



MARKET SUMMARY REPORT

December 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 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

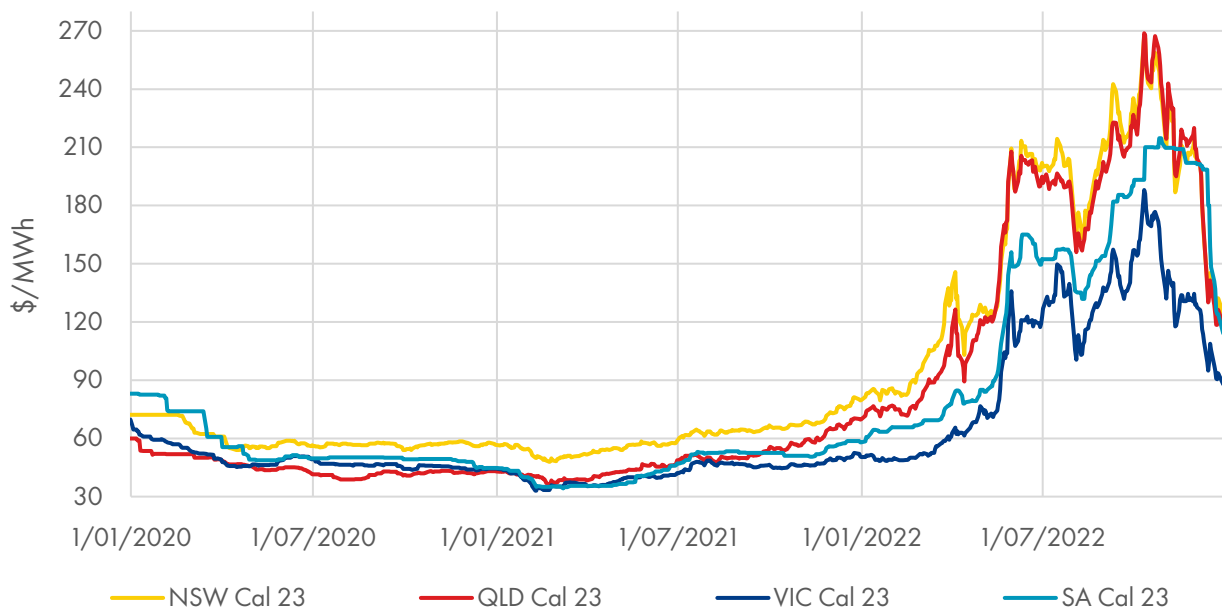
Calendar Year 2023 (CY23)

Calendar year 2023 (CY23) flat swap contracts declined significantly across the board as the details of the federal and state government market intervention - including coal and gas caps for 2023 became clear. Global coal and gas commodity prices have softened notably due to the above average winter temperatures in the Northern Hemisphere and as demand from China continues to lag as COVID outbreaks prevent a robust restart of normal economic activity.

December 2022

State	Previous Close	Period Low	Period High	Closing Price
QLD	209.29	118.54	209.30	121.13
NSW	205.27	124.37	205.27	127.37
VIC	128.89	87.85	129.39	89.05
SA	202.00	113.69	202.00	113.69
TAS	133.18	99.55	130.57	99.55

