



MARKET SUMMARY REPORT

Electricity and Gas – January 2024

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 megawatt-hour (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 publish a range of detailed information which can be found [here](#).

Environmental Certificates – information about environmental certificates can be found [here](#).

Large-scale Generation Certificates (LGCs) – information about LGCs can be found [here](#). You can also refer to our [Energy Education video on LGCs](#).

Small-scale Technology Certificates (STCs) – information about the STC program can be found [here](#). You can also refer to our [Energy Education video on STCs](#).

Victorian Energy Efficiency Certificates (VEECs) – information about the VEEC program can be found [here](#). You can also refer to our [Energy Education video on VEECs](#).

Energy Saving Certificates (ESCs) – information about the ESC program can be found [here](#). You can also refer to our [Energy Education video on ESCs](#).

Contract Market

Financial Year 2025 (FY25)

After rallying early in January, QLD and NSW Financial Year 2025 flat swap (FY25) contracts fell late in the month to close marginally below the start of the month. Price moves were mostly driven by tight supply-demand conditions in the spot market, including expectations of high weather-driven demand and an unplanned outage at Bayswater 4 in NSW during the second week, which coincided with an ongoing outage at Gladstone 2 in QLD. Later in the month, both units returned to service when a run of hot weather resulted in high demand. However, spot price volatility was much more subdued than expected given record-breaking demand levels. This resulted in a reset of expectations and a sharp sell-off in contracts across the board, erasing gains from earlier in the month.

VIC and SA FY25 fell significantly in the last week of January, ending approximately \$5 and \$10 lower respectively during the month, driven by an absence of upside spot volatility and significant negative pricing events, with six and five days of average negative spot pricing in both markets.

January 2024

State	Previous Close	Period Low	Period High	Closing Price
QLD	91.70	89.28	96.25	91.36
NSW	100.95	99.08	105.00	99.42
VIC	68.79	63.26	69.81	63.26
SA	96.33	87.07	96.33	87.07
TAS	71.41	68.58	72.19	68.58

FY25 Flat



Source: ASX data

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Contract Market

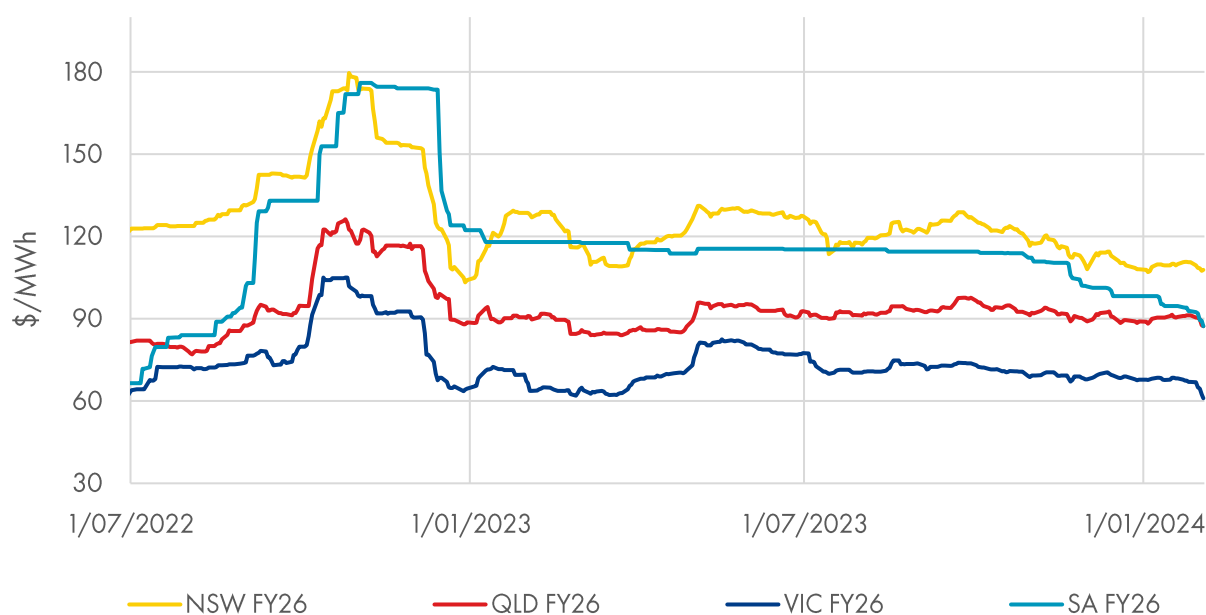
Financial Year 2026 (FY26)

FY26 contracts followed a similar pattern to FY25 across the month, reacting to spot outcomes and closing flat in QLD and NSW while falling significantly in VIC and SA.

January 2024

State	Previous Close	Period Low	Period High	Closing Price
QLD	89.01	88.25	91.52	89.82
NSW	108.00	107.00	110.75	108.43
VIC	67.80	64.50	68.44	64.50
SA	98.30	89.50	98.30	89.50
TAS	71.67	68.89	72.73	71.00

