



MARKET SUMMARY REPORT

March 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)

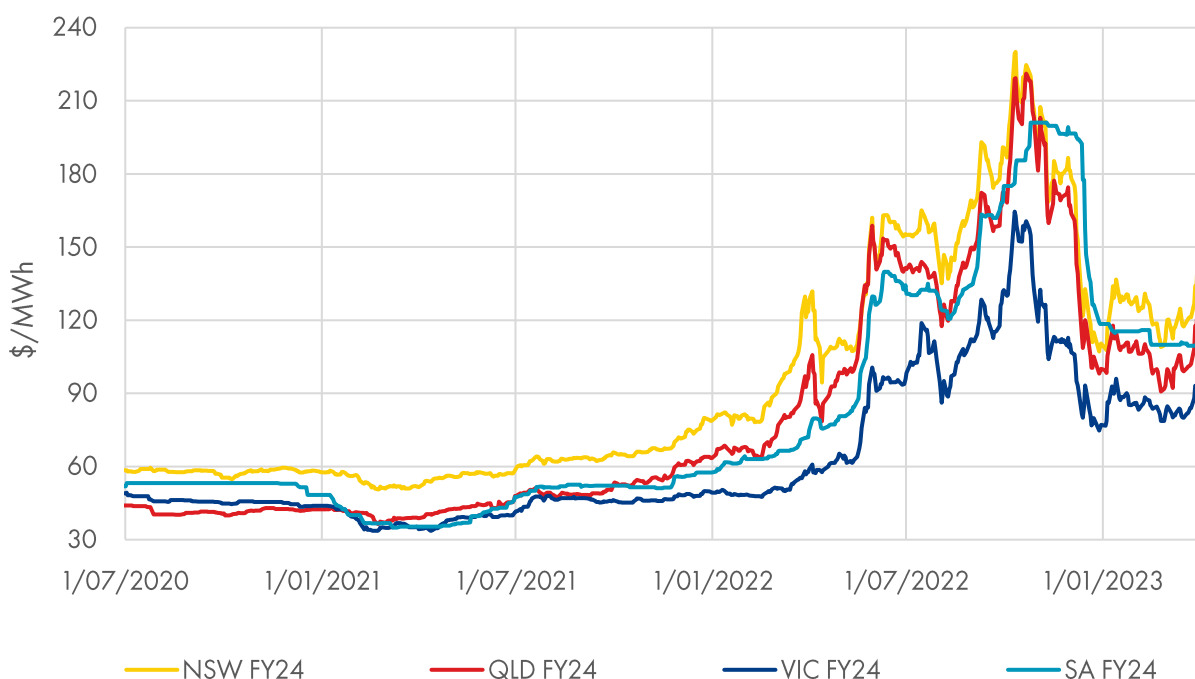
Financial year 2024 (FY24) flat swap contracts for QLD, VIC and NSW largely traded flat for most of March, until a significant rally in the final week of the month. This was in response to several unplanned outages – notably Liddell and Eraring power stations – coinciding with the planned outage of other big generators (e.g., Bayswater) and very low wind forecasts. Although demand was about average for the time of year spot prices were still higher than expected. Accordingly, the market revalued FY24 contracts higher, with the revised expectation of higher average energy outcomes persisting.

SA remained relatively flat, with very few trades occurring due to the general illiquidity of the contract market. TAS contract prices increased in line with the increases in VIC.

March 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	93.12	92.25	126.15	126.15
NSW	112.29	112.37	144.70	144.70
VIC	81.43	79.94	96.13	96.13
SA	109.96	109.47	112.72	112.72
TAS	84.68	82.45	95.24	95.24

