



# **MARKET SUMMARY REPORT**

Electricity and Gas - July 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 (WEM), the East Coast Wholesale Gas Market, and environmental scheme certificates. Wholesale gas price trends reference the ICAP Gas Forward Price Curve Data, published with 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 Australian Securities Exchange Ltd (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

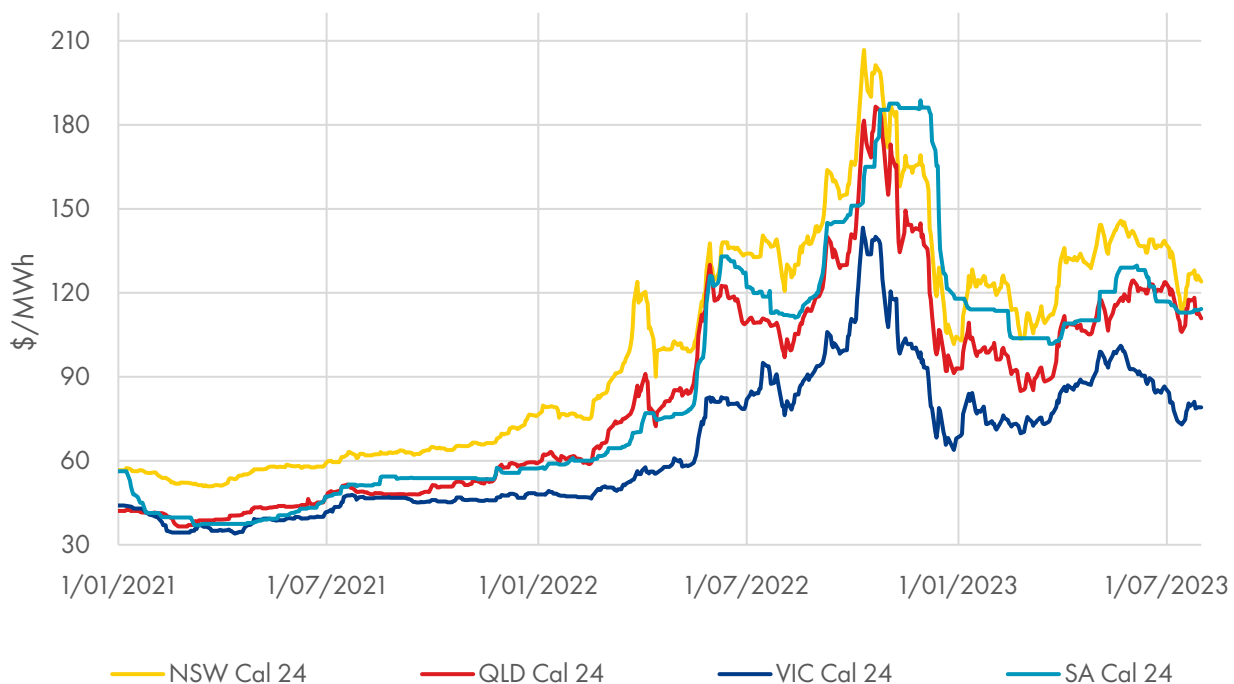
## Calendar Year 2024 (CY24)

Calendar Year 2024 (CY2024) swap contracts ultimately settled down month-on-month. However, a fair amount of volatility was seen throughout the month as market participants reacted to possible extended outages at Eraring Power Station (a major baseload coal generator in NSW). The market saw high pre-dispatch figures for day-ahead pricing and demand throughout the month. However, actual spot prices were much lower than forecasted by the market operator driven by generators responding to higher demand in real time and higher than expected wind generation. Despite many baseload generators out for planned or unplanned maintenance, market participants repriced forward price expectations downward.

### July 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	123.81	105.98	121.79	110.85
NSW	137.53	113.58	135.99	124.00
VIC	85.87	72.98	84.31	79.09
SA	116.87	112.93	116.87	114.25
TAS	87.53	78.51	89.79	79.11

### CY24 Flat



Source: ASX data

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# Contract Market

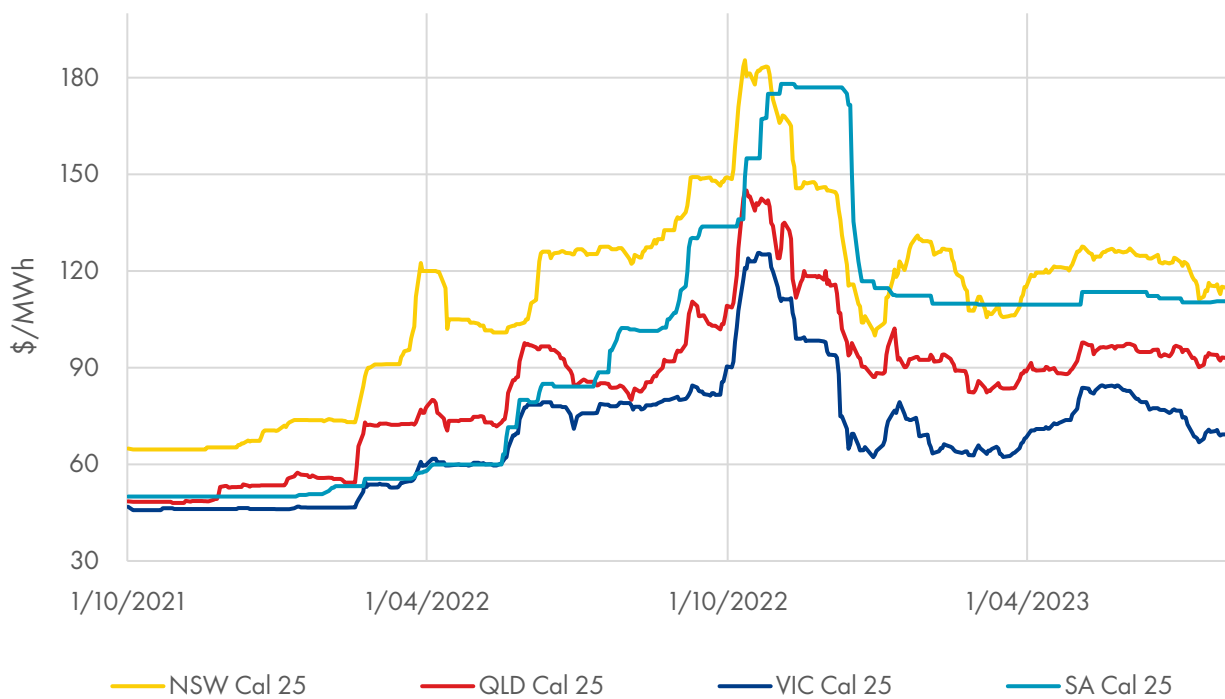
## Calendar Year 2025 (CY25)

