



# **MARKET SUMMARY REPORT**

Electricity and Gas - June 2023

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, the East Coast Wholesale Gas Market and environmental scheme certificates. Wholesale gas price trends reference the ICAP Gas Forward Price Curve Data, published under permission by ICAP Energy.

Please note that all electricity prices are presented as a \$ per megawatt-hour (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](#).

Western Australia Energy Market - AEMO publishes a detailed market report which can be found [here](#).

NEM Spot Market - AEMO publish a range of detailed information which can be found [here](#).

Environmental Certificates - information about environmental certificates can be found [here](#).

Large-scale Generation Certificates (LGCs) - information about LGCs can be found [here](#). You can also refer to our [Energy Education video on LGCs](#).

Small-scale Technology Certificates (STCs) - information about the STC program can be found [here](#). You can also refer to our [Energy Education video on STCs](#).

Victorian Energy Efficiency Certificates (VEECs) - information about the VEEC program can be found [here](#). You can also refer to our [Energy Education video on VEECs](#).

Energy Saving Certificates (ESCs) - information about the ESC program can be found [here](#). You can also refer to our [Energy Education video on ESCs](#).

# Contract Market

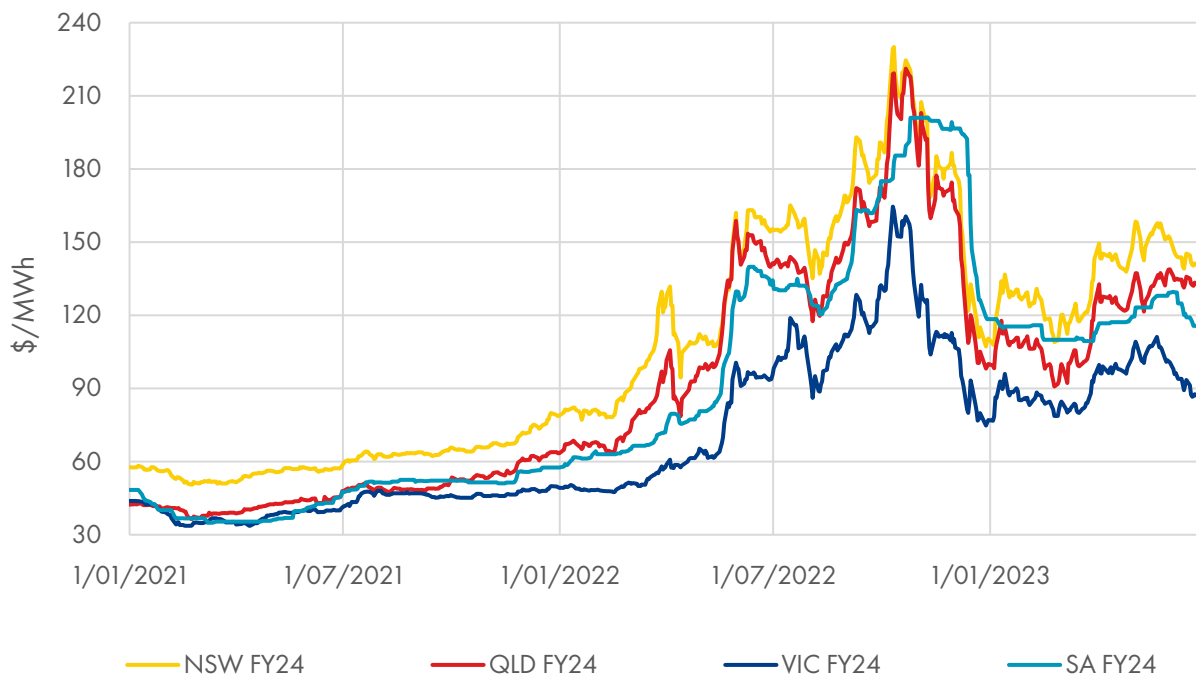
## Financial Year 2024 (FY24)

Financial Year 2024 (FY24) swap contracts closed slightly lower in June after it became clear that spot prices were much lower than expected. For most of the month, on days where tight supply-demand circumstances arose, prices did not spike to high levels. Further, the abundance of wind generation in southern states, domestic gas and a warmer than expected winter weather led market participants to re-evaluate their price expectations for the remainder of winter 2023. However, as it became clearer that El Nino would return this year, the price decreases in winter 2023 were somewhat balanced out by price increases for the summer 2023/24 quarters. As such, FY24 contracts for the mainland states saw a recovery in price from the lows.

### June 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	137.80	131.36	138.84	135.45
NSW	152.11	139.12	152.42	141.09
VIC	101.57	86.60	101.08	88.75
SA	128.03	115.61	129.66	115.61
TAS	112.56	90.64	107.81	90.64