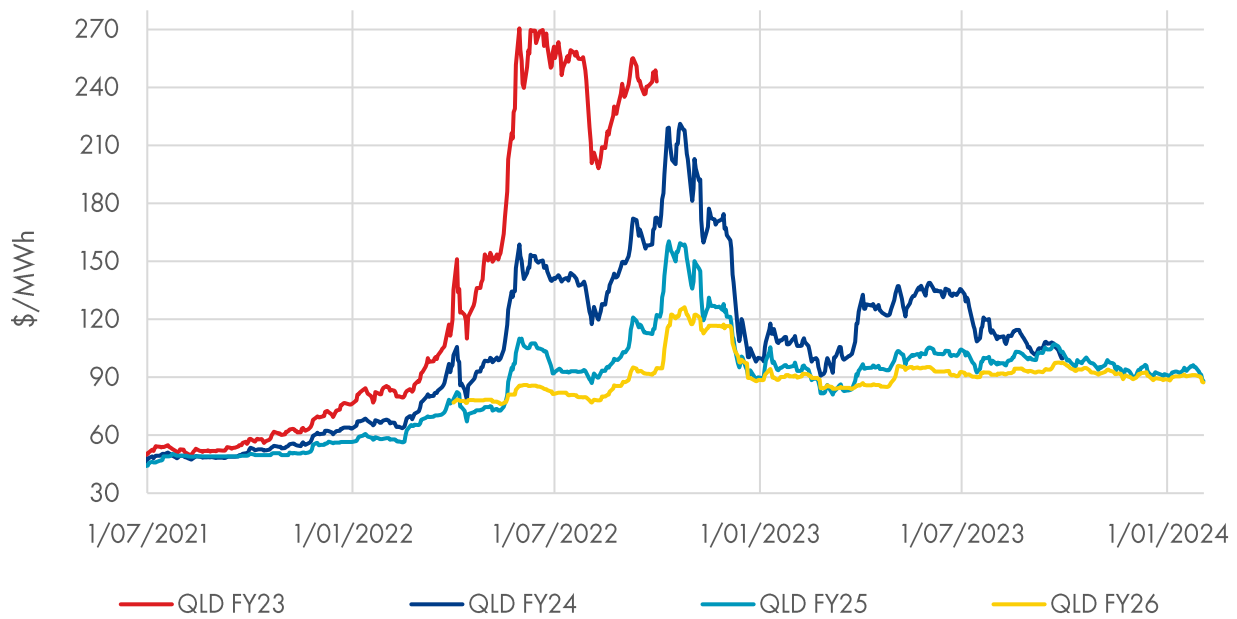
FY26 Flat



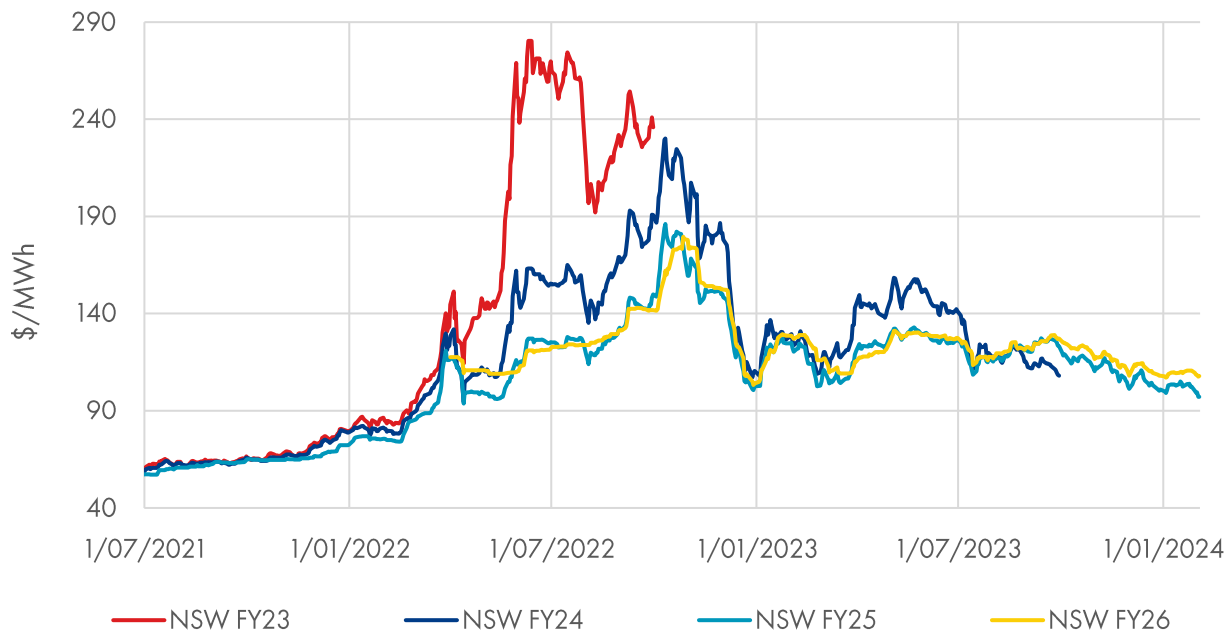
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Contract Market – QLD Financial Years Flat



