



# **MARKET SUMMARY REPORT**

Electricity and Gas – December 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 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 Australian Securities Exchange (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

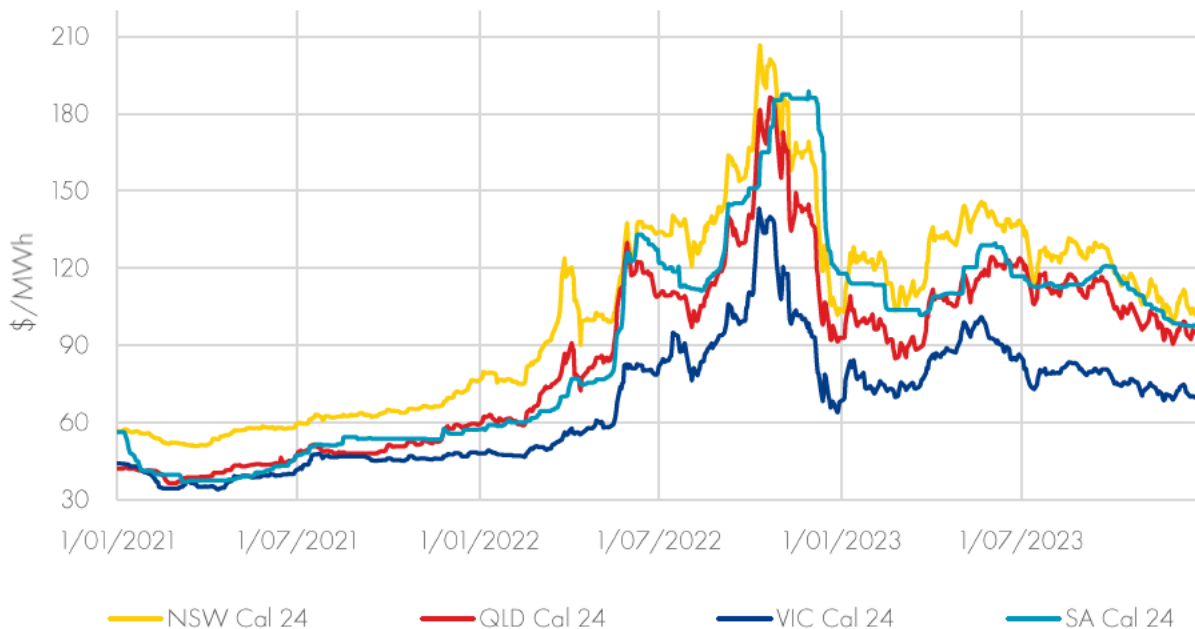
## Calendar Year 2024 (CY24)

Calendar Year 2024 (CY24) flat swap contracts rose slightly against November close prices across the board. This was largely in response to strong, heat-driven December demand across the mainland states and last-minute retailer buying for 2024. Queensland demand reached approximately 9,800 MW in the last week of December, within close range of the maximum demand record of 10,119 MW. This was particularly notable given the Christmas, business closure and school holiday period has historically driven very low demand. The early summer heat and high December demand led market participants to revise expectations for the rest of summer and, accordingly, Q1 2024 contracts (which feed into CY24 pricing). Nevertheless, the high demand did not lead to spot price volatility during the heat or very high average spot prices as seen in the years pre-Covid and the triple-dip La Nina climactic conditions experienced between 2020 and 2023. This saw contracts fall slightly from the month-highs but not enough to fully erase month-on-month gains.

## December 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	92.23	90.50	99.38	94.73
NSW	99.66	98.36	111.67	100.52
VIC	69.48	68.13	74.74	68.41
SA	99.40	96.28	98.66	96.28
TAS	71.58	72.09	73.68	73.68

## CY24 Flat



Source: ASX data

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# Contract Market

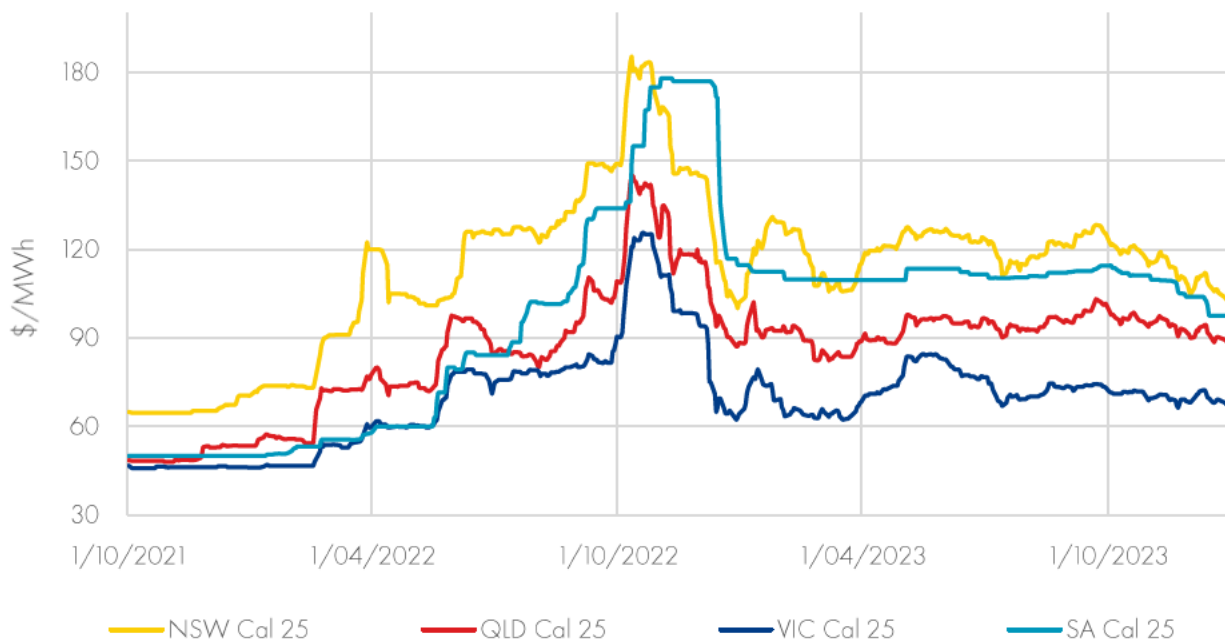
## Calendar Year 2025 (CY25)