### FY24 Flat



Source: ASX data

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# Contract Market

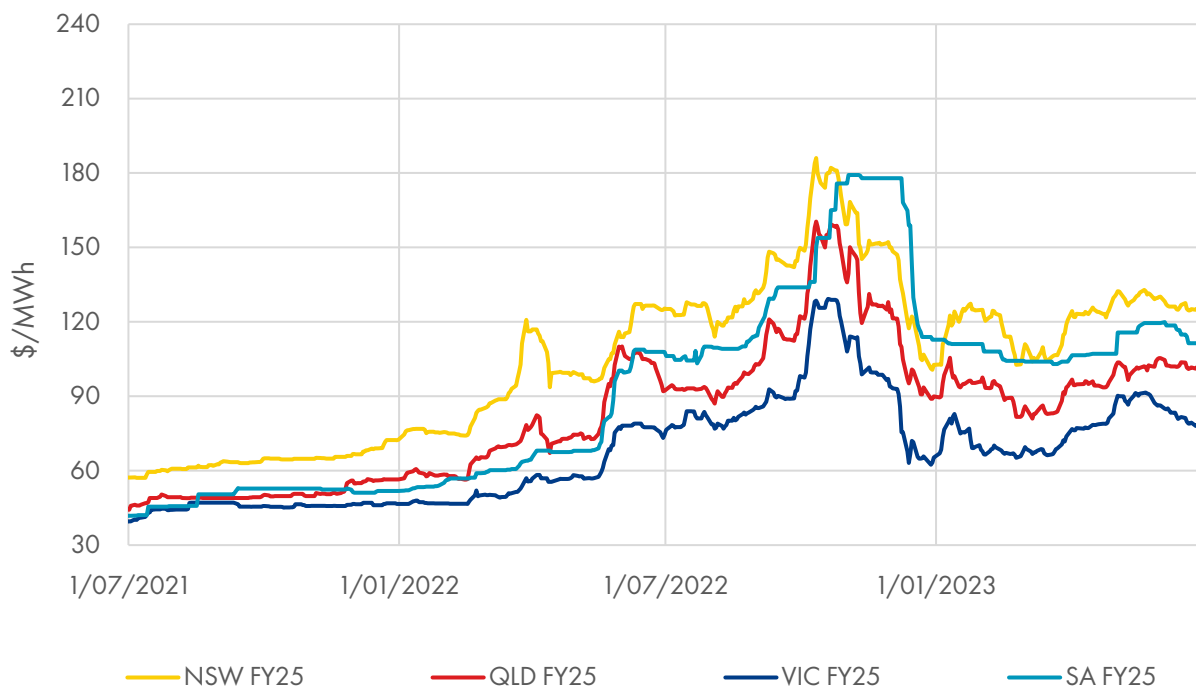
## Financial Year 2025 (FY25)

Financial Year 2025 (FY25) swap contracts followed the trading patterns of the FY24 contracts but with a much lower magnitude of price changes.

### June 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	104.97	100.99	105.40	104.42
NSW	129.65	124.59	130.17	126.34
VIC	86.19	78.00	86.32	78.64
SA	119.53	111.35	119.91	111.35
TAS	95.94	90.64	107.81	81.50

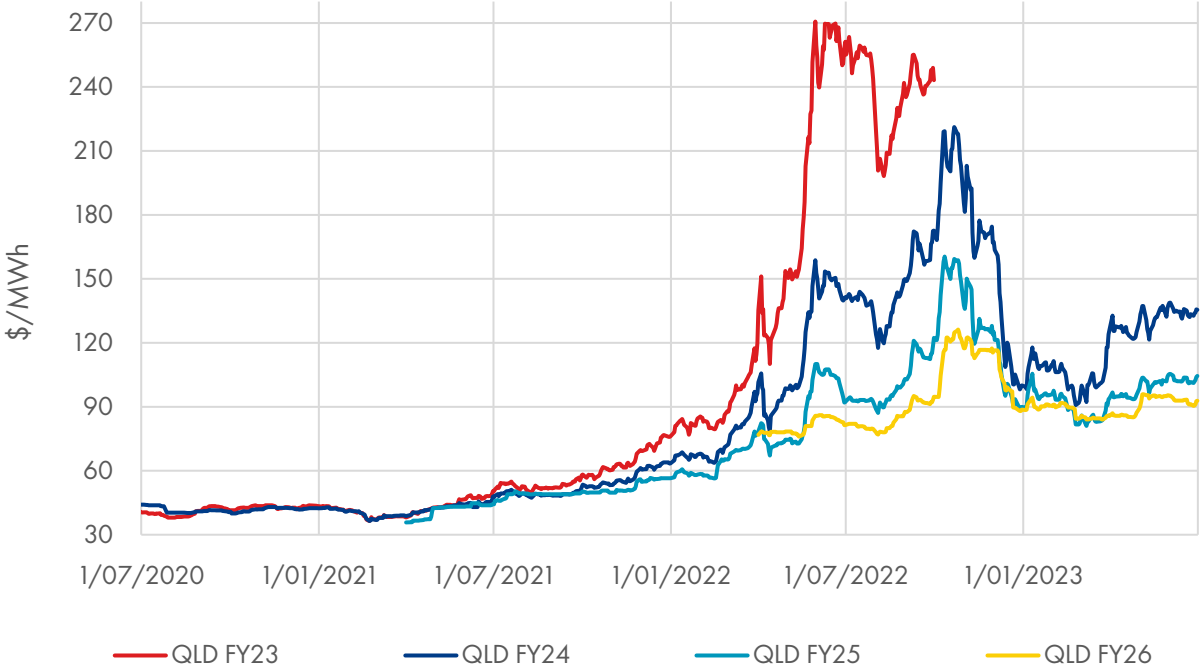
### FY25 Flat



Source: ASX data

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## Contract Market - QLD Financial Years Flat



