sign the market believes Tiwai will stay, which is a big call given the volatility of aluminium prices and New Zealand's distance from key markets: Australia for alumina, Japan and beyond for sales.

But it's also possible the market's aggregate view is that Tiwai might close, but be replaced by new demand. In a presentation to investors by Meridian Energy, given back in August, Meridian stated that the "portfolio response to NZAS [smelter] exit is gaining traction."

Either way, we can only continue the seemingly interminable wait until the Tiwai situation is further developed, and price expectations adjusted as a result.

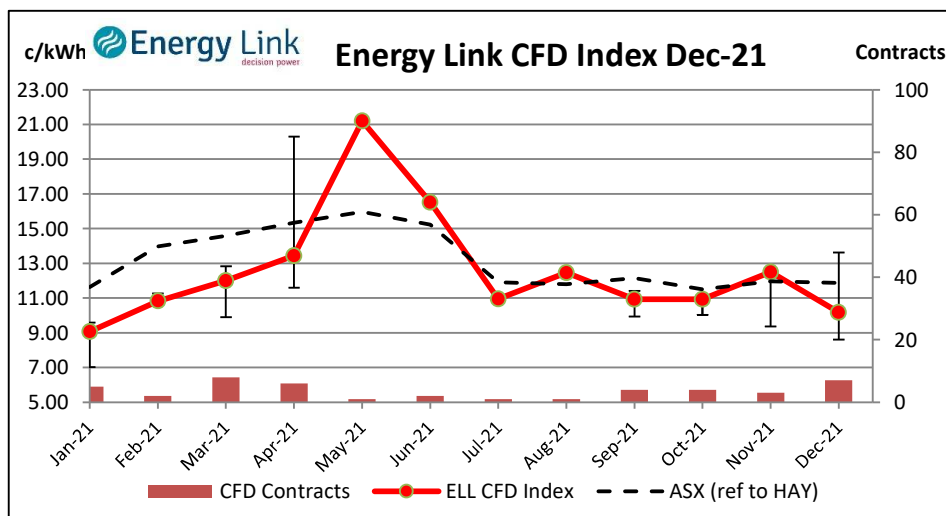
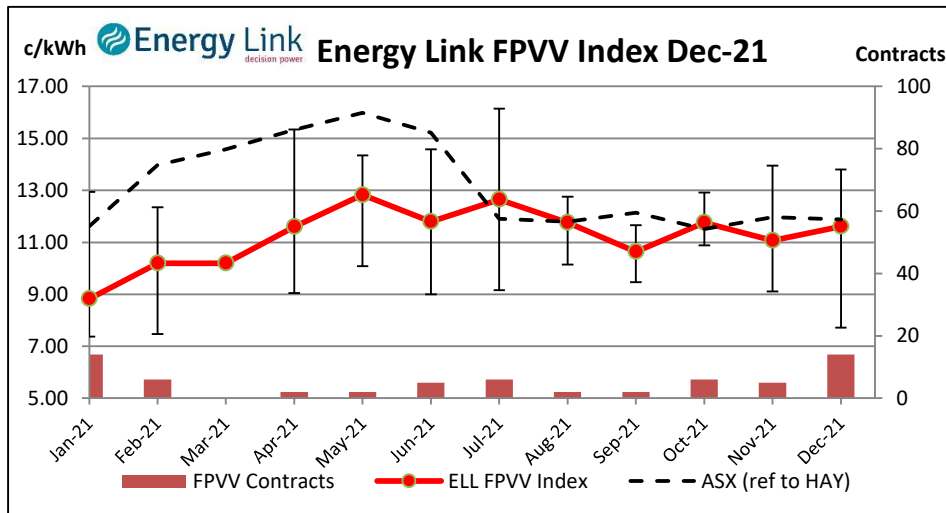
For FPVV & CFD specific sub-indexes, see page 2

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FPVV & CFD Electricity Contract Indexes