While the high December/early summer heat-driven demand drove CY24 prices up, CY25 prices continued a steady decline as longer term price expectations reduced.

### December 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	91.23	88.52	94.50	89.77
NSW	106.36	102.98	112.06	103.13
VIC	68.19	67.43	72.37	68.16
SA	103.95	97.56	103.95	97.56
TAS	70.66	70.92	70.93	70.92

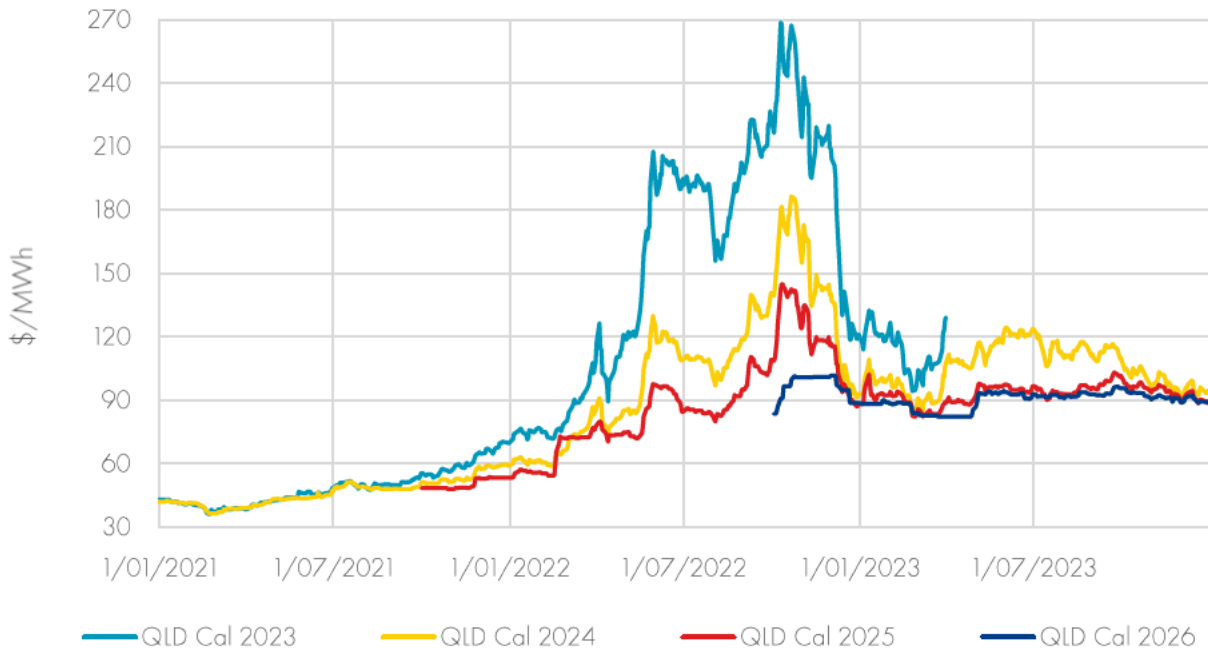