Calendar Year 2025 (CY2025) swap contracts followed the trading patterns of the CY24 contracts but with a much lower magnitude of price changes.

### July 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	96.78	90.15	96.25	93.00
NSW	123.88	111.22	122.85	114.73
VIC	76.69	66.86	76.65	69.28
SA	111.52	110.28	111.52	110.59
TAS	79.56	72.53	82.82	72.53

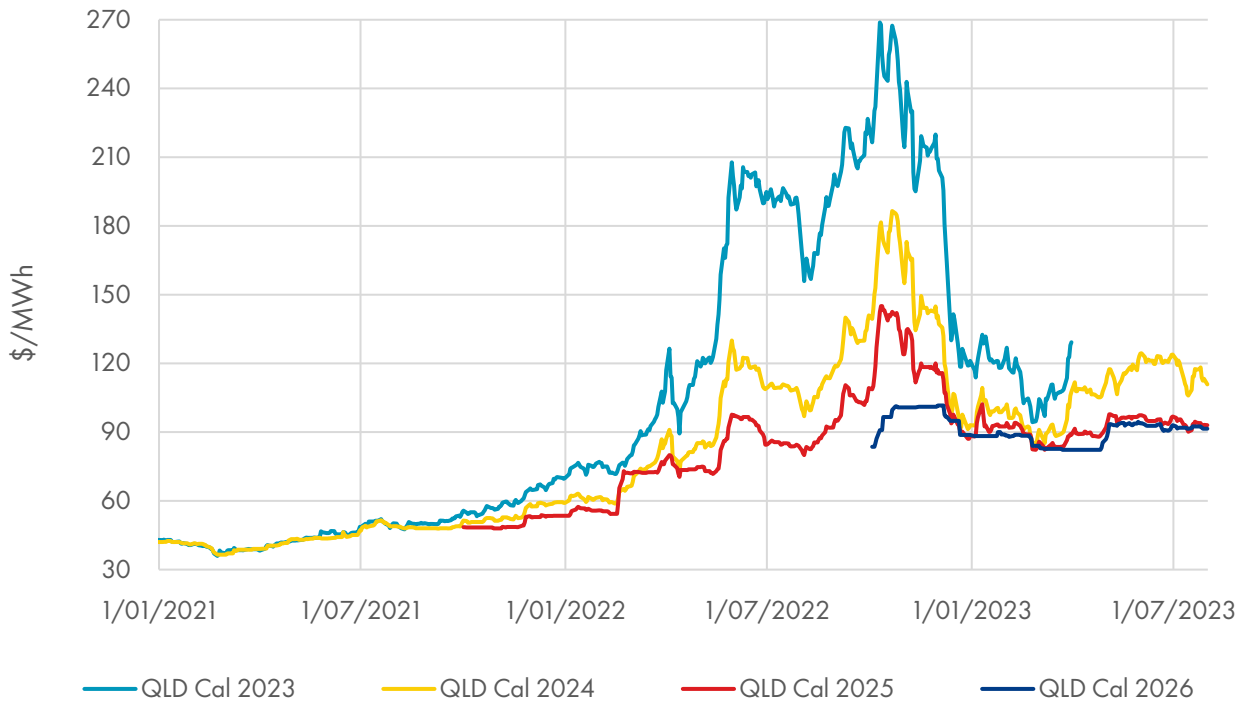
### CY25 Flat



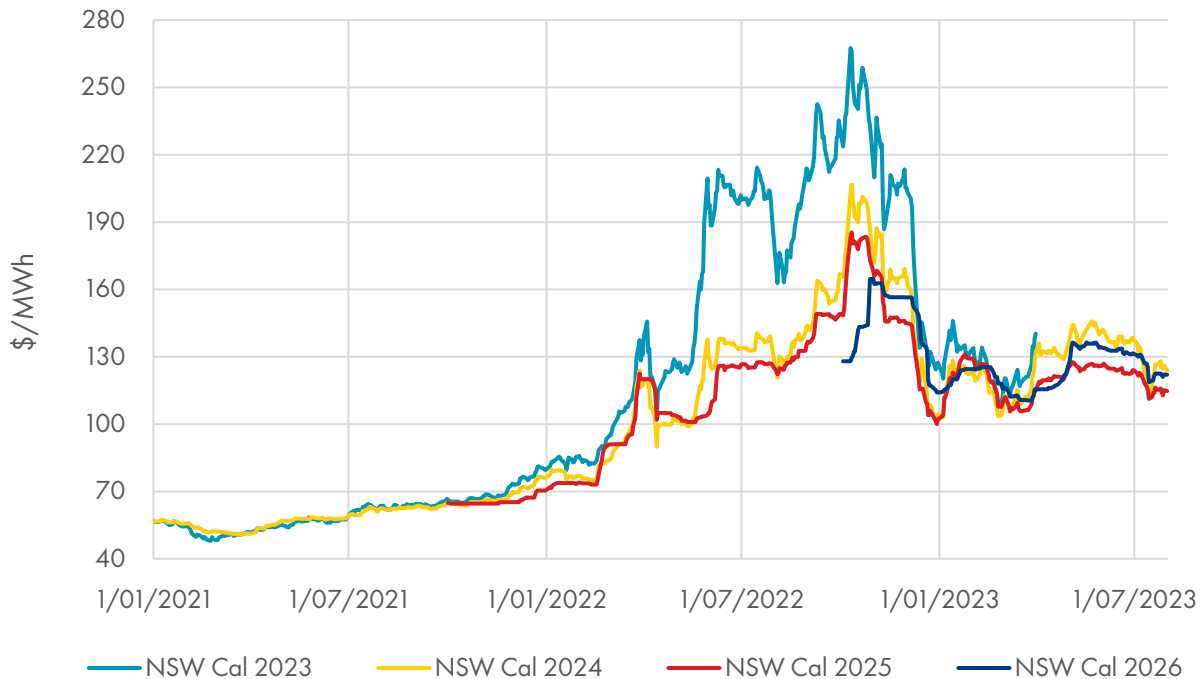
Source: ASX data

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## Contract Market - QLD Calendar Years Flat



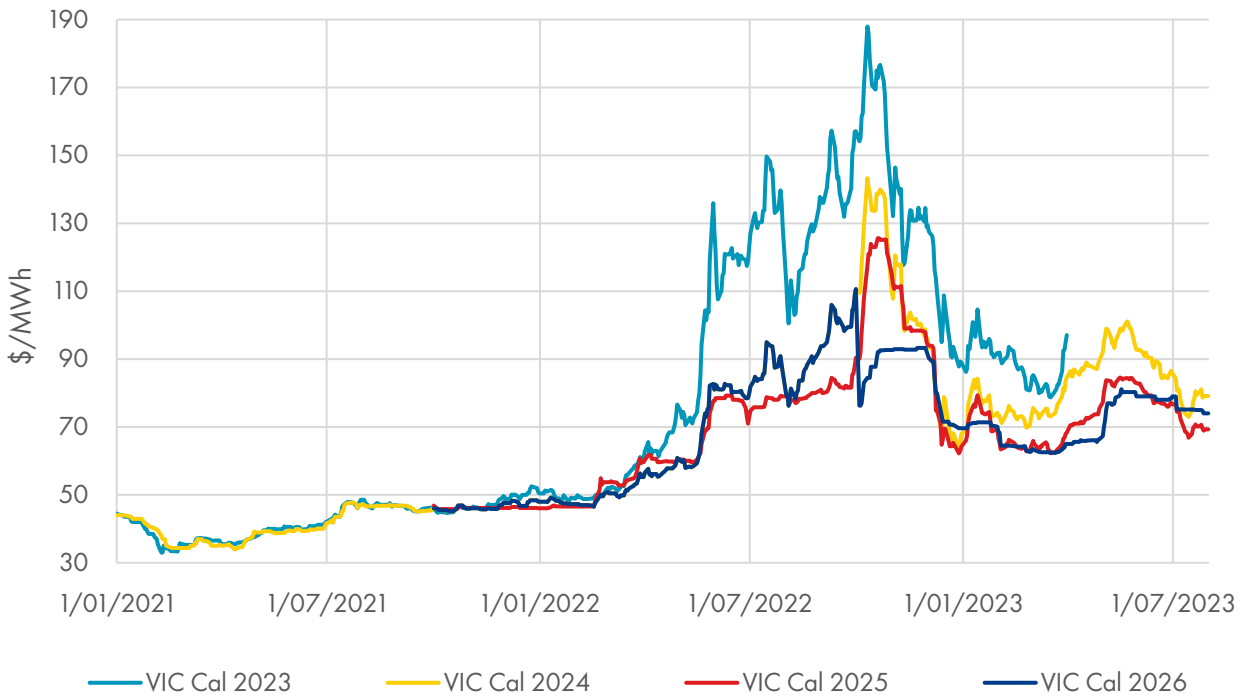
## Contract Market - NSW Calendar Years Flat



