



# **MARKET SUMMARY REPORT**

October 2022

Shell Energy Retail Pty Ltd  
ABN 87 126 175 460

# Introduction and Further Reading

This report provides information on wholesale price trends for all regions within the National Electricity Market (NEM), the Western Australia energy market and environmental scheme certificates.

Please note that all electricity prices are presented as a \$ per MWh price and all certificate prices as a \$ per certificate price.

You can obtain the latest pricing information for the spot and contract markets on a daily basis from the "Market" section of the Shell Energy customer portal.

Tasmanian contract prices are the non-regulated prices published by Hydro Tasmania on a weekly basis. All NEM spot prices are published by the Australian Energy Market Operator (AEMO). NEM contract prices are sourced from the ASX.

Further information can be found at the locations noted below.

Tasmanian Energy market - a comprehensive weekly report is published by the Office of the Tasmanian Energy Regulator which can be found here: <https://www.economicregulator.tas.gov.au/about-us/market-watch/tasmanian-market-watch>

Western Australia energy market - AEMO publishes a detailed market report which can be found here: <http://wa.aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Data/Weekly-market-report>

NEM Spot market - AEMO publishes a range of detailed information which can be found here: <https://aemo.com.au/Electricity/National-Electricity-Market-NEM/Data-dashboard>

Large-scale Generation Certificates (LGCs) - information about the LGCs can be found here: <http://cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/Power-stations/Large-scale-generation-certificates>

Small-scale Technology Certificates (STCs) - information about the STC program can be found here: <http://www.cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/Agents-and-installers/Small-scale-technology-certificates>

Victorian Energy Efficiency Certificates (VEECs) - information about the VEEC program can be found here: <https://www.esc.vic.gov.au/victorian-energy-upgrades-program/about-victorian-energy-upgrades-program/victorian-energy-efficiency-certificates-veecs>

Energy Saving Certificates (ESCs) - information about the ESC program can be found here: <https://www.ess.nsw.gov.au/Home/About-ESS/Overview-of-the-ESS/Energy-Savings-Certificates>

# Contract Market

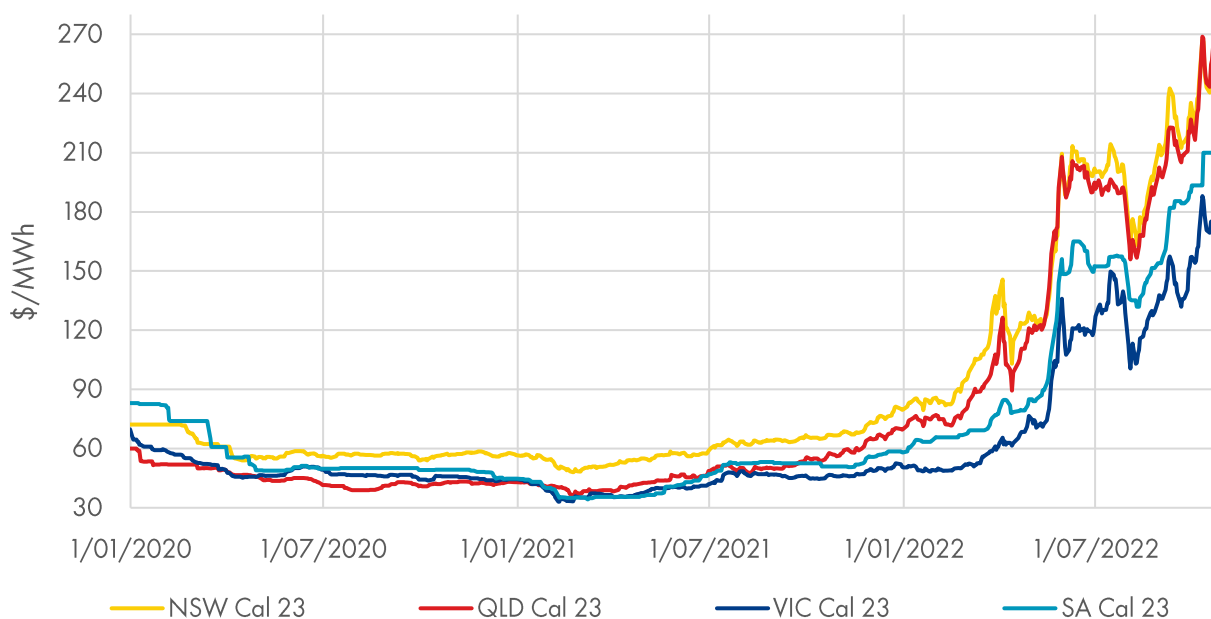
## Calendar Year 2023 (CY23)