### CY25 Flat



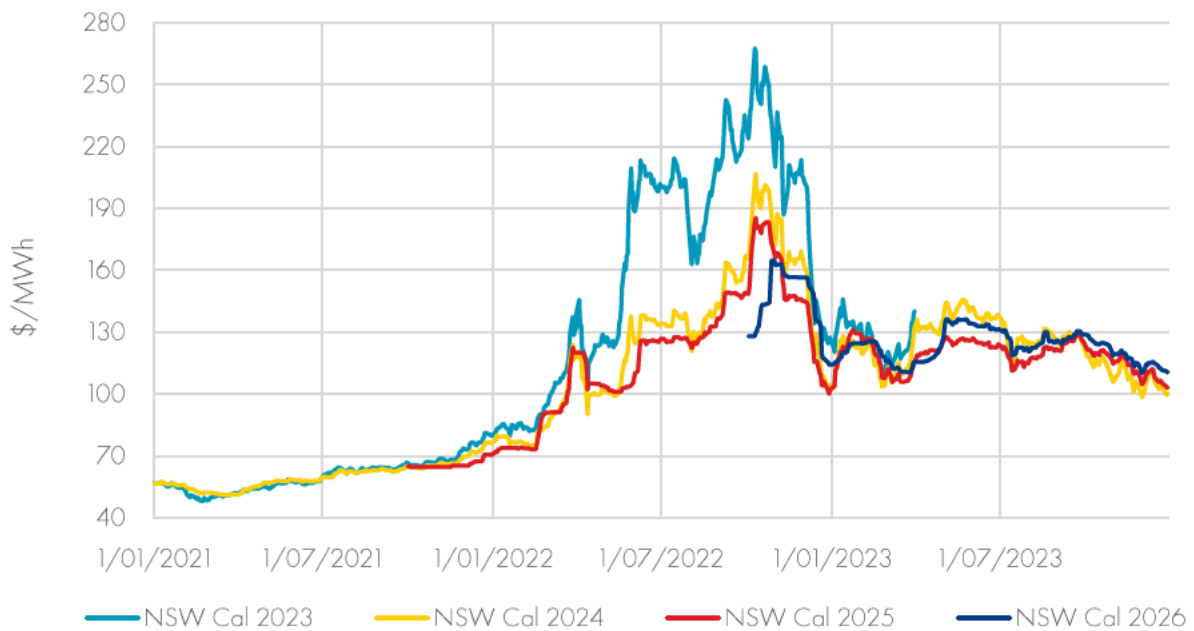
Source: ASX data

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## Contract Market - QLD Calendar Years Flat



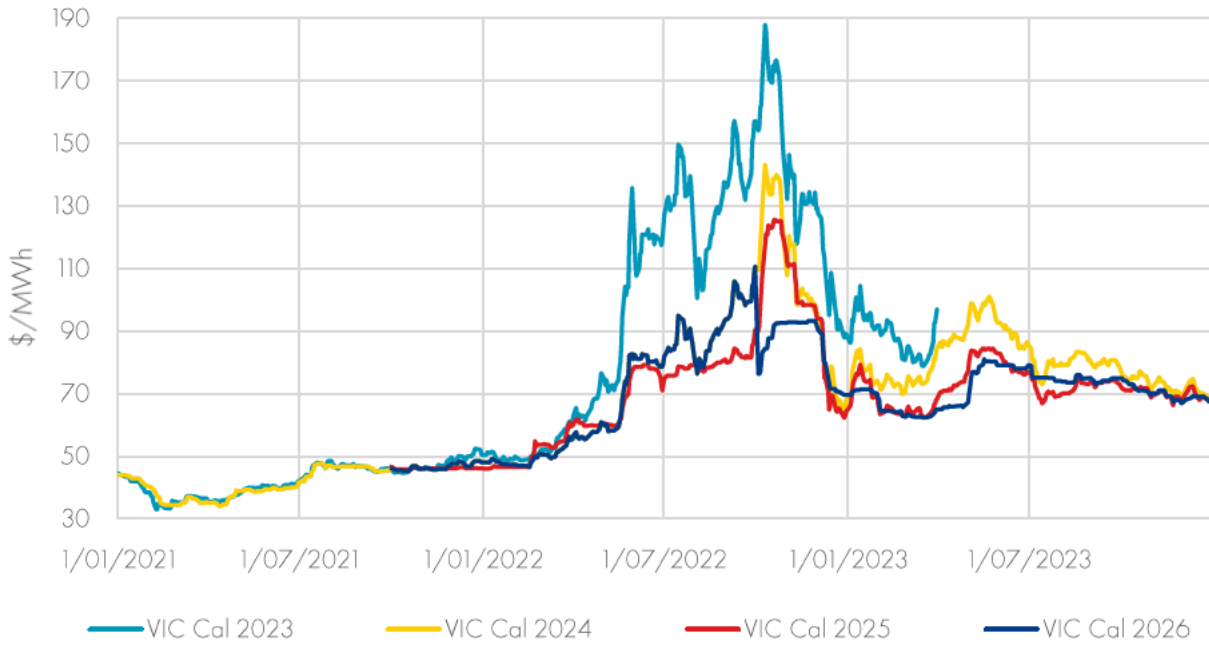
## Contract Market - NSW Calendar Years Flat



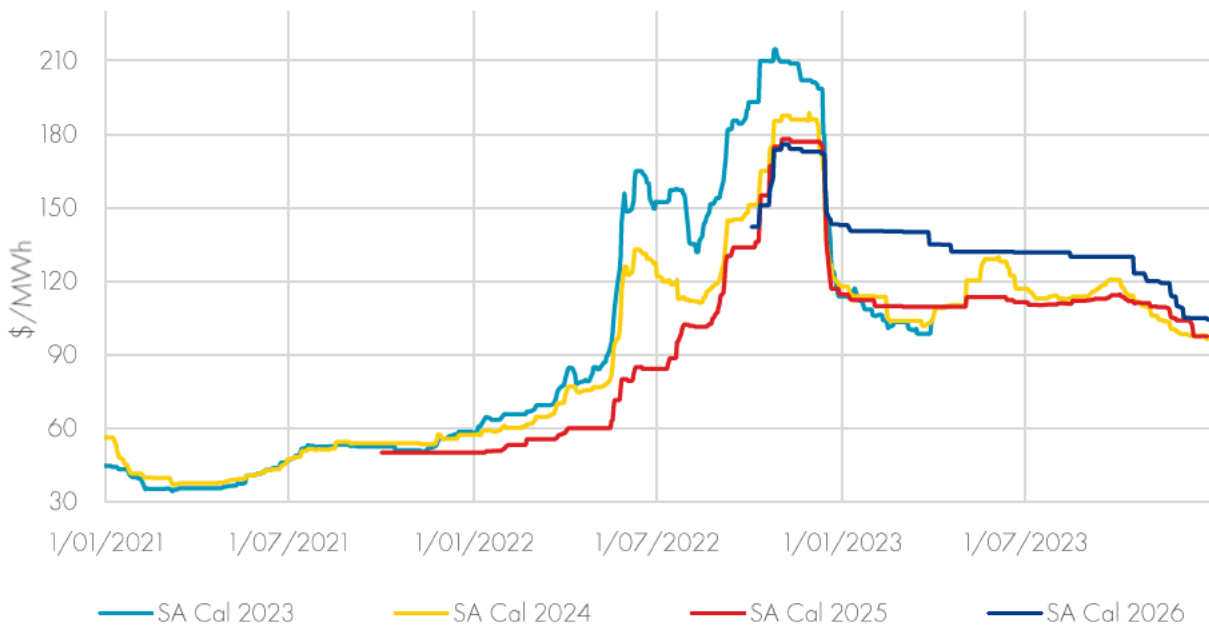
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## Contract Market - VIC Calendar Years Flat