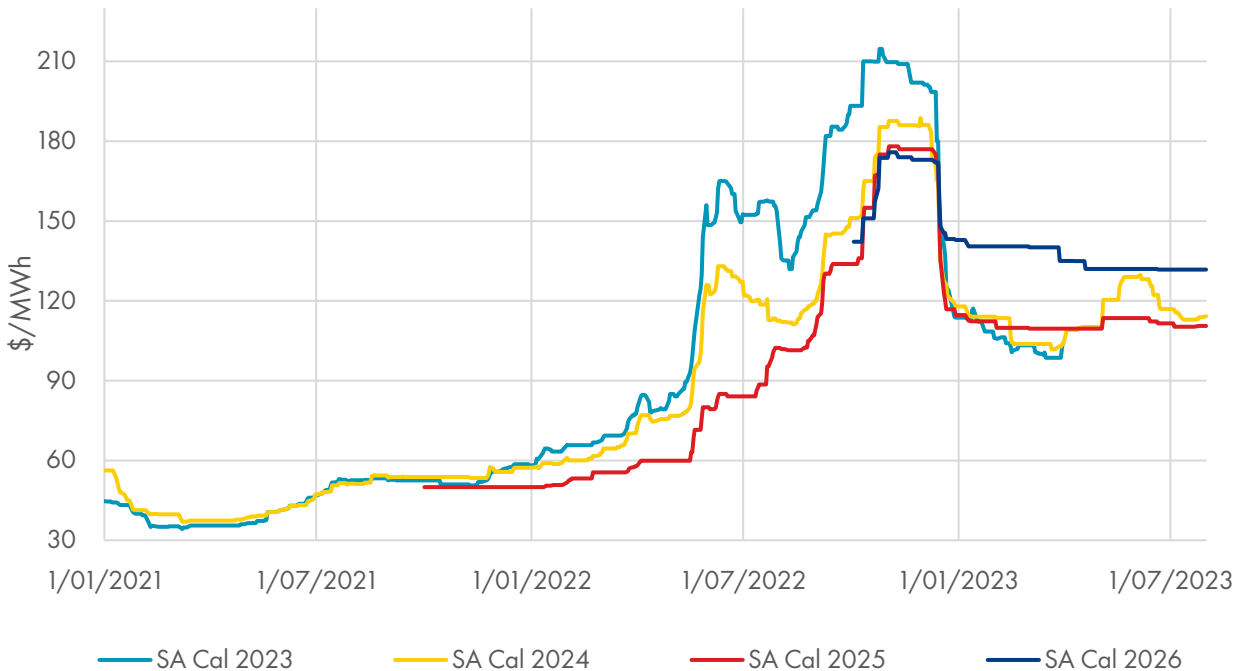
Source: ASX data

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## Contract Market - VIC Calendar Years Flat



## Contract Market - SA Calendar Years Flat



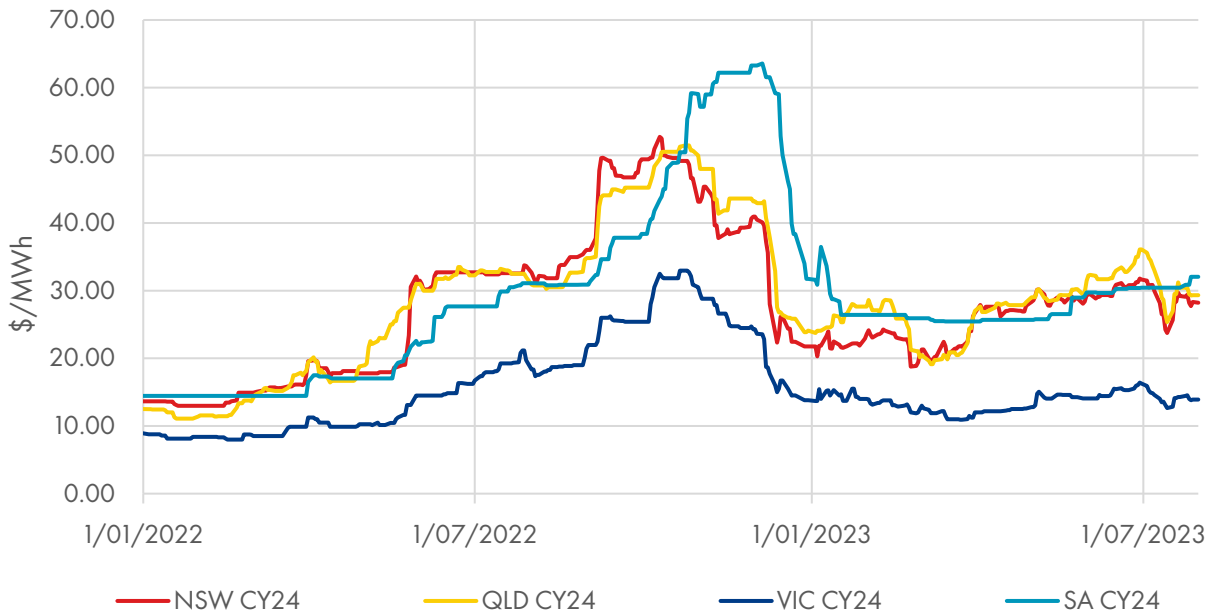
Source: ASX data

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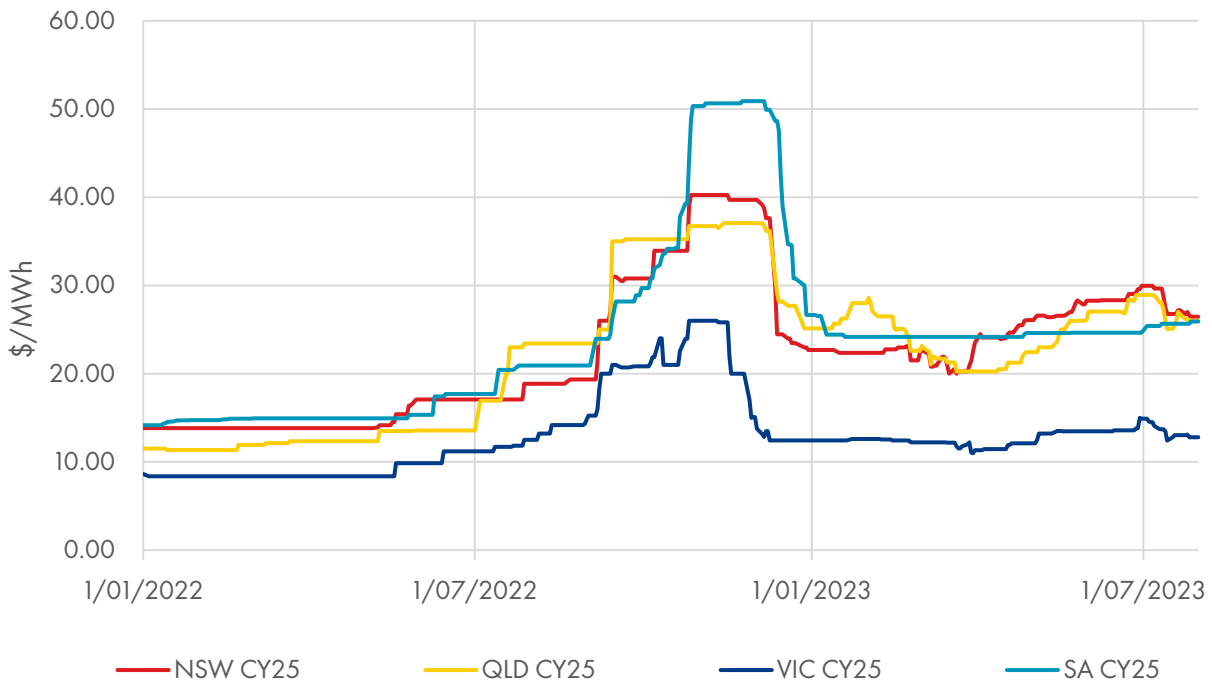
# Cap Contract Market

Cap contracts across the board closed relatively flat to the previous month after recovering from a short-lived drop in prices.

