



MARKET SUMMARY REPORT

Electricity and Gas - August 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

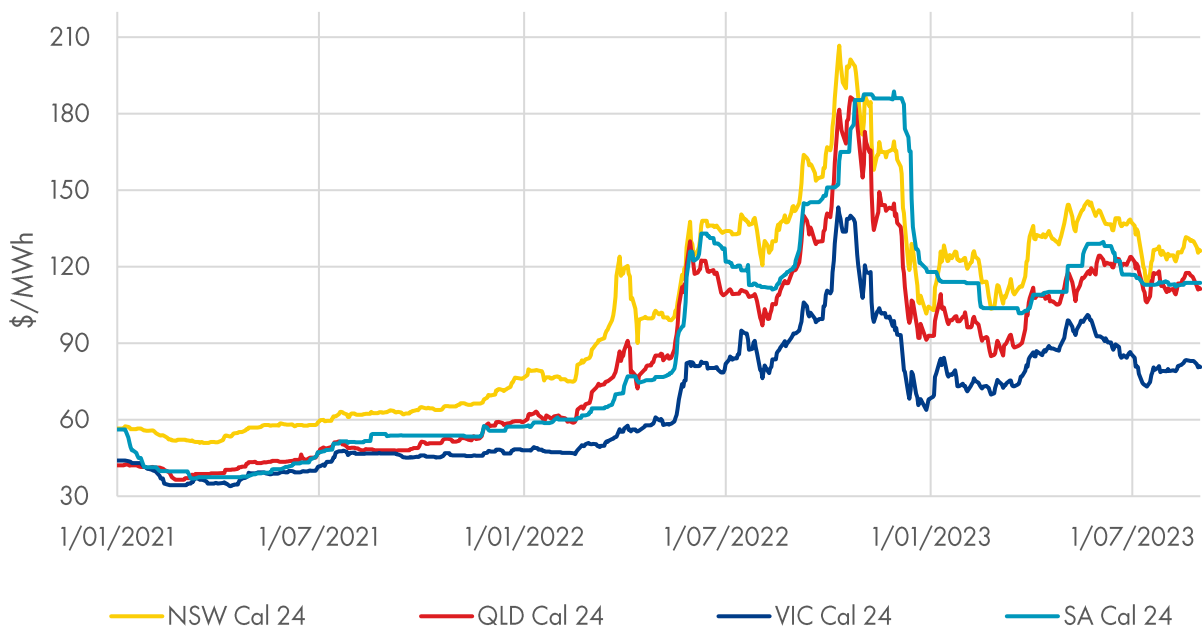
Calendar Year 2024 (CY24)

Calendar Year 2024 (CY24) swap contracts in August closed almost flat to July's close. Some contract volatility was seen, with a lack of contract offers for an extended period leading to some persistent bidding to find sellers. With contracts trading up a few dollars in small volumes, sellers quickly returned. Almost as quickly as they went up, contracts traded back down to starting price levels.

August 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	110.85	109.15	117.61	111.36
NSW	124.00	122.12	131.65	126.25
VIC	79.09	79.02	83.44	80.71
SA	114.25	112.18	113.94	113.67
TAS	87.53	78.66	80.68	78.80

CY24 Flat



Source: ASX data

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Contract Market

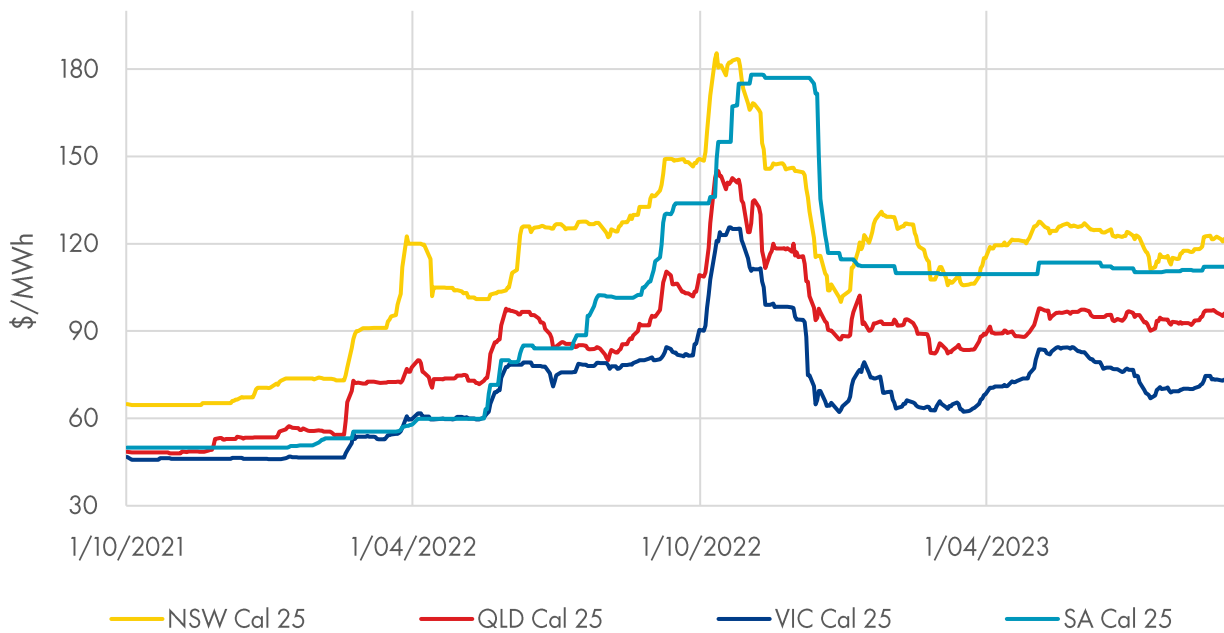
Calendar Year 2025 (CY25)

