



MARKET SUMMARY REPORT

January 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 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](#).

Western Australia energy market - AEMO publishes a detailed market report which can be found [here](#).

NEM Spot market - AEMO publishes a range of detailed information which can be found [here](#).

Large-scale Generation Certificates (LGCs) - information about the LGCs can be found [here](#).

Small-scale Technology Certificates (STCs) - information about the STC program can be found [here](#).

Victorian Energy Efficiency Certificates (VEECs) - information about the VEEC program can be found [here](#).

Energy Saving Certificates (ESCs) - information about the ESC program can be found [here](#):

Contract Market

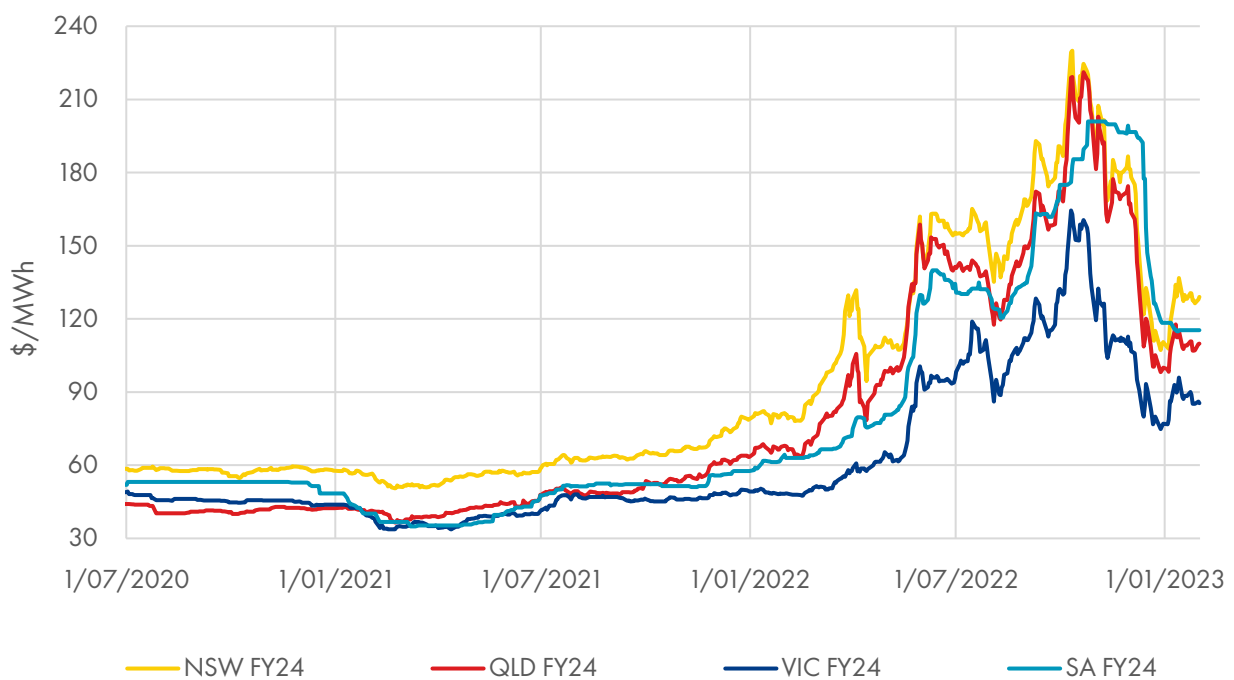
Financial Year 2024 (FY24)

Financial year 2024 (FY24) flat swap contracts traded relatively flat against December, following the implementation of government interventions in gas and coal. The lower prices saw buyers come to market, with the slight bump in prices insufficient to retrace back up to pre-intervention levels.