## Contract Market - SA Calendar Years Flat



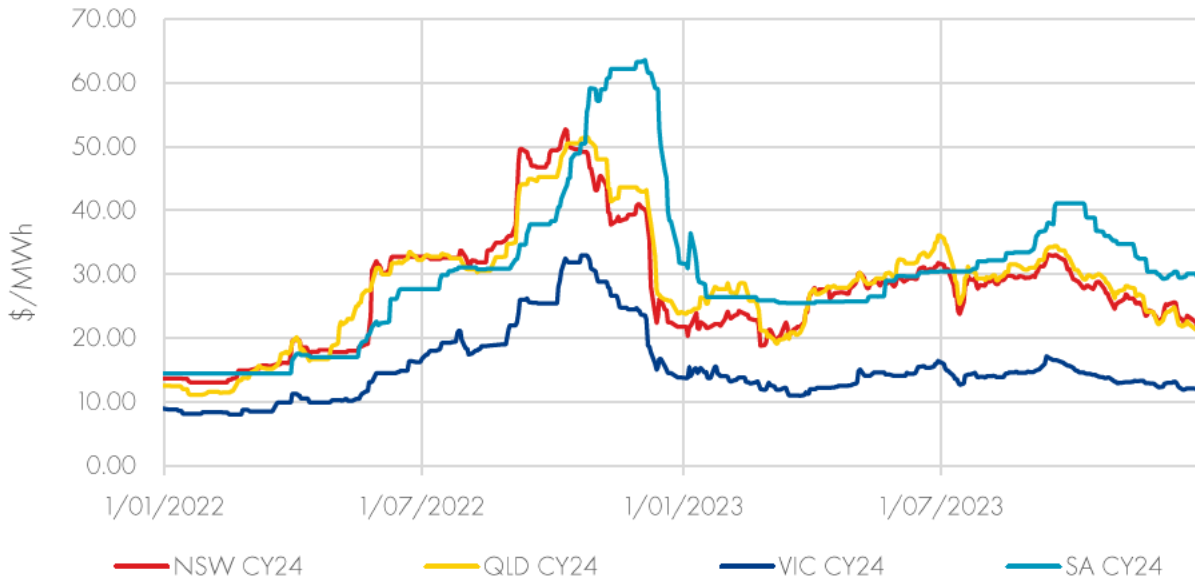
Source: ASX data

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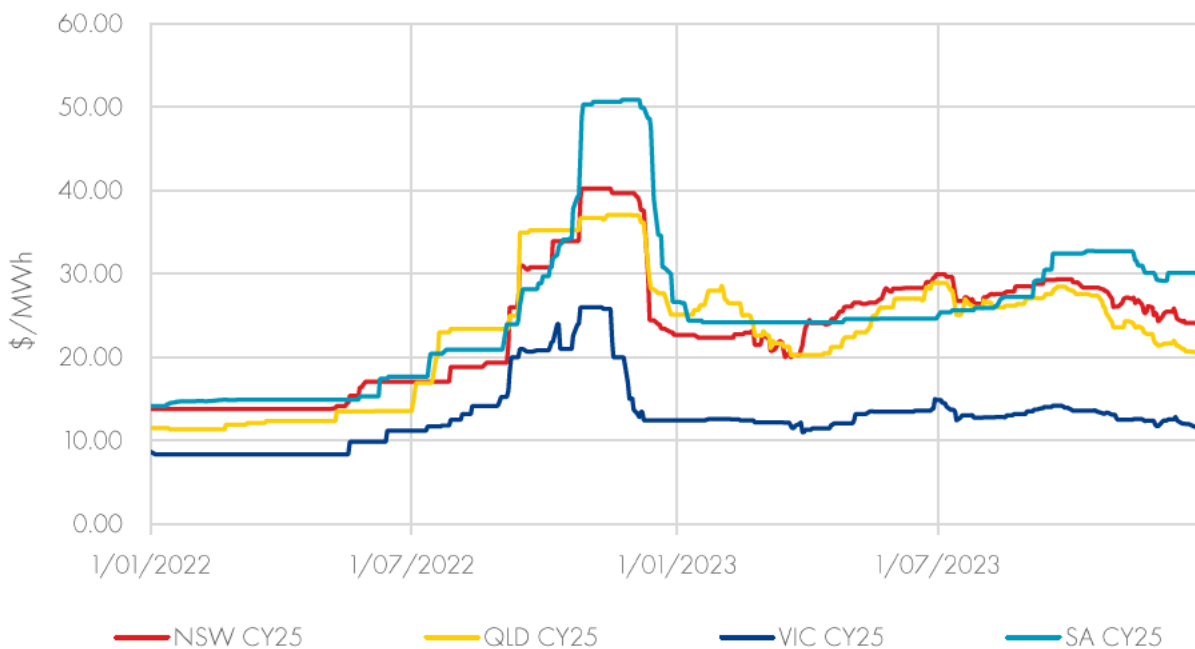
# Cap Contract Market

Cap contracts continued to decline despite tight supply-demand scenarios over the past few months (such as low renewables penetration, high-heat driven demand, major unplanned outages, and low coal generation availability), as these tight market conditions did not result in price volatility as they would have in previous years.