## Calendar Year 2024 (CY24)



## Calendar Year 2025 (CY25)



Source: ASX data

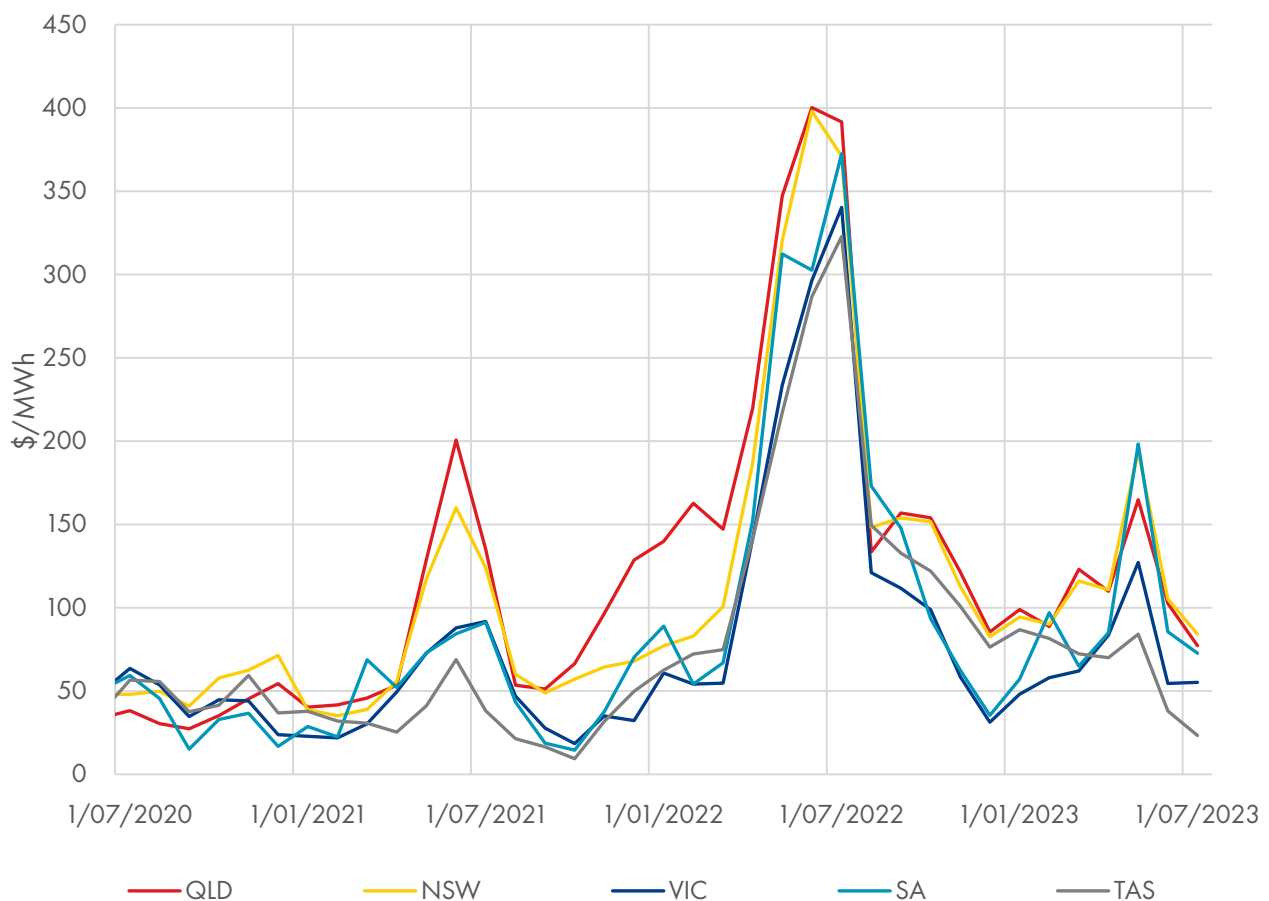
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# Spot Prices: National Electricity Market

Spot outcomes in July were relatively subdued compared to June. Winter temperatures were warmer than expected going into the quarter and compared to the previous July. While baseload generator availability was low throughout the month, winter demand was relatively subdued and wind generation was relatively strong allowing for mild spot price outcomes.

## July 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	77.27	1,167.37	1	1,185
NSW	84.15	1,188.32	1	548
VIC	55.21	1,144.60	1	1,952
SA	72.76	4,093.14	5	2,098
TAS	23.32	3,450.00	2	2,240