January 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	100.04	98.31	117.80	109.90
NSW	110.51	107.73	136.76	129.00
VIC	77.05	76.76	96.00	85.50
SA	118.43	114.81	118.43	115.43
TAS	86.60	76.78	91.40	76.78

FY24 Flat



Source: ASX data

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Contract Market

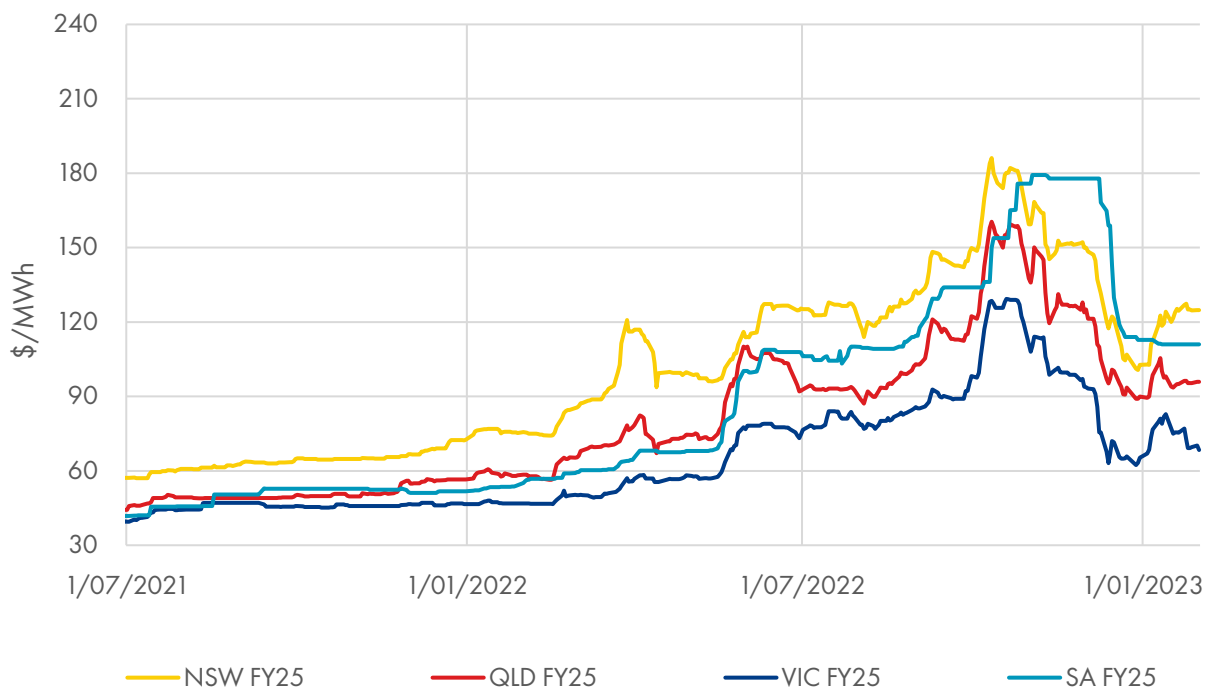
Financial Year 2025 (FY25)

Financial year 2025 (FY25) flat swap contracts followed a similar path as the FY24 contracts.

January 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	89.98	89.49	105.48	95.85
NSW	102.67	102.70	127.31	124.81
VIC	65.28	66.97	82.85	68.42
SA	112.79	111.04	112.79	111.04
TAS	72.61	76.95	85.10	79.50