Calendar Year 2025 (CY25) forward swap contracts closed higher in all states except TAS. The strongest move was seen after Origin Energy stated its coal for CY25 would need to be “purchased at market prices”. Given the high trading level of international coal contracts, the domestic coal price caps due to expire from 1 July 2024, and Eraring’s high export price exposure, market participants increased their price expectations for CY25 NSW energy. QLD and VIC also traded up slightly in tandem.

August 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	93.00	92.08	97.21	96.07
NSW	114.73	114.81	122.77	121.82
VIC	69.28	69.28	74.60	73.59
SA	110.59	110.59	112.06	112.06
TAS	79.56	72.23	74.92	74.74

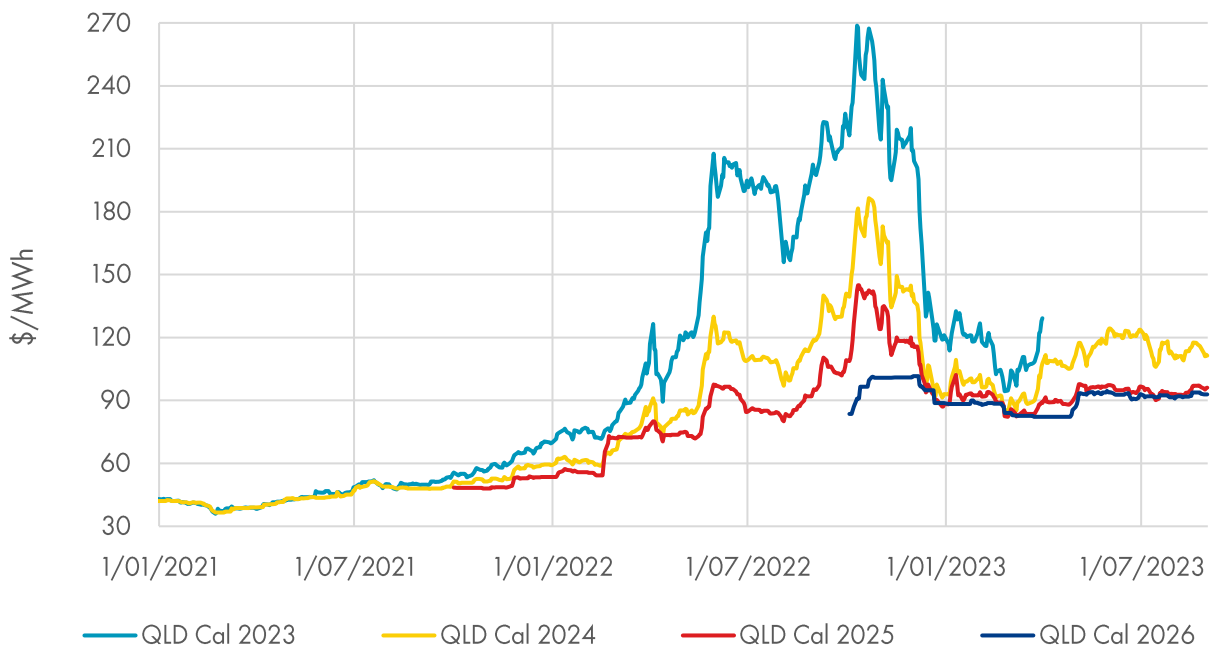
CY25 Flat



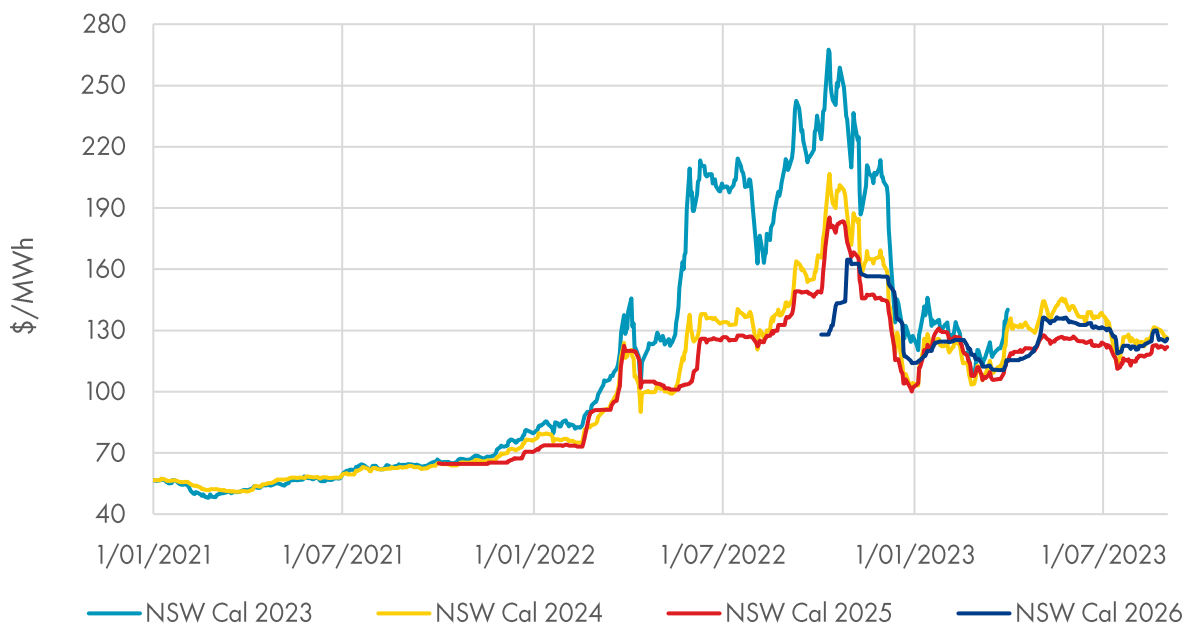
Source: ASX data

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Contract Market - QLD Calendar Years Flat



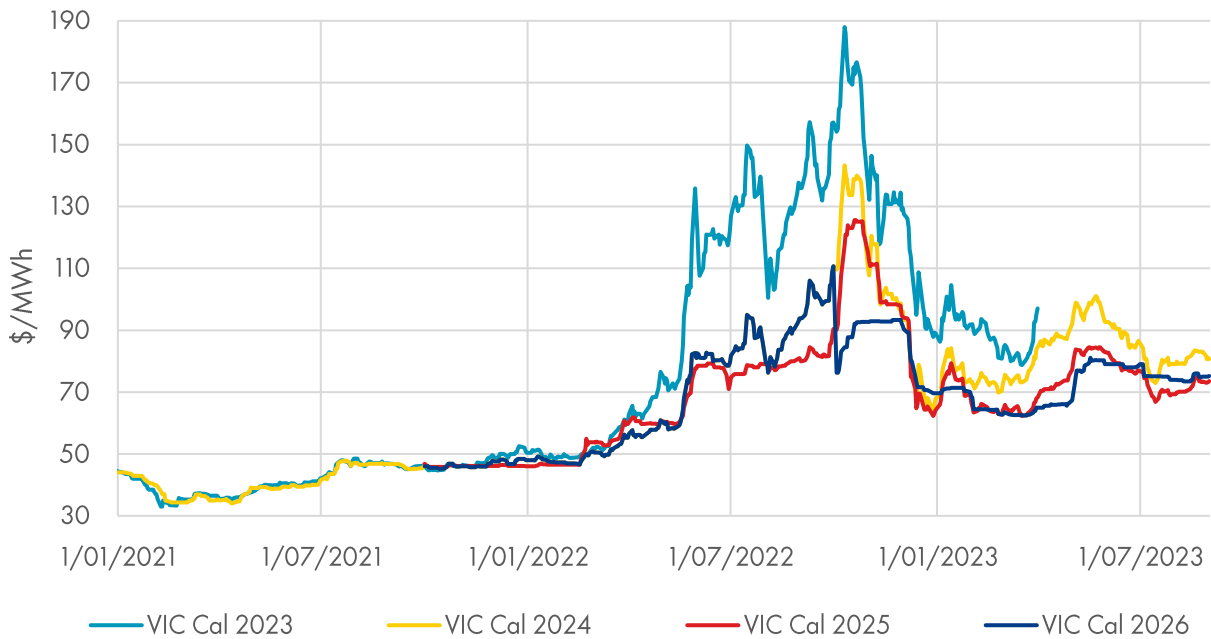
Contract Market - NSW Calendar Years Flat



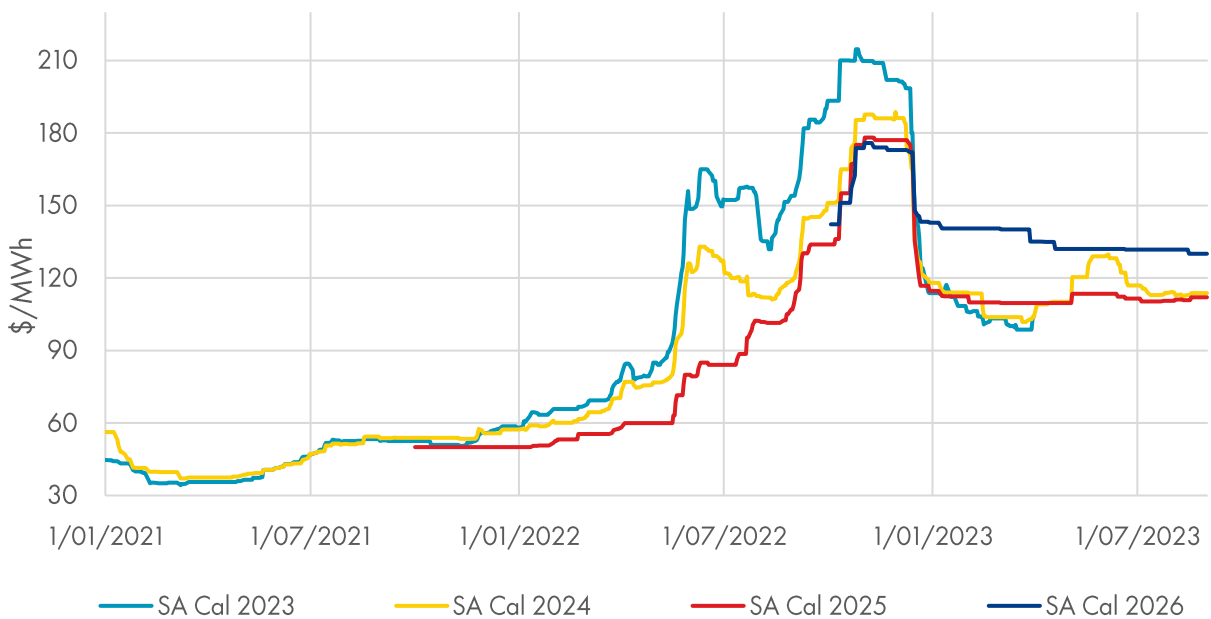
Source: ASX data

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Contract Market - VIC Calendar Years Flat