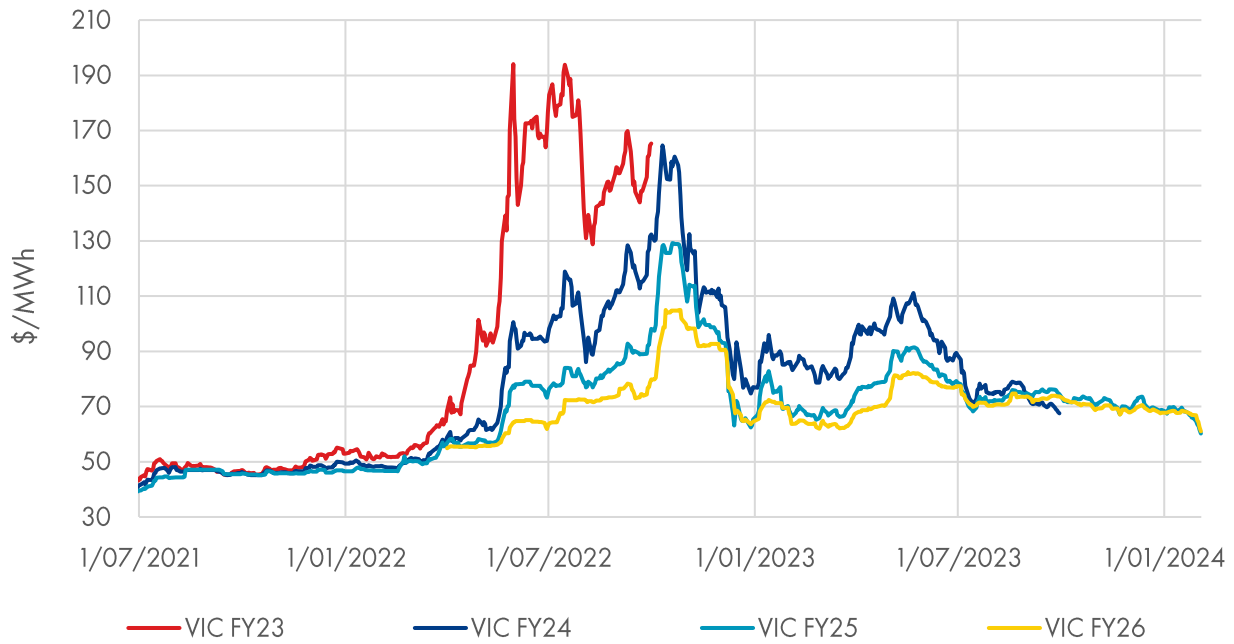
Contract Market – NSW Financial Years Flat



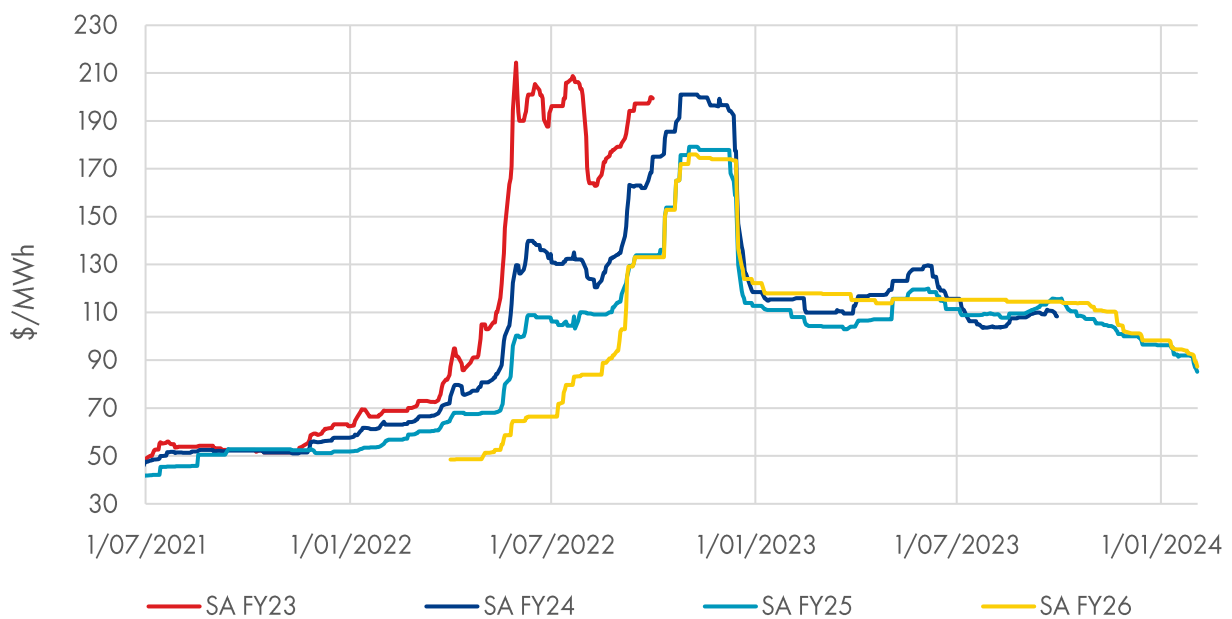
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Contract Market – VIC Financial Years Flat