The extension of outages combined with public commentary on the smoothness of Australia's energy transition sent the market to price contracts to new highs in October. Contract prices quickly reversed course following news of a potential [market intervention on gas by the Australian Government](#), closing below last month in all states except SA. SA contracts generally have poor liquidity which means they do not necessarily track smoothly with the movements seen in the other states.

### October 2022

State	Previous Close	Period Low	Period High	Closing Price
QLD	223.68	216.44	268.79	218.51
NSW	232.10	215.19	267.54	215.19
VIC	157.16	137.02	188.00	137.02
SA	193.31	193.31	214.69	209.75
TAS	145.98	152.09	172.34	169.73

### CY23 Flat



Source: ASX data

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# Contract Market

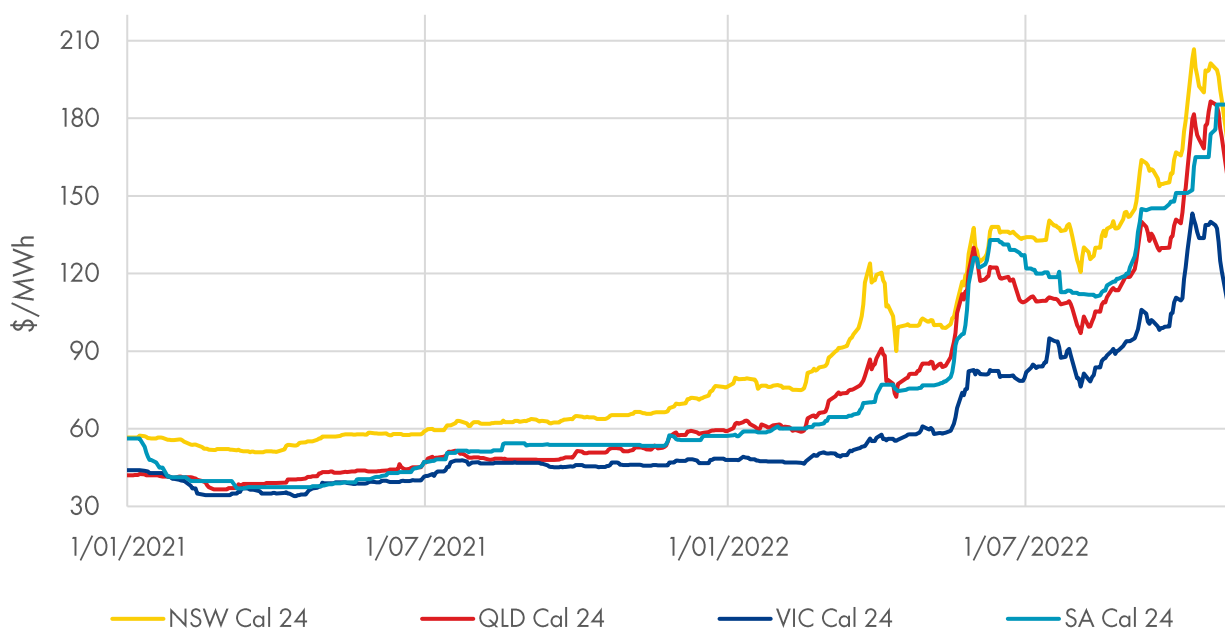
## Calendar Year 2024 (CY24)

The flat swaps for Calendar Year 2024 (CY24) followed a similar pattern as the CY23 contracts. However, CY24 SA contract remained particularly high after the [Australian Energy Regulator progressed](#) the Australian Energy Market Operator's request for a Retailer Reliability Obligation (RRO) in SA to the next stage. This requires liable entities (largely retailers) to ensure they have enough contracts to cover their expected customer load for 2024. Accordingly, the high demand for SA CY24 contracts and the usual low liquidity in these contracts prevented SA from experiencing the same price decline as the other states.