FY24 Flat



Source: ASX data

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Contract Market

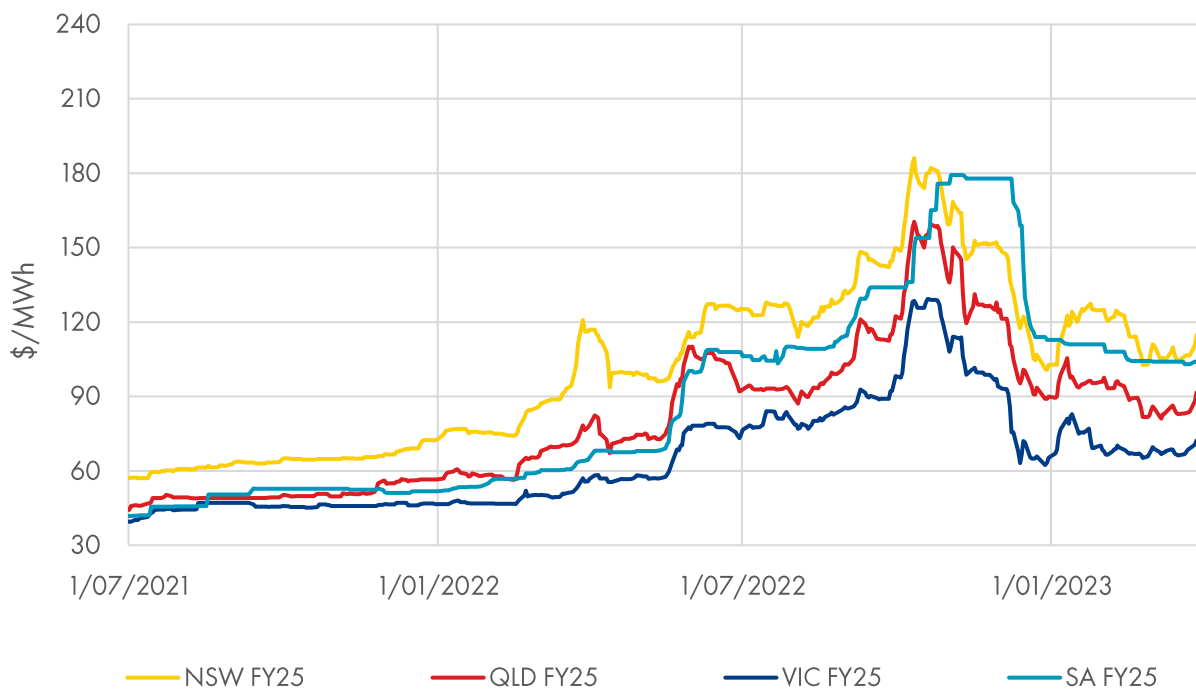
Financial Year 2025 (FY25)

Financial year 2025 (FY25) flat swap contracts traded in line with FY24 for the reasons outlined above.

March 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	82.34	81.00	94.00	94.00
NSW	105.09	104.05	120.72	120.72
VIC	67.02	66.23	74.51	74.51
SA	104.26	102.98	104.26	103.99
TAS	71.59	82.45	95.24	82.21