CY23 Flat



Source: ASX data

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Contract Market

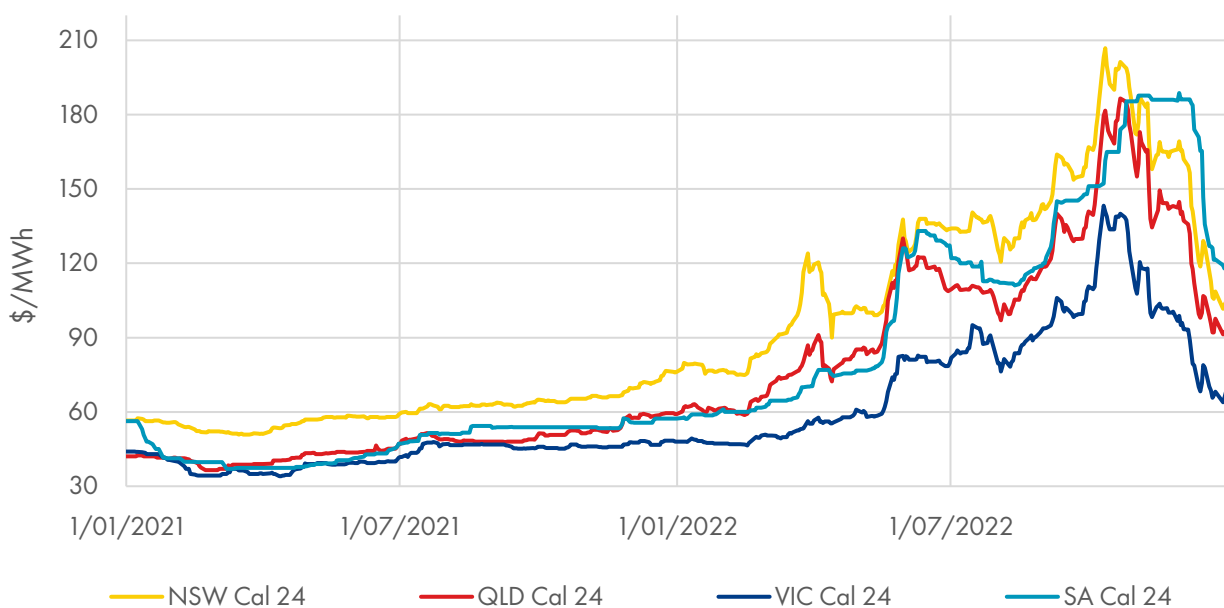
Calendar Year 2024 (CY24)

Calendar year 2024 (CY24) flat swap contracts followed the 2023 contracts down, as the gas and coal cap legislation were announced and passed. While these caps are to be mostly in place for 2023, the possibility of extension was included in legislation.

December 2022

State	Previous Close	Period Low	Period High	Closing Price
QLD	139.87	91.31	140.79	93.02
NSW	165.50	101.66	165.55	104.34
VIC	95.08	63.88	96.00	68.00
SA	186.15	117.92	186.15	117.92
TAS	99.10	72.60	98.88	72.60

