



MARKET SUMMARY REPORT

Electricity and Gas - May 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, 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 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

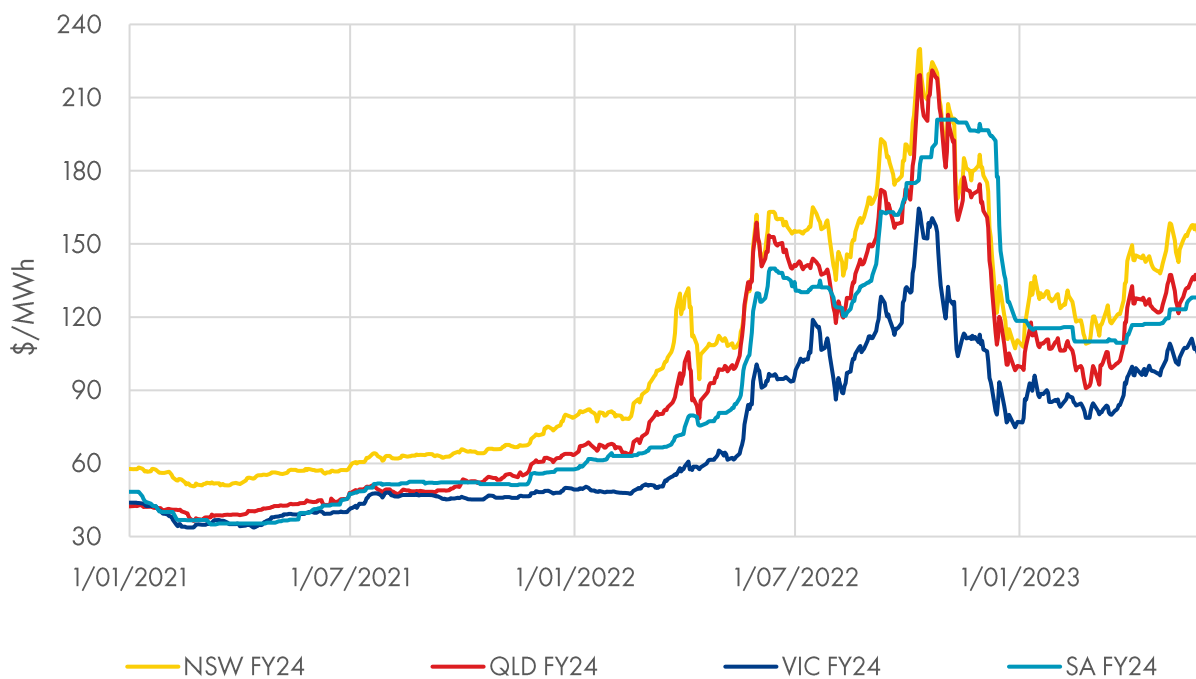
Financial Year 2024 (FY24)

Financial Year 2024 swap contracts (FY24) traded up in May in reaction to higher-than-expected spot price volatility and an announced delay to the return to service date of Callide Unit 4.

May 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	125.04	121.51	137.80	137.80
NSW	141.97	142.55	158.47	152.11
VIC	99.58	100.45	111.14	101.57
SA	117.46	119.48	128.03	128.03
TAS	103.31	106.67	113.74	112.56

FY24 Flat



Source: ASX data

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Contract Market

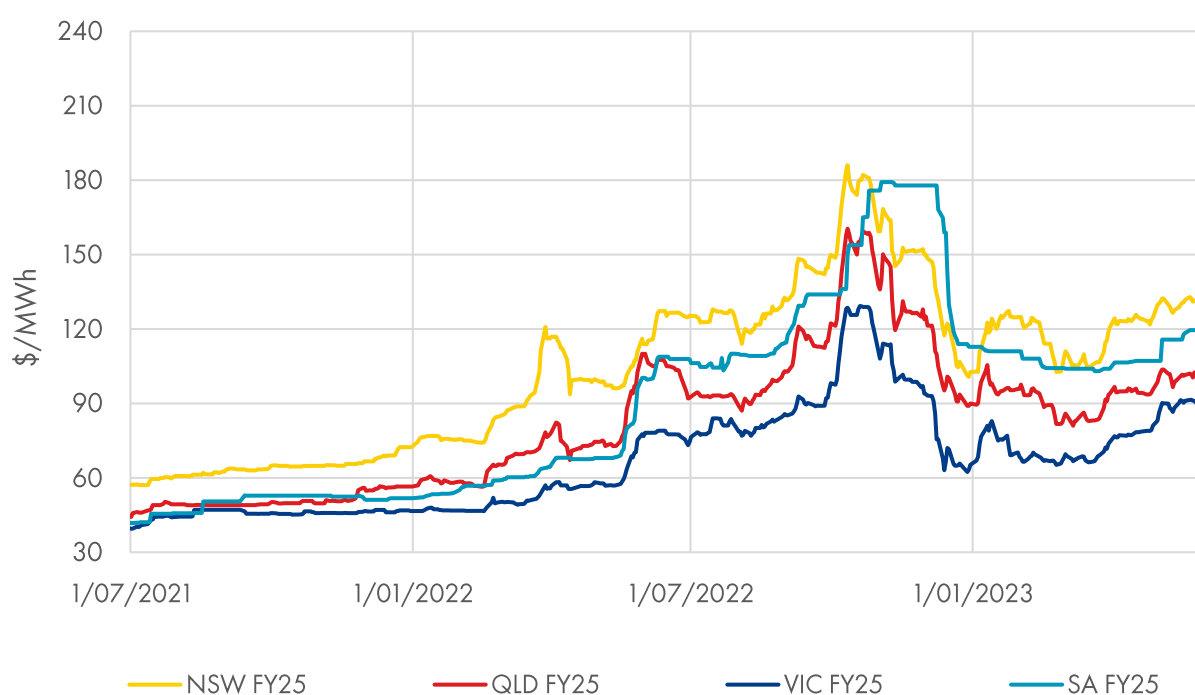
Financial Year 2025 (FY25)

Financial Year 2025 swap contracts (FY25) traded up this month in line with FY24 contracts.