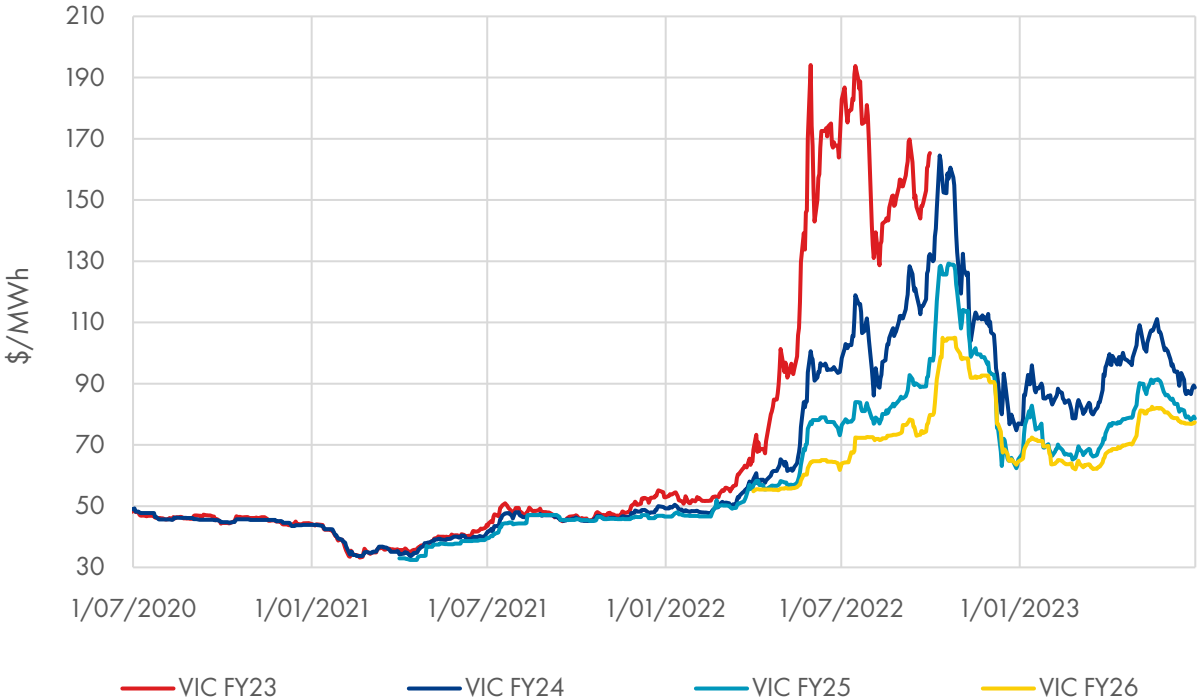
## Contract Market - NSW Financial Years Flat



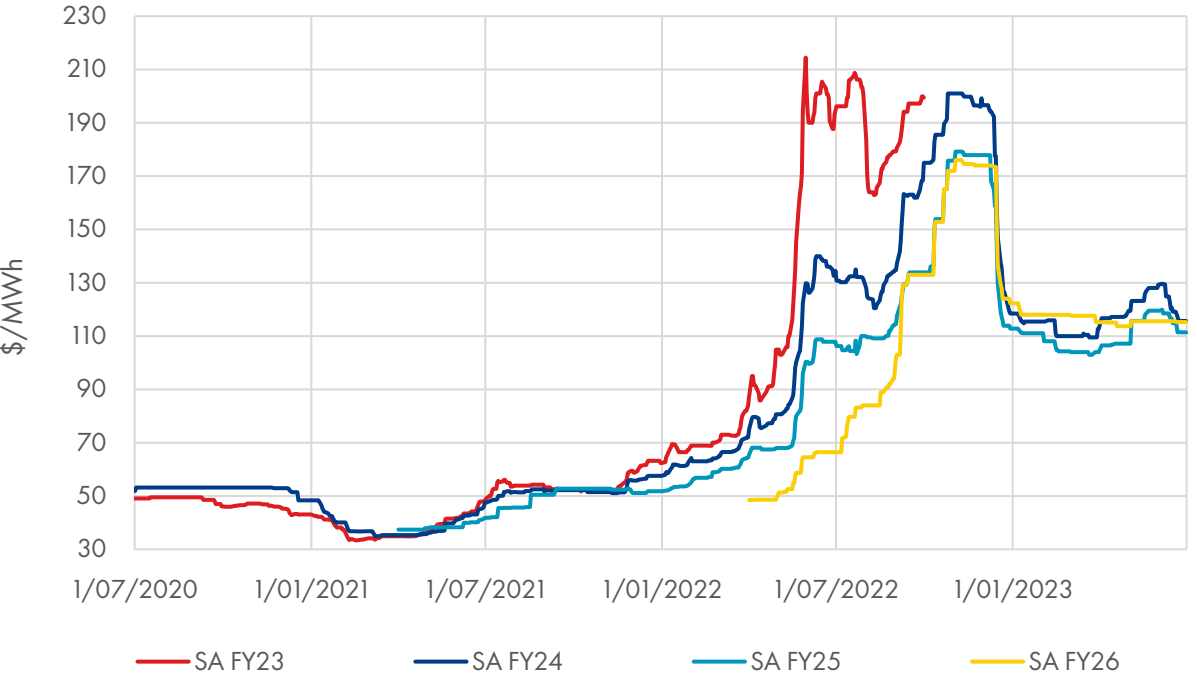
Source: ASX data

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## Contract Market - VIC Financial Years Flat