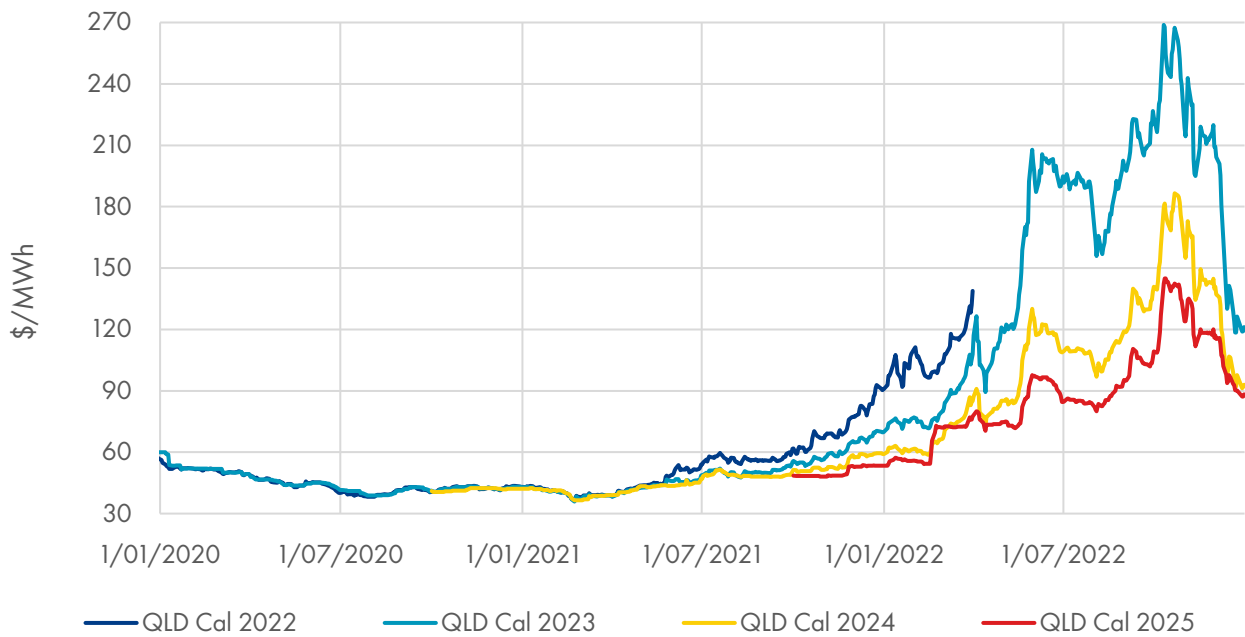
CY24 Flat



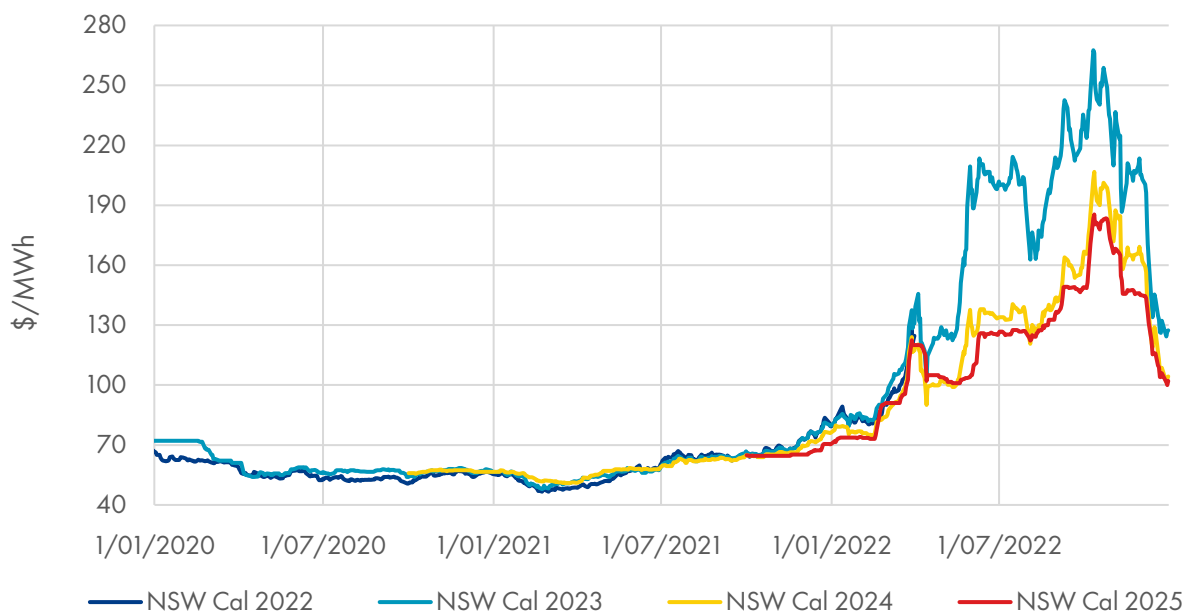
Source: ASX data

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Contract Market - QLD Calendar Years Flat