Contract Market – SA Financial Years Flat



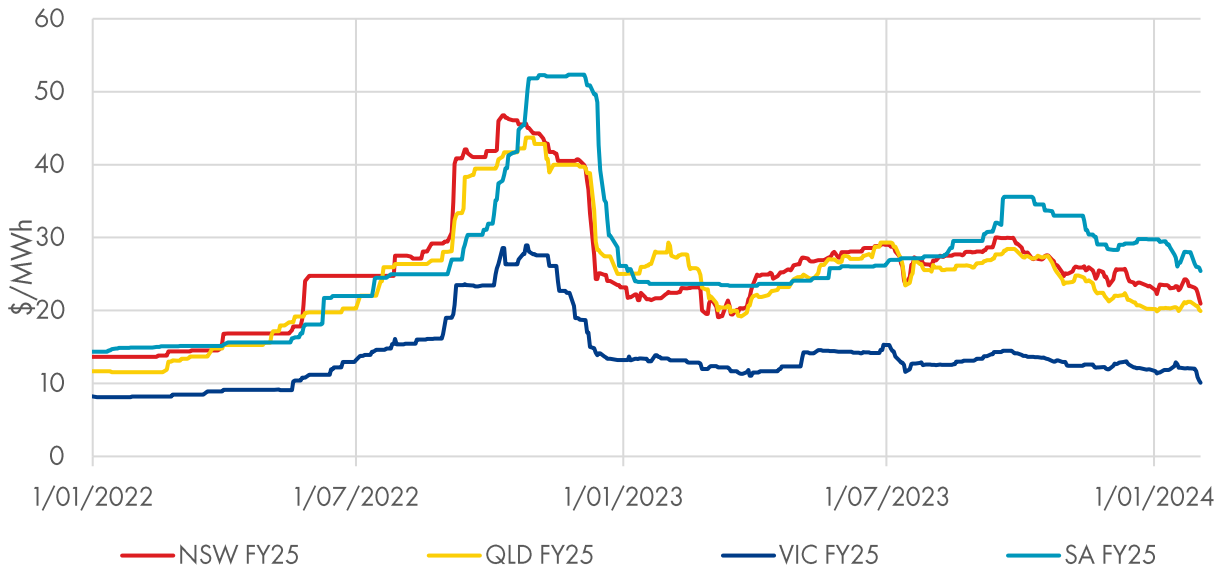
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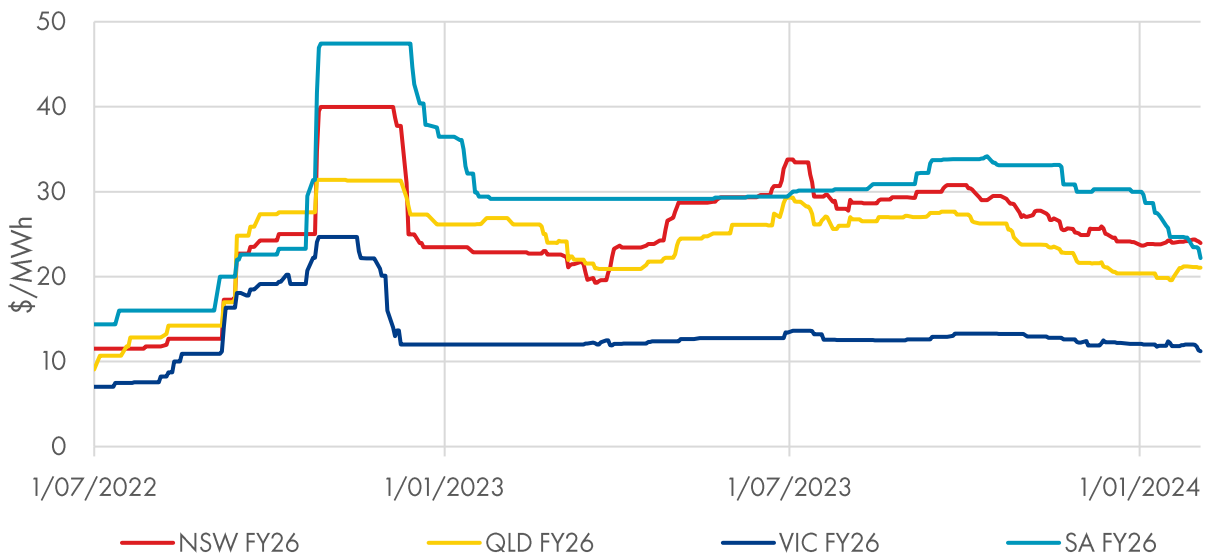
Cap Contract Market

FY25 and FY26 cap contracts in QLD and NSW traded relatively sideways through January, following a similar path to the swap contracts. VIC FY25 and FY26 cap contracts fell sharply in the last two trading days of the month, while SA contracts steadily fell throughout the month on an absence of spot volatility and cap payouts.

Financial Year 2025 (FY25)



Financial Year 2026 (FY26)