Source: NEM Spot Market - AEMO

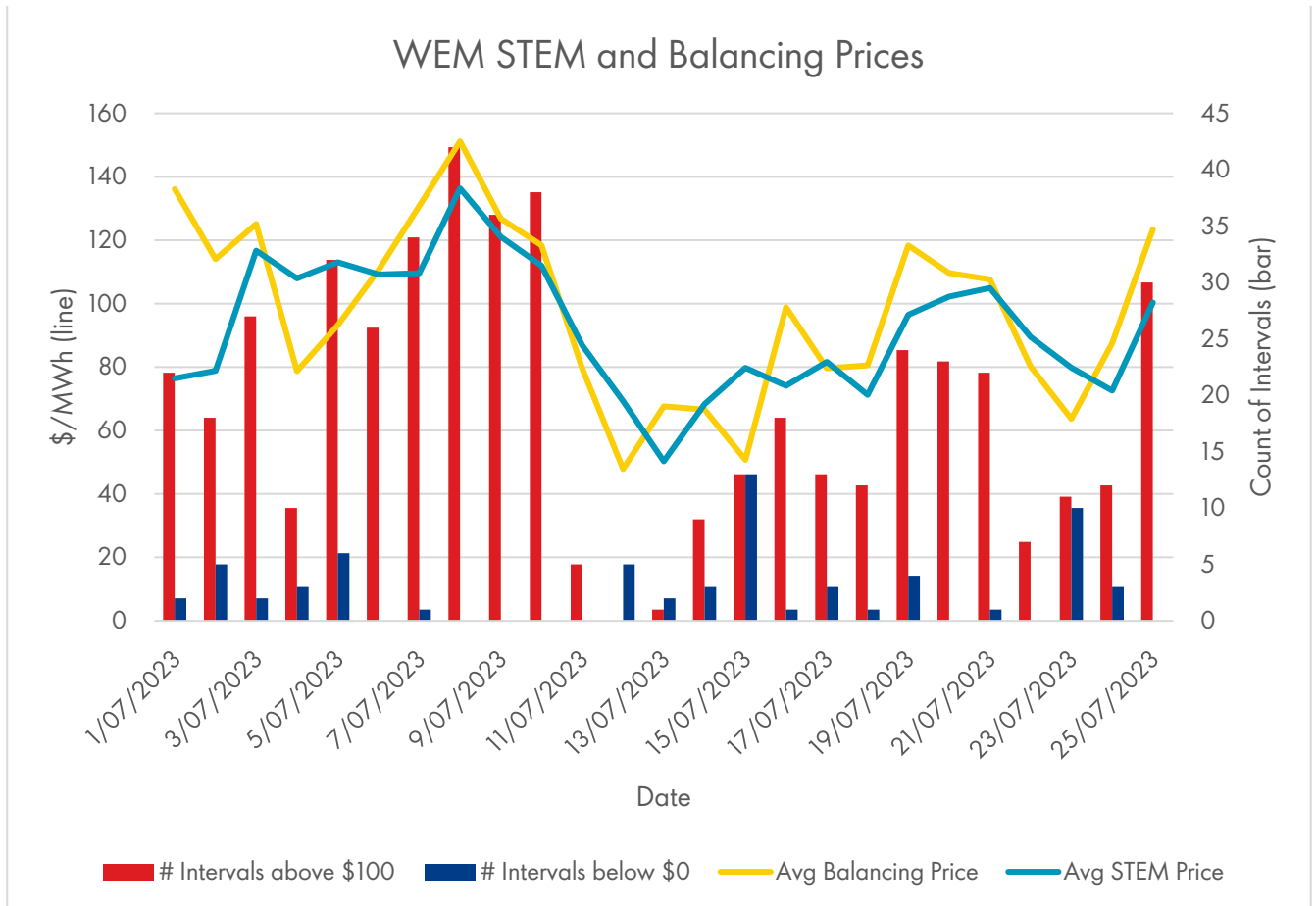


# Western Australia Energy Market

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

The STEM average flat price rose/fell by 23% to \$76.06, and the average peak price increased/dropped by 25% to \$99.78. The balancing market saw the average flat price increase/decrease by 51.90% to \$136.14, and the average peak price rose/fell by 54% to \$139.52.

The STEM experienced 12 intervals above \$100 (compared to 16 last month), and zero intervals below \$0 (versus four last month). In the balancing market, there were 22 intervals above \$100 (versus 15 in the month prior), and three intervals below \$0 (versus two intervals in the previous month).



Source: Western Australia Energy Market - AEMO

## Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$56.25, \$1.25 higher than last month's close of \$55.00. The LGC compliance year (CY) vintages settled higher against their June closes.

- CY23 closed \$1.00 higher at \$58.00,
- CY24 closed \$1.50 higher at \$53.00,
- CY25 closed \$3.50 higher at \$45.50,
- CY26 closed \$1.85 higher at \$33.60,
- CY27 closed \$1.50 higher at \$25.50,
- CY28 closed flat at \$20.50, and
- CY29 closed flat at \$15.50.

Victorian Energy Efficiency Certificate (VEEC) spot contracts closed at \$85.00. This was \$3.00 higher than last month's close of \$82.00. VEEC forward contracts closed between \$85.50 and \$87.00. Creation was strong in the first week of July with 307k certificates created. However, creation for the following weeks was between 47k and 71k per week. The average weekly creation this year remains approximately 20% below 2022's average.

Energy Savings Certificates (ESC) spot contracts closed at \$29.25, \$2.50 lower than last month's close of \$31.75. ESC forward contracts closed between \$29.35 and \$30. Spot ESCs reached a low of \$26.75 in July before rallying back up to \$29.25. This rally was driven by the NSW regulator announcing on 27/07/23 a [tightening of installation standards](#) for heat pump water heater activities.

Small-scale Technology Certificates (STC) spot contracts closed at \$39.90, remaining flat to last month's close of \$39.90. STC forward contracts closed between \$39.75 and \$39.9. There were no trades in the STCs during the month of July which is why price marks have remained unchanged. The STC clearing house remains approximately 3.6 million certificates in deficit. Certificates purchased from the clearing house cost \$40 per certificate.