May 2023

State	Previous Close	Period Low	Period High	Closing Price
QLD	95.61	96.53	104.97	104.97
NSW	124.64	126.52	132.88	129.65
VIC	81.04	82.99	91.48	86.19
SA	107.14	107.14	119.53	119.53
TAS	85.10	106.67	113.74	95.94

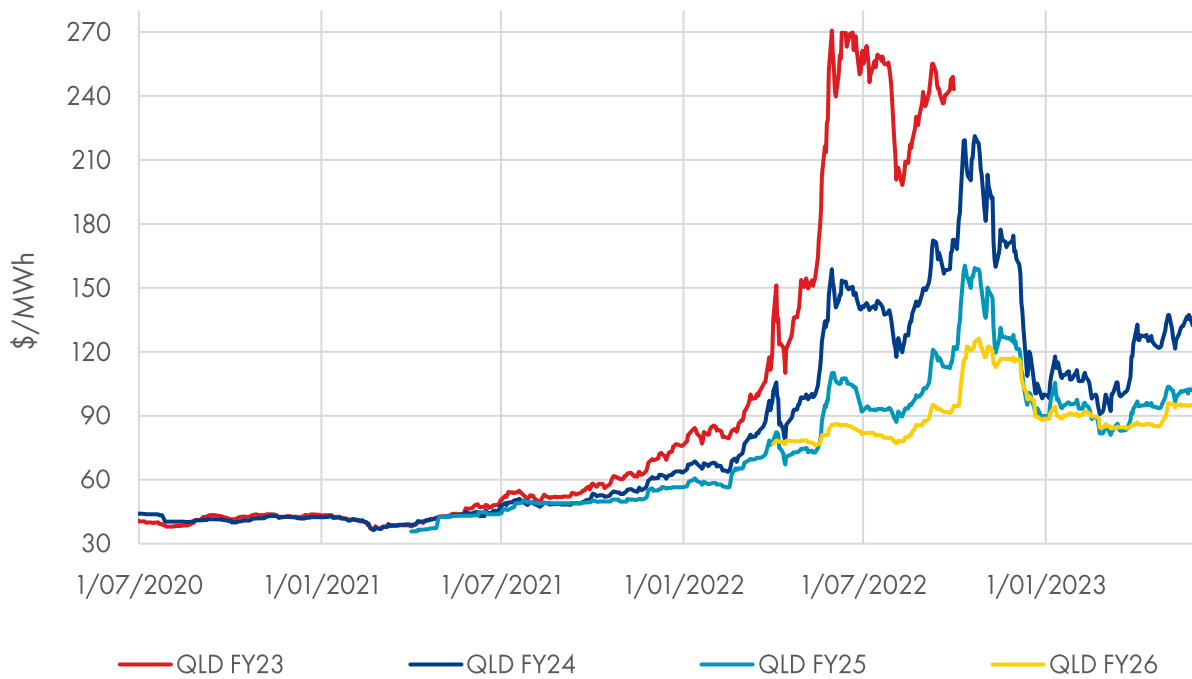
FY25 Flat



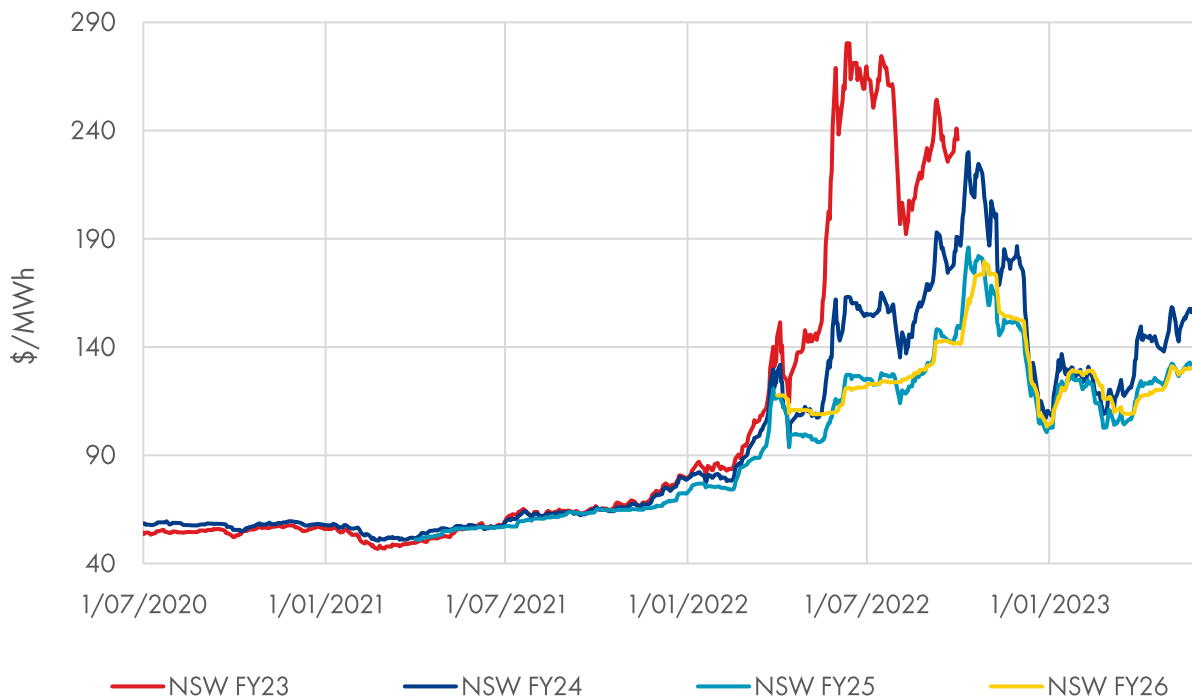
Source: ASX data

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Contract Market – QLD Financial Years Flat