Source: ASX data

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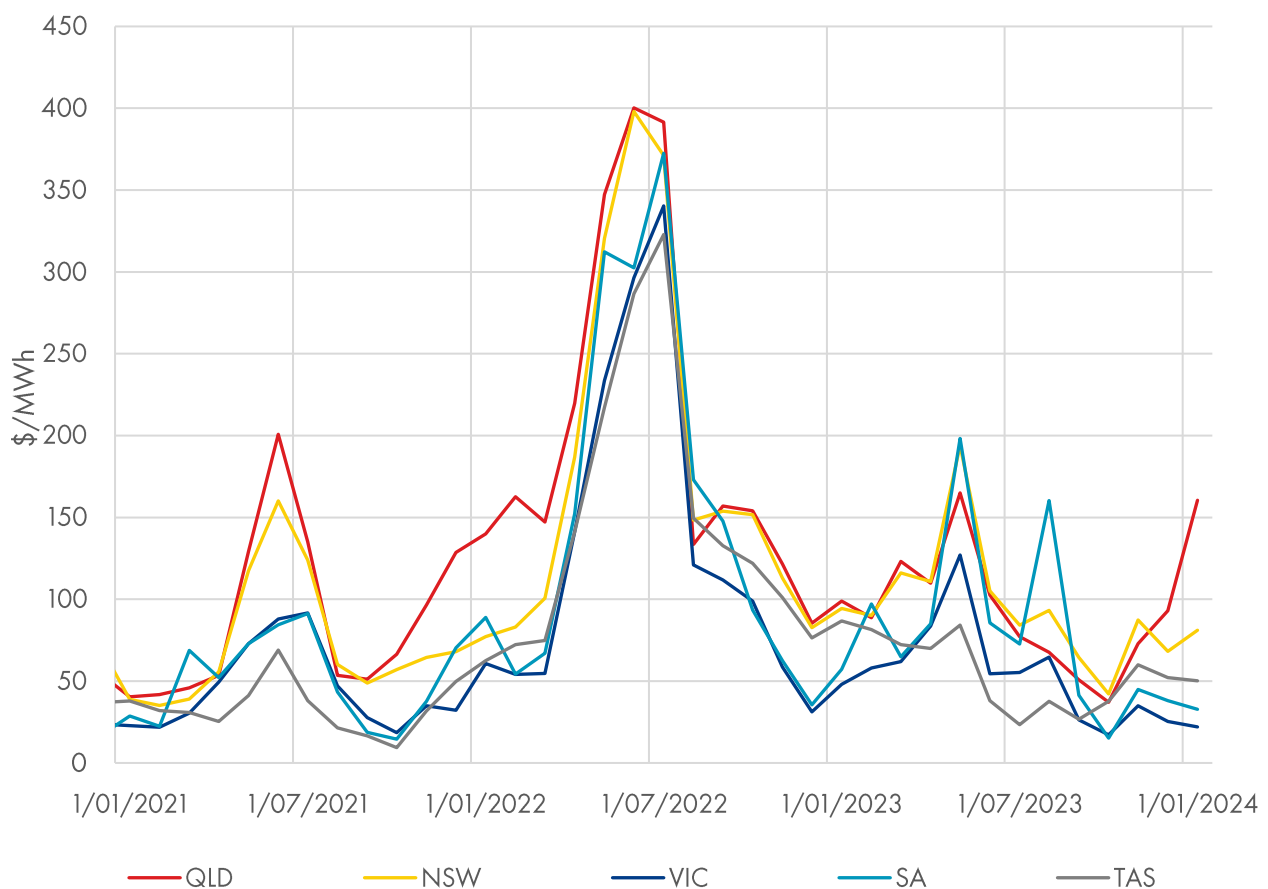
Spot Prices: National Electricity Market

High temperatures and humidity hit QLD and NSW in the back half of January, smashing QLD's maximum all-time demand record, with 11,036 MW reached on 22 January. Tropical Cyclone Kirrily made landfall in Townsville on 25 January, causing 65,000 households to lose power in Northern Queensland. The cyclone caused high humidity, low solar output and high demand in Southeast QLD, leading to spot price volatility and elevated pricing during solar hours. However, prior to this period, both Bayswater 4 and Gladstone 2 returned to service from unplanned outages, resulting in high coal fleet availability and lower realised spot prices than would otherwise have been expected.

Relatively mild summer temperatures in Victoria, high coal availability and significant renewable generation resulted in low spot prices in both VIC and SA across January, with near zero cap payouts in both states and significant periods of negative pricing dragging down average spot prices for the month.

January 2024

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	160.43	16,600.00	74	423
NSW	81.17	11,781.97	44	357
VIC	22.10	316.63	0	2,376
SA	32.74	1,000.00	1	2,564
TAS	50.12	16,600.00	2	491



Source: NEM Spot Market - AEMO

Western Australia Energy Market

WEM Short-term Electricity Market (STEM) and Real-time Energy Market

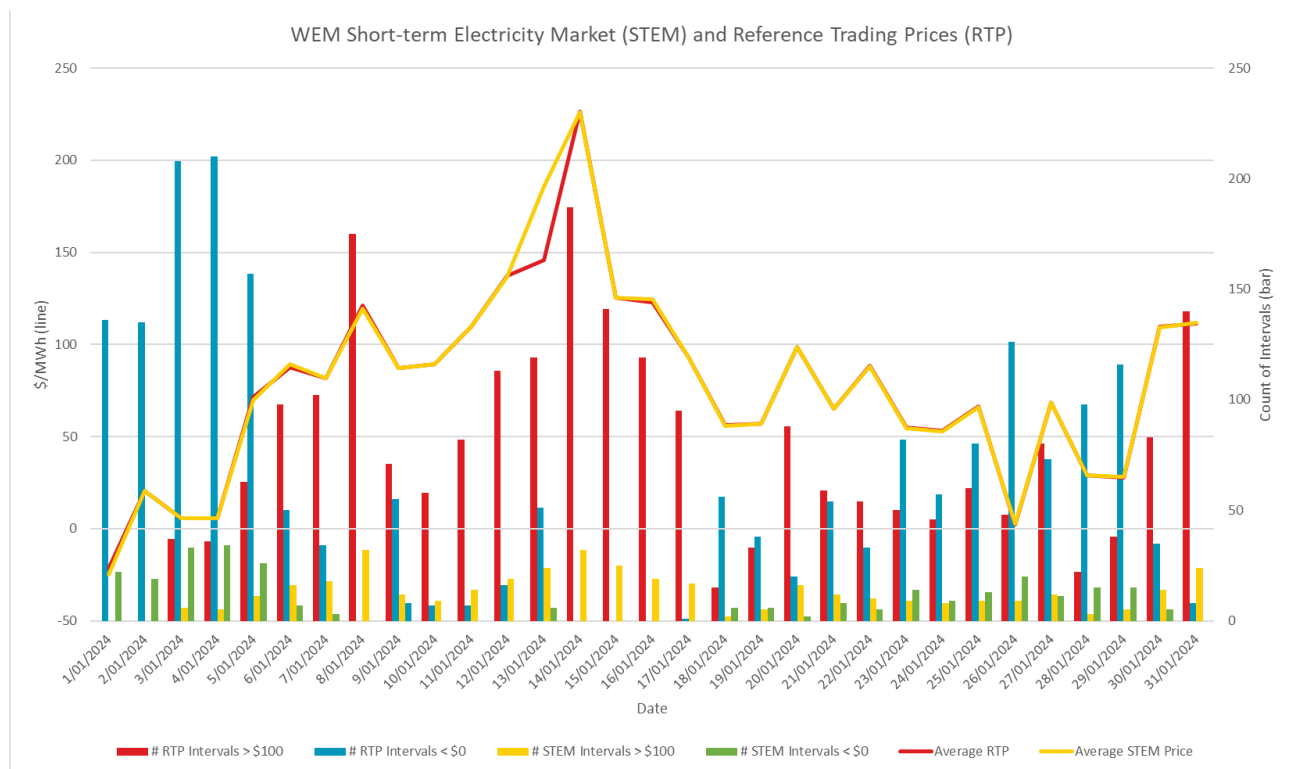
The STEM average flat price rose by 5% this month to \$78.48. The Balancing Market saw the average flat price increase by 14% to \$77.22. The maximum demand for the month was 4094 MW.