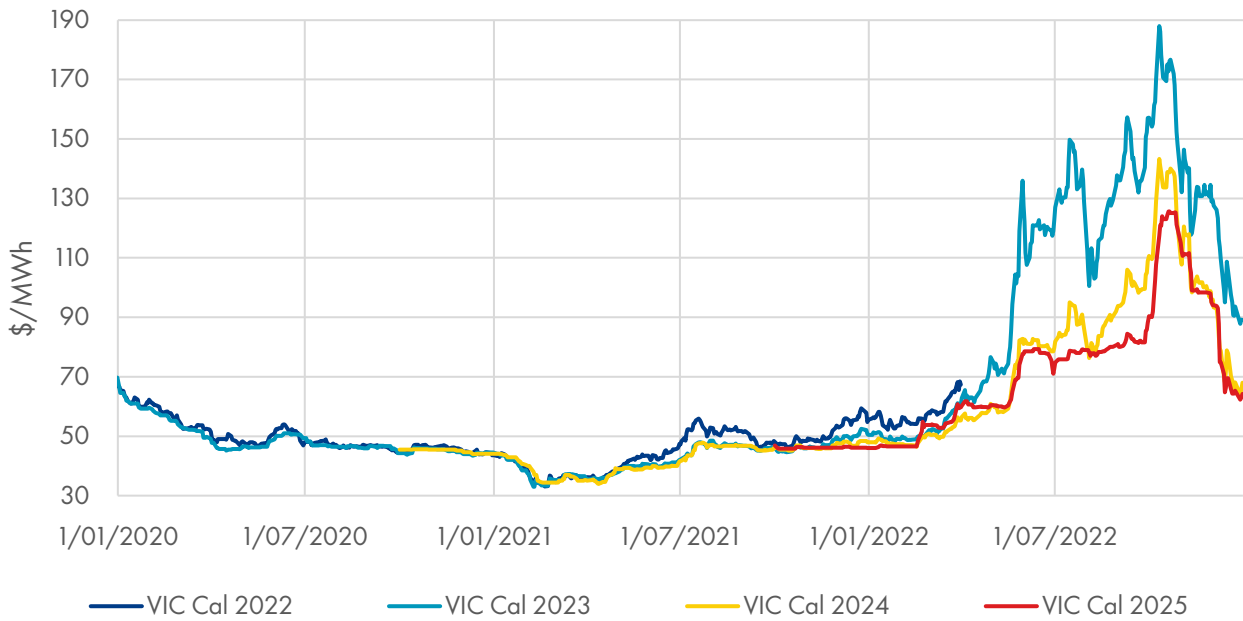
Contract Market - NSW Calendar Years Flat



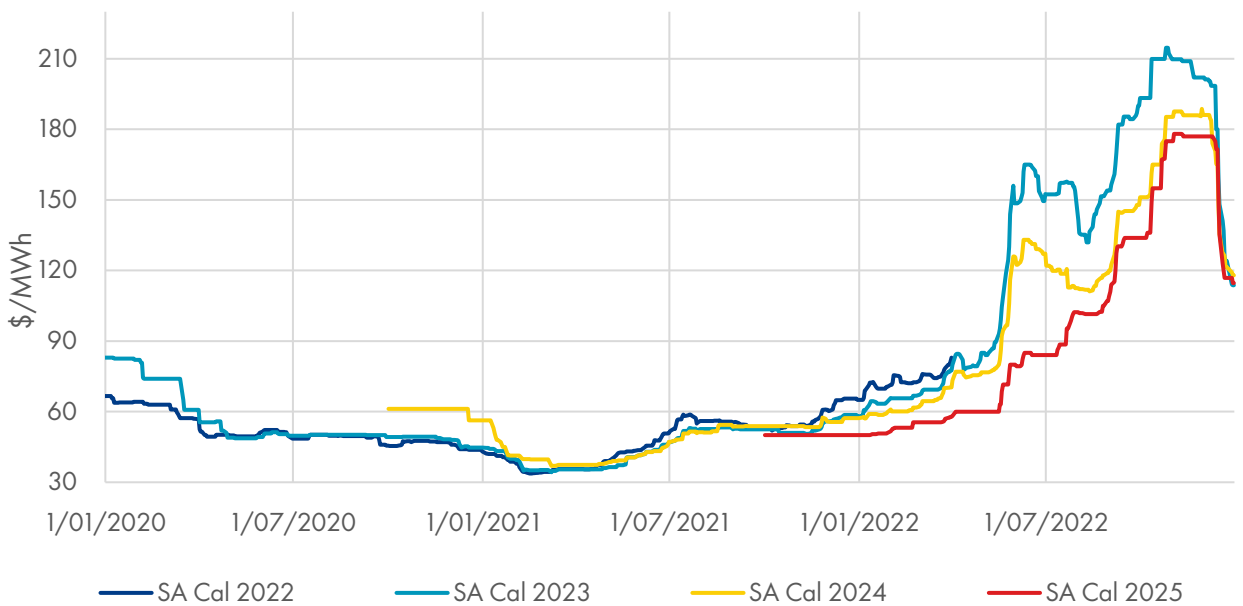
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Contract Market - VIC Calendar Years Flat