Contract Market - SA Calendar Years Flat



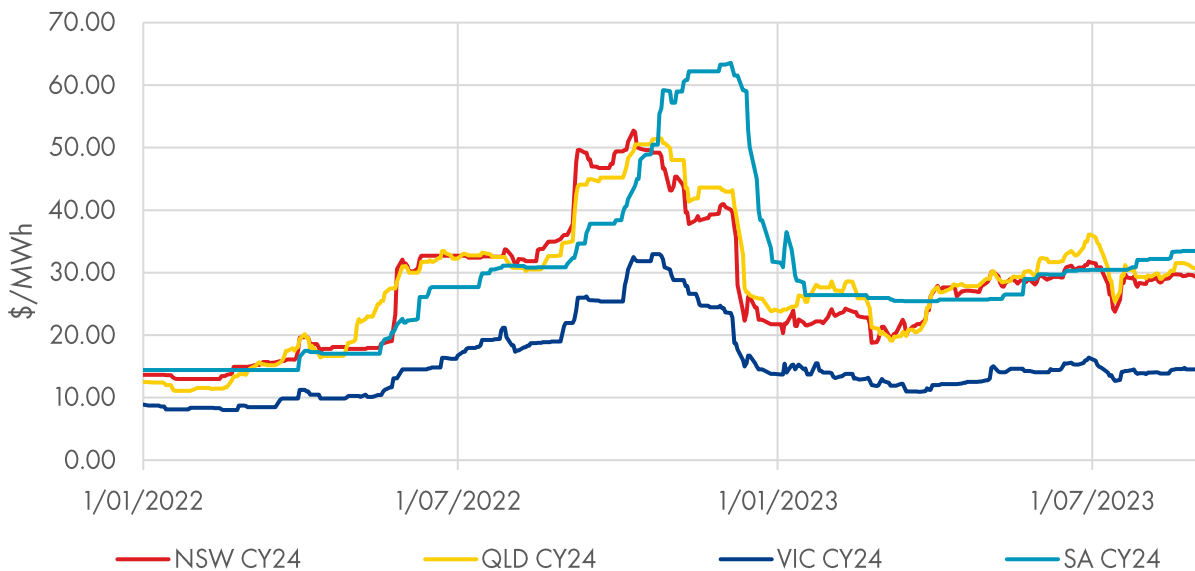
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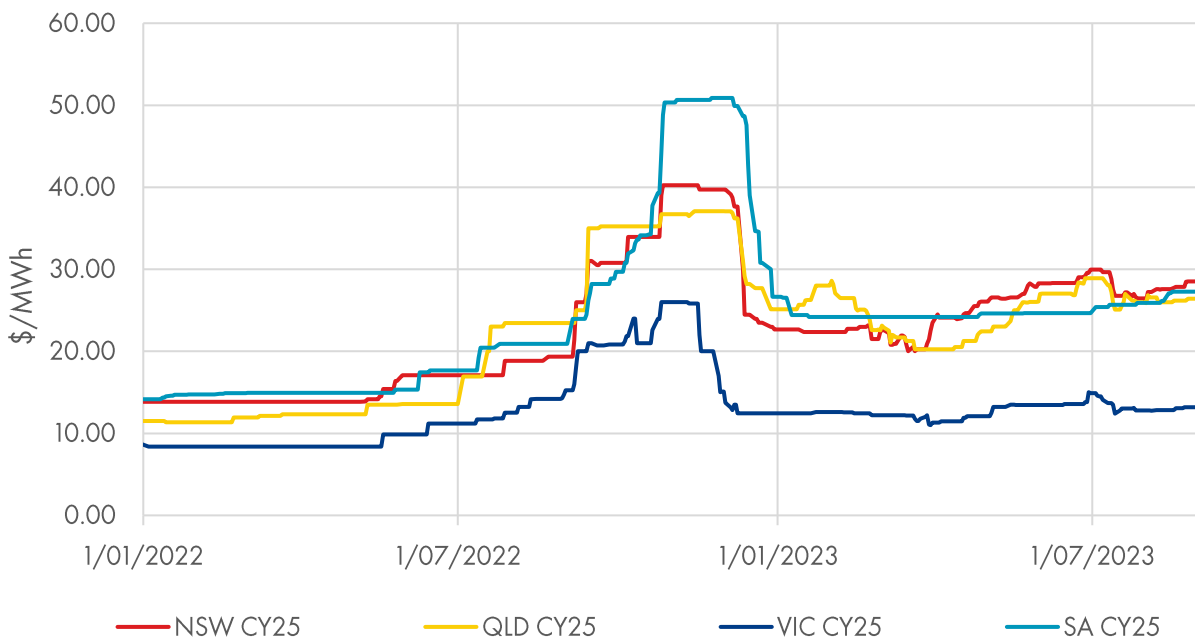
Cap Contract Market

Cap contracts, in contrast to swaps, have remained stable in the face of trading volatility. Market participants continue pricing in a strong expectation of a hot El Nino summer. El Nino weather events typically cause very high levels of spot price volatility, testing the resilience of thermal supply and seeing the return of high summer demand flexing.