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7 Bond St., Dunedin
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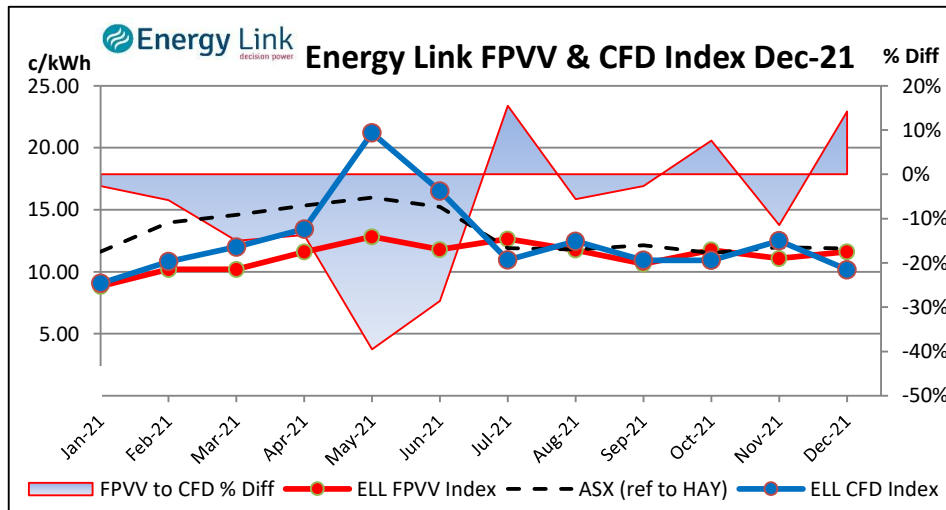
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FPVV & CFD Contract

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.



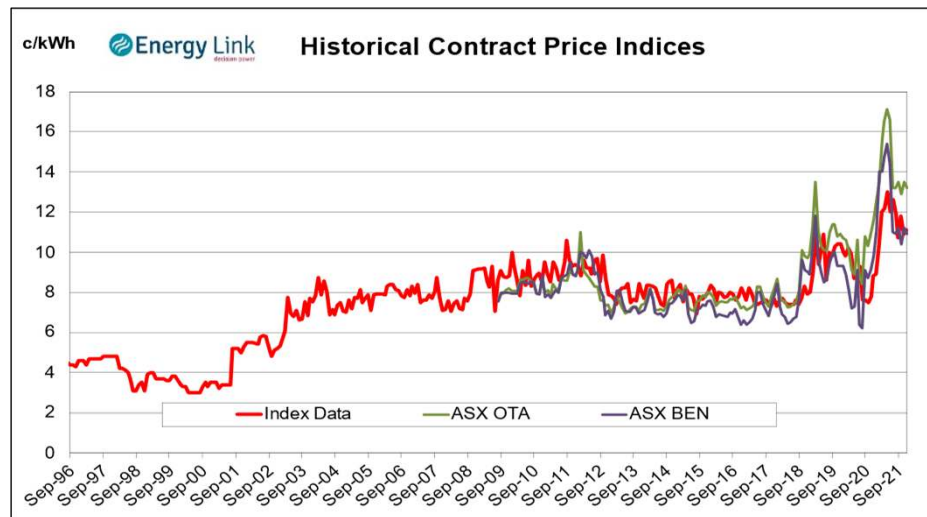
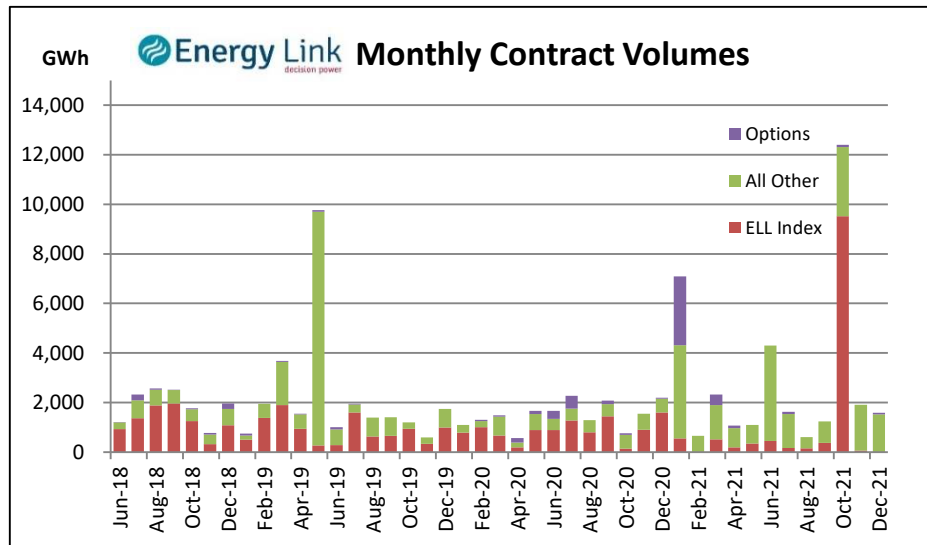
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Volume and Price History