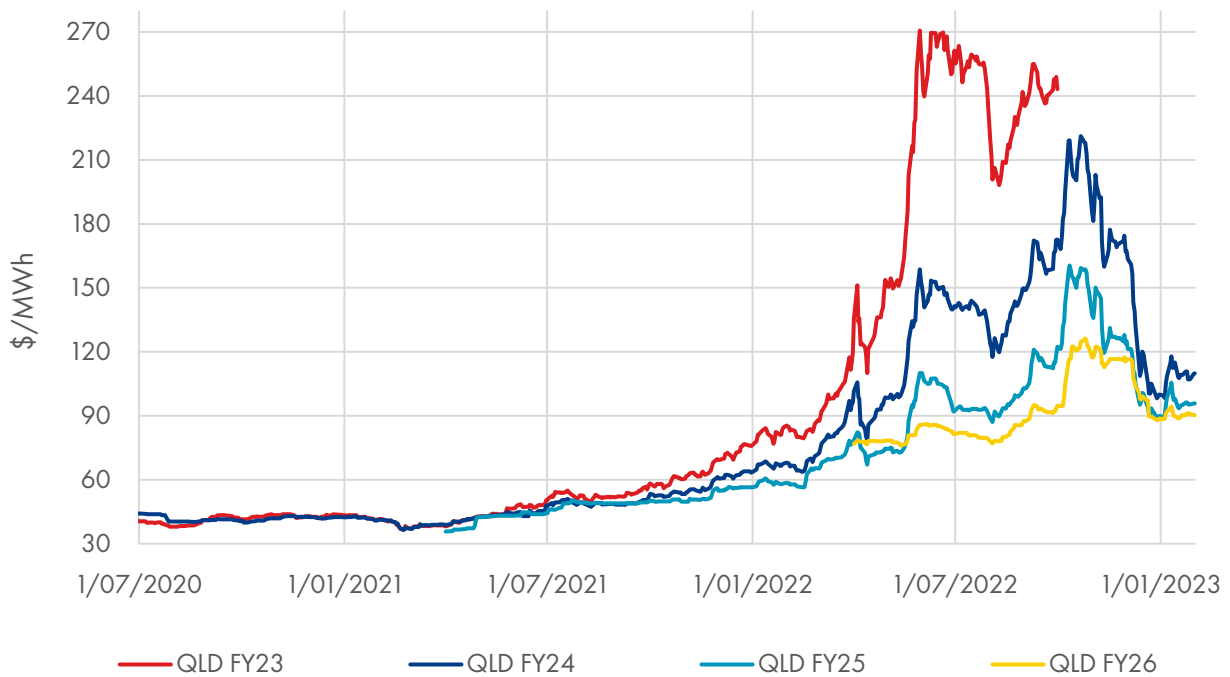
FY25 Flat



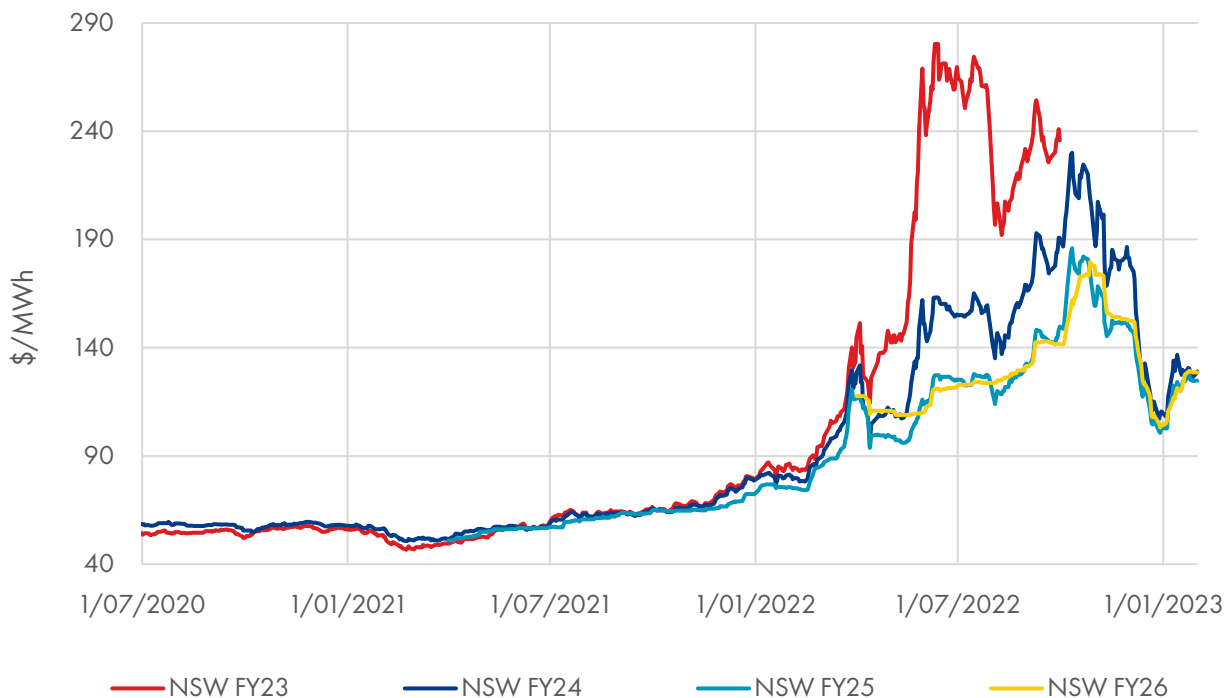
Source: ASX data

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Contract Market - QLD Financial Years Flat