Contract Market - SA Calendar Years Flat

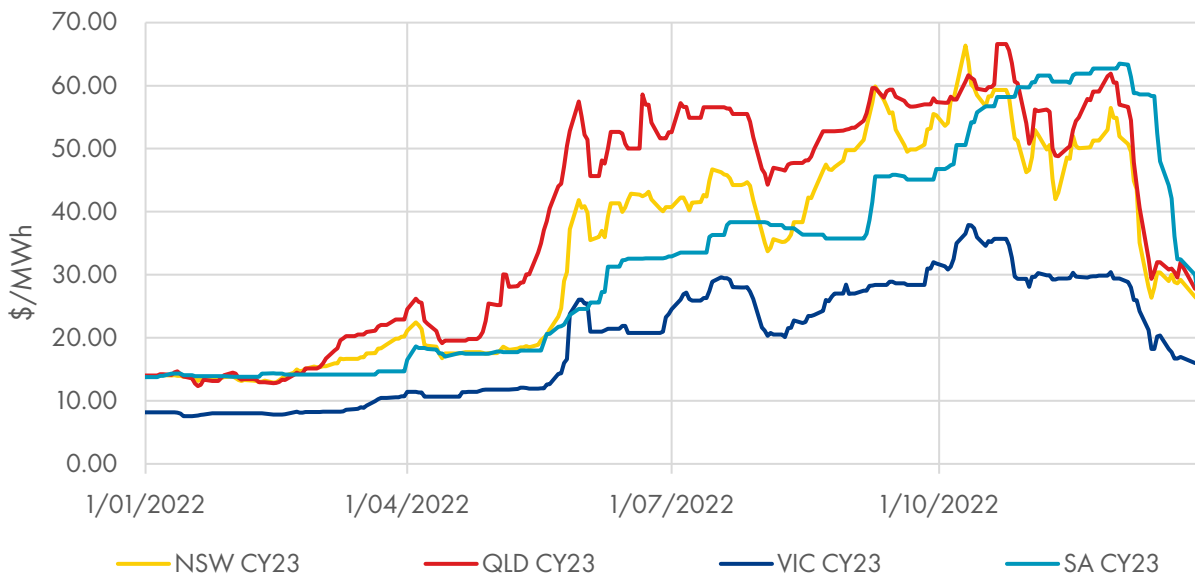


Source: ASX data

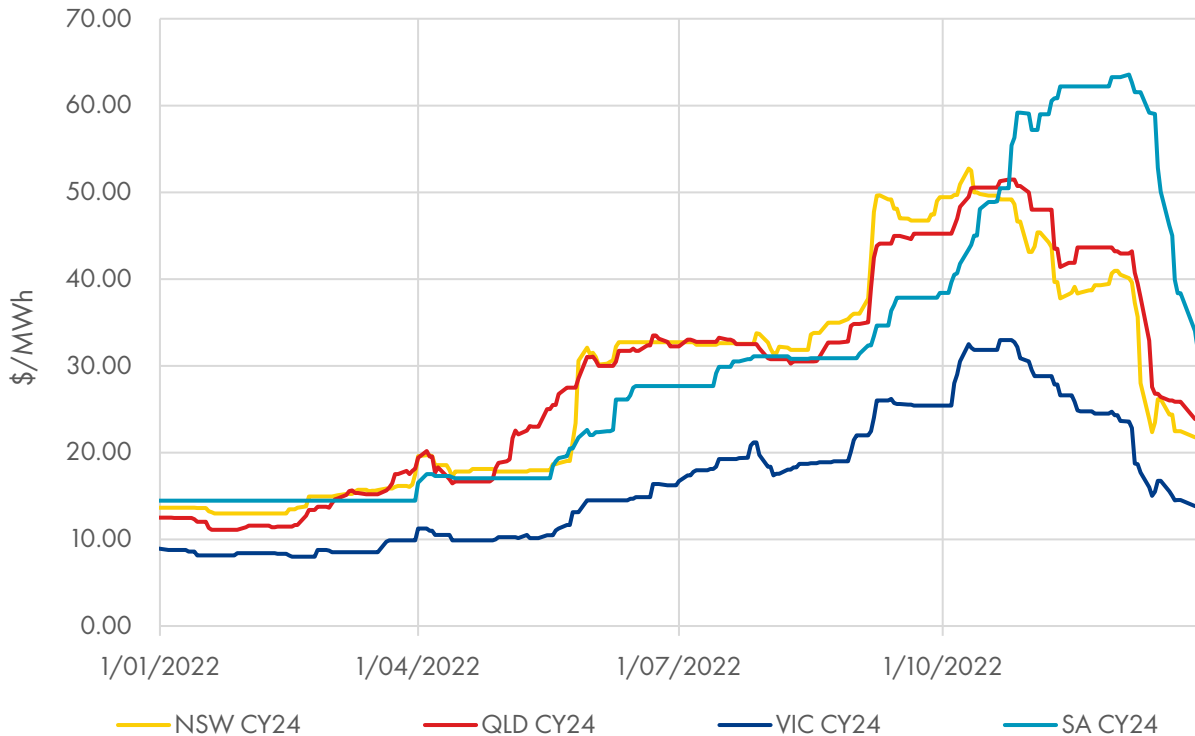
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Cap Contract Market

Calendar Year 2023 (CY23)



Calendar Year 2024 (CY24)