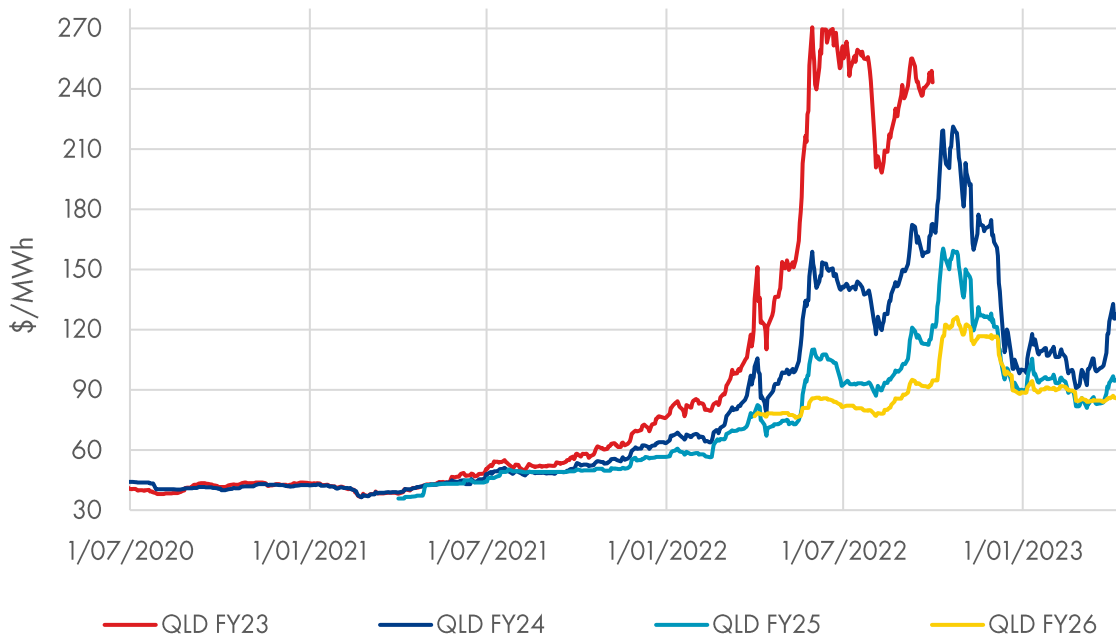
FY25 Flat



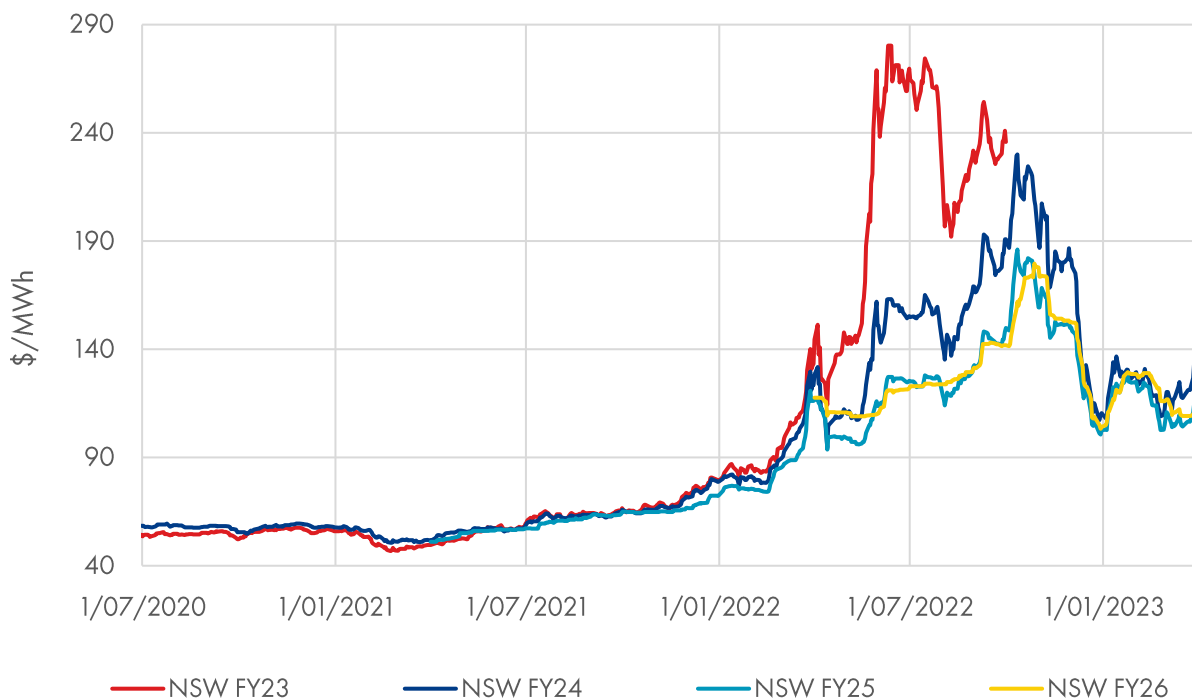
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Contract Market - QLD Financial Years Flat