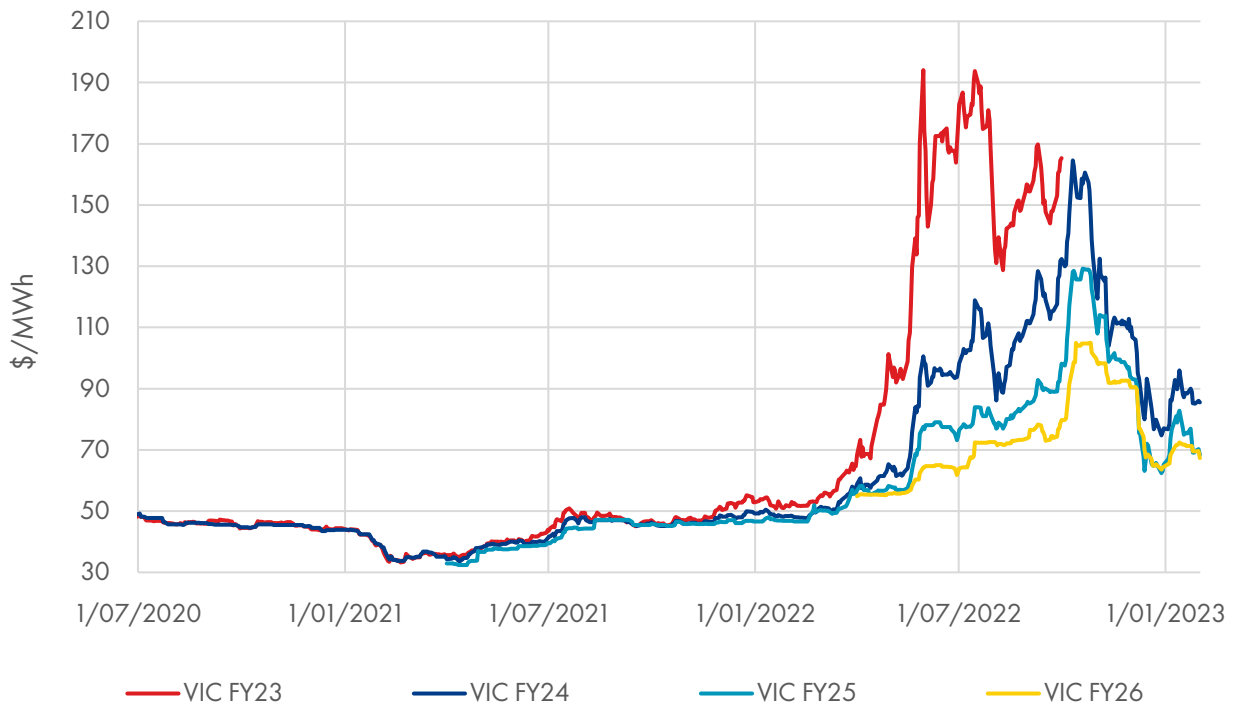
Contract Market - NSW Financial Years Flat