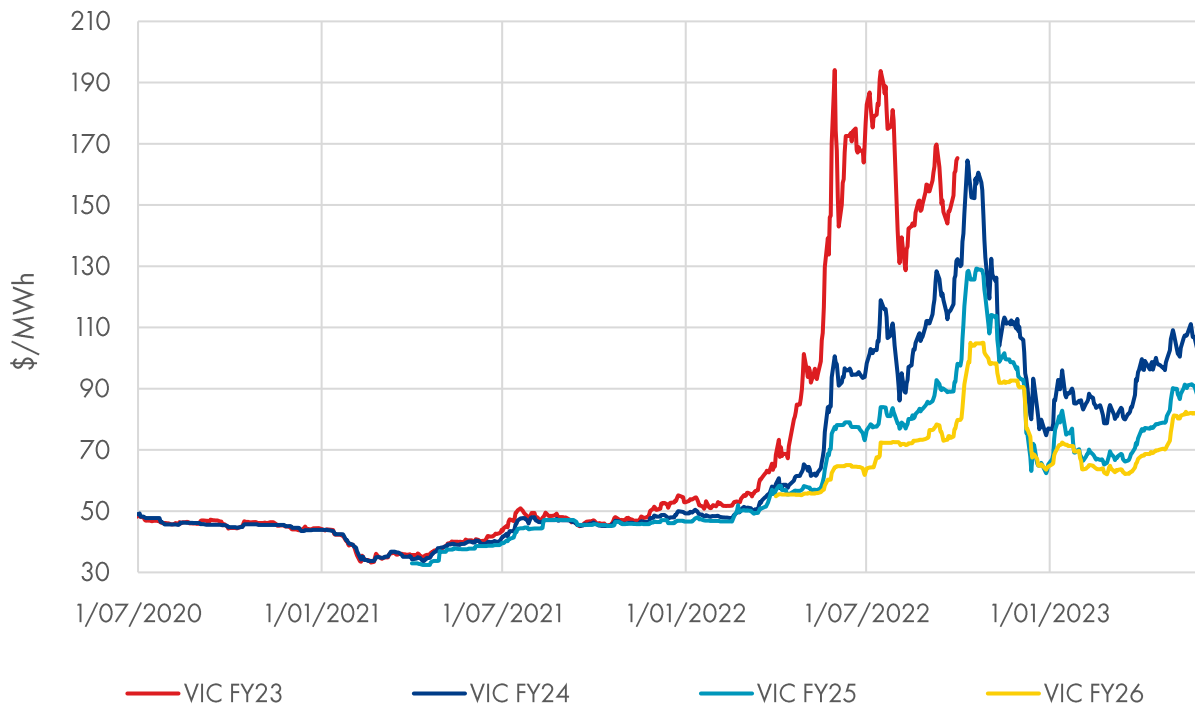
Contract Market – NSW Financial Years Flat



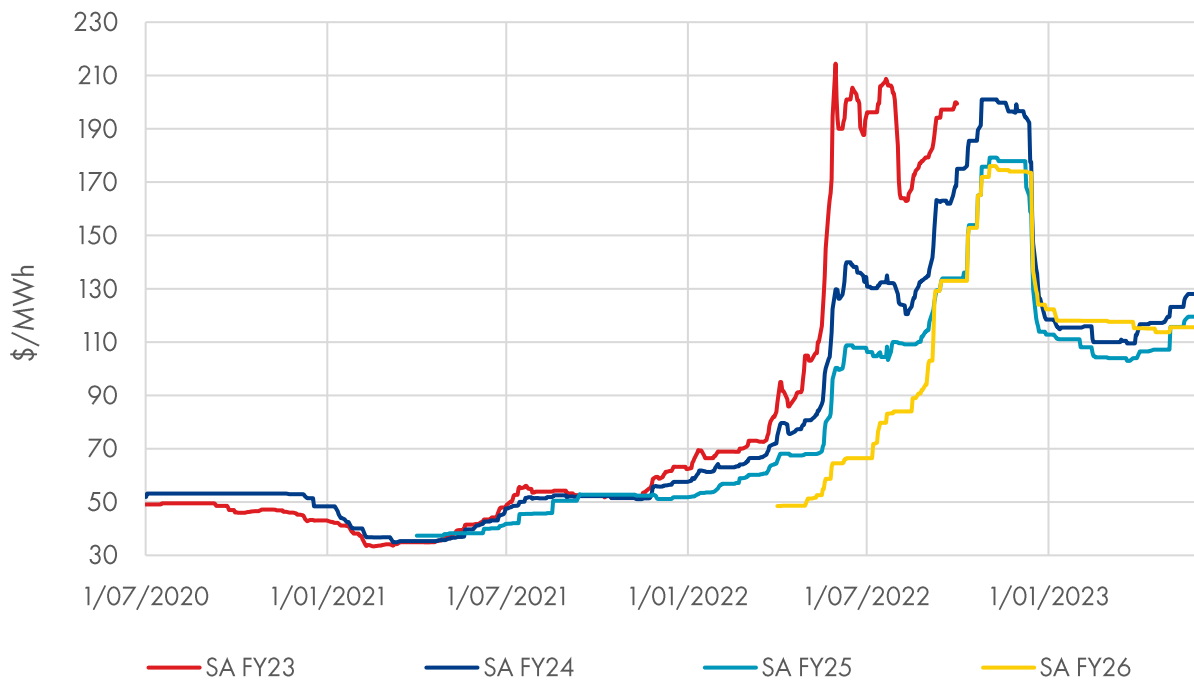
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Contract Market – VIC Financial Years Flat