## Calendar Year 2024 (CY24)



## Calendar Year 2025 (CY25)



Source: ASX data

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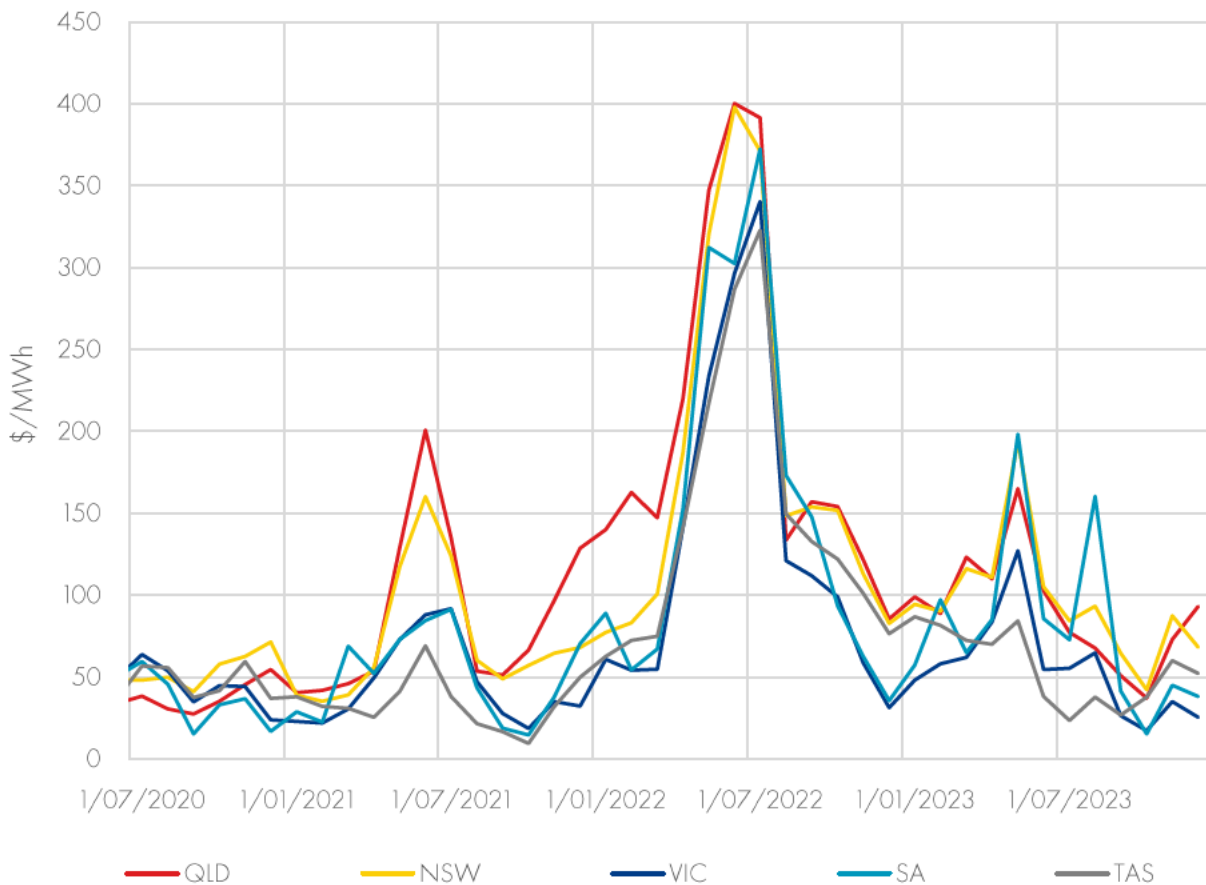
# Spot Prices: National Electricity Market

High summer temperatures rolled through the mainland states in early December, with NSW and QLD experiencing high temperatures late in the month. For the most part, volatility and the average spot price for the month was mild given the high demand and temperature levels. While demand records were broken in QLD in December, minimum system load notices were issued in Victoria as very high solar penetration combined with lower demand due to business and school holiday closures, resulting in the Australian Energy Market Operator (AEMO) preparing to switch on scheduled loads, or in the worst-case scenario, trip-off rooftop solar panels to maintain system stability.

AEMO has been issuing notices for some years in South Australia but has only recently started to do so for the east coast NEM states.