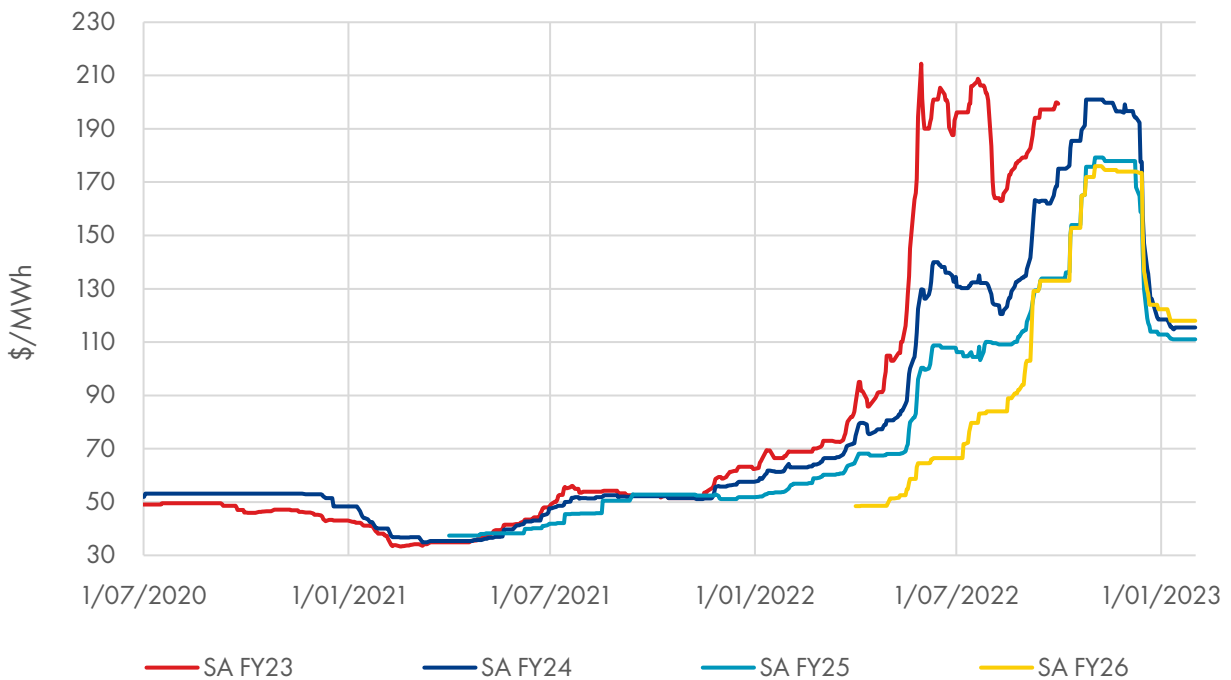
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Contract Market - VIC Financial Years Flat