The STEM experienced 397 intervals above \$100 (compared to 301 last month), and 287 intervals below \$0 (versus 341 last month).

In the Real Time Market (RTM), there were 2312 intervals above \$100 (versus 1234 in the month prior), and 1943 intervals below \$0 (versus 1895 intervals in the previous month).

WA experienced hot weather in January 2024 with two days in Perth where the maximum temperature exceeded 40 degrees, topping out at 41.9 degrees on 31 Jan. High maximum temperatures on 13-14 January coincided with the highest average STEM and RTM prices for the month. Despite this, prices were not as strong as may have otherwise been expected due to a well-supplied gas market and strong generator availability.

WEM Short-term Electricity Market (STEM) and Reference Trading Prices (RTP)



Source: Western Australia Energy Market – AEMO

Emission Schemes

Large-scale generation certificate (LGC) spot contracts closed at \$45.75, \$3.75 lower than last month's close of \$49.50. The LGC compliance year (CY) vintages CY23 and CY24 closed lower against their December closes.

Falls in the spot and near CY vintages were driven by natural sellers coming to market prior to the end of the 2023 compliance surrender period on 14 Feb 2024.

- CY23 closed \$4.00 lower at \$46.00
- CY24 closed \$2.40 lower at \$48.35
- CY25 closed \$0.25 higher at \$46.75
- CY26 closed \$0.40 lower at \$39.60
- CY27 closed \$1.50 higher at \$33.00
- CY28 closed \$0.25 higher at \$27.50
- CY29 closed \$0.25 lower at \$23.00.

Victorian Energy Efficiency Certificate (VEEC) spot contracts closed at \$96.00, \$4.00 higher than last month's close of \$92.00. VEEC quarterly vintages closed at \$96.25. VEEC prices rose on lower creation of certificates in 2023 (4.9m) vs 2022 (7.9m). Additionally, media reports of an Essential Services Commission investigation into the practices of certificate creators raised the possibility of compliance enforcement action and lower certificate supply.

Energy Savings Certificates (ESC) spot contracts closed at \$23.15, \$1.25 lower than last month's close of \$24.40. ESC quarterly vintages closed between \$23.50 and \$24.90.

Small-scale Technology Certificates (STC) spot contracts closed at \$39.30, flat against last month's close of \$39.30. STC quarterly vintages closed between \$39.35 and \$39.60.

Gas Forward Market

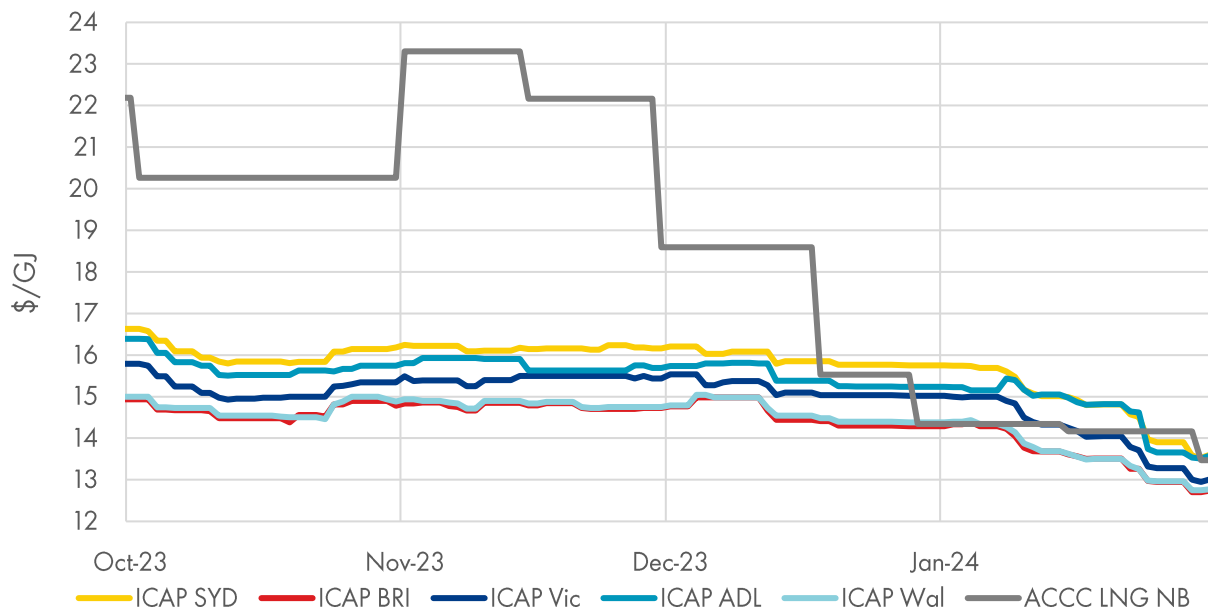
Calendar Year 2024 (CY24)