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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 FPVW 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
963522	FPVW	13-Nov-21	1-Dec-21	30-Nov-26	46,789	Benmore	95.42	Not disputed	17-Nov-21	1826
964648	CFD	11-Nov-21	1-Jul-23	31-Aug-25	57,096	Benmore	96.7	Verified	16-Nov-21	793
964649	CFD	10-Nov-21	1-Jan-24	31-Dec-26	26,280	Whakamaru	107.2	Not disputed	18-Nov-21	1096
968126	FPVW	16-Nov-21	1-Jan-22	31-Dec-26	84,370	Otahuhu	124.54	Verified	19-Nov-21	1826
969076	FPVW	18-Nov-21	1-Dec-21	30-Nov-26	111,304	Whakamaru	114.45	Not disputed	24-Nov-21	1826
969078	FPVW	18-Nov-21	1-Dec-21	30-Nov-26	48,268	Benmore	93.78	Not disputed	24-Nov-21	1826
969079	FPVW	1-Nov-21	1-Dec-22	30-Nov-27	64,132	Islington	81.08	Not disputed	24-Nov-21	1826
971251	FPVW	23-Nov-21	1-Jan-22	31-Jan-25	165,566	Otahuhu	131.48	Not disputed	26-Nov-21	1096
971291	FPVW	25-Nov-21	1-Dec-21	30-Nov-27	77,252	Haywards	102.89	Not disputed	27-Nov-21	2191
972529	FPVW	26-Nov-21	1-Jan-22	31-Dec-24	29,798	Islington	123.4	Verified	30-Nov-21	1096
972550	FPVW	26-Nov-21	1-Dec-21	30-Nov-24	32,735	Whakamaru	120.46	Not disputed	2-Dec-21	1096
972960	FPVW	29-Nov-21	1-Dec-21	30-Nov-23	20,941	Whakamaru	136.31	Not disputed	2-Dec-21	730
973130	FPVW	30-Nov-21	1-Oct-21	30-Sep-26	70,442	Islington	104.2	Not disputed	3-Dec-21	1826
974151	FPVW	1-Dec-21	1-Dec-21	30-Nov-22	12,934	Whakamaru	133.86	Not disputed	7-Dec-21	365
974152	FPVW	1-Dec-21	1-Dec-21	30-Nov-22	17,574	Haywards	130.01	Not disputed	7-Dec-21	365
982290	CFD	9-Dec-21	1-Apr-23	31-Dec-29	447,759	Benmore	85.25	Verified	16-Dec-21	2467
982291	CFD	14-Dec-21	1-Apr-23	31-Dec-29	89,552	Benmore	85.25	Verified	16-Dec-21	2467
982292	CFD	14-Dec-21	1-Jan-23	31-Dec-29	110,170	Otahuhu	102	Verified	16-Dec-21	2557
982293	CFD	9-Dec-21	1-Jan-23	31-Dec-29	550,852	Otahuhu	102	Verified	16-Dec-21	2557
982314	FPVW	14-Dec-21	1-Jan-22	31-Dec-23	69,981	Haywards	127.06	Not disputed	17-Dec-21	730
984925	CFD	10-Dec-21	1-Oct-22	31-Aug-23	40,205	Whakamaru	133.7	Verified	16-Dec-21	335

Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
960775	FPVW	1-Nov-21	1-Nov-21	31-Dec-31	7,446			Not disputed	16-Nov-21	3713	No Price
963521	FPVW	13-Nov-21	1-Dec-21	30-Nov-26	31,970	Islington	103.33	Not disputed	17-Nov-21	1826	< 1 MW
968127	FPVW	16-Nov-21	1-Jan-22	31-Dec-26	34,888	Whakamaru	121.86	Verified	19-Nov-21	1826	< 1 MW
968128	FPVW	16-Nov-21	1-Jan-22	31-Dec-26	23,006	Haywards	118.85	Verified	19-Nov-21	1826	< 1 MW
968129	FPVW	16-Nov-21	1-Jan-22	31-Dec-26	23,298	Islington	102.2	Verified	19-Nov-21	1826	< 1 MW
968130	FPVW	16-Nov-21	1-Jan-22	31-Dec-26	10,744	Benmore	96.48	Verified	19-Nov-21	1826	< 1 MW
968240	CFD	17-Nov-21	1-Feb-22	31-Jan-27	8,765	Otahuhu	95	Verified	22-Nov-21	1826	< 0.25 MW
969075	FPVW	18-Nov-21	1-Dec-21	30-Nov-26	5,003	Otahuhu	112.74	Not disputed	24-Nov-21	1826	< 1 MW
969077	FPVW	18-Nov-21	1-Dec-21	30-Nov-26	9,069	Islington	94.55	Not disputed	24-Nov-21	1826	< 1 MW
969080	FPVW	1-Nov-21	1-Dec-22	30-Nov-27	32,636	Benmore	76.6	Not disputed	24-Nov-21	1826	< 1 MW
969135	FPVW	19-Nov-21	1-Nov-21	31-Oct-24	13,043	Otahuhu	139.48	Not disputed	25-Nov-21	1096	< 1 MW
969136	FPVW	19-Nov-21	1-Nov-21	31-Oct-24	6,315	Whakamaru	135.7	Not disputed	25-Nov-21	1096	< 1 MW
969137	FPVW	19-Nov-21	1-Nov-21	31-Oct-24	2,036	Haywards	133.73	Not disputed	25-Nov-21	1096	< 1 MW
969138	FPVW	19-Nov-21	1-Nov-21	31-Oct-24	5,010	Islington	116.73	Not disputed	25-Nov-21	1096	< 1 MW
971250	FPVW	23-Nov-21	1-Feb-22	31-Jan-25	7,244	Whakamaru	125.3	Not disputed	26-Nov-21	1096	< 1 MW
971290	FPVW	25-Nov-21	1-Dec-21	30-Nov-27	32,088	Whakamaru	105.36	Not disputed	27-Nov-21	2191	< 1 MW
972006	FPVW	23-Nov-21	1-Mar-22	28-Feb-27	37,420	Otahuhu	114.46	Not disputed	30-Nov-21	1826	< 1 MW
972007	FPVW	23-Nov-21	1-Mar-22	28-Feb-27	20,811	Whakamaru	108.57	Not disputed	30-Nov-21	1826	< 1 MW
972008	FPVW	23-Nov-21	1-Mar-22	28-Feb-27	12,457	Haywards	108.66	Not disputed	30-Nov-21	1826	< 1 MW
972009	FPVW	23-Nov-21	1-Mar-22	28-Feb-27	15,408	Islington	98.56	Not disputed	30-Nov-21	1826	< 1 MW
972010	FPVW	23-Nov-21	1-Mar-22	28-Feb-27	6,604	Benmore	93.47	Not disputed	30-Nov-21	1826	< 1 MW
972528	FPVW	26-Nov-21	1-Jan-22	31-Dec-24	13,014	Whakamaru	142.2	Verified	30-Nov-21	1096	< 1 MW
972930	FPVW	29-Nov-21	1-Dec-21	30-Nov-23	1,833	Otahuhu	143.97	Not disputed	2-Dec-21	730	< 1 MW
972959	FPVW	29-Nov-21	1-Dec-21	30-Nov-23	8,142	Haywards	132.67	Not disputed	2-Dec-21	730	< 1 MW
974973	FPVW	1-Dec-21	1-Dec-21	30-Nov-23	13,278	Otahuhu	137.99	Not disputed	7-Dec-21	730	< 1 MW
974974	FPVW	1-Dec-21	1-Dec-21	30-Nov-23	4,468	Haywards	128.31	Not disputed	7-Dec-21	730	< 1 MW
977170	CFD	2-Dec-21	1-Jan-22	31-Dec-22	1,768	Islington	145.05	Not disputed	10-Dec-21	365	< 0.25 MW
979945	FPVW	10-Dec-21	1-Feb-22	30-Nov-26	2,925	Whakamaru	114.01	Not disputed	15-Dec-21	1764	< 1 MW

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