Contract Market – SA Financial Years Flat

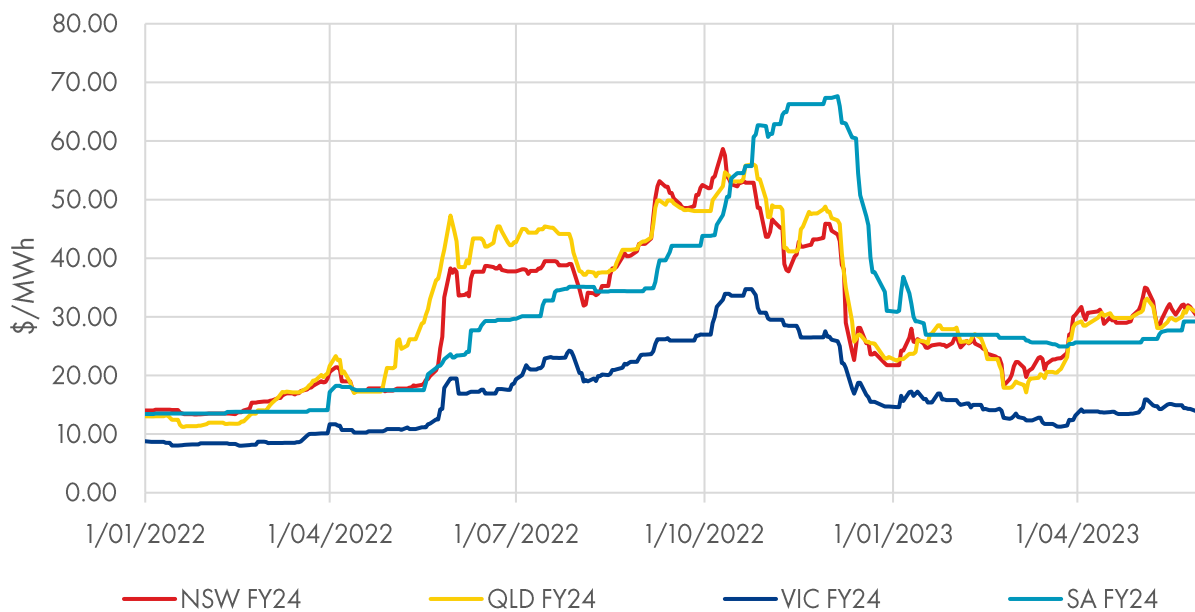


Source: ASX data

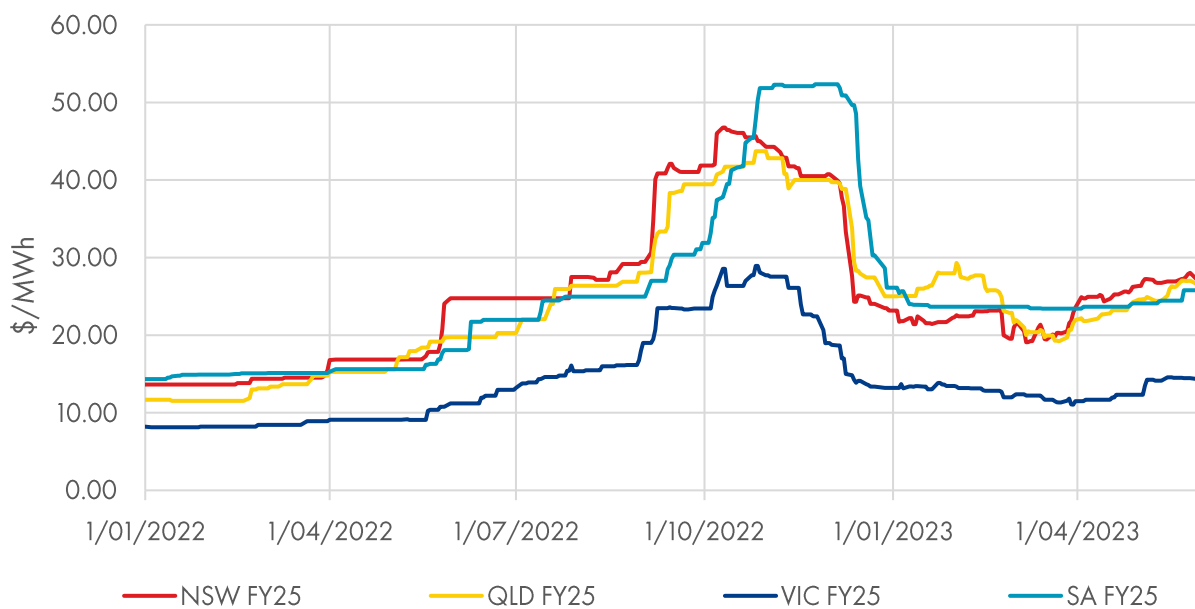
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Cap Contract Market

Financial Year 2024 (FY24)



Financial Year 2025 (FY25)