## Contract Market - SA Financial Years Flat



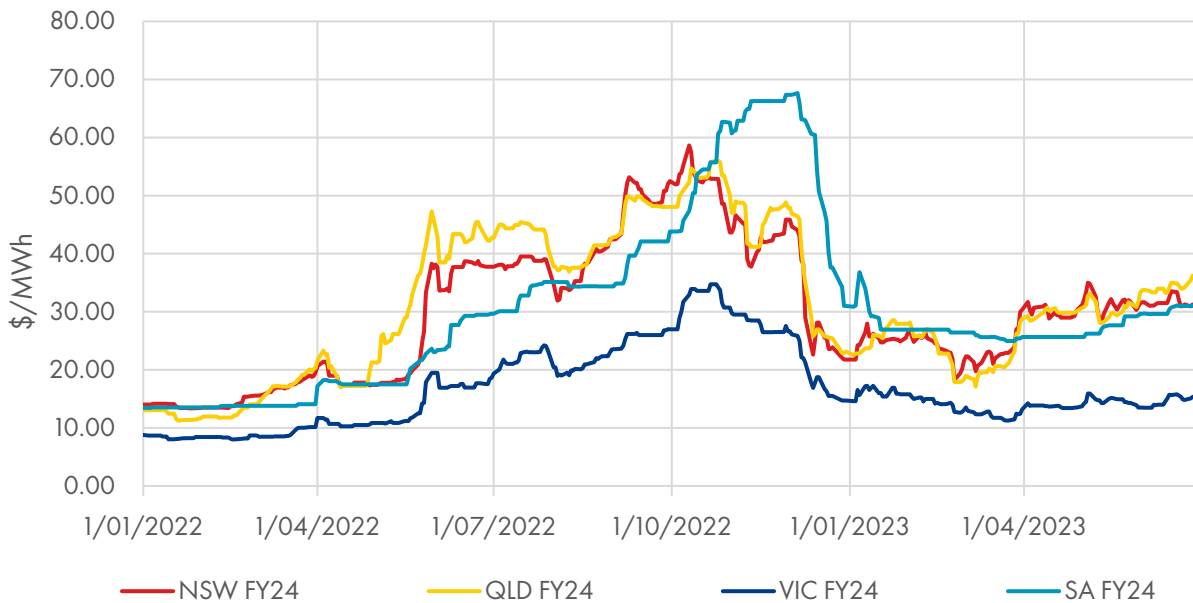
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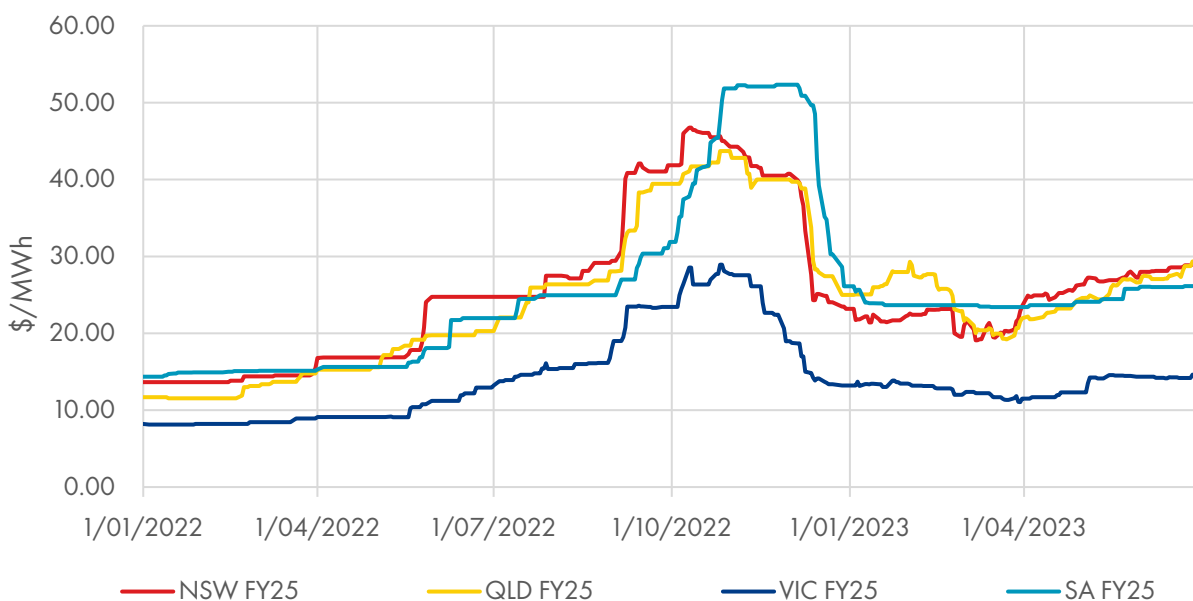
# Cap Contract Market

Swap contracts declined in June as the expected cold winter and associated high demand, in combination with a constrained gas supply market, did not eventuate, however demand for cap contracts remained strong. While market participants broadly expected lower average energy prices going forward, high price volatility was expected to remain. The increasing incidents of unreliable operation from the aging coal fleet, the approaching planned retirements of these baseload generators, and the expected growth in wind and solar penetration, are all contributing factors to more volatile spot prices.