## December 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	93.00	14,936.02	21	1,480
NSW	68.26	14,248.59	9	940
VIC	25.29	391.31	0	2,740
SA	38.03	16,490.50	6	2,944
TAS	52.09	400.78	0	292



Source: NEM Spot Market - AEMO



# Western Australia Energy Market

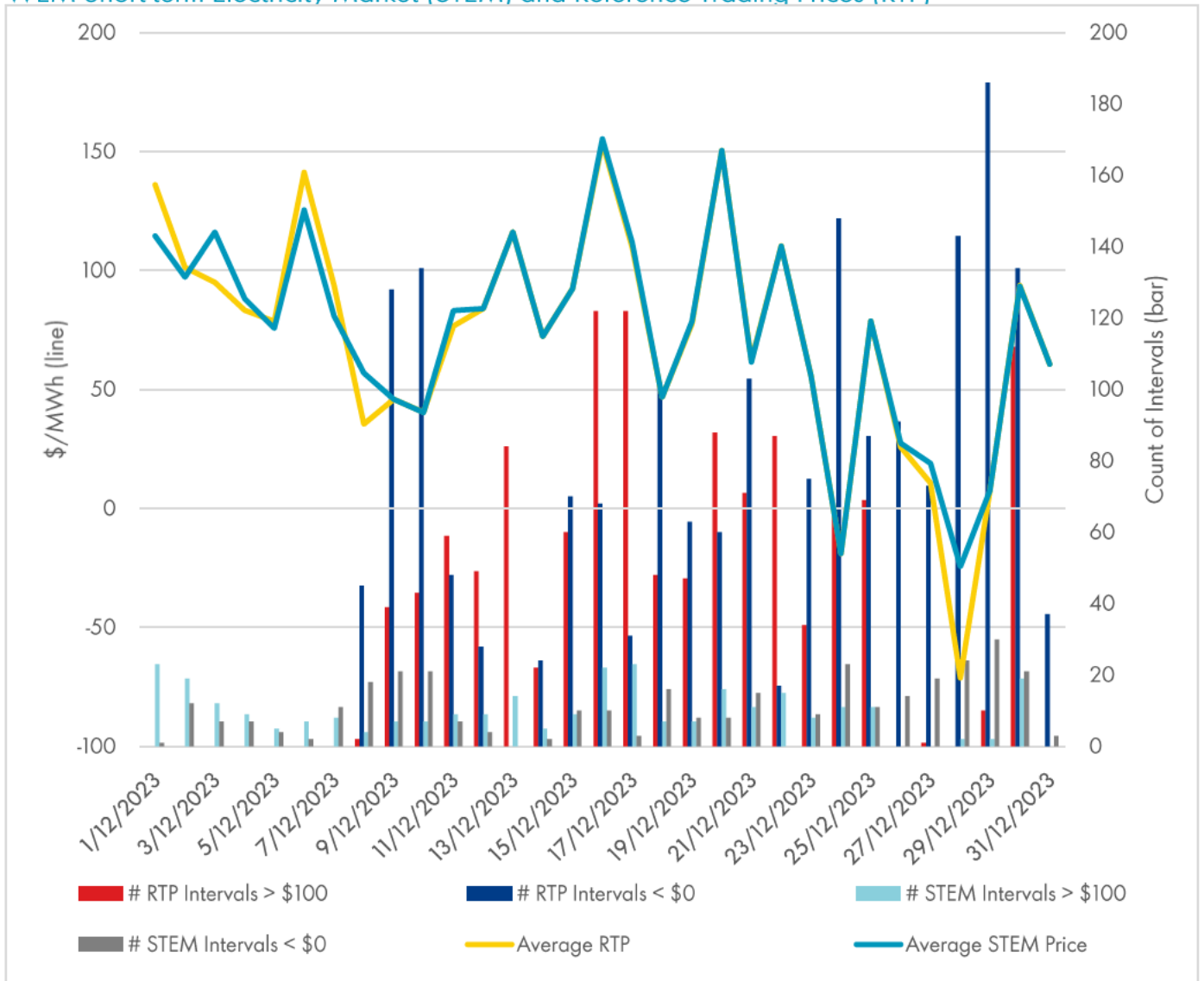
## WEM Short-Term Electricity Market (STEM) and Real-time Energy Market

The STEM average flat price rose by 33% this month to \$74.27 and the Reference Trading Price (RTP) averaged at \$74.02. Maximum demand for the month was 3,756 MW.

The STEM experienced 301 intervals above \$100 (compared to 454 last month), and 341 intervals below \$0 (versus 250 last month). In the real-time market, there were 1,234 intervals above \$100 (versus 0 in the month prior), and 1,895 intervals below \$0 (versus 0 intervals in the previous month).

Average price and volatility increased notably in December as high, heat-driven demand eventuated, especially in the back end of December.

### WEM Short-term Electricity Market (STEM) and Reference Trading Prices (RTP)



Source: Western Australia Energy Market - AEMO

## Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$49.50, which was \$2.50 higher than last month's close of \$47.00. The LGC compliance year (CY) vintages also increased against their November closes.

- CY23 closed \$2.50 higher at \$50.00,
- CY24 closed \$0.75 higher at \$51.00,
- CY25 closed \$1.25 higher at \$46.50,
- CY26 closed \$2.75 higher at \$40.00,
- CY27 closed \$2.50 higher at \$31.50,
- CY28 closed \$2.25 higher at \$27.25, and
- CY29 closed \$5.25 higher at \$23.25.

Victorian Energy Efficiency Certificate (VEEC) spot contracts closed at \$92.00, which was \$4.50 higher than last month's close of \$87.50. VEEC quarterly vintages closed at \$91.50. Creation remained weak while demand remained high.

Energy Savings Certificates (ESC) spot contracts closed at \$24.25, flat to last month's close of \$24.25. ESC quarterly vintages closed between \$24.50 and \$26.90. Creation remained high compared to 2022. However, at the end of the month, the regulator finalised significant changes to the heat pump water heating creation activity, which we discussed in the . This announcement led to a jump in the forward contract prices but not in the spot price, as these changes do not come into effect for a few months and, as such, will not affect current certificate creation.

Small-scale Technology Certificates (STC) spot contracts closed at \$39.30, flat to last month's close of \$39.30. STC quarterly vintages closed between \$39.40 and \$39.60.