### October 2022

State	Previous Close	Period Low	Period High	Closing Price
QLD	140.93	139.45	186.50	158.74
NSW	166.89	165.66	206.76	172.46
VIC	110.67	109.52	143.28	110.02
SA	151.14	151.14	185.35	185.35
TAS	107.01	106.76	137.54	136.47

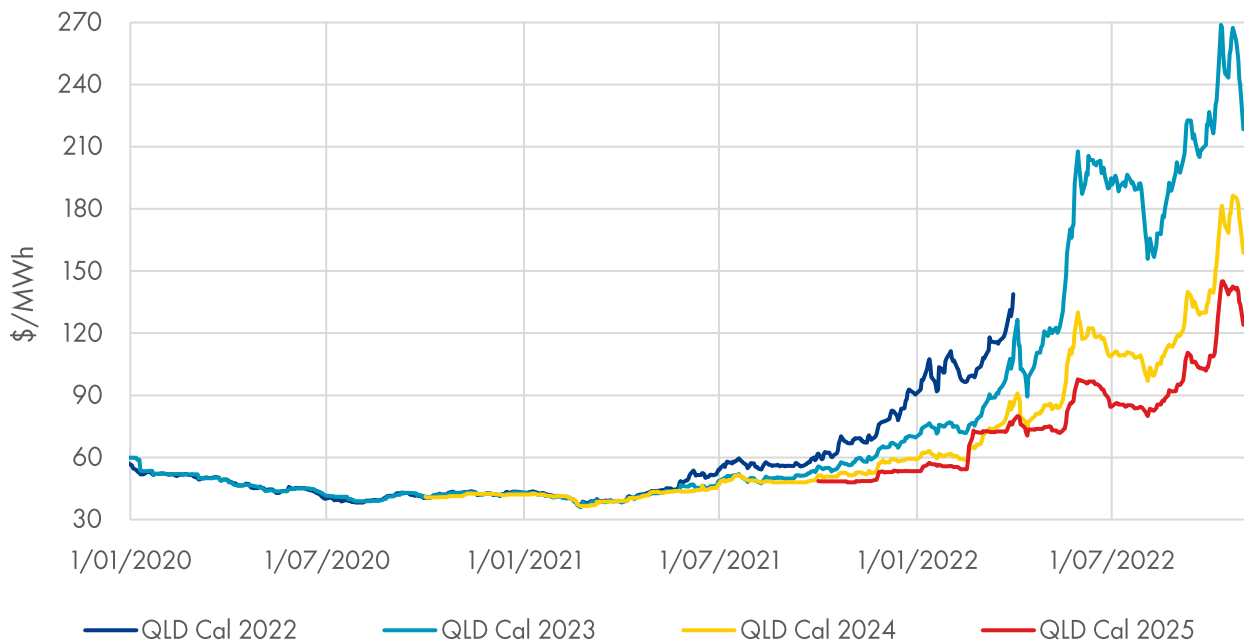