Source: ASX data

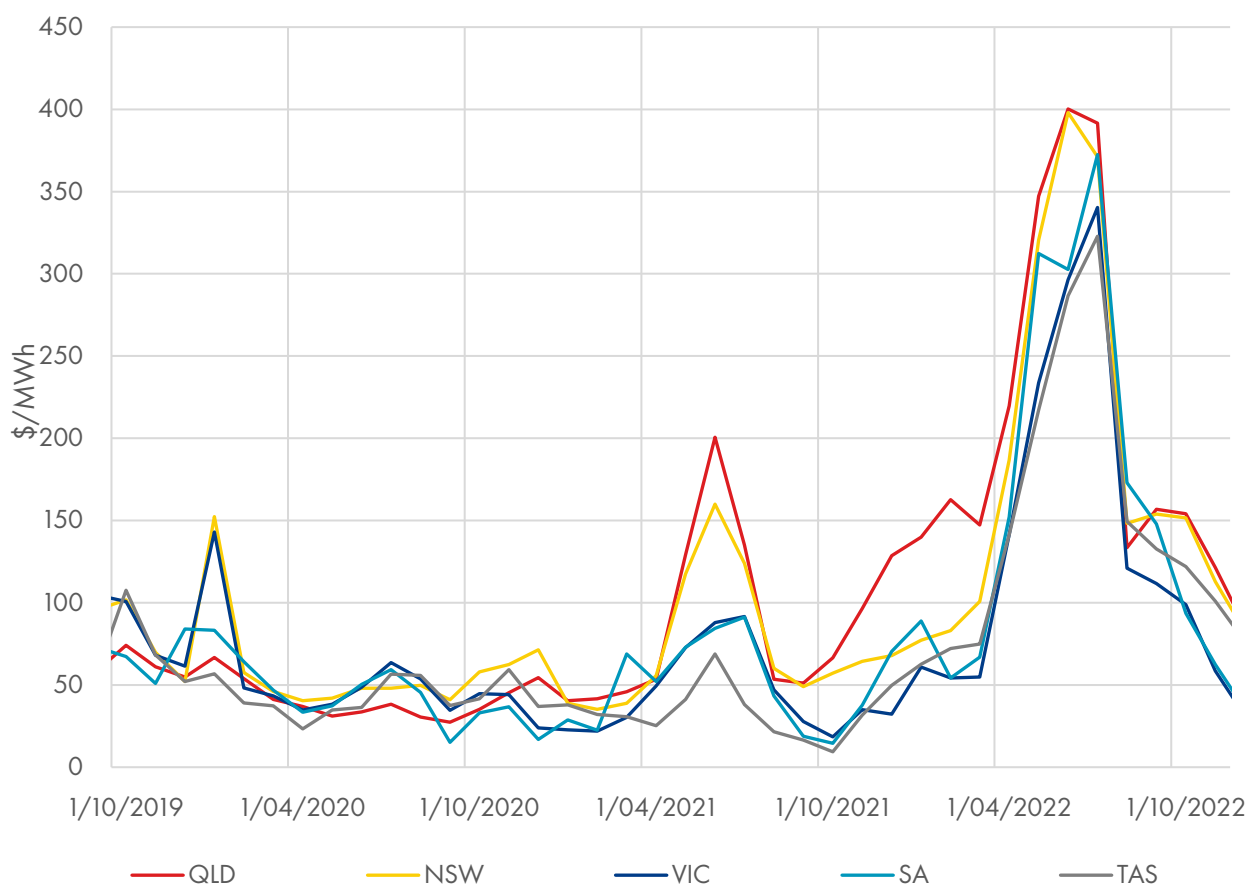
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Spot Prices: National Electricity Market

Average spot prices continued to soften as a very mild start to summer, combined with the holiday season, led to lower demand that could be met by plenty of relatively inexpensive supply. The few high price spikes seen were largely caused by transmission line constraints.

December 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	85.46	1,250.00	2	1,438
NSW	82.64	15,500.00	3	1,259
VIC	31.28	316.21	0	2,964
SA	35.43	12,523.61	6	3,210
TAS	76.36	15,493.40	2	99