## Financial Year 2024 (FY24)



## Financial Year 2025 (FY25)



Source: ASX data

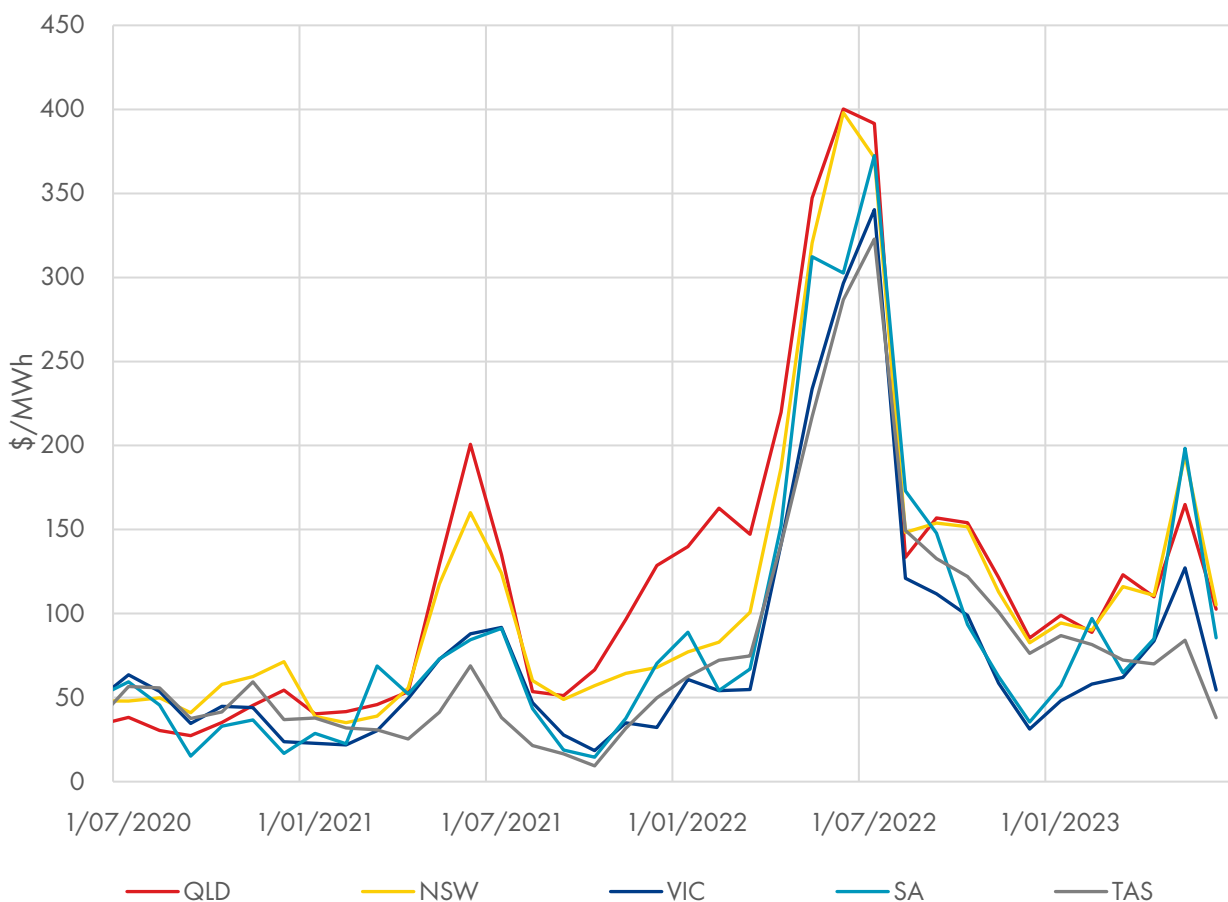
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# Spot Prices: National Electricity Market

Spot price outcomes were high at the start of June. This was due to a significant transmission line constraint in southern NSW, which prevented high levels of wind in southern NSW and VIC from flowing up to the load centres in NSW. These constraints coincided with high demand due to cold weather. This led to some high price spikes in NSW and QLD, as NSW could only draw from QLD power instead of both VIC and QLD. As the month went on, the constraint was lifted, abundant wind was allowed to flow freely through the network and warmer than seasonal average weather eventuated. This meant that the strong supply and weaker demand ultimately led to low spot outcomes.

## June 2023

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	102.62	15,500.00	17	602
NSW	105.20	14,800.00	13	160
VIC	54.53	1,176.46	1	1,610
SA	85.59	12,922.49	8	1,893
TAS	38.04	2,200.00	2	1,068