### CY24 Flat



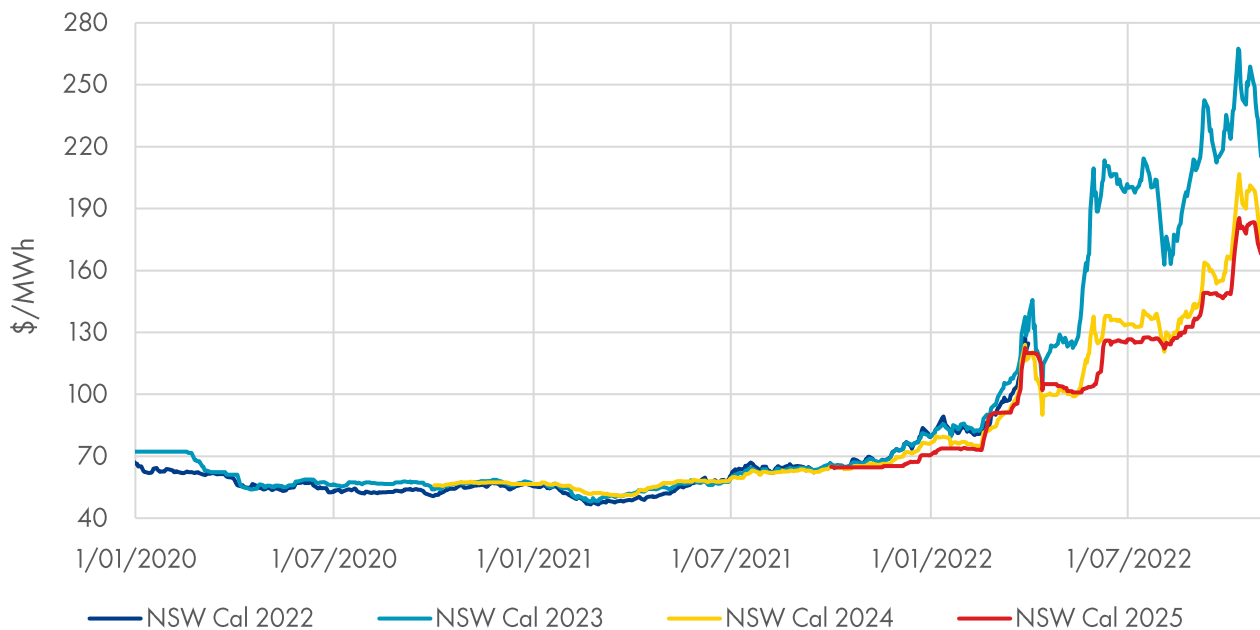
Source: ASX data

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## Contract Market - QLD Calendar Years Flat



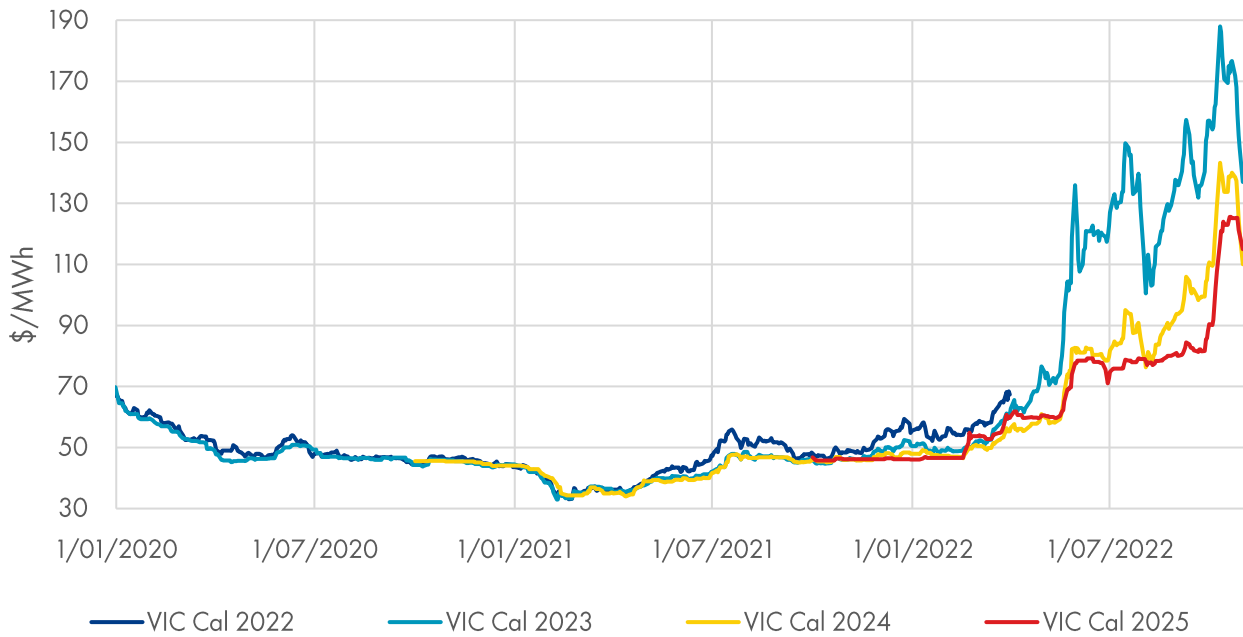
## Contract Market - NSW Calendar Years Flat



