



MARKET SUMMARY REPORT

Electricity and Gas – February 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 with permission from 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 daily 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 published by the Office of the Tasmanian Energy Regulator 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](#).

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](#).

Spot Prices: National Electricity Market

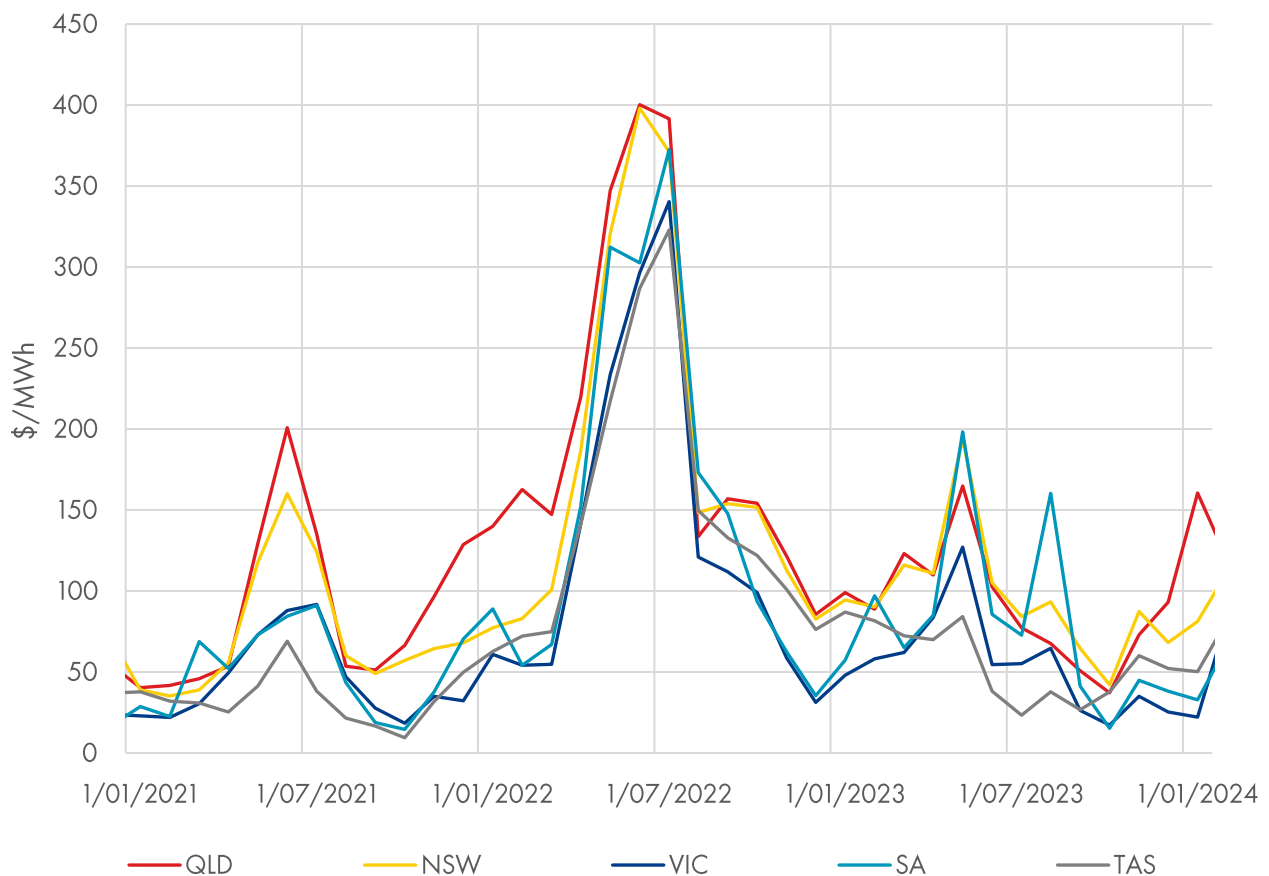
February saw elevated average spot price outcomes in QLD and NSW driven by persistent heat and humidity across the East Coast. Queensland experienced higher than usual overnight demand, with the average temperature in Brisbane being 30.8°C. In addition, NSW demand reached its highest level since 2019.

VIC and SA had significant periods of negative pricing due to strong generation from renewable energy sources. However, storms in Victoria midway through February resulted in a transmission tower collapse and tripped AGL's Loy Yang A coal units. This sent VIC and TAS spot prices to the market price cap of \$16,600 for over an hour.

February 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	119.73	14,898.01	40	420
NSW	111.66	16,600.00	40	279
VIC	82.90	16,600.00	25	2,045
SA	66.10	16,600.00	20	2,560
TAS	81.90	16,600.00	15	288

FY24 Flat



Contract Market

Financial Year 2025 (FY25)

FY25 markets fell to a three-month low at the start of the month as the market observed low spot prices despite persistent heat and high demand across the East Coast. However, an incident in Victoria in mid-February, followed by hot, humid conditions in Queensland and New South Wales, triggered volatility in spot prices. This resulted in an increase in swap contracts across the QLD, NSW and VIC curves as market participants considered price outcomes during future high demand periods.

In contrast, South Australia saw a decrease in contract prices. Market expectations shifted after observing stable, low-priced energy over summer, with 30.65% of February spot prices sitting at or below zero, driven by a generation mix of 75.7% renewables. Spot outcomes flowed through to the FY25 curve, in anticipation of negative pricing continuing with the growth of renewable energy sources.

February 2024

State	Previous Close	Period Low	Period High	Closing Price
QLD	91.36	83.23	91.42	89.29
NSW	99.42	90.79	99.34	96.61
VIC	63.26	55.85	62.27	61.00
SA	87.07	80.33	86.45	81.50
TAS	68.58	66.81	70.18	67.75

FY25 Flat



Source: ASX data

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Contract Market