All domestic forward contracts for Calendar Year 2024 (CY24) decreased in January. The Victoria forward price closed the month at \$13.01/GJ, declining by more than \$2.00/GJ from the price at the end of 2023. The ACCC LNG netback (NB) forward price declined from above \$20/GJ in November 2023 to \$13.47/GJ at the end of January, representing a closing of the spread between international spot LNG prices and the Victorian domestic market. Balance of Calendar Year 2024 forward market liquidity has improved after the announcement of several exemptions from the mandatory Gas Code of Conduct.

January 2024, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$12.70	\$14.39	\$14.29	\$12.74	-\$1.55	-10.9%
ICAP Sydney	\$13.53	\$15.75	\$15.75	\$13.61	-\$2.15	-13.6%
ICAP Adelaide	\$13.51	\$15.43	\$15.24	\$13.58	-\$1.66	-10.9%
ICAP Victoria	\$12.95	\$15.02	\$15.02	\$13.01	-\$2.01	-13.4%
ICAP Wallumbilla	\$12.75	\$14.44	\$14.29	\$12.78	-\$1.52	-10.6%
ACCC LNG NB	\$13.47	\$14.35	\$14.35	\$13.47	-\$0.87	-6.1%

CY24 Flat Calendar Year | 1 October 2023 to date



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Source: ICAP Energy Gas Forward Price Curve Data, ACCC historical and forward short-term LNG netback price (<https://www.accc.gov.au/regulated-infrastructure/energy/gas-inquiry-2017-25/lng-netback-price-series>)

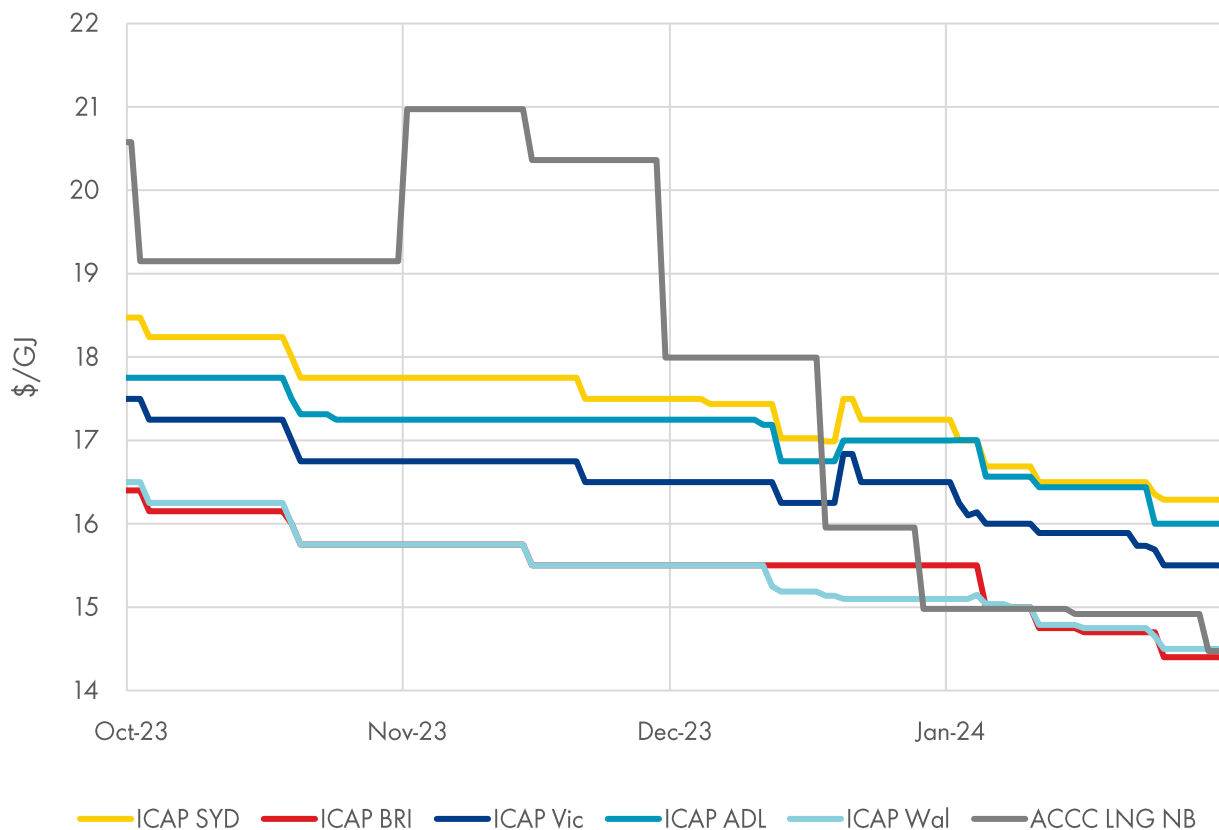
Calendar Year 2025 (CY25)

Domestic forward contracts for Calendar Year 2025 (CY25) all declined in January, following the trend for the CY24 contracts. Markets such as Adelaide and Victoria saw a \$1/GJ fall in price across the month, with Victoria now trading at \$15.50/GJ. The ACCC LNG netback forward price for CY25 also declined to \$14.47/GJ and ended the month above the CY24 ACCC LNG netback price. The ACCC LNG netback forward curve moved into contango between CY24 and CY25 due to a mild European winter and high physical gas storage inventories internationally. The ACCC LNG netback forward price is now trading close to the Wallumbilla market forward price.