Source: NEM Spot Market - AEMO



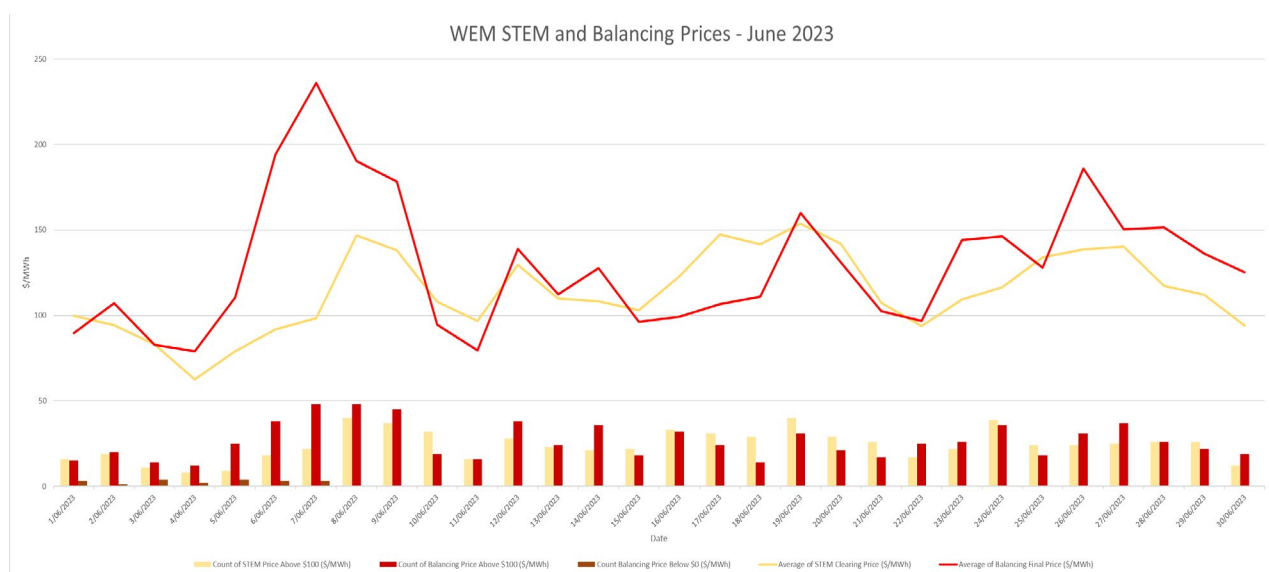
# Western Australia Energy Market (WEM)

## WEM Short-Term Energy Market (STEM) and Balancing Prices

The STEM average flat price rose by \$32.39 (39.71%) to \$113.97, and the average peak price rose by \$32.81 (40.9%) to \$113.03. The balancing market saw the average flat price increase by \$38.17 (41.71%) to \$129.68, and the average peak price increase by \$35.16 (39.09%) to \$125.10.

The STEM experienced 730 intervals above \$100 (compared to 323 last month), and no intervals below \$0 (versus 15 last month). In the balancing market, there were 796 intervals above \$100 (versus 396 in May) and 20 intervals below zero (versus 20 intervals in May).

The higher WEM prices were driven by constraints on supply from low wind and coal outages. The shortfall of energy from these sources had to be replaced by much more expensive diesel generation. Running diesel generators triggered the alternative maximum price in the balancing market, and gas consumption hit a 12-month high (1252 TJ on June 8th).



Source: Western Australia Energy Market – AEMO

## Emission Schemes

Large-scale Generation certificate (LGC) spot contracts closed at \$55.00, \$3.25 lower than May's close of \$58.25. The LGC compliance year (CY) vintages largely settled under their May close prices:

- CY23 closed \$2.40 lower at \$57.00
- CY24 closed \$0.85 higher at \$51.50
- CY25 closed \$1.50 higher at \$42.00
- CY26 closed \$0.75 higher at \$31.75
- CY27 closed flat at \$24.00
- CY28 closed flat at \$20.50
- CY29 closed flat at \$15.50.

A lookback of the drivers in the LGC market were covered in the most recent [Wholesale Energy Market Update: June 2023](#).

Victorian Energy Efficiency Certificate (VEEC) spot contracts closed at \$82.00, \$8.00 higher than May's close of \$74.00. Forward VEEC contracts closed between \$84.00 and \$84.50. The increases seen in the VEEC market rallied due to firstly, several hot water activity-based creators being audited by the regulator due to complaints of sub-par installation quality. This led to the regulator **tightening compliance** around these creation activities, with market participants expecting supply of certificates to be even more constrained going forward. Secondly, market participants expected the refrigerated cabinet-based creation activity to be reintroduced at the **closure of the regulator's investigation** into the issues with the scheme in prior years. However, the creation activity was reintroduced in a more constrained capacity than expected, which, once again resulted in participants revising their price expectations up.

Energy Savings Certificates (ESC) spot contracts closed at \$31.75, \$3.75 higher than last month's close of \$28.00. Forward ESC contracts closed between \$31.75 and \$34.50.

Small-scale Technology Certificates (STC) spot contracts closed at \$39.90, flat on the prior month close. STCs continue to trade at or near the clearing house price of \$40 as the REC Registry remains in substantial deficit due to insufficient creation and subsequently low market liquidity.