Contract Market - SA Financial Years Flat

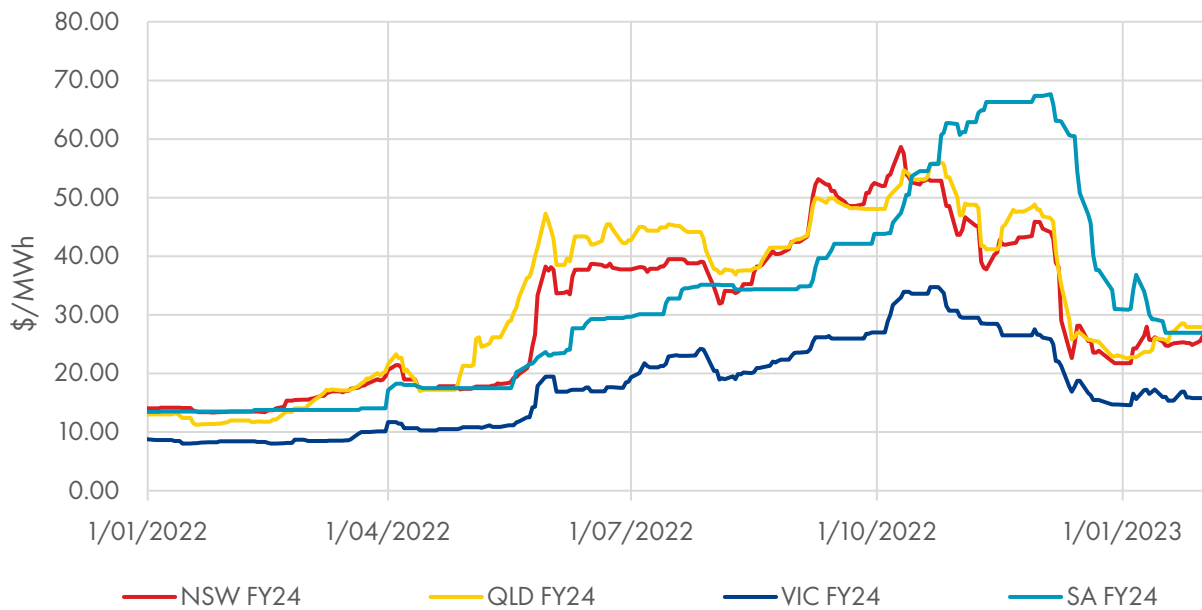


Source: ASX data

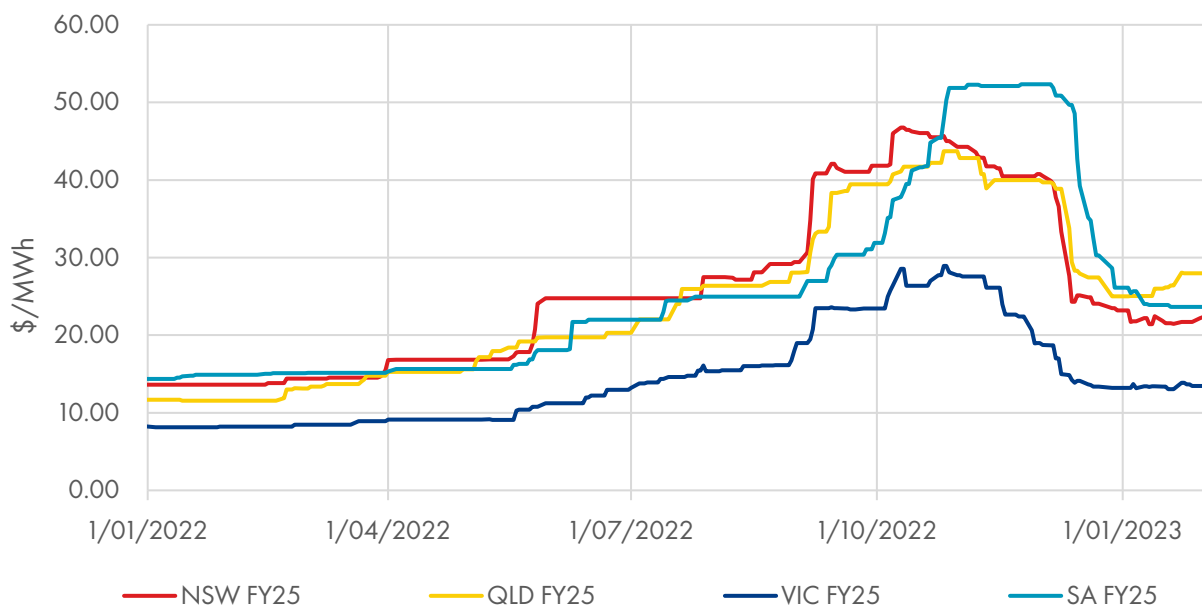
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Cap Contract Market