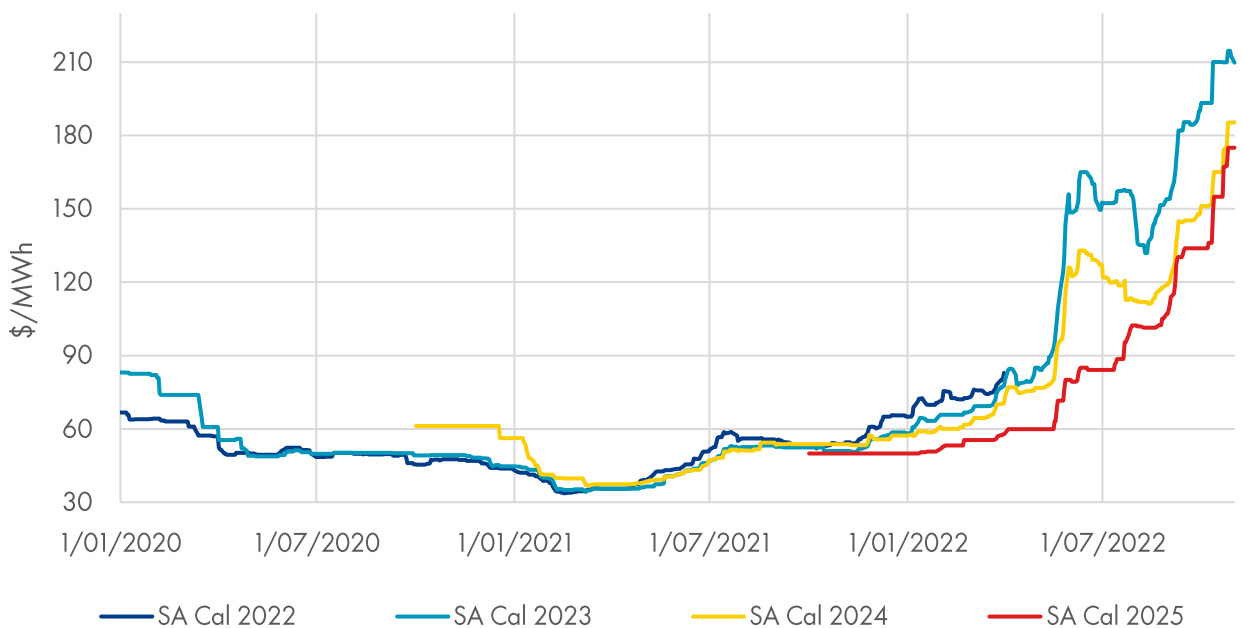
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## Contract Market - VIC Calendar Years Flat