# Gas Forward Market

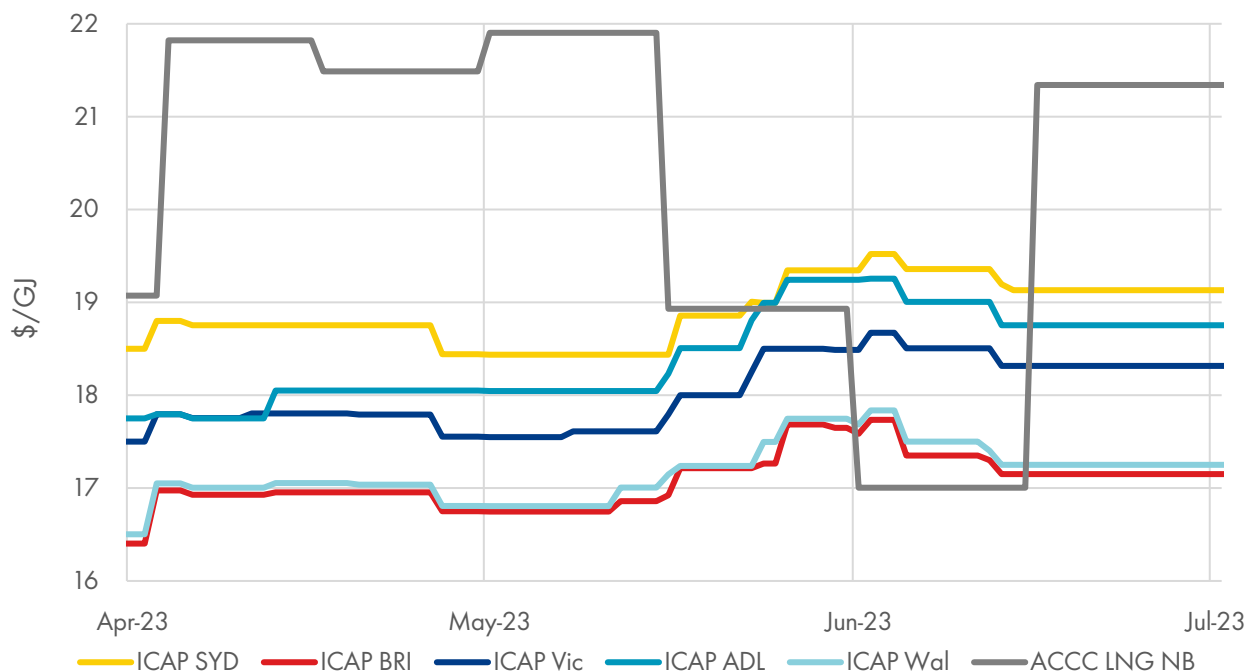
## Calendar Year 2024 (CY24)

All domestic forward contracts for calendar year 2024 decreased during June. Conversely, the ACCC LNG netback forward price rallied by more than 25%, returning to a premium to domestic prices after starting the month at a discount.

### June 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$17.15	\$17.74	\$17.59	\$17.15	-\$0.44	-2.5%
ICAP Sydney	\$19.13	\$19.52	\$19.34	\$19.13	-\$0.21	-1.1%
ICAP Adelaide	\$18.75	\$19.26	\$19.24	\$18.75	-\$0.49	-2.5%
ICAP Victoria	\$18.32	\$18.67	\$18.49	\$18.32	-\$0.17	-0.9%
ICAP Wallumbilla	\$17.25	\$17.84	\$17.59	\$17.25	-\$0.34	-1.9%
ACCC LNG NB	\$17.00	\$21.34	\$17.00	\$21.34	\$4.34	25.5%

### CY24 Flat Calendar Year | 1-Apr to date



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Source: ICAP Energy Gas Forward Price Curve Data, ACCC historical and forward short-term LNG netback price (<https://www.accc.gov.au/regulated-infrastructure/energy/gas-inquiry-2017-25/lng-netback-price-series>)

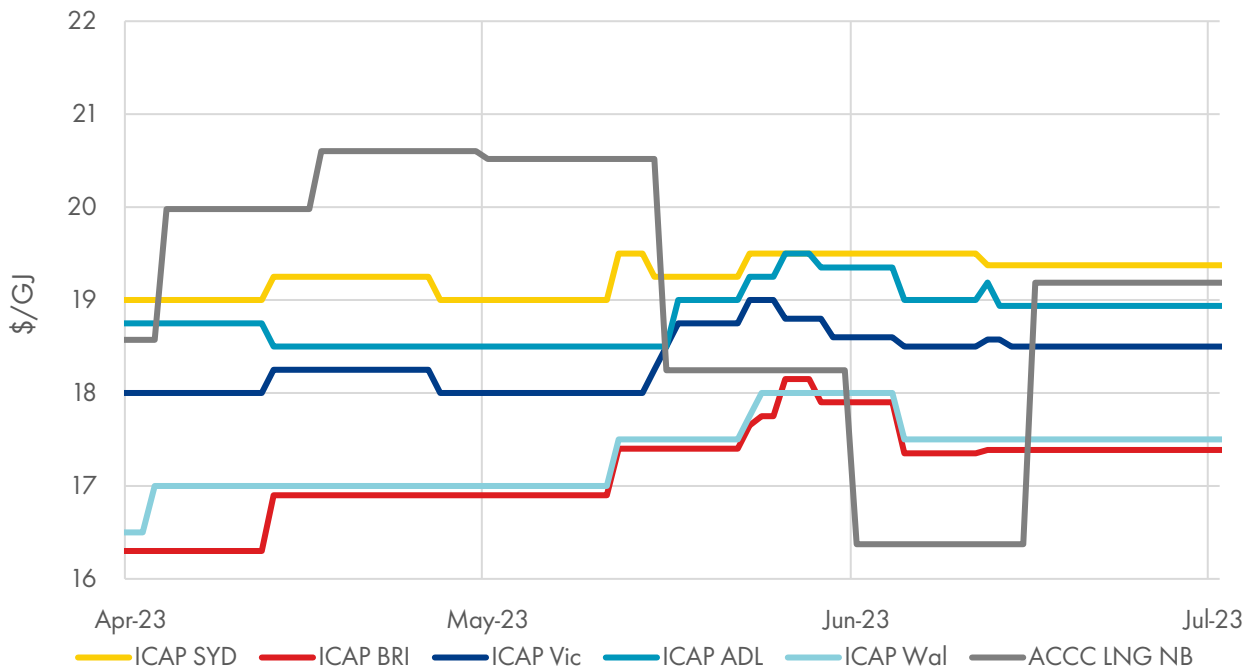
## Calendar Year 2025 (CY25)

Domestic forward contracts for calendar year 2025 decreased during the month. Conversely, the ACCC LNG netback forward price rallied by 17.2%, following the increase seen in the CY24 contract. The CY25 forward market continues to be affected by reduced liquidity. Domestic gas for CY25 is currently trading at a slight premium to CY24 for most markets. For the CY25 contract, the ACCC LNG netback forward price is currently below the ICAP Sydney forward price, but above the ICAP Victoria forward price.