Financial Year 2024 (FY24)



Financial Year 2025 (FY25)



Source: ASX data

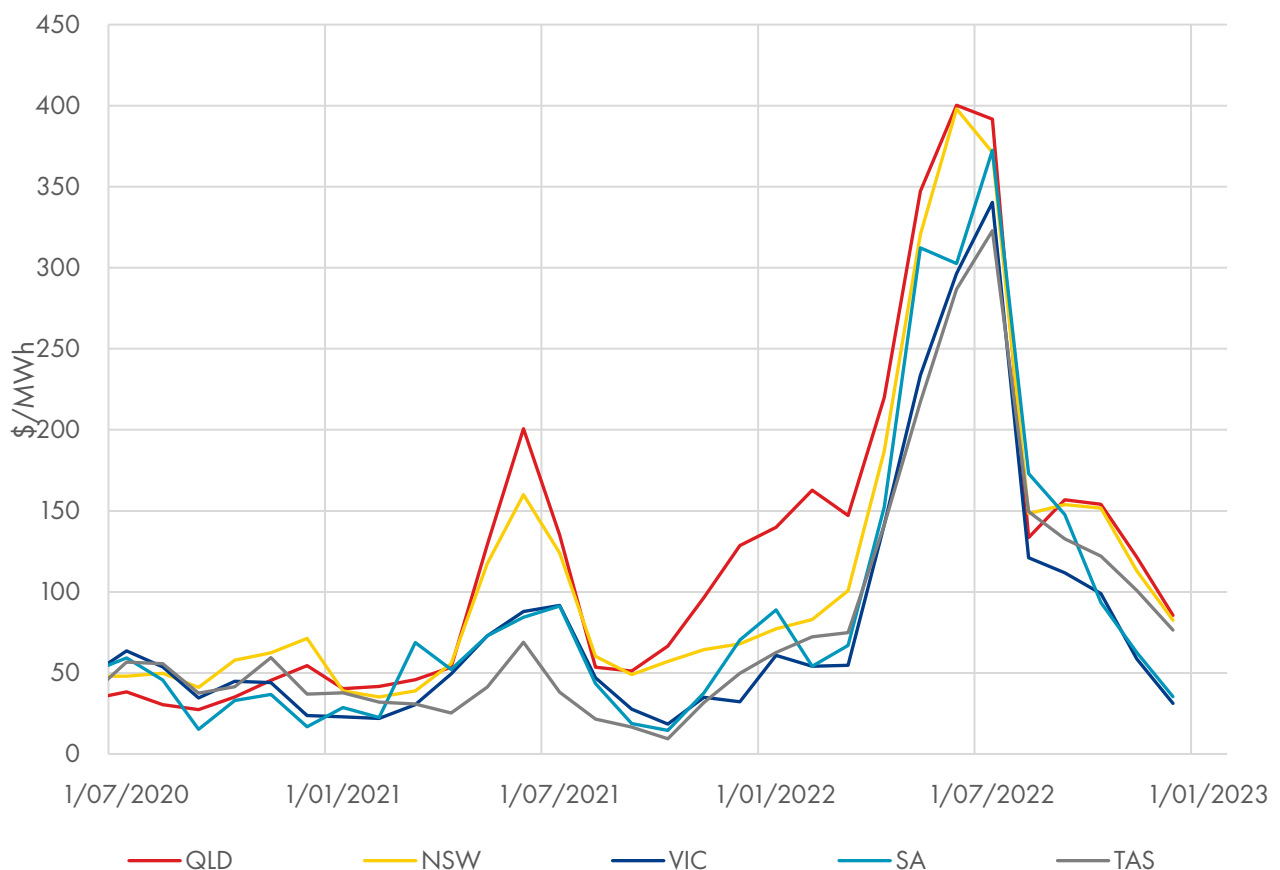
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Spot Prices: National Electricity Market