## Contract Market - SA Calendar Years Flat

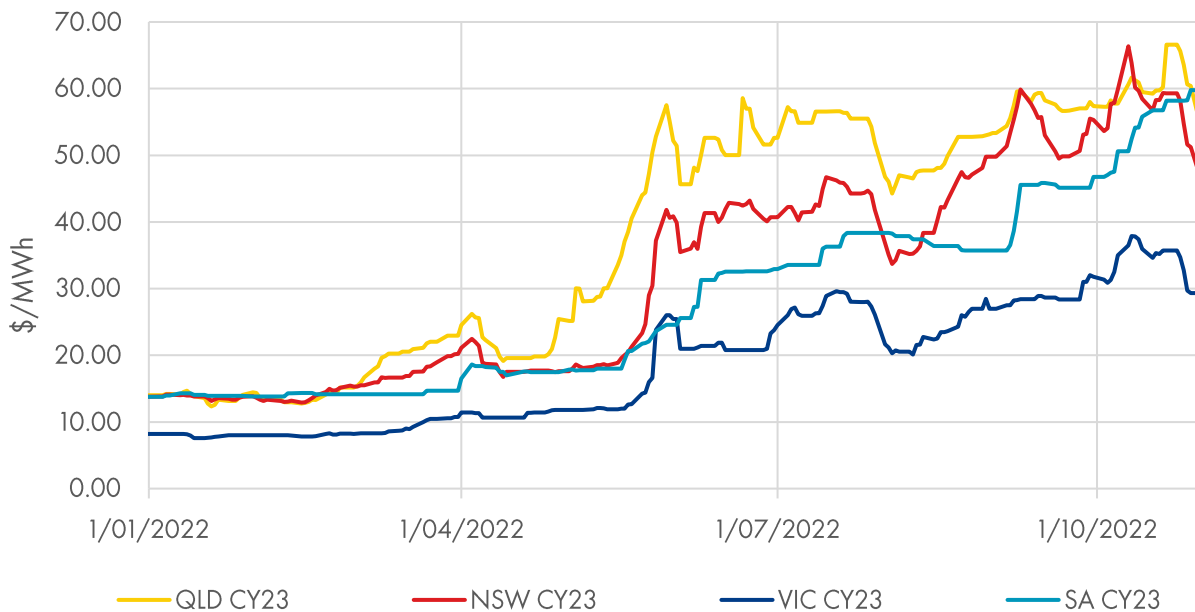


Source: ASX data

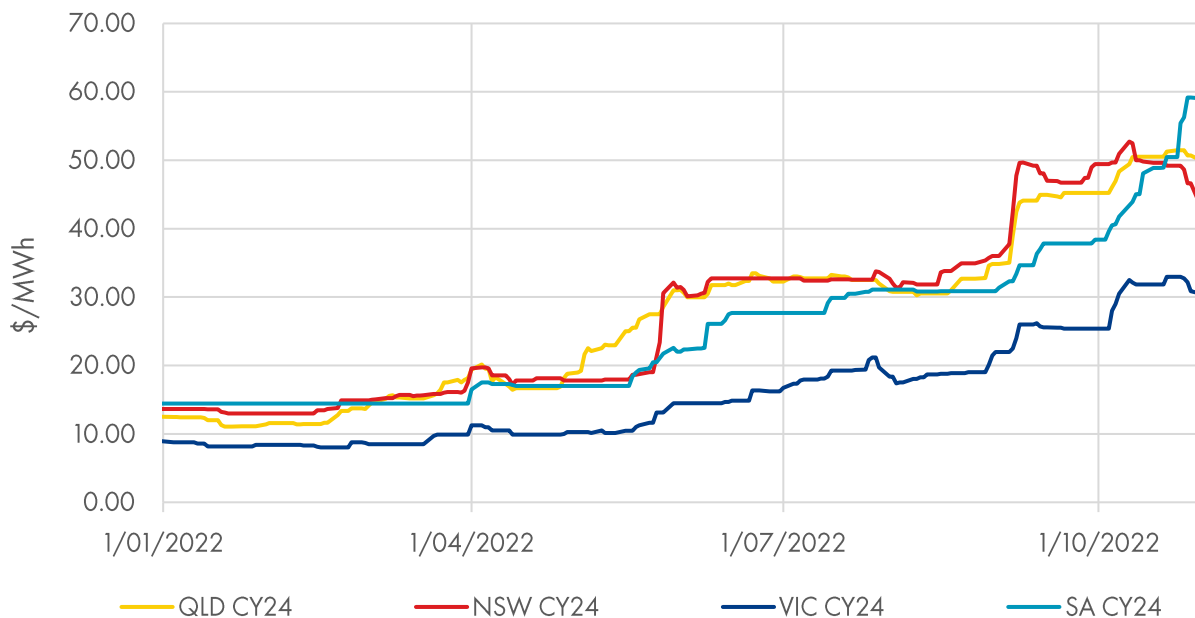
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# Cap Contract Market