Calendar Year 2024 (CY24)



Calendar Year 2025 (CY25)



Source: ASX data

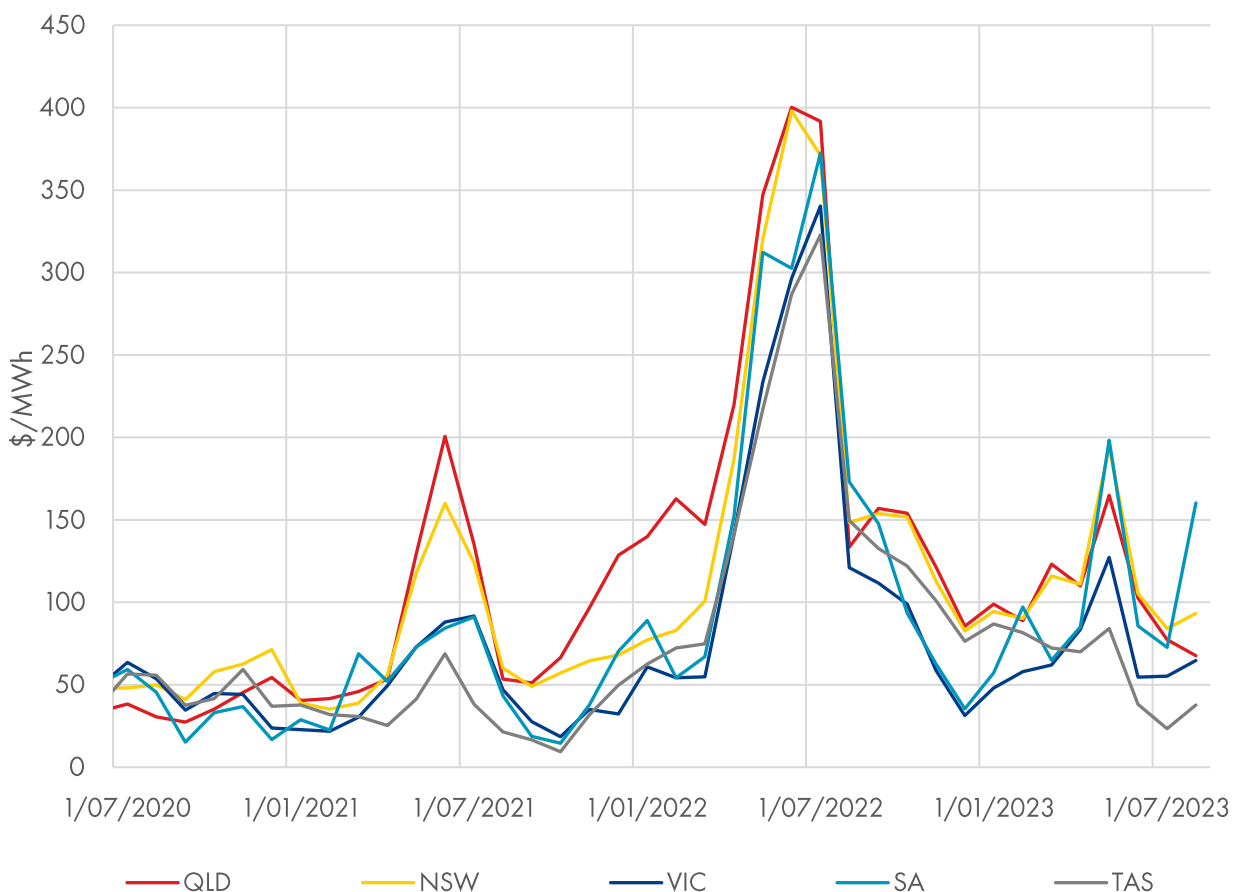
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Spot Prices: National Electricity Market

August saw relatively low average spot price outcomes across all states except SA, despite thermal generation availability dropping with the start of planned outage season. Mild winter temperatures, periods of high wind availability, mild ambient temperatures and longer days driving optimal conditions to generate solar, as well as high domestic gas availability in the system allowed most states to experience mild spot outcomes. However, significant constraints on the VIC to SA Heywood Interconnector during August, coinciding with low wind in SA, meant that SA energy demand could not be supplied from VIC, and had to be supplied from more expensive, local thermal generators.