Source: ASX data

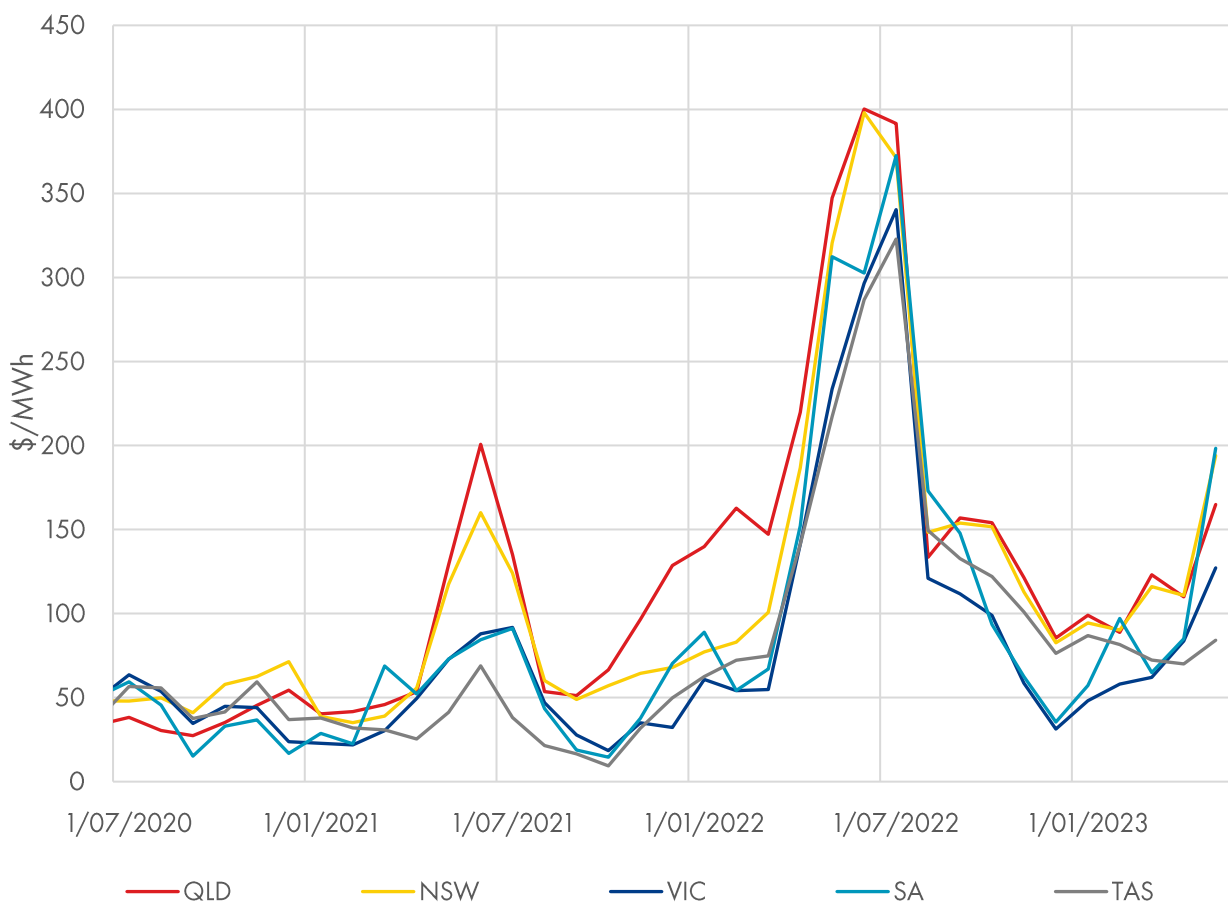
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Spot Prices: National Electricity Market

Average prices across the NEM were much higher in May than April largely due to supply constraints. A constraint in NSW impacted the VIC-NSW interconnector, preventing southern NSW generation from reaching load centres in NSW and forcing generation down to Victoria. Further, below average wind meant that more supply was required from thermal generation, which was impacted by several forced outages in NSW. May was also the first month following the retirement of Liddell Power Station. These supply constraints coincided with a colder than average May, which led to higher-than-normal heating demand.

May 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	164.90	14,930.01	39	846
NSW	193.99	15,500.00	46	76
VIC	127.15	1,021.28	1	581
SA	198.29	15,500.00	54	856
TAS	84.16	15,500.00	1	113