## Calendar Year 2023 (CY23)



## Calendar Year 2024 (CY24)



Source: ASX data

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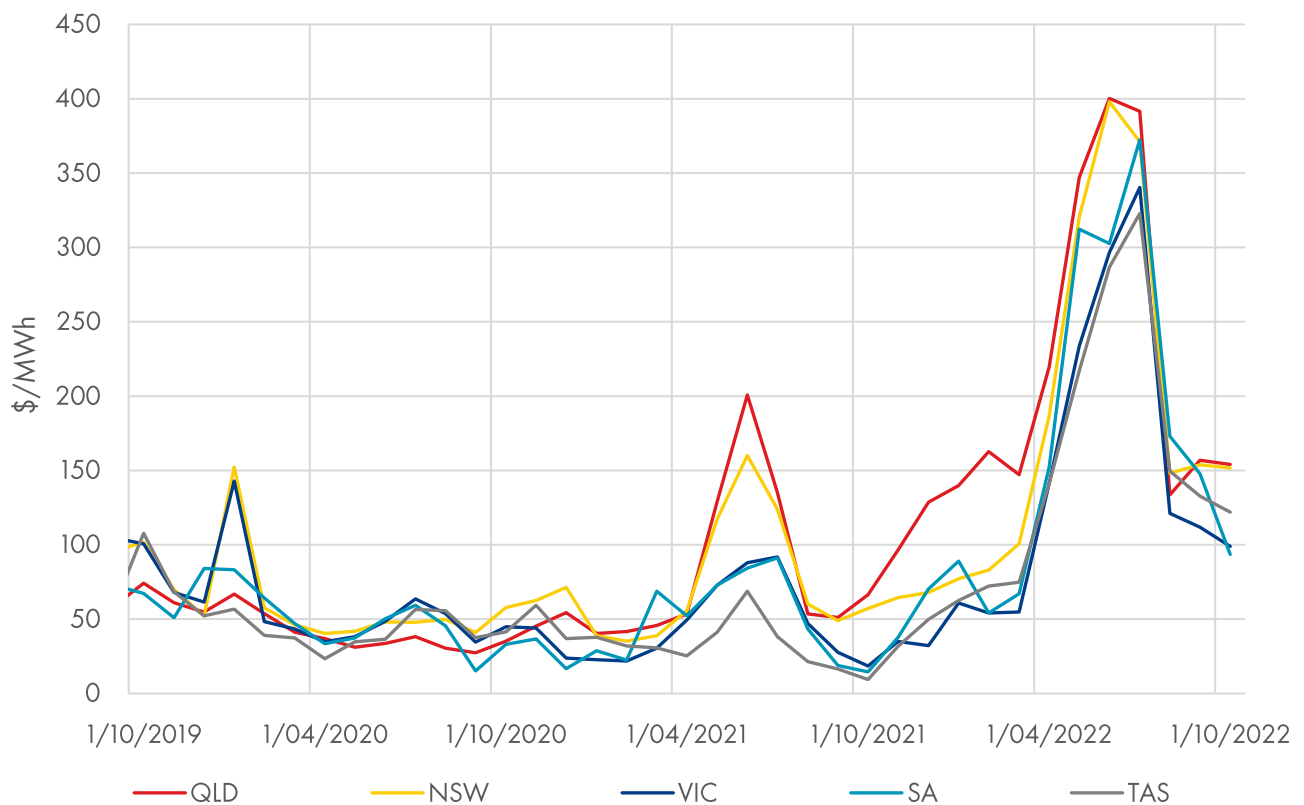
# Spot Prices: National Electricity Market

Average spot outcomes in October softened across all states due to mild demand, softening fuel commodity prices and units returning to service following outages. Volatility was relatively subdued in all states except Tasmania, which saw some price spikes due to transmission line faults.

## October 2022

State	Average Spot Price	Max 5 Min Spot Price	5 Min Intervals at \$1,000 or above	5 Min Intervals at \$0 or below
QLD	154.05	15,500.00	4	468
NSW	151.65	13,811.77	5	424
VIC	98.90	584.31	0	1,622
SA	93.49	12,922.49	5	2,214
TAS	122.00	15,500.00	16	582