### June 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$17.35	\$17.90	\$17.90	\$17.39	-\$0.51	-2.9%
ICAP Sydney	\$19.38	\$19.50	\$19.50	\$19.38	-\$0.13	-0.6%
ICAP Adelaide	\$18.94	\$19.35	\$19.35	\$18.94	-\$0.41	-2.1%
ICAP Victoria	\$18.50	\$18.60	\$18.60	\$18.50	-\$0.10	-0.5%
ICAP Wallumbilla	\$17.50	\$18.00	\$18.00	\$17.50	-\$0.50	-2.8%
ACCC LNG NB	\$16.37	\$19.19	\$16.37	\$19.19	\$2.81	17.2%

### CY25 Flat Calendar Year | 1-Apr to date



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Source: ICAP Energy Gas Forward Price Curve Data, ACCC historical and forward short-term LNG netback price (<https://www.accc.gov.au/regulated-infrastructure/energy/gas-inquiry-2017-25/lng-netback-price-series>)

## Spot Prices: East Coast Gas Market

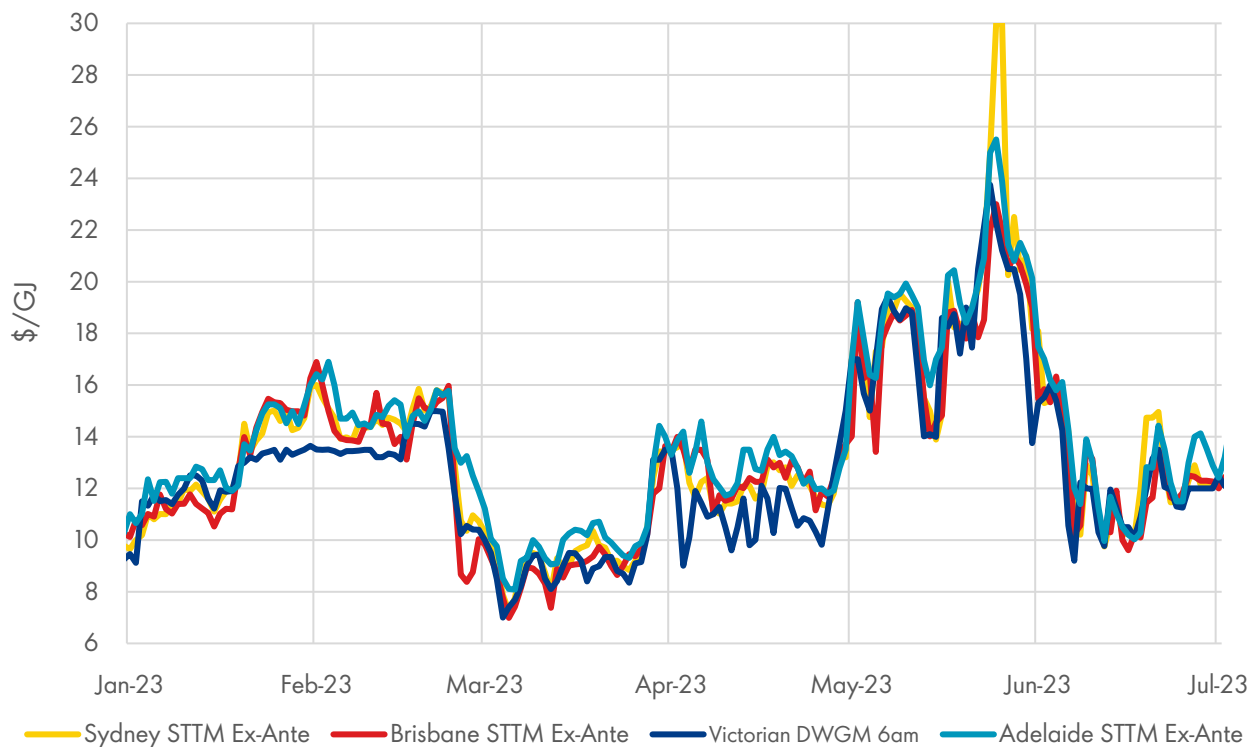
Spot price volatility eased in June, with high coal and wind generation, mild temperatures driving lower demand, high southern pipeline flows and ample inventory in the Iona underground gas storage facility all putting downward pressure on spot prices. A planned LNG outage in the first couple of weeks of June coincided with prices falling below \$12/GJ, before they retraced to a \$12/GJ to \$14/GJ range at the end of the month.

### June 2023, \$/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM <sup>1</sup>	\$12.29	\$9.61	\$16.33
Sydney STTM	\$12.63	\$9.75	\$18.09
Adelaide STTM	\$12.95	\$9.96	\$17.48
Victorian DWGM <sup>2</sup> 6am	\$12.10	\$9.20	\$16.00

<sup>1</sup>STTM = Short Term Trading Market, <sup>2</sup>DWGM = Declared Wholesale Gas Market. The STTM and DWGM markets represent the daily balancing markets administered by AEMO, which primarily serve to balance wholesale supply with end consumer demand.

### Gas Spot Prices | Year to date



Source: AEMO MarketData



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