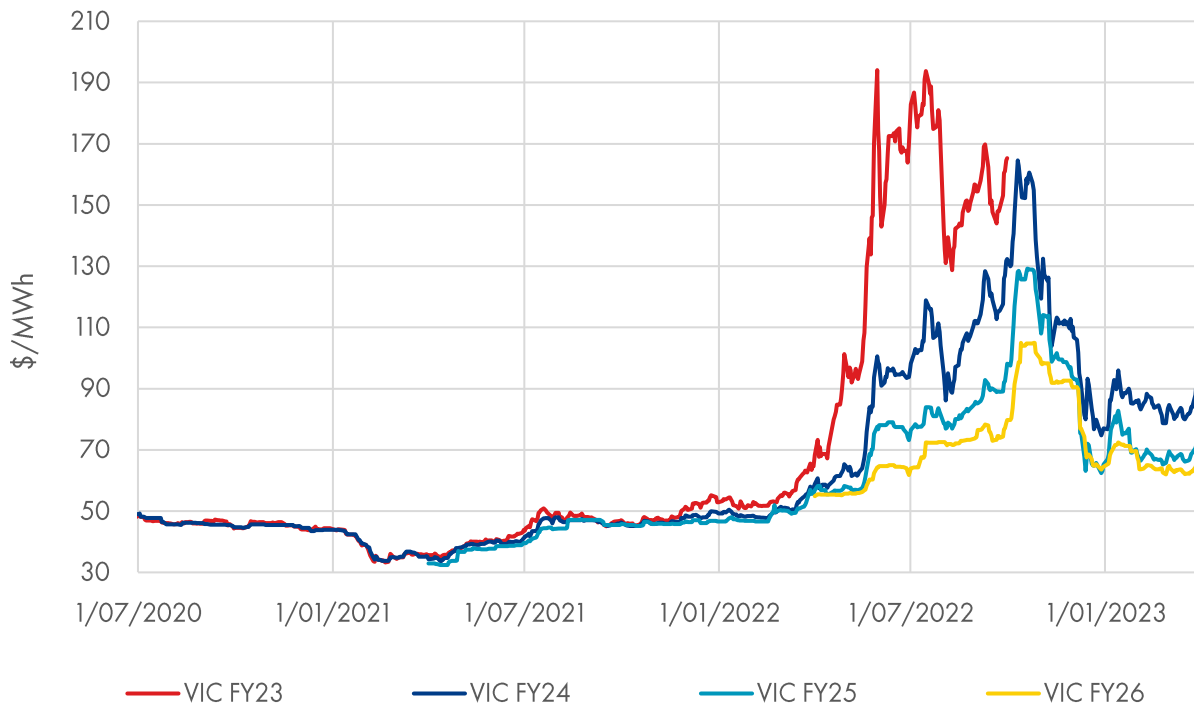
Contract Market - NSW Financial Years Flat