Source: NEM Spot Market - AEMO

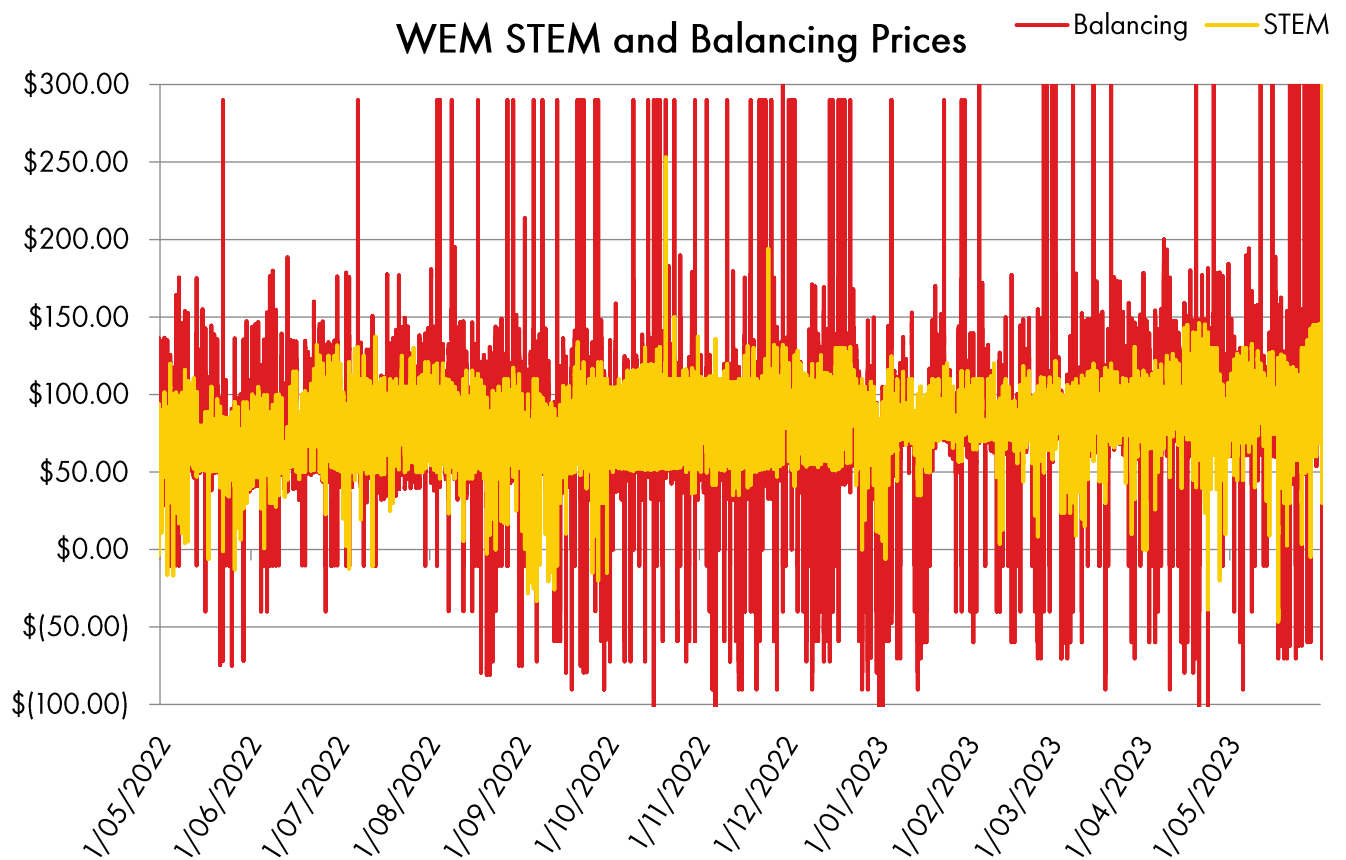
Western Australia Energy Market

WEM STEM and Balancing Prices

The STEM average flat price rose by \$0.44 (1%) to \$81.58, and the average peak price rose by \$3.26 (4%) to \$86.99. The balancing market saw the average flat price increase by \$6.42 (8%) to \$91.51, and the average peak price increase by \$23.42 (31%) to \$99.95.

The STEM experienced 323 intervals above \$100 (compared to 196 last month), and 15 intervals below \$0 (versus 2 last month). In the balancing market, there were 396 intervals above \$100 (versus 426 in April) and 59 intervals below \$0 (versus 57 intervals).

WA gas prices at one point surpassed east coast gas prices due to multiple gas production plant outages, which impacted Short-run marginal cost (SRMC) of gas generators in the WEM. WEM rules specify that generators must bid in at their SRMC.



Source: Western Australia Energy Market – AEMO

Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$58.25, \$5.65 higher than April's close of \$52.60. The LGC compliance year (CY) vintages also increased against their April closes. CY23 closed \$5.65 higher at \$59.40, CY24 closed \$4.90 higher at \$50.65, CY25 closed \$2.25 higher at \$40.50, CY26 closed \$3.00 higher at \$31.00, CY27 closed \$1.00 higher at \$24.00, CY28 closed flat at \$20.50, and CY29 closed flat at \$15.50. Once again, the primary focus was the CY23 LGCs.

Victorian Energy Efficiency Certificate (VEEC) spots contracts closed at \$74.00, \$2.30 higher than April's close of \$71.70.

Energy Savings Certificates (ESC) spots contracts closed at \$28.00, \$2.75 lower than April's close of \$30.75.

Small-scale Technology Certificates (STC) spots contracts closed at \$39.90, \$0.00 higher than April's close of \$39.90.