January 2023

Average spot prices across the NEM increased in January with summer heat stimulating demand towards the end of the month. Price volatility continued to be relatively subdued across all regions, with QLD and NSW experiencing notably fewer price intervals below \$0 compared to previous months. Export coal and gas commodity prices continued to decline in January, due to mild winter demand in the Northern Hemisphere and below average economic activity in China.

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	98.96	15,500.00	5	433
NSW	94.39	1,254.85	1	328
VIC	48.09	366.90	0	2,338
SA	57.20	12,523.42	3	2,570
TAS	86.86	450.26	0	90



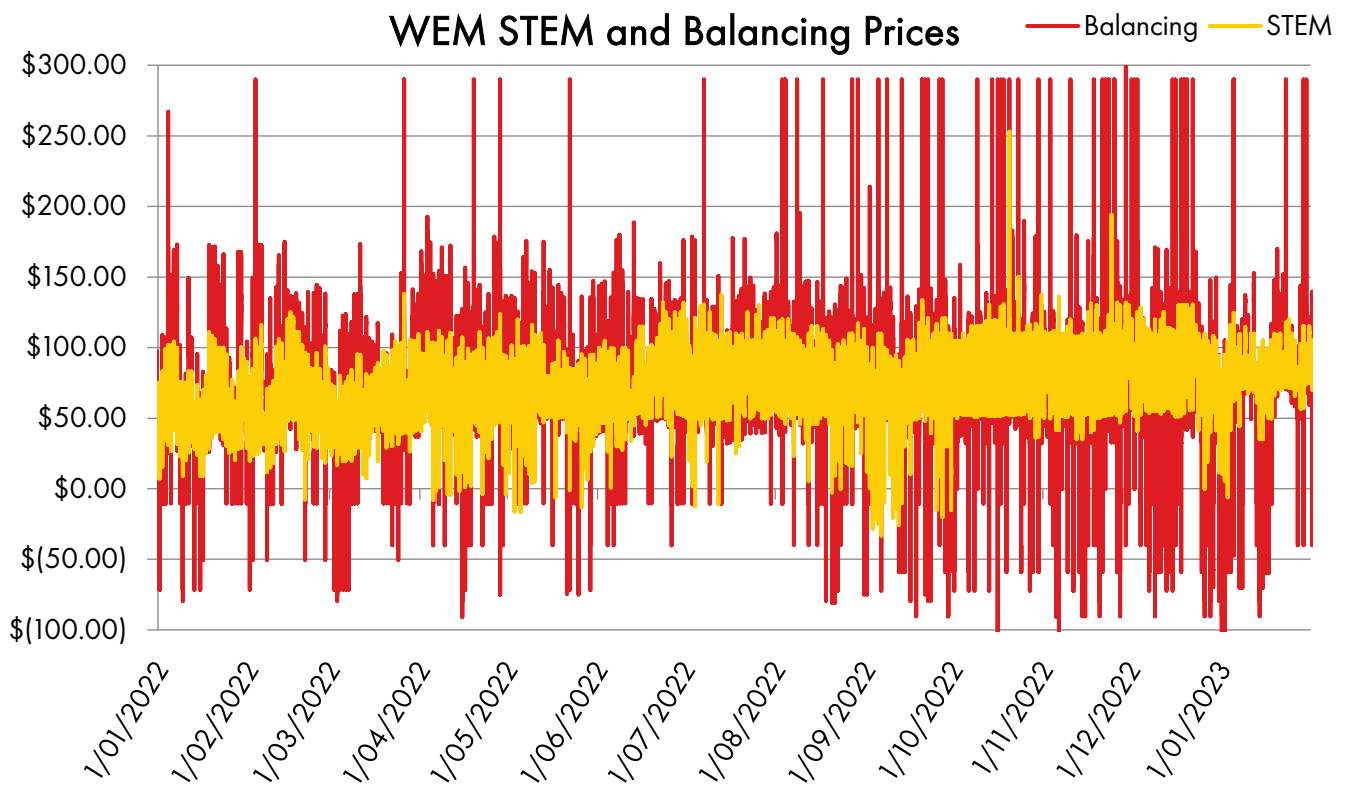
Source: NEM Spot Market - AEMO

Western Australia Energy Market

WEM STEM and Balancing Prices

The STEM and Balancing market average prices fell slightly month-on-month despite a spate of high temperatures in January. The STEM average flat price fell by \$1.28 (-2%) to \$76.71, and the average peak price fell by \$3.77 (-5%) to \$79.81. The Balancing market saw the average flat price decrease by \$3.99 (-6%) to \$67.96, and the average peak price decrease by \$4.52 (-6%) to \$70.87. However, prices remained much higher compared to the previous summer as Synergy, the owner of most of the state’s coal-fired generation, had fuel supply issues following a fire at one of its main coal stockpiles. This prompted the WA Government to import coal from NSW to buffer against any further stockpile issues. While the coal successfully reached WA, lack of viable transportation between the port and Collie coal-fired power station meant that, at the end of January, the coal remained at the port. Another contributing factor to higher-than-normal prices this summer was unplanned outages at gas production facilities. These meant that gas-fired generators had to use more expensive gas to supply power.

The STEM experienced 145 intervals above \$100 (compared to 285 last month), and six intervals below \$0 (versus 0 last month). In the Balancing Market, there were 209 intervals above \$100 (versus 367 in the previous month) and 114 intervals below \$0 (versus 97 intervals).



Source: Western Australia Energy Market – AEMO

Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$49.75, \$7.50 lower than December's close of \$57.25. The LGC compliance year (CY) vintages continued to decline steeply month-on-month. CY22 closed \$7.75 lower at \$49.75, CY23 closed \$2.25 lower at \$50.00, CY24 closed \$2.50 higher at \$44.50, CY25 closed \$1.25 higher at \$37.75, CY26 closed \$0.25 lower at \$31.75, CY27 closed \$2.00 lower at \$27.00, and CY28 closed \$0.25 higher at \$23.25. As it became clear that there would be more than adequate supply of Cal22 contracts to satisfy demand for the rapidly approaching 14 February surrender date, the near-term LGC contracts saw sharp declines in the prices.

Victorian Energy Efficiency Certificate (VEEC) spot contracts closed at \$69.00, \$0.50 lower than December's close of \$69.50. Quarterly forward vintages also decreased, with contracts closing between \$69.40 and \$70.00.

Energy Savings Certificates (ESC) spot contracts closed at \$32.50, \$2.50 higher than December's close. Quarterly forward vintages also increased by a similar amount, with contracts closing between \$32.75 and \$33.25. This increase in ESCs was driven by lower-than-expected ESC creation between December and January, leading to ESC sellers to offer forward contracts at higher prices.

Small-scale Technology Certificates (STC) spot contracts closed at \$39.90, the same level as the past few months. Quarterly forward vintages remained flat in the nearer contracts but saw slight declines in the later-dated contracts. In all, forward contracts closed between \$39.90 and \$39.20.



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