Source: NEM Spot Market - AEMO



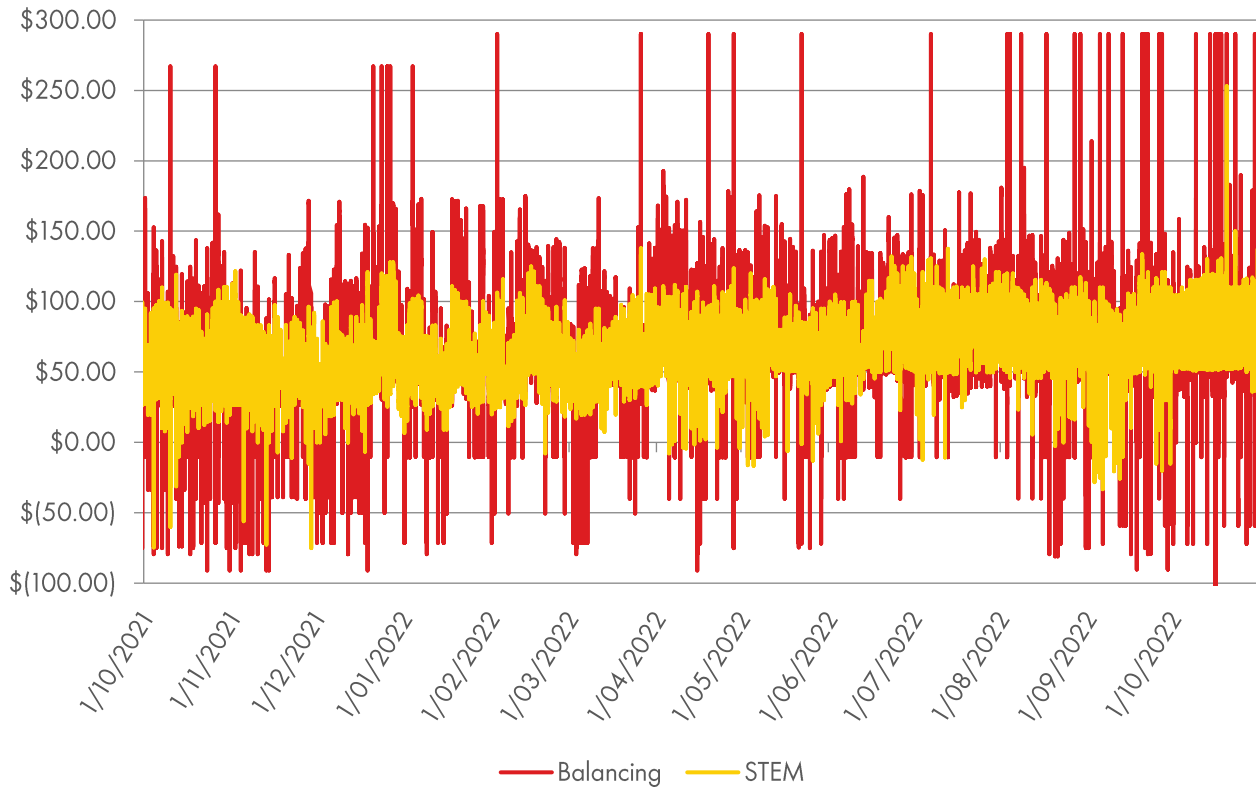


# Western Australia Energy Market

The STEM average flat price rose by \$26.54 (43%) to \$88.31, and the average peak price rose by \$24.16 (41%) to \$83.35. The Balancing market saw the average flat price increase by \$2.82 (4%) to \$75.74, and the average peak price decrease by \$5.12 (-7%) to \$66.95.

The STEM experienced 601 intervals above \$100 (compared to 116 last month), and 0 intervals below \$0 (versus 100 last month). In the Balancing Market, there were 377 intervals above \$100 (versus 322 in the previous month) and 36 intervals below \$0 (versus 47 intervals).

## WEM STEM and Balancing Prices



Source: Western Australia Energy Market - AEMO

## Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$65.50, \$1.25 higher than last month's close of \$64.25. The LGC compliance year (CY) vintages largely closed higher against their September closes. CY22 closed \$1.50 higher at \$66.25, CY23 closed \$1.50 higher at \$60.50, CY24 closed \$1.25 higher at \$50.75, CY25 closed \$0.50 higher at \$44.00, CY26 closed \$1.50 higher at \$40.25, CY27 closed flat at \$33.00, and CY28 closed flat at \$27.00.

Victorian Energy Efficiency Certificate (VEEC) spot contracts closed at \$72.25, \$3.75 higher than last month's close of \$68.50. VEEC forward contracts closed between \$72.25 and \$72.50.

Energy Savings Certificates (ESC) spot contracts closed at \$35.00, \$1.00 lower than last month's close of \$36.00. Forward ESC contracts continued to trade at a slight premium to spot, closing between \$35.25 and \$35.50.

Small-scale Technology Certificate (STC) spot contracts remained flat near the STC clearing house price of \$40.00, closing at \$39.90 (the same level as last month's close). The quarterly vintages for 2022 remained flat or traded slightly lower compared to last month's close, closing between \$39.50 and \$39.95 – with nearer term vintages trading higher than further out vintages. The STCs remain close to the clearing house price as the clearing house deficit (which indicates that demand through the registry outstrips supply) continues to remain very high at 6.7 million. This is actually a big increase from last month's deficit of approximately 2.7 million certificates.



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