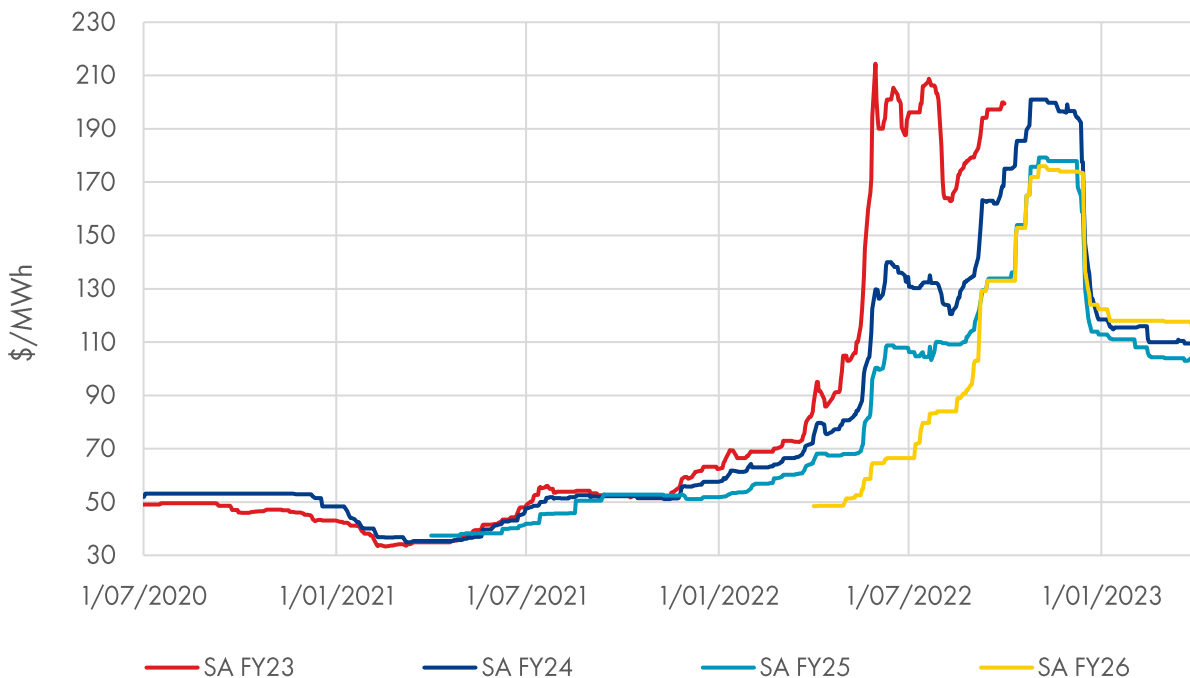
Source: ASX data

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Contract Market - VIC Financial Years Flat