August 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	67.63	10,150.56	17	2,249
NSW	93.31	16,500.00	19	583
VIC	64.66	14,522.26	16	1,489
SA	160.26	16,600.00	91	1,783
TAS	37.65	450.26	0	1,107



Source: NEM Spot Market - AEMO

Western Australia Energy Market

WEM STEM and Balancing Prices

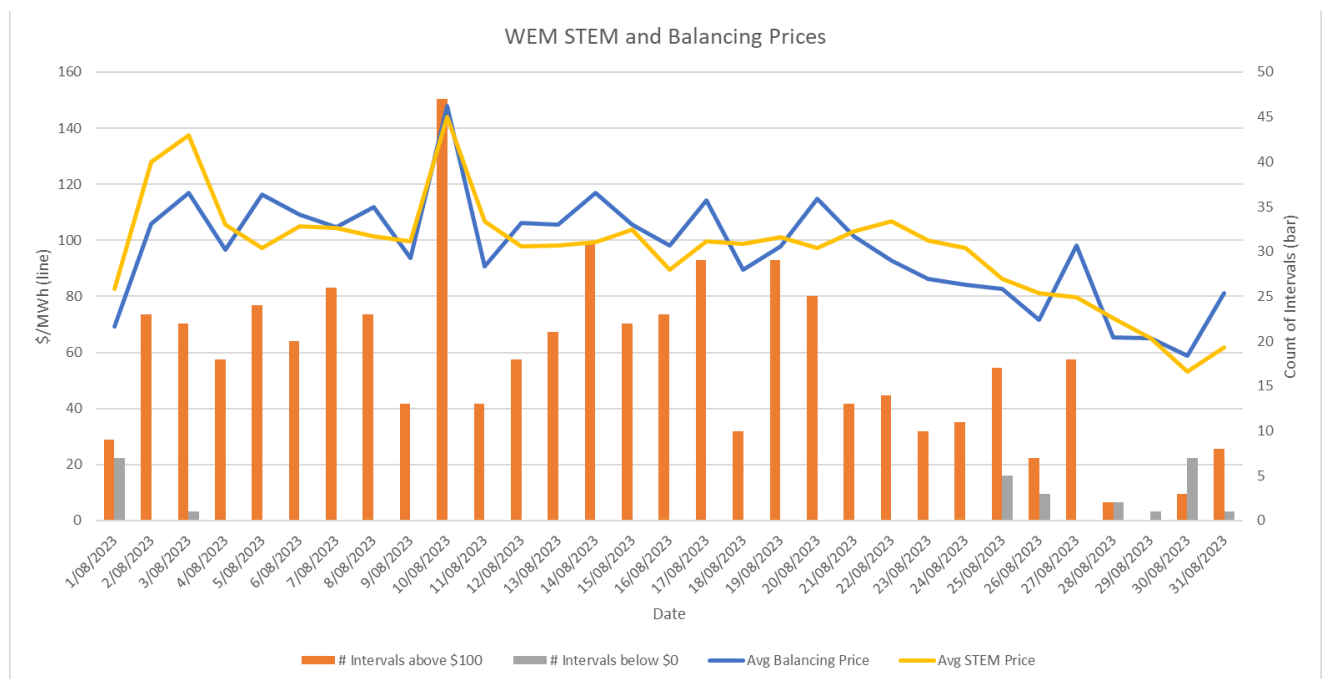
The STEM average flat price rose by 8.1% to \$82.08, and the average peak price increased by 7.91% to \$76.46.

The Balancing Market saw the average flat price decrease by 49.15% to \$69.21, and the average peak price fell by 51.2% to \$68.10.

The STEM experienced 11 intervals above \$100 (compared to 12 last month), and 4 intervals below \$0 (versus 0 last month).

In the Balancing Market, there were nine intervals above \$100 (versus 22 in the month prior), and two intervals below \$0 (versus seven intervals in the previous month).

The high average prices at the start of the month correlated with coal outages.



Source: Western Australia Energy Market - AEMO

Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$54.00, \$2.25 lower than last month's close of \$56.25. The LGC compliance year (CY) vintages closed either flat or lower against their July closes.

- CY23 closed \$3.00 lower at \$55.00,
- CY24 closed \$0.25 lower at \$52.75,
- CY25 closed \$0.50 lower at \$45.00,
- CY26 closed \$1.90 higher at \$35.50,
- CY27 closed flat 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 \$85.25, \$0.25 higher than July's close of \$85.00. VEEC quarterly vintages closed between \$85.75 and \$85.75. Creation volumes continue to remain well under the average creation volume seen last year.

Energy Savings Certificates (ESC) spot contracts closed at \$25.40, \$3.85 lower than July's close of \$29.25. ESC quarterly vintages closed between \$25.60 and \$26.00. Creation volumes continue to outpace last year's levels as significant growth in heat-pump related activities continues.

Small-scale Technology Certificates (STC) spot contracts closed at \$39.90, flat to July's close of \$39.90. STC quarterly vintages closed between \$39.75 and \$39.90. The Clearing House deficit declined to 1.5 million this month, however, creation continued to lag. Given the deficit in the registry, it is notable spot STC sellers have been electing to sell into spot \$0.10 below what they would receive if they sold to the Clearing House.