January 2024, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$14.40	\$15.50	\$15.50	\$14.40	-\$1.10	-7.1%
ICAP Sydney	\$16.29	\$17.25	\$17.25	\$16.29	-\$0.96	-5.6%
ICAP Adelaide	\$16.00	\$17.00	\$17.00	\$16.00	-\$1.00	-5.9%
ICAP Victoria	\$15.50	\$16.50	\$16.50	\$15.50	-\$1.00	-6.0%
ICAP Wallumbilla	\$14.50	\$15.15	\$15.10	\$14.50	-\$0.60	-4.0%
ACCC LNG NB	\$14.47	\$14.98	\$14.98	\$14.47	-\$0.51	-3.4%

CY25 Flat Calendar Year | 1 October 2023 to date



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Source: ICAP Energy Gas Forward Price Curve Data, ACCC historical and forward short-term LNG netback price (<https://www.accc.gov.au/regulated-infrastructure/energy/gas-inquiry-2017-25/lng-netback-price-series>)

Spot Prices: East Coast Gas Market

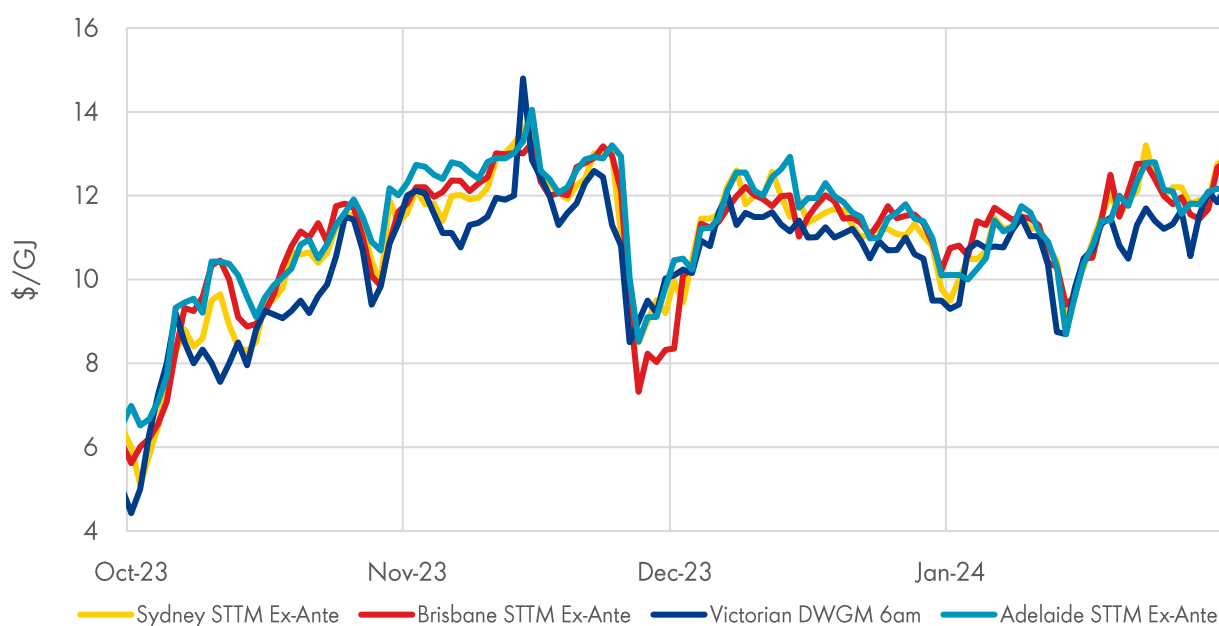
Spot prices traded between \$8.70/GJ and \$13.20/GJ for the month of January. The Victorian Declared Wholesale Gas Market (DWGM) average 6am price was below \$8.70/GJ for the month, with an increase in spot volatility observed, as well as an increased price differential between the markets caused by physical infrastructure constraints and planned maintenance at Longford. Record power demand in QLD drove increased gas consumption in gas power generation, with spot prices peaking at \$12.77/GJ in the Brisbane STTM. The Iona underground gas storage facility in Victoria ended January at just over 22PJ of gas in storage, inventories increasing by 350TJ across the month in aggregate, despite some gas being withdrawn towards the end of the month to support reduced supply from Longford.

January 2024, \$/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM ¹	\$11.39	\$9.40	\$12.77
Sydney STTM	\$11.28	\$9.00	\$13.20
Adelaide STTM	\$11.23	\$8.70	\$12.80
Victorian DWGM ² 6am	\$10.80	\$8.70	\$12.10

¹STTM = Short Term Trading Market, ²DWGM = Declared Wholesale Gas Market. The STTM and DWGM markets represent the daily balancing markets administered by AEMO, which primarily serve to balance wholesale supply with end consumer demand.

Gas Spot Prices | 1 October 2023 to date



Source: AEMO MarketData



Shell ENERGY

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<https://www.shell.com/investors/disclaimer-and-cautionary-note.html>

Shell Energy Retail Pty Ltd
ABN 87 126 175 460

275 George Street, Brisbane Qld 4000

Phone 13 23 76

shellenergy.com.au