



MARKET SUMMARY REPORT

September 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

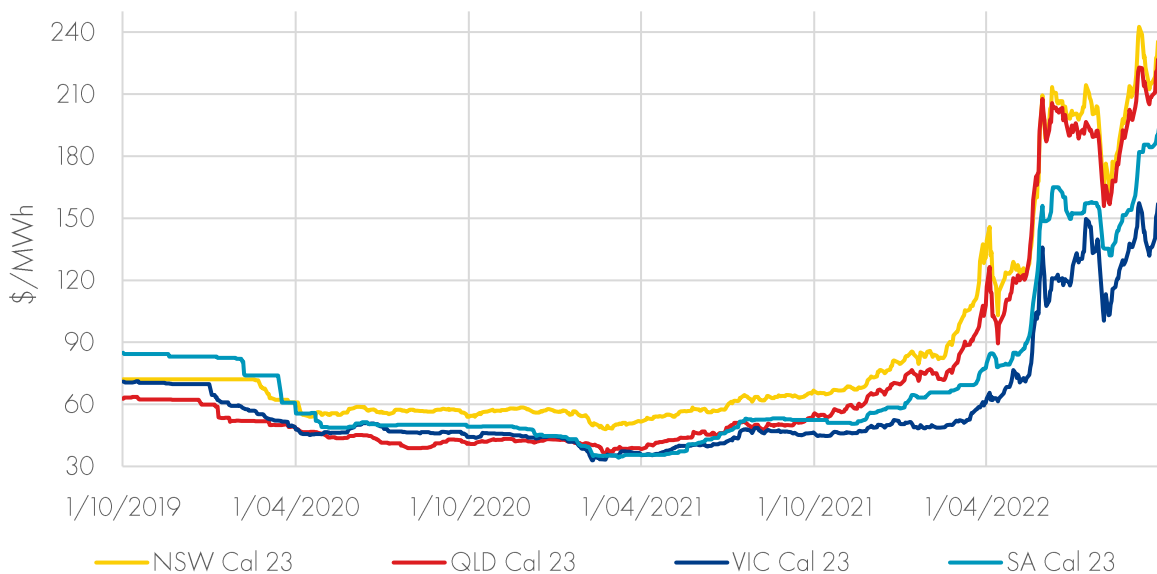
Calendar Year 2023 (CY23)

The flat swaps for Calendar Year 2023 (CY23) for each state closed notably higher against the previous month. While spot outcomes were low this month, market participants did not expect these outcomes to continue in the near term. Uncertainty around global commodity supply capacity and demand intensity, as well as local supply constraints driven by weather, unit age/reliability and fuel input prices, continue to support forward contract prices at high levels.

September 2022

State	Previous Close	Period Low	Period High	Closing Price
QLD	200.05	197.43	226.75	223.68
NSW	213.04	208.62	242.54	232.10
VIC	137.34	131.91	157.30	157.16
SA	154.00	154.00	193.31	193.31
TAS	124.79	133.86	153.35	145.98