Gas Forward Market

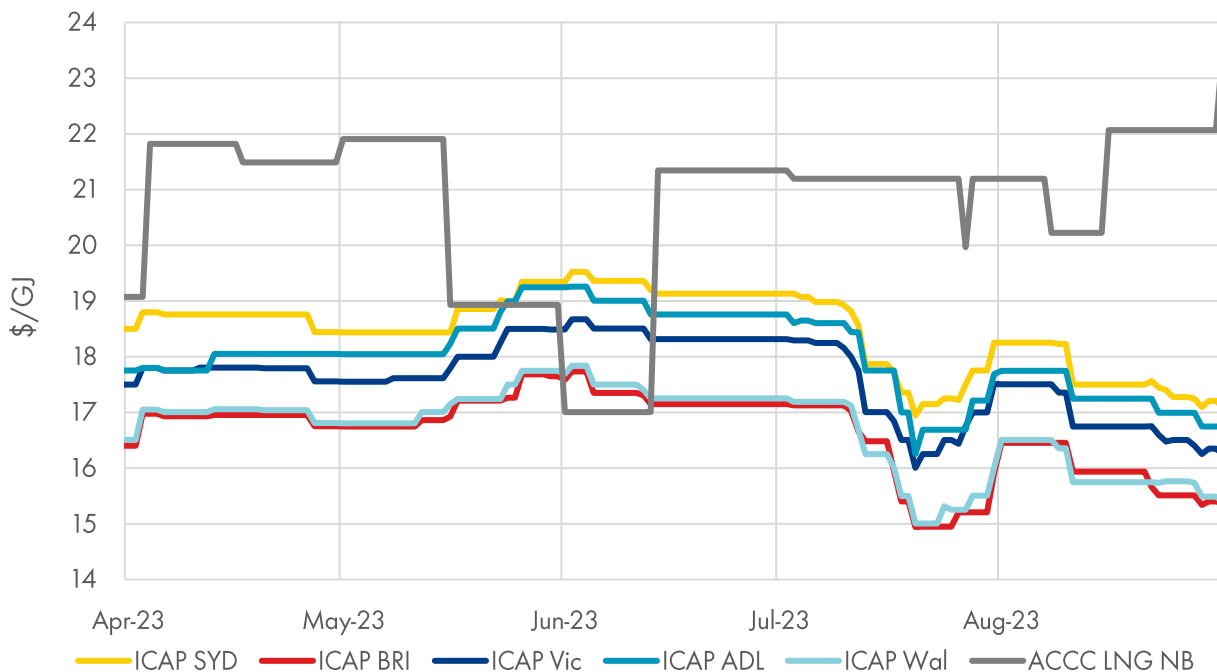
Calendar Year 2024 (CY24)

All domestic forward contracts for Calendar Year 2024 (CY24) continued to decrease sharply for the second consecutive month. The Victoria forward price closed the month at \$16.35/GJ, rallying to as high as \$17.51/GJ at the start of August. The ACCC LNG netback (NB) forward price rallied to the highest price since May, closing the month at over \$22/GJ, representing a widening spread between international spot LNG prices and the domestic market of over \$5/GJ. Calendar Year 2024 forward market liquidity remains low following the commencement of the Mandatory Code of Conduct on 11 July and the end of the transitional period in early September.

August 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$15.34	\$16.45	\$16.45	\$15.40	-\$1.05	-6.4%
ICAP Sydney	\$17.10	\$18.25	\$18.25	\$17.21	-\$1.04	-5.7%
ICAP Adelaide	\$16.75	\$17.75	\$17.75	\$16.75	-\$1.00	-5.6%
ICAP Victoria	\$16.25	\$17.51	\$17.51	\$16.35	-\$1.16	-6.6%
ICAP Wallumbilla	\$15.49	\$16.51	\$16.45	\$15.49	-\$0.96	-5.8%
ACCC LNG NB	\$20.22	\$22.07	\$21.19	\$22.07	\$0.88	4.1%

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>)

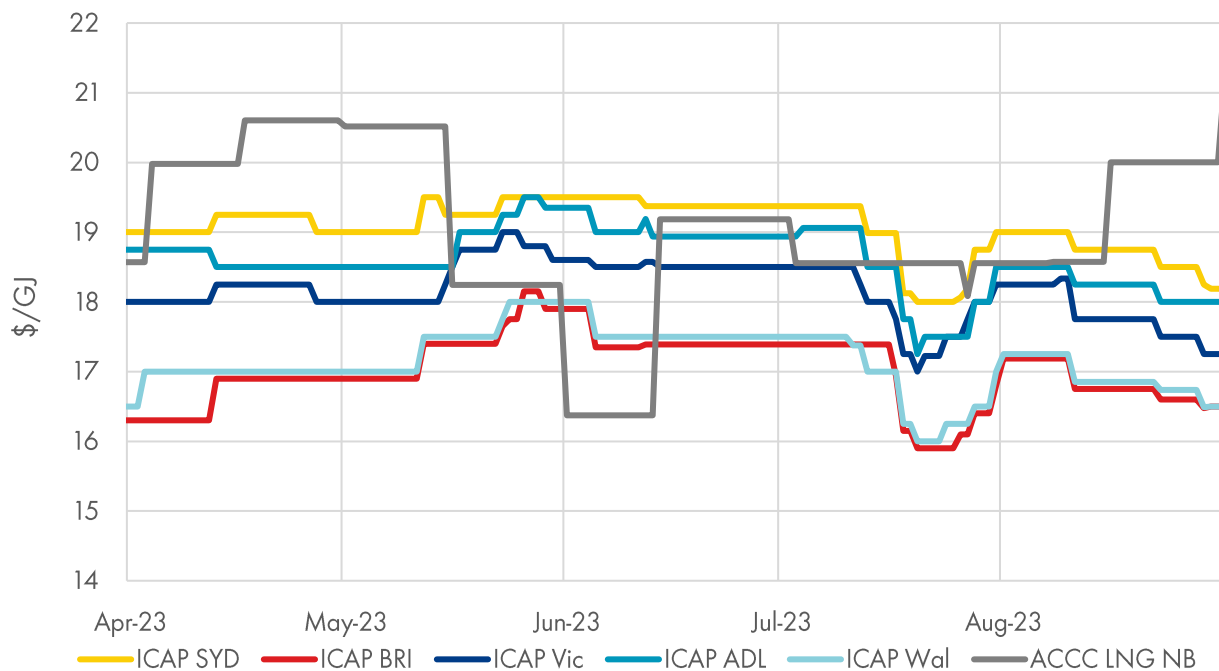
Calendar Year 2025 (CY25)