# Gas Forward Market

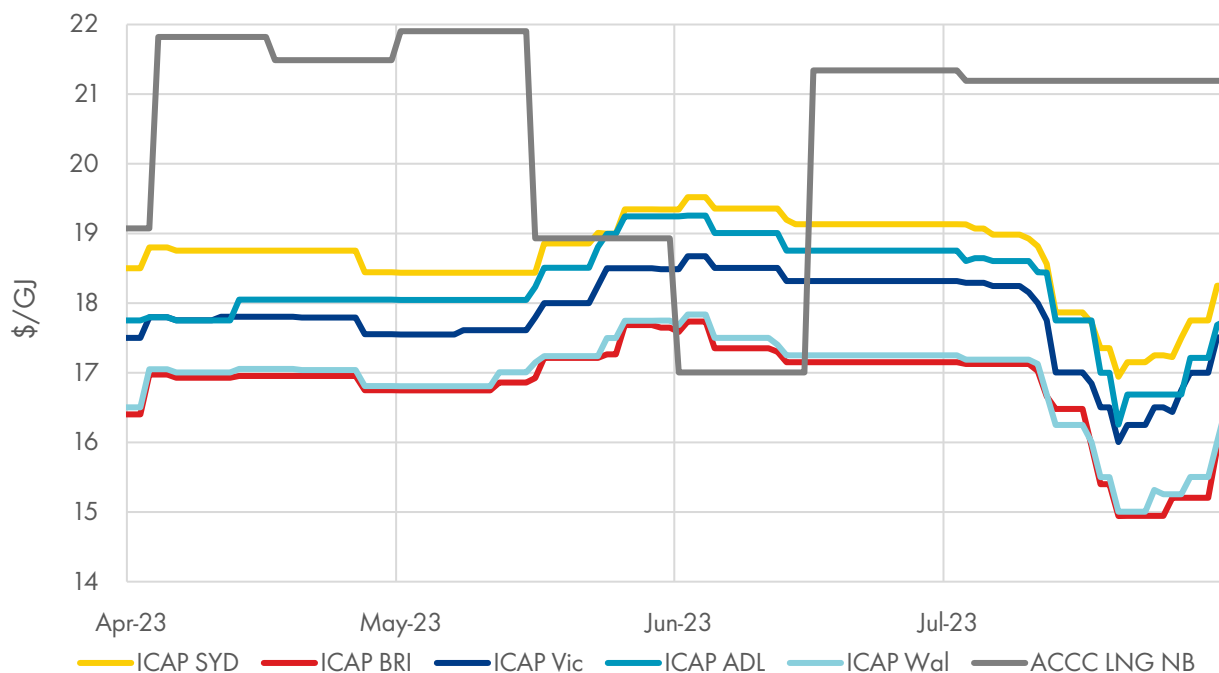
## Calendar Year 2024 (CY24)

All domestic forward contracts for Calendar Year 2024 decreased sharply during the month, retracing part of the decline from their low point on 21 July to end the month down between 4% and 7% across the markets. The ACCC LNG netback (NB) forward price fell by less than 1%, ending the month at over \$21/GJ, continuing to trade at a multiple dollar premium to domestic prices. Calendar Year 2024 forward market liquidity remains low following the commencement of the Mandatory Code of Conduct on 11 July.

### July 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$14.94	\$17.15	\$17.15	\$15.91	-\$1.24	-7.2%
ICAP Sydney	\$16.94	\$19.13	\$19.13	\$18.25	-\$0.88	-4.6%
ICAP Adelaide	\$16.25	\$18.75	\$18.75	\$17.69	-\$1.07	-5.7%
ICAP Victoria	\$16.00	\$18.32	\$18.32	\$17.51	-\$0.81	-4.4%
ICAP Wallumbilla	\$15.00	\$17.25	\$17.15	\$16.01	-\$1.14	-6.7%
ACCC LNG NB	\$21.19	\$21.34	\$21.34	\$21.19	-\$0.15	-0.7%

### CY24 Flat Calendar Year | 1 April 2023 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>)

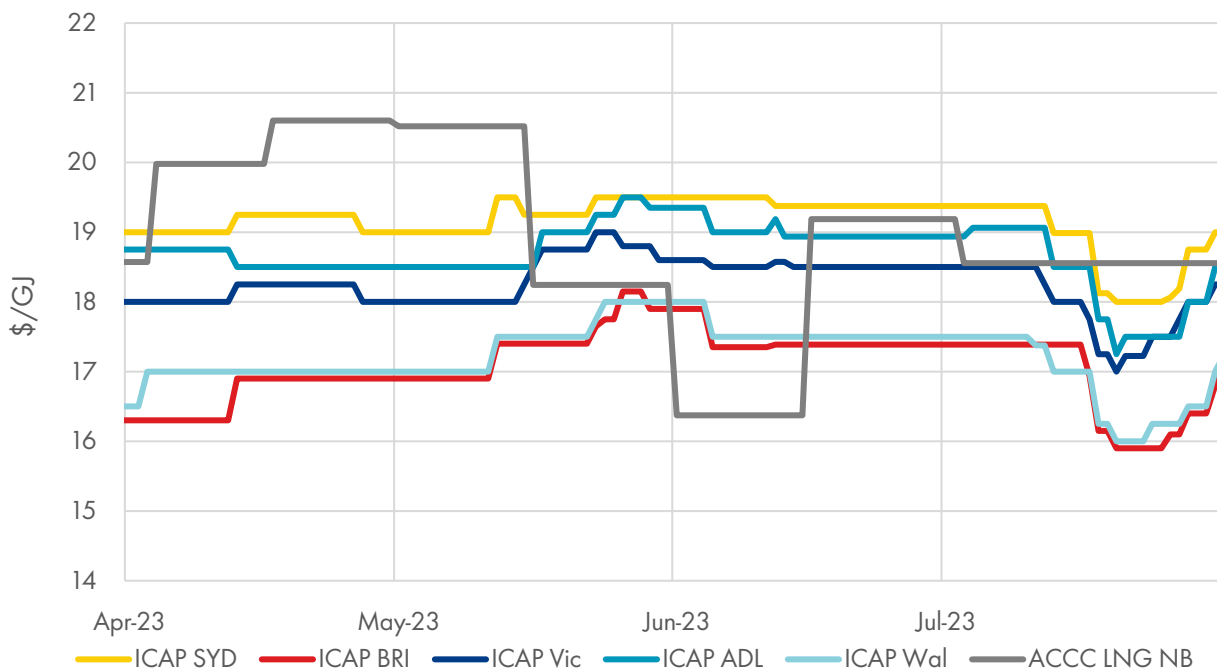
## Calendar Year 2025 (CY25)

Domestic forward contracts for Calendar Year 2025 followed a similar trajectory to the Calendar Year 2024 contracts, falling to a low point this year between the 11-21 July, before retracing some of the fall to end the month down between 1 and 4%. The ACCC LNG NB forward price reduced by 3.3%, ending the month at \$18.56/GJ. The calendar year 2025 forward market continues to be affected by reduced liquidity. For the CY25 contract, the ACCC LNG NB forward price is currently below the ICAP Sydney forward price, but above the other domestic market forward prices.