Gas Forward Market

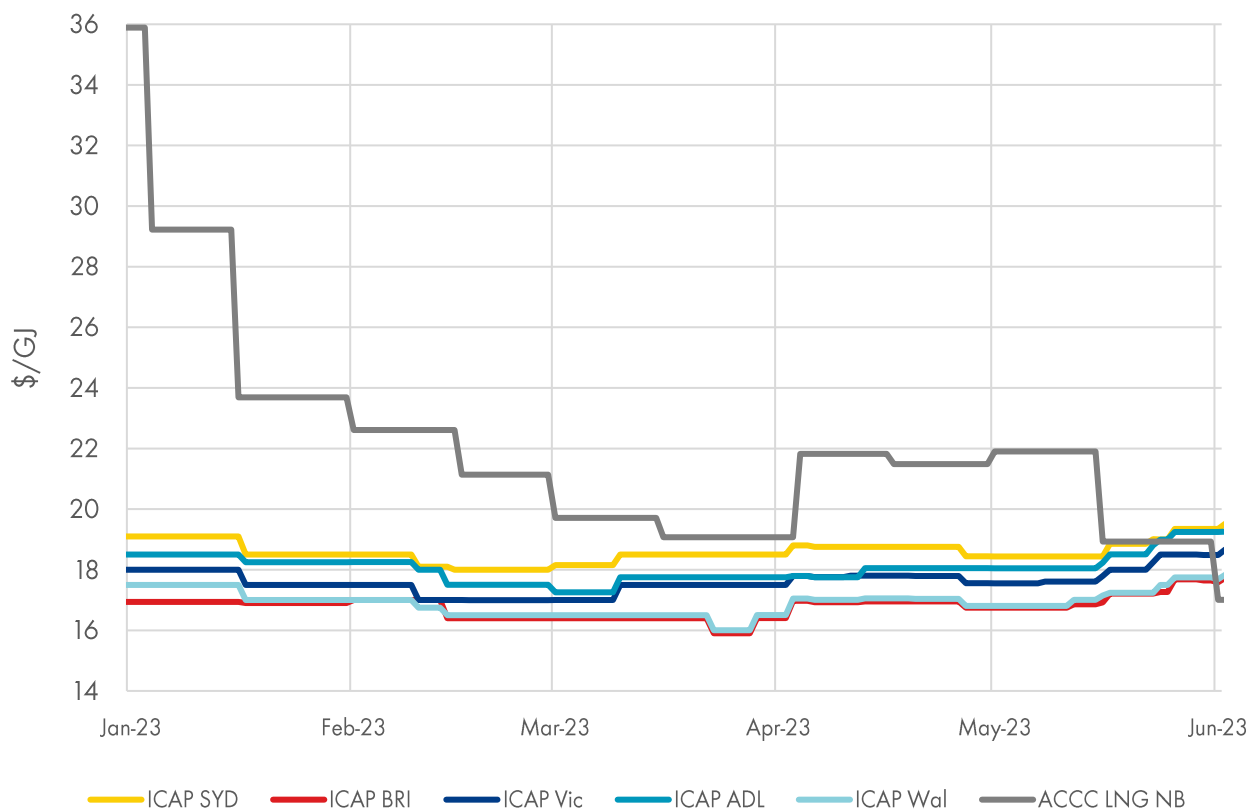
Calendar Year 2024 (CY24)

All domestic forward contracts for CY24 increased by ~5% during May, with the ACCC LNG netback forward price falling by 13.6%. The CY24 forward market continues to be affected by reduced liquidity. The mandatory Code of Conduct will apply for the entirety of the CY24 contract year, with the draft code released at the end of April.

May 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$16.75	\$17.68	\$16.75	\$17.65	\$0.90	5.4%
ICAP Sydney	\$18.44	\$19.35	\$18.44	\$19.34	\$0.91	4.9%
ICAP Adelaide	\$18.04	\$19.24	\$18.04	\$19.24	\$1.20	6.6%
ICAP Victoria	\$17.55	\$18.50	\$17.55	\$18.49	\$0.94	5.3%
ICAP Wallumbilla	\$16.81	\$17.75	\$16.75	\$17.75	\$1.00	6.0%
ACCC LNG NB	\$18.93	\$21.90	\$21.90	\$18.93	-\$2.97	-13.6%

CY24 Flat Calendar Year | YTD



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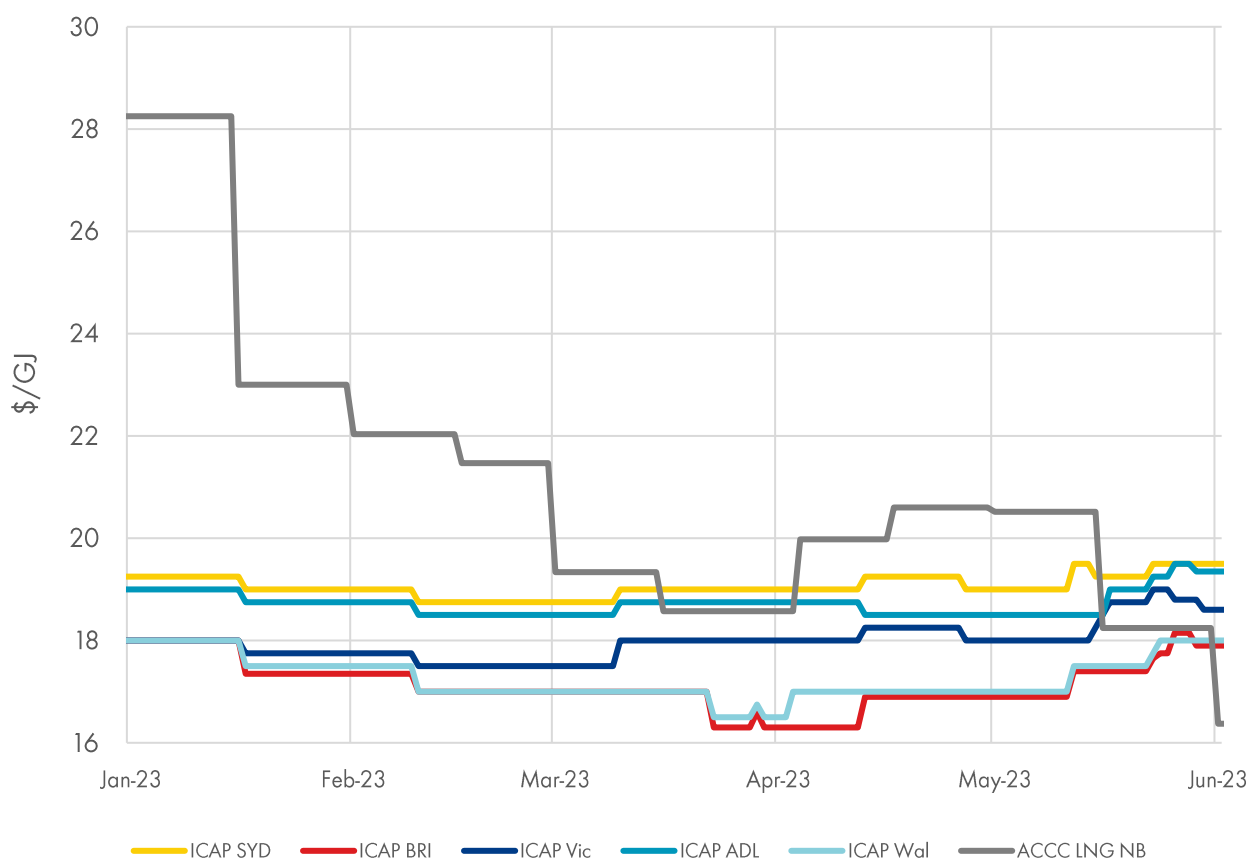
Calendar Year 2025 (CY25)