# Gas Forward Market

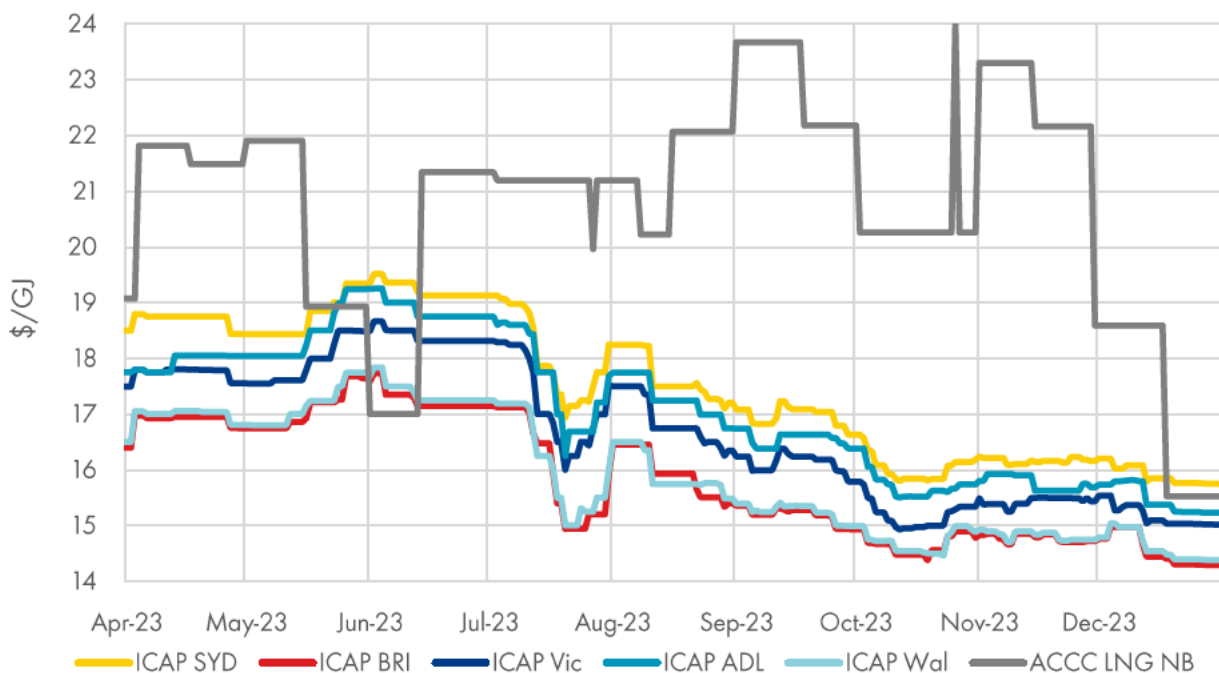
## Calendar Year 2024 (CY24)

All domestic forward contracts for Calendar Year 2024 (CY24) decreased to end the year at or close to their lowest level. The ACCC LNG netback (NB) forward price fell strongly but remains at a premium to Brisbane/Wallumbilla domestic forward prices. Prices in southern states continue to trade at a premium to QLD. 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.

### December 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$14.29	\$14.98	\$14.77	\$14.29	-\$0.48	-3.2%
ICAP Sydney	\$15.75	\$16.20	\$16.20	\$15.75	-\$0.45	-2.8%
ICAP Adelaide	\$15.24	\$15.82	\$15.73	\$15.24	-\$0.50	-3.2%
ICAP Victoria	\$15.02	\$15.54	\$15.54	\$15.02	-\$0.52	-3.3%
ICAP Wallumbilla	\$14.38	\$15.04	\$14.77	\$14.38	-\$0.38	-2.6%
ACCC LNG NB	\$15.53	\$18.59	\$18.59	\$15.53	-\$3.06	-16.5%

### 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>)

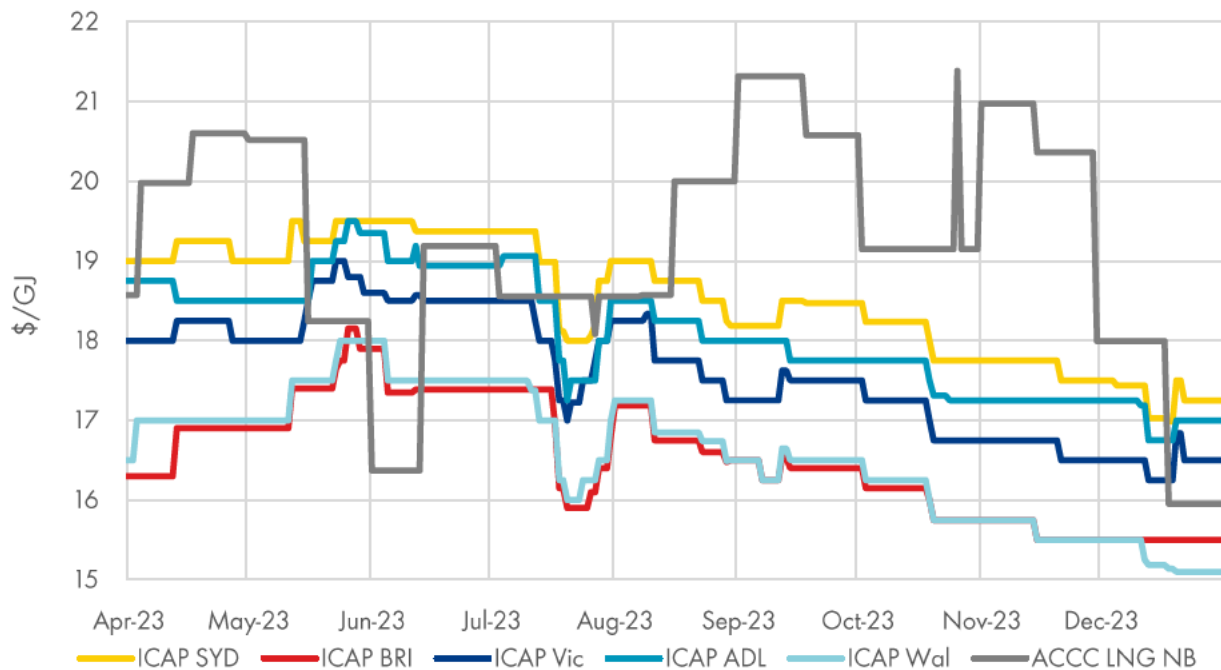
## Calendar Year 2025 (CY25)