Domestic forward contracts for Calendar Year 2025 (CY25) followed a similar trajectory to the Calendar Year 2024 (CY24) contracts, with the Victorian contract ending the month at \$17.25/GJ, a \$1/GJ premium to the 2024 forward price, representing contango in the forward curve. The ACCC LNG netback forward price increased by 7.8%, ending the month at \$20.00/GJ. The Calendar Year 2025 forward market continues to be affected by reduced liquidity. For the CY25 contract, the ACCC LNG netback forward price is now trading more than two dollars higher than all domestic markets.

August 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$16.48	\$17.19	\$17.19	\$16.50	-\$0.69	-4.0%
ICAP Sydney	\$18.19	\$19.00	\$19.00	\$18.19	-\$0.81	-4.3%
ICAP Adelaide	\$18.00	\$18.50	\$18.50	\$18.00	-\$0.50	-2.7%
ICAP Victoria	\$17.25	\$18.34	\$18.25	\$17.25	-\$1.00	-5.5%
ICAP Wallumbilla	\$16.49	\$17.25	\$17.25	\$16.50	-\$0.75	-4.3%
ACCC LNG NB	\$18.56	\$20.00	\$18.56	\$20.00	\$1.44	7.8%

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

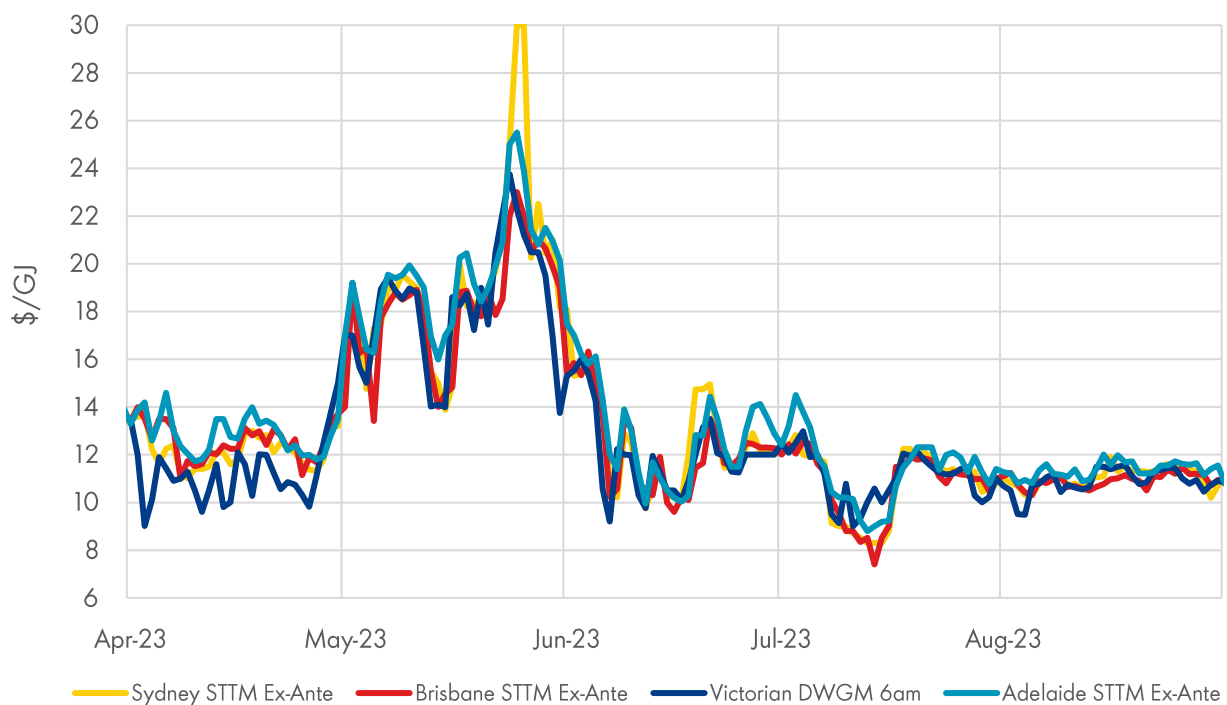
Spot prices traded between \$9.49/GJ and \$12.00/GJ for the month of August. The Victorian Declared Wholesale Gas Market (DWGM) average 6am price was below \$11/GJ for the month, with relatively low spot volatility observed, and very low price differential between the markets. Market fundamentals continued to include low demand, high pipeline flows from QLD to the southern markets, high wind and coal generation and high inventory in the Iona underground gas storage facility. This was consistent across all months of the peak winter season this year, contributing to milder spot price outcomes than expected by the forward market, with Iona storage ending the peak withdrawal period at 75% full, or around 19PJ.

August 2023, \$/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM ¹	\$10.91	\$10.30	\$11.46
Sydney STTM	\$11.06	\$10.20	\$11.91
Adelaide STTM	\$11.37	\$10.80	\$12.00
Victorian DWGM ² 6am	\$10.89	\$9.49	\$11.56

¹STTM = Short Term Trading Market, ²DWGM = 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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