Domestic forward contracts for CY25 increased over May, with the ACCC LNG netback forward price falling by 11.1%. The CY25 forward market continues to be affected by reduced liquidity. In April, the ASX Victorian Gas Futures contracts started trading for Q3 and Q4 of 2025, facilitating trading of the full CY25 ASX Futures strip.

May 2023, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$16.90	\$18.15	\$16.90	\$17.90	\$1.00	5.9%
ICAP Sydney	\$19.00	\$19.50	\$19.00	\$19.50	\$0.50	2.6%
ICAP Adelaide	\$18.50	\$19.50	\$18.50	\$19.35	\$0.85	4.6%
ICAP Victoria	\$18.00	\$19.00	\$18.00	\$18.60	\$0.60	3.3%
ICAP Wallumbilla	\$17.00	\$18.00	\$17.00	\$18.00	\$1.00	5.9%
ACCC LNG NB	\$18.24	\$20.52	\$20.52	\$18.24	-\$2.27	-11.1%

CY25 Flat Calendar Year | YTD



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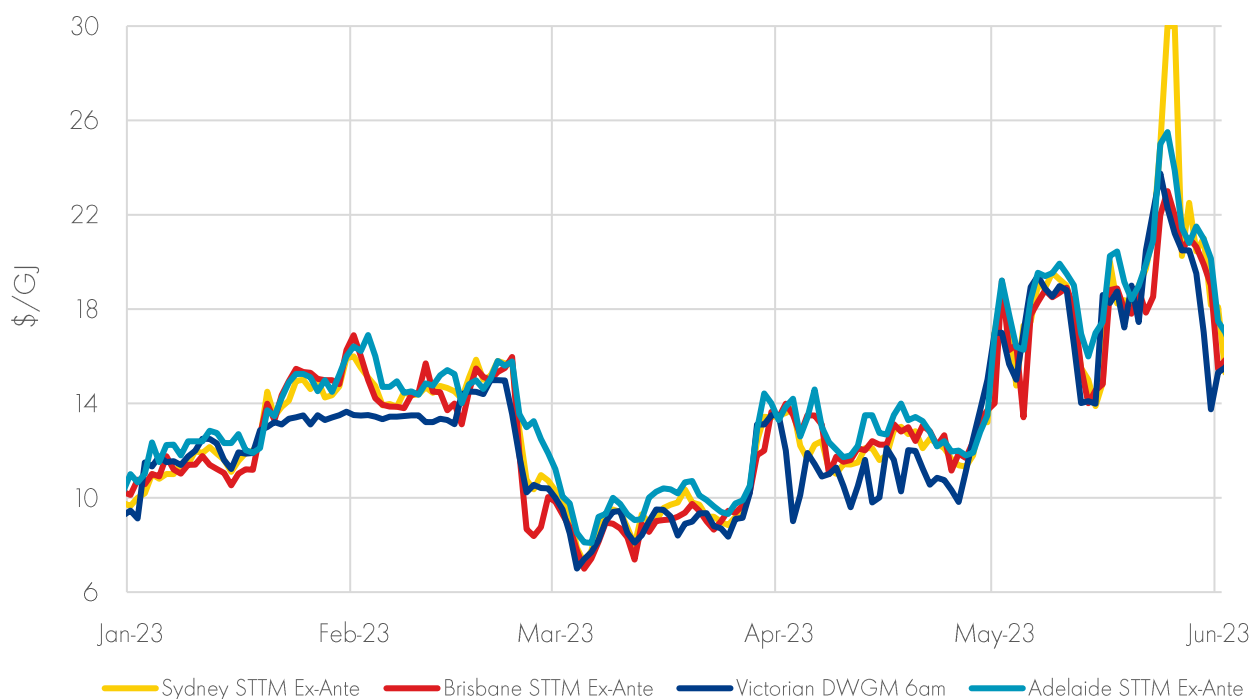
Spot Prices: East Coast Gas Market

Spot price volatility continued through May, with the early onset of cooler temperatures in the load centres of Sydney and Melbourne driving increased gas demand. Combined with prolonged unexpected maintenance at Longford, reduced flows into Queensland along the Northern Gas Pipeline, and moderate demand from gas generation, spot prices on average were over 50% higher than in April, with the Sydney market observing a price range of over \$16/GJ, from a low of \$13.89/GJ on 15 May to \$30/GJ on 25 May.

May 2023, \$/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM	\$18.19	\$13.41	\$23.00
Sydney STTM	\$19.27	\$13.89	\$30.00
Adelaide STTM	\$19.57	\$15.99	\$25.50
Victorian DWGM 6am	\$18.20	\$13.75	\$23.75

Gas Spot Prices | YTD



Source: AEMO MarketData



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ENERGY

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