Contract Market - SA Financial Years Flat

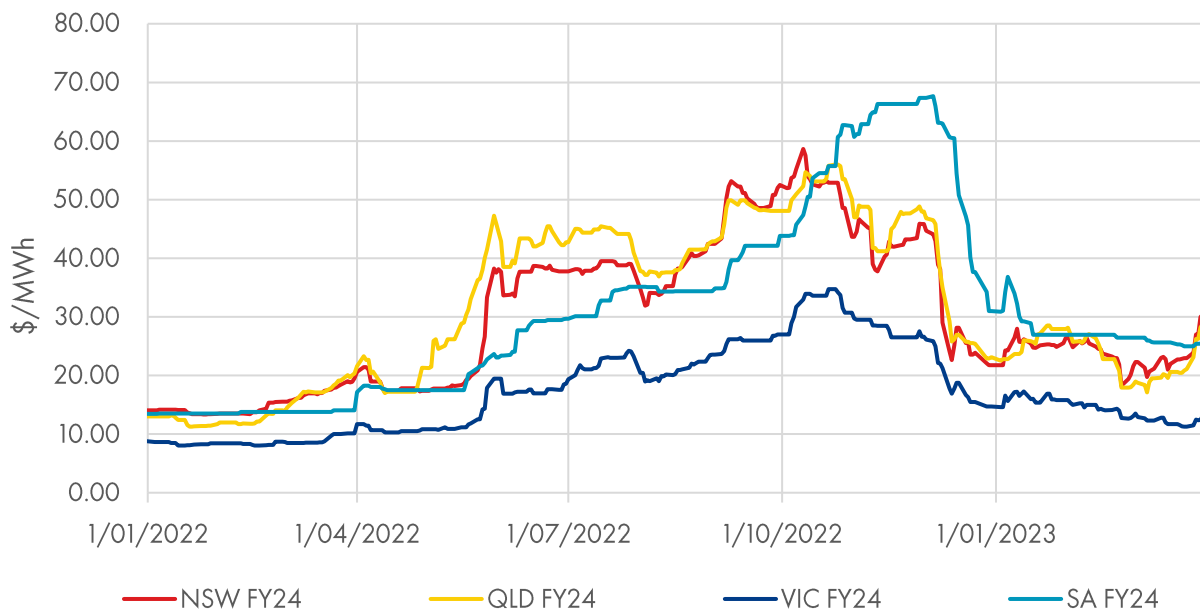


Source: ASX data

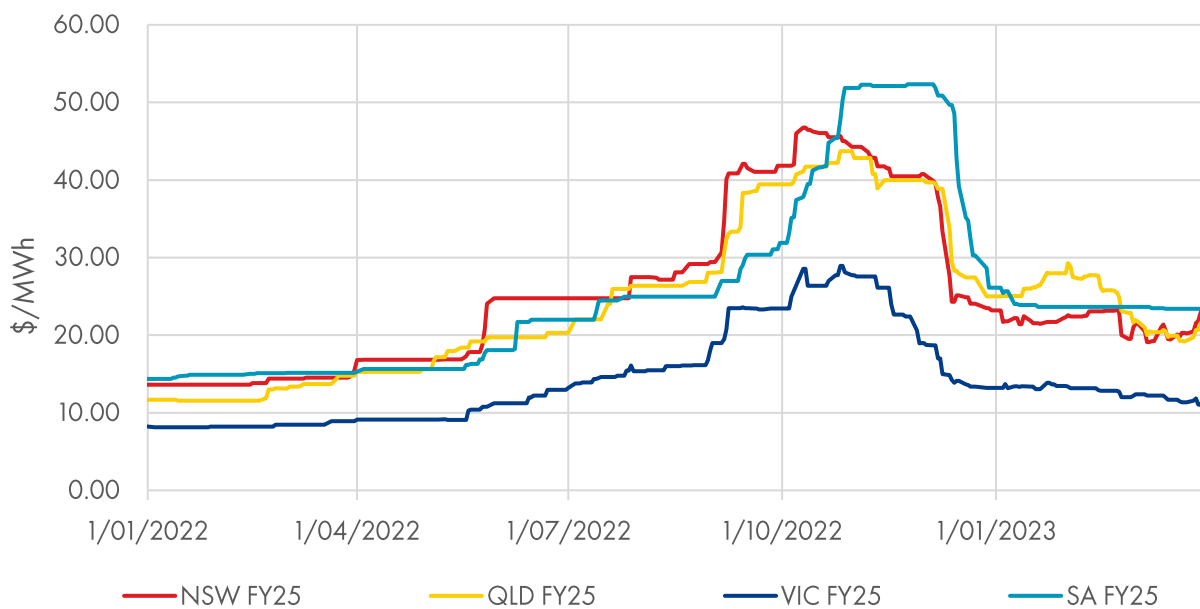
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Cap Contract Market