CY23 Flat



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Source: ASX data

Contract Market

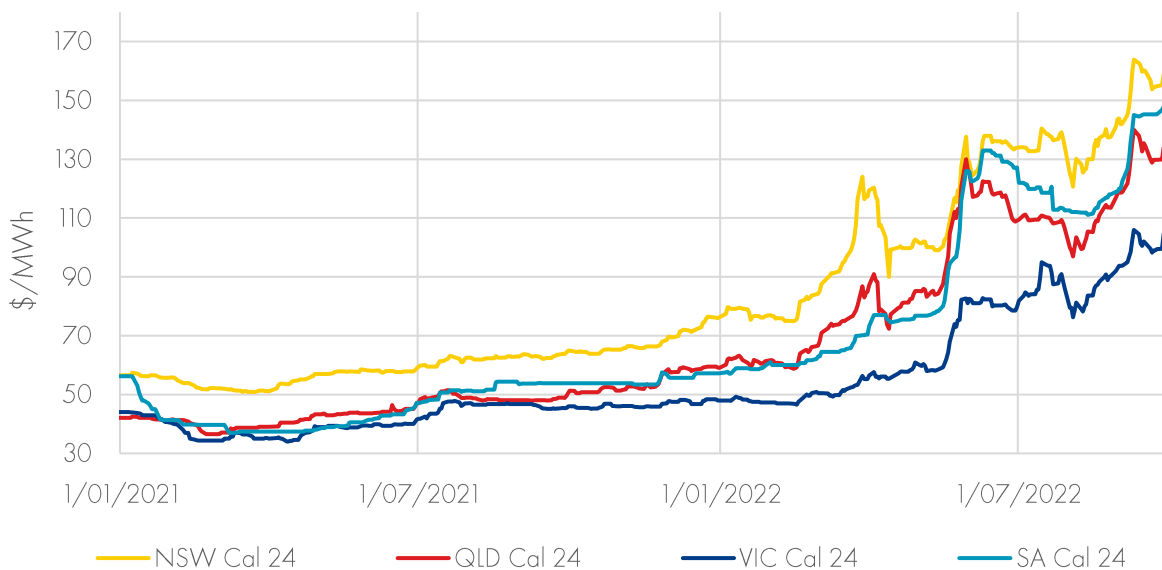
Calendar Year 2024 (CY24)

The flat swaps for Calendar Year 2024 (CY24) followed a similar pattern as the CY23 contracts. Market participants continue to price CY24 and beyond contracts at a significant discount to CY23 but above historic averages, as uncertainty remains around whether the factors currently affecting energy prices will persist into 2024.

September 2022

State	Previous Close	Period Low	Period High	Closing Price
QLD	119.05	118.61	140.93	140.93
NSW	143.85	141.85	166.89	166.89
VIC	93.81	93.81	110.67	110.67
SA	120.00	120.00	151.14	151.14
TAS	89.34	93.18	116.19	107.01