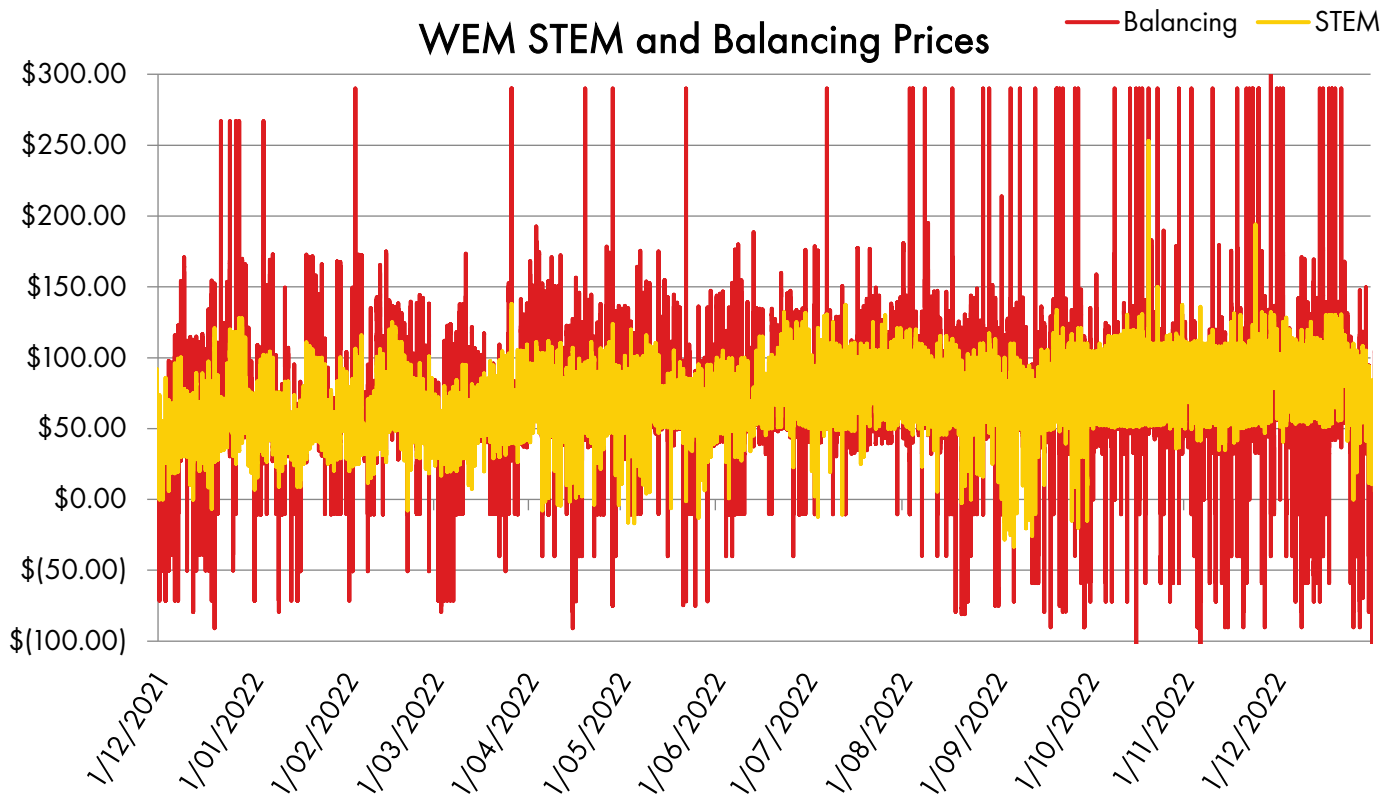
Source: NEM Spot Market - AEMO

Western Australia Energy Market

WEM STEM and Balancing Prices

The STEM average flat price fell by \$1.93 (-2%) to \$77.99, and the average peak price fell by \$0.32 (0%) to \$83.57. The Balancing market saw the average flat price increase by \$3.35 (5%) to \$71.96, and the average peak price increase by \$12.05 (19%) to \$75.39.

The STEM experienced 285 intervals above \$100 (compared to 102 in November), and 0 intervals below \$0 (versus 0 in November). In the Balancing Market, there were 367 intervals above \$100 (versus 133 in November) and 97 intervals below \$0 (versus 32 intervals).



Source: Western Australia Energy Market - AEMO

Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$57.25, \$7.75 lower than November's close of \$65.00. The LGC compliance year (CY) vintages closed much lower against their November closes. CY22 closed \$8.10 lower at \$57.50, CY23 closed \$6.35 lower at \$52.25, CY24 closed \$4.75 lower at \$42.00, CY25 closed \$4.25 lower at \$36.50, CY26 closed \$7.25 lower at \$32.00, CY27 closed \$2.50 lower at \$29.00, and CY28 closed \$0.50 lower at \$23.00.

Victorian Energy Efficiency Certificate (VEEC) spot contracts closed at \$69.50, \$3.75 lower than November's close of \$73.25. Quarterly forward contract vintages also declined by a similar amount, closing at between \$69.75 and \$70.25.

Energy Savings Certificates (ESC) spot contracts closed at \$30.00, \$2.25 lower than November's close of \$32.25. Quarterly forward vintages also decreased by \$2.25, closing at prices between \$30.00 and \$30.50.

Small-scale Technology Certificates (STC) spot contracts closed at \$39.90, the same level as November's close. Quarterly forward vintages largely traded flat against the November's close, settling at prices between \$39.90 and \$39.65.



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