Financial Year 2024 (FY24)



Financial Year 2025 (FY25)



Source: ASX data

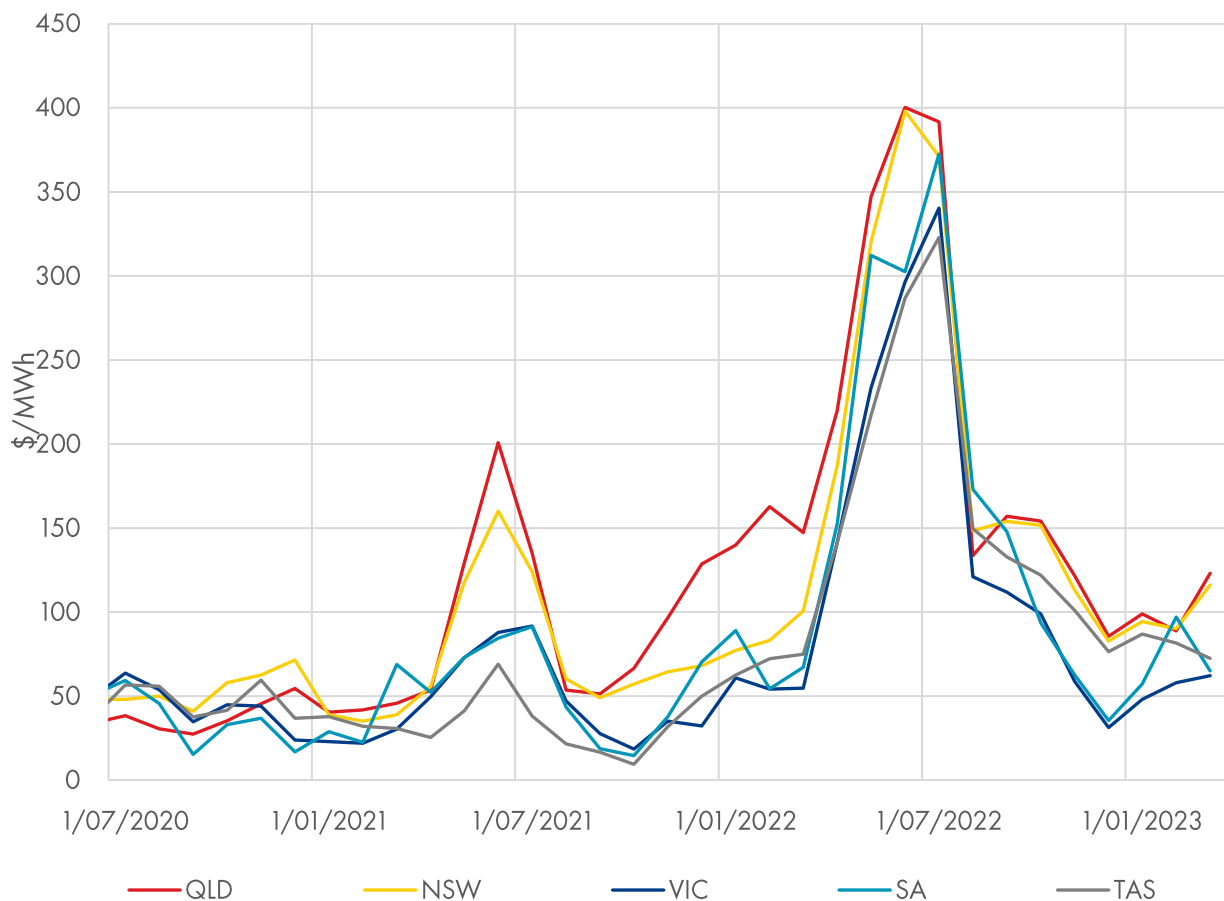
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Spot Prices: National Electricity Market