Domestic forward contracts for Calendar Year 2025 (CY25) were flat in Brisbane and Victoria, while the Sydney, Adelaide and Wallumbilla contracts decreased slightly. Similar to CY24, southern prices are at a premium to QLD. The ACCC LNG netback forward price declined and sits at a small premium to Brisbane/Wallumbilla. The Calendar Year 2025 forward market continues to be affected by reduced liquidity.

### December 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$15.50	\$15.50	\$15.50	\$15.50	\$0.00	0.0%
ICAP Sydney	\$16.99	\$17.50	\$17.50	\$17.25	-\$0.25	-1.4%
ICAP Adelaide	\$16.75	\$17.25	\$17.25	\$17.00	-\$0.25	-1.4%
ICAP Victoria	\$16.25	\$16.84	\$16.50	\$16.50	\$0.00	0.0%
ICAP Wallumbilla	\$15.10	\$15.50	\$15.50	\$15.10	-\$0.40	-2.6%
ACCC LNG NB	\$15.95	\$17.99	\$17.99	\$15.95	-\$2.04	-11.3%

### 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 traded between \$8.35/GJ and \$12.93/GJ in December. The Victorian Declared Wholesale Gas Market (DWGM) average 6am price was around \$11/GJ for the month. On average, other markets traded \$0.50-0.80/GJ higher than the Victorian market.

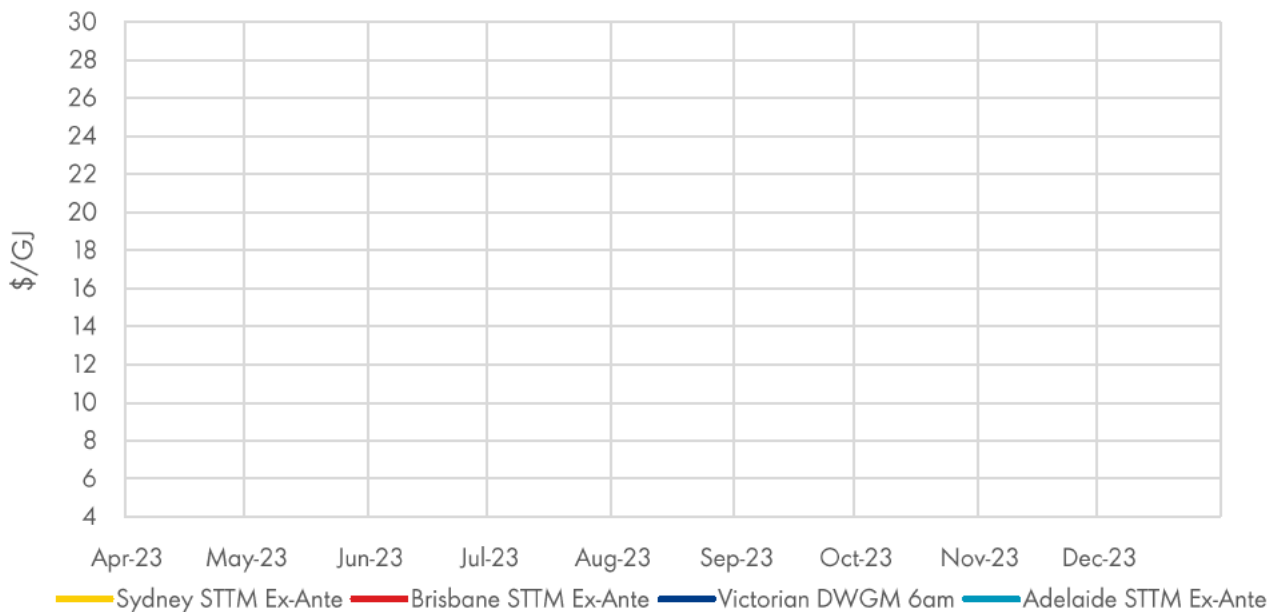
An unplanned operational issue at the APLNG LNG export facility saw lower spot prices early in the month, followed by a return to the prices seen in November at around \$12/GJ. Prices softened closer to Christmas, a traditional low-demand period.

### December 2023, \$/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM <sup>1</sup>	\$11.35	\$8.35	\$12.21
Sydney STTM	\$11.34	\$9.45	\$12.61
Adelaide STTM	\$11.61	\$10.10	\$12.93
Victorian DWGM <sup>2</sup> 6am	\$10.92	\$9.50	\$12.01

<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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