### July 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$15.90	\$17.39	\$17.39	\$16.80	-\$0.59	-3.4%
ICAP Sydney	\$18.00	\$19.38	\$19.38	\$19.00	-\$0.38	-1.9%
ICAP Adelaide	\$17.25	\$19.06	\$18.94	\$18.50	-\$0.44	-2.3%
ICAP Victoria	\$17.00	\$18.50	\$18.50	\$18.25	-\$0.25	-1.4%
ICAP Wallumbilla	\$16.00	\$17.50	\$17.50	\$17.00	-\$0.50	-2.9%
ACCC LNG NB	\$18.56	\$19.19	\$19.19	\$18.56	-\$0.63	-3.3%

### CY25 Flat Calendar Year | 1 April 2023 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

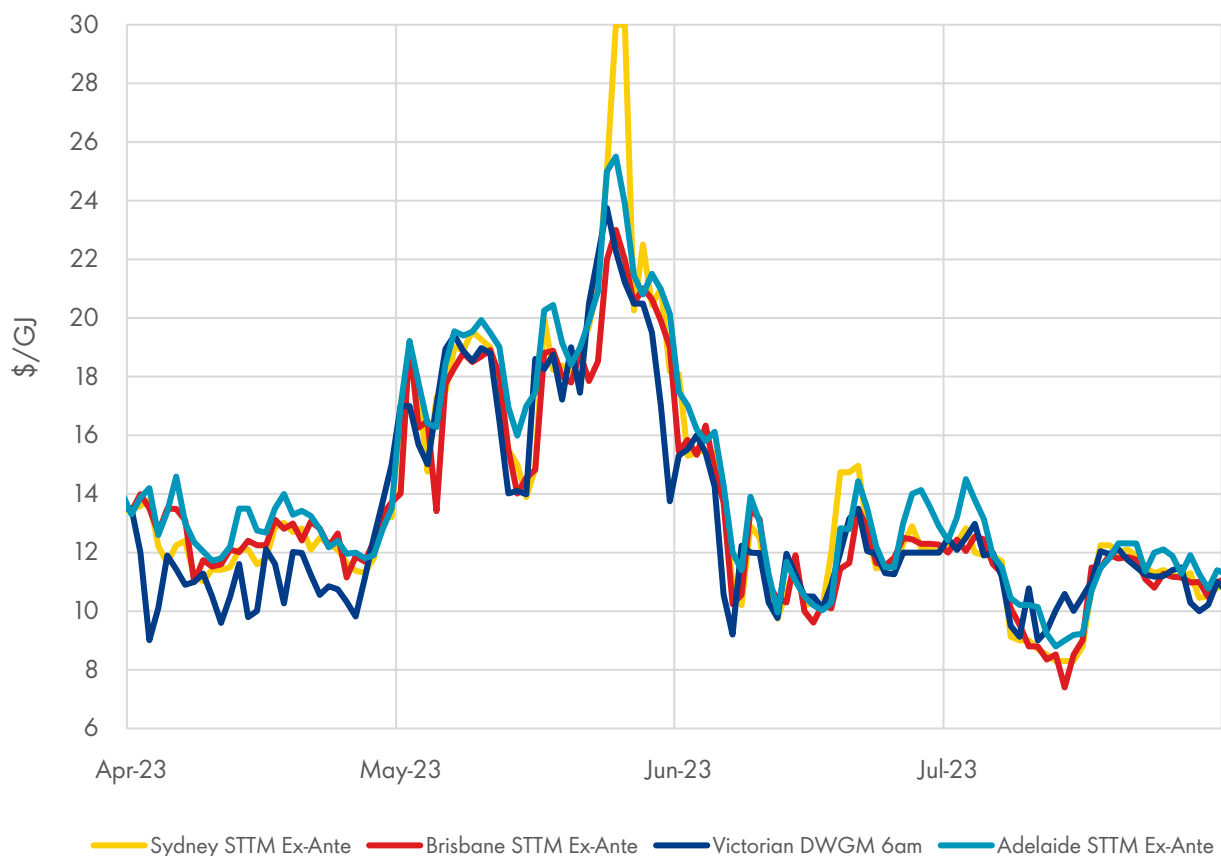
Spot prices commenced July at around \$12/GJ. Continued fundamentals of lower demand, high southern pipeline flows, high wind and coal generation and high inventory in Iona all kept downward pressure on spot prices. A planned LNG outage in the second week of July coincided with prices falling below \$10/GJ, before they retraced to a \$10/GJ to \$12/GJ range at the end of the month.

### July 2023, \$/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM <sup>1</sup>	\$10.73	\$7.40	\$12.55
Sydney STTM	\$10.77	\$8.30	\$12.83
Adelaide STTM	\$11.35	\$8.80	\$14.50
Victorian DWGM <sup>2</sup> 6am	\$11.05	\$9.00	\$12.98

<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 | 1 April 2023 to date



Source: AEMO MarketData



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**Shell Energy Retail Pty Ltd**  
**ABN 87 126 175 460**

275 George Street, Brisbane Qld 4000

Phone 13 23 76

**[shellenergy.com.au](https://shellenergy.com.au)**