Average spot prices in March increased in QLD, NSW and, to a lesser extent, VIC, following some volatility driven by hot weather. Otherwise, volatility was relatively subdued, and prices stable with mild demand and relatively high generator availability.

March 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	123.08	15,500.00	30	524
NSW	116.01	14,506.69	19	230
VIC	62.02	357.50	0	1,937
SA	64.92	1,004.70	2	2,177
TAS	72.35	15,500.00	2	282



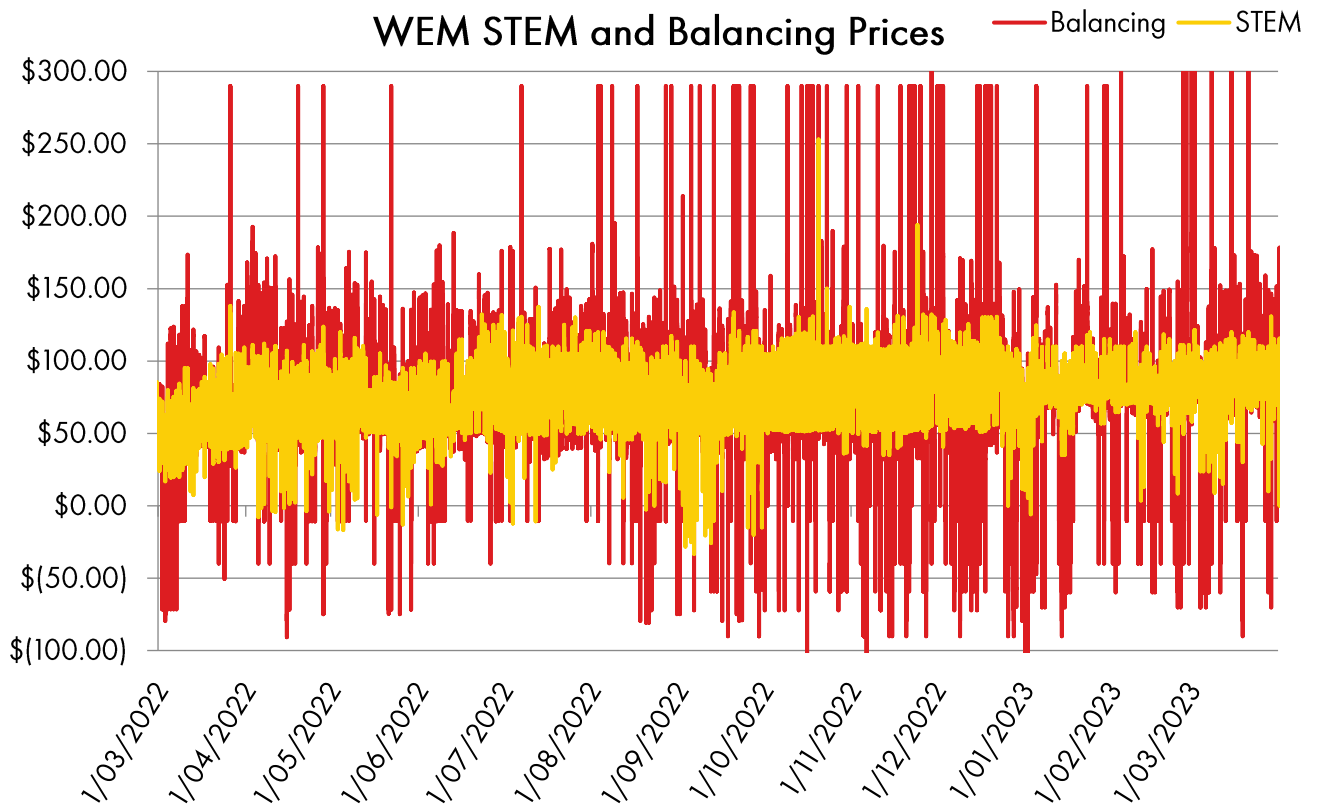
Source: NEM Spot Market - AEMO

Western Australia Energy Market

WEM STEM and Balancing Prices

The STEM average flat price fell by \$.83 (-1%) to \$76.83, and the average peak price fell by \$6.23 (-7%) to \$80.56. The Balancing market saw the average flat price increase by \$2.83 (4%) to \$81.95, and the average peak price decrease by \$25.21 (-22%) to \$90.27.

The STEM experienced 160 intervals above \$100 (compared to 20 last month), and 0 intervals below \$0 (versus 0 last month). In the Balancing Market, there were 344 intervals above \$100 (versus 46 in the previous month) and 61 intervals below \$0 (versus 18 intervals).



Source: Western Australia Energy Market - AEMO

Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$49.00, \$6.25 higher than February's close of \$42.75. The LGC compliance year (CY) vintages increased substantially against their February closes. CY23 closed \$5.50 higher at \$50.50, CY24 closed \$6.05 higher at \$44.80, CY25 closed \$4.00 higher at \$38.50, CY26 closed \$0.50 lower at \$27.00, CY27 closed flat at \$23.00, CY28 closed \$1.50 higher at \$20.50, and CY29 closed \$0.50 higher at \$15.50. The rallies seen in this LGC curve this month do not clearly correspond to any event or regulatory announcement.

Energy Savings Certificates (ESC) spots contracts closed at \$31.00, \$0.50 higher than February's close of \$30.50. The forward vintages also traded higher, closing between \$31.25 and \$32.25. ESCs briefly increased by \$2 to \$3 after speculation that the Regulator would add a consumer-co-payment to the heat pump creation mechanism. Heat pump installations have been viewed as an important form of ESC creation going forward with the decline of lighting-based creation and the removal of the refrigerated cabinets scheme. The introduction of a co-payment to any scheme would introduce additional friction to installations as consumers may not be as quick to take up initiatives. Speculation over a potential co-payment followed the NSW regulator issuing a warning to creators to ensure installations remain compliant after receiving several complaints from consumers about sub-standard or ill-fitted installations and aggressive sales tactics. Prices did quickly retrace as fears of co-payment introduction subsided. Otherwise, average weekly creation in ESCs has been trending strongly but with the aforementioned regulatory risk, prices have been fluctuating between \$29 and \$34 as market participants weigh these two opposing factors.

Victorian Energy Efficiency Certificate (VEEC) spots contracts closed at \$73.10, \$3.60 higher than February's close of \$69.50. The forward vintages made similar gains, closing between \$73.25 and \$74.00. The Victorian scheme regulator also sent out a reminder/warning to Accredited Providers to ensure heat pump installations are up to code and fit for purpose. However, this news did not generate as much concern in market participants as the NSW regulator warning, largely because heat pumps have not formed a significant amount of VEEC creation yet. Creation has been averaging above the required weekly creation, however numbers from week-to-week have been fluctuating significantly leading to corresponding volatility in price.

Small-scale Technology Certificates (STC) spots contracts closed at \$40.00, \$0.10 higher than February's close of \$39.90. The forward vintages also increased between \$0.10 and \$0.20, closing between \$39.10 and \$39.90. With the STP for this year (16.29%) being much lower than last year (27.26%) to account for the high deficit in the REC registry, average weekly creation this year still has been consistently lower than the required creation average to make up the deficit and this year's mandatory demand. As such, the REC registry remains in substantial deficit - 2,706,523 as of 6 April - which means market prices remain at or close to the \$40 clearing house price.



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