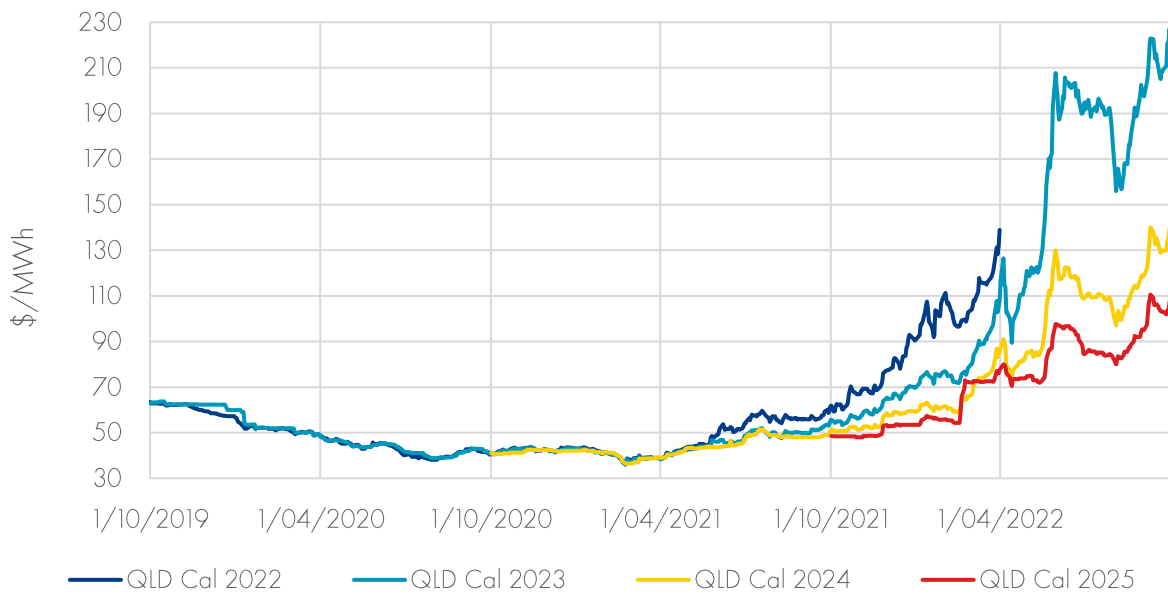
CY24 Flat



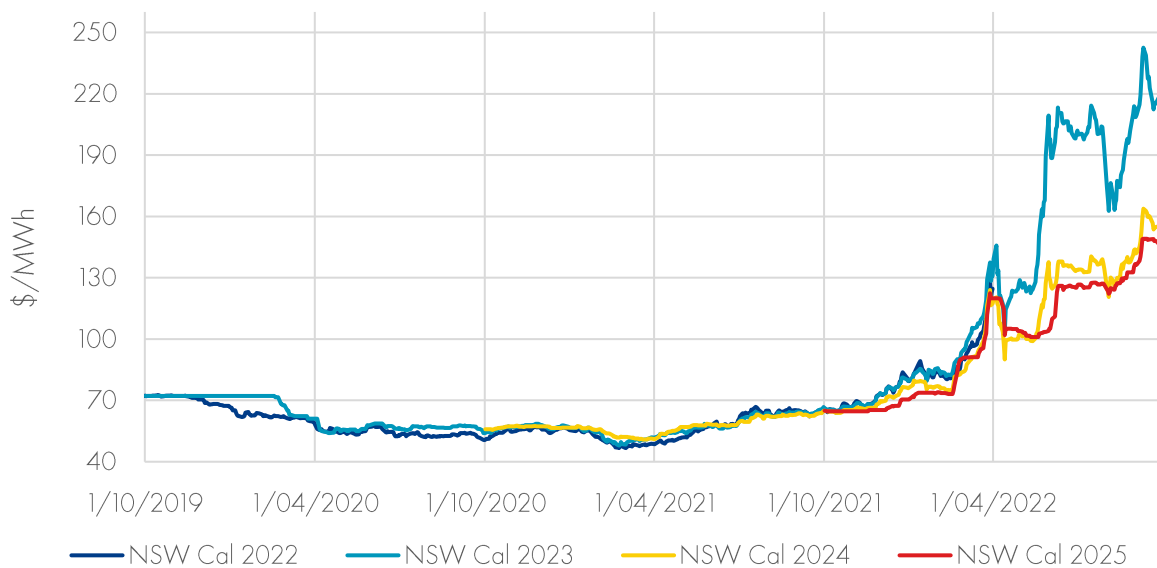
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Source: ASX data

Contract Market – QLD Calendar Years Flat



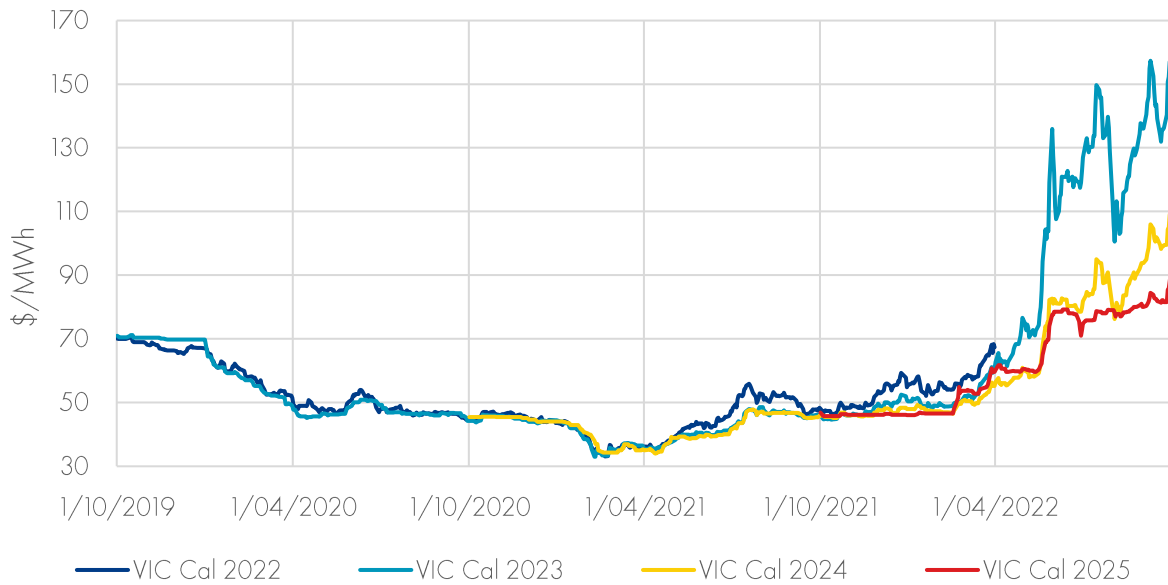
Contract Market – NSW Calendar Years Flat



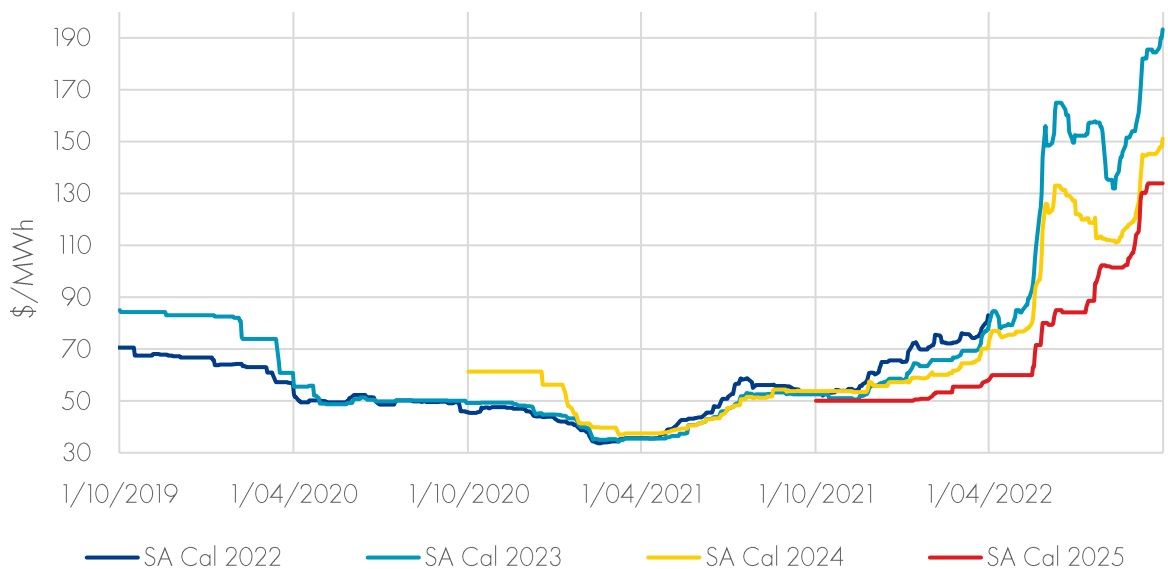
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Source: ASX data

Contract Market – VIC Calendar Years Flat



Contract Market – SA Calendar Years Flat

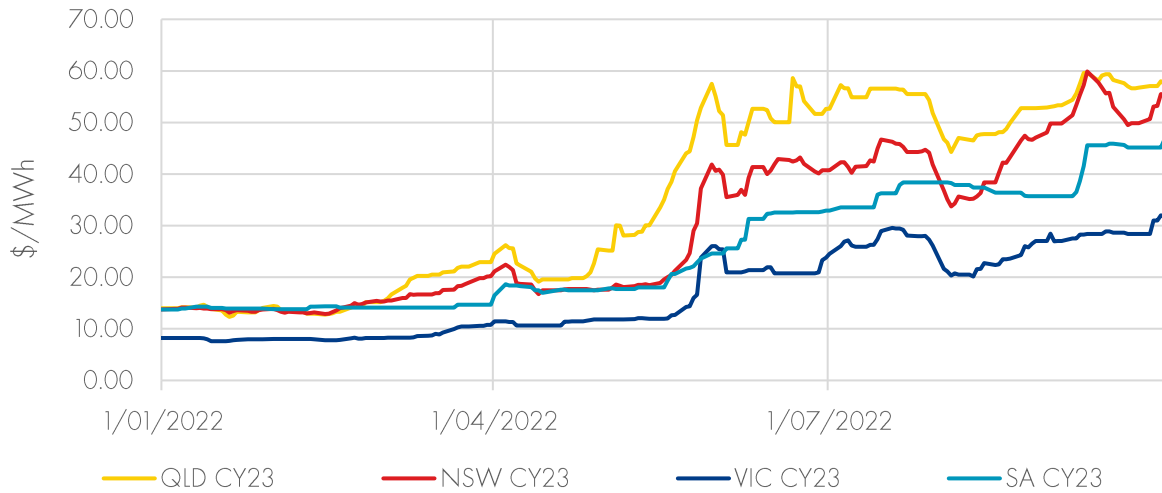


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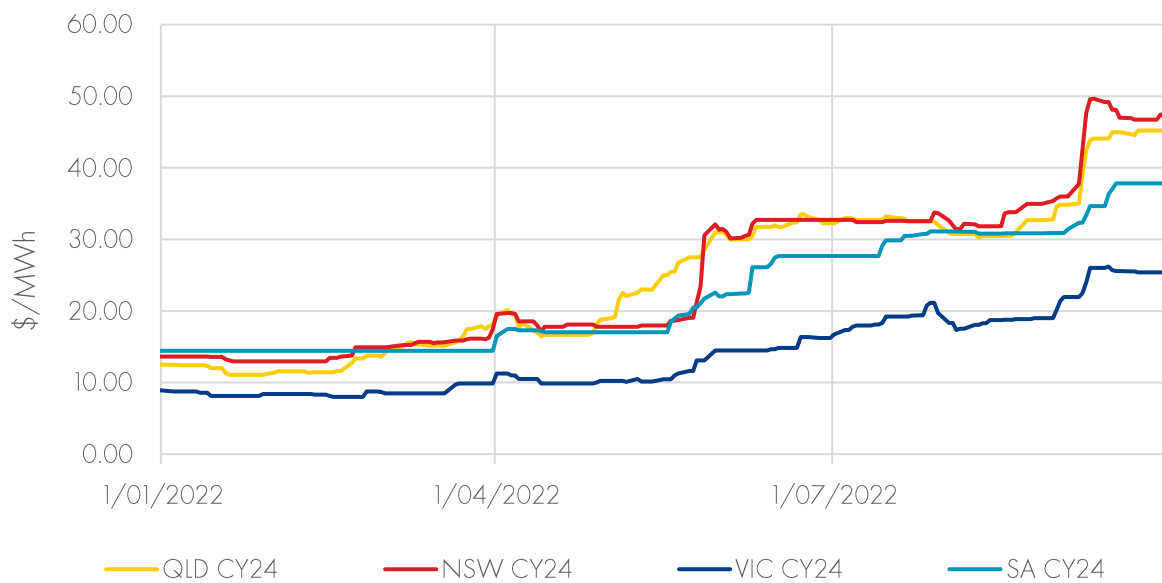
Source: ASX data

Cap Contract Market

Calendar Year 2023 (CY23)



Calendar Year 2024 (CY24)



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Source: ASX data

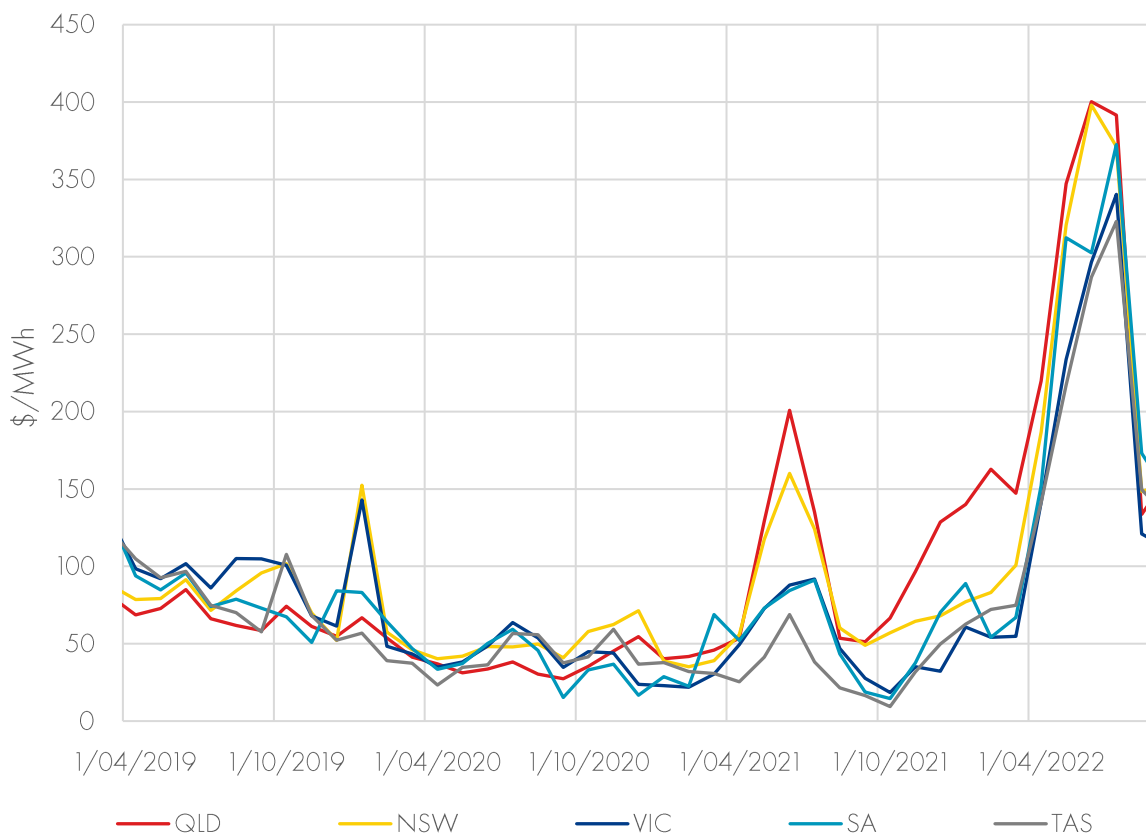
Spot Prices: National Electricity Market

Average spot outcomes were higher in QLD and NSW compared to August while VIC, SA and TAS experienced slightly lower outcomes. Volatility in all states was slightly lower compared to last month. In general, mild weather driving lower demand, declining global commodity prices and the return to service of units from outages meant that the supply/balance was less tight compared to previous months.

September 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	156.90	15,500.00	2	963
NSW	153.87	1,025.20	1	649
VIC	111.77	630.34	0	1,279
SA	147.84	15,500.00	52	1,861
TAS	132.74	3,059.40	1	19

Source: NEM Spot Market - AEMO

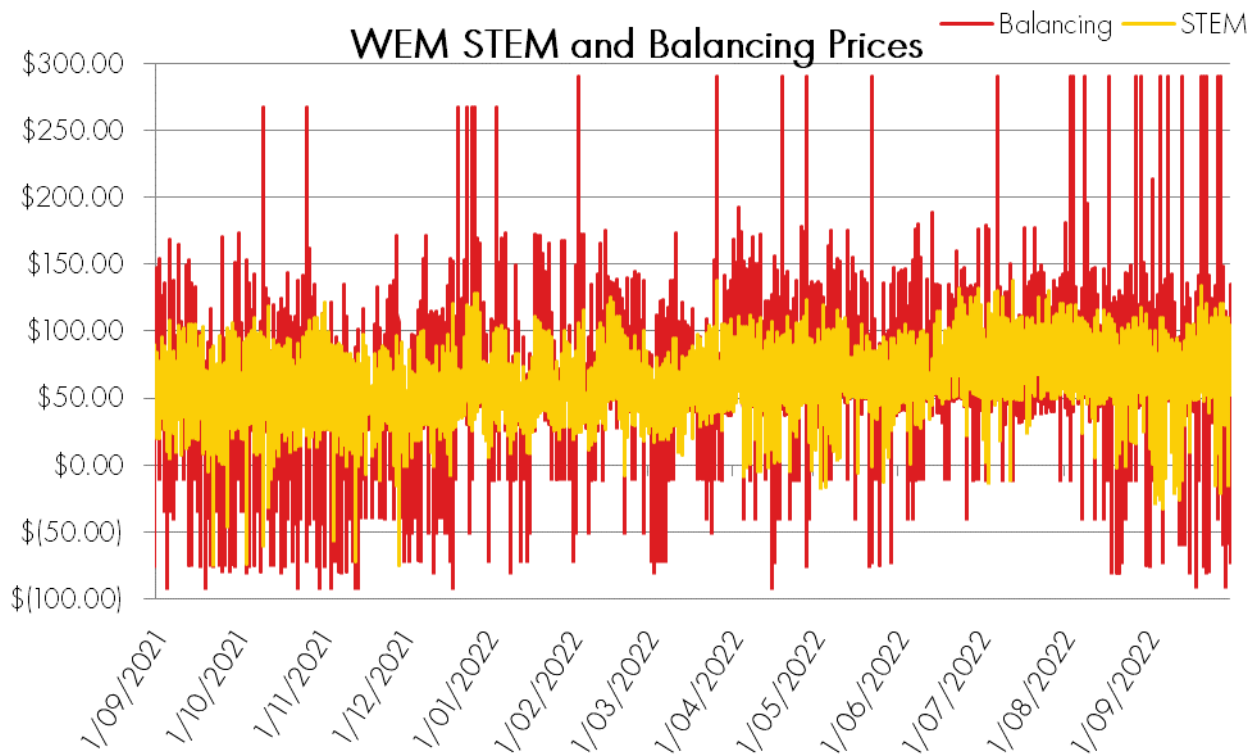


Western Australia Energy Market

WEM STEM and Balancing Prices

The STEM average flat price fell by \$7.01 (-10%) to \$61.77, and the average peak price fell by \$13.35 (-18%) to \$59.19. The Balancing market saw the average flat price increase by \$2.17 (3%) to \$72.92, and the average peak price decrease by \$5.56 (-7%) to \$72.07.

The STEM experienced 116 intervals above \$100 (compared to 133 last month), and 100 intervals below \$0 (versus 6 last month). In the Balancing market, there were 322 intervals above \$100 (versus 325 in the previous month) and 47 intervals below \$0 (versus 59 intervals).



Source: Western Australia Energy Market - AEMO

Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$64.25, \$5.15 higher than last month's close of \$59.10. The LGC compliance year (CY) vintages largely closed higher against their August closes. CY22 closed \$4.75 higher at \$64.75, CY23 closed \$0.75 higher at \$59.00, CY24 closed \$1.25 lower at \$49.50, CY25 closed \$0.75 lower at \$43.50, CY26 closed \$0.50 higher at \$38.75, CY27 closed \$1.00 higher at \$33.00, and CY28 closed \$3.00 higher at \$27.00.

Victorian Energy Efficiency Certificate (VEEC) spot contracts closed at \$68.50, \$0.75 lower than last month. VEEC forward contracts closed between \$69.00 and \$70.00.

Energy Savings Certificates (ESC) spot contracts closed at \$36.00, \$2.70 higher than last month's close of \$33.30. Forward ESC contracts continued to trade at a slight premium to spot, closing between \$36.00 and \$36.75.

Small-scale Technology Certificate (STC) spot contracts remained relatively flat near the STC clearing house price of \$40, closing at \$39.90 (the same level as last month's close). The quarterly vintages for 2022 remained flat to last month's close, closing at 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 2.7 million.

However, this is an improvement from last month's deficit of approximately 4.4 million certificates. While a deficit is expected to remain in the near-term, the supply/demand imbalance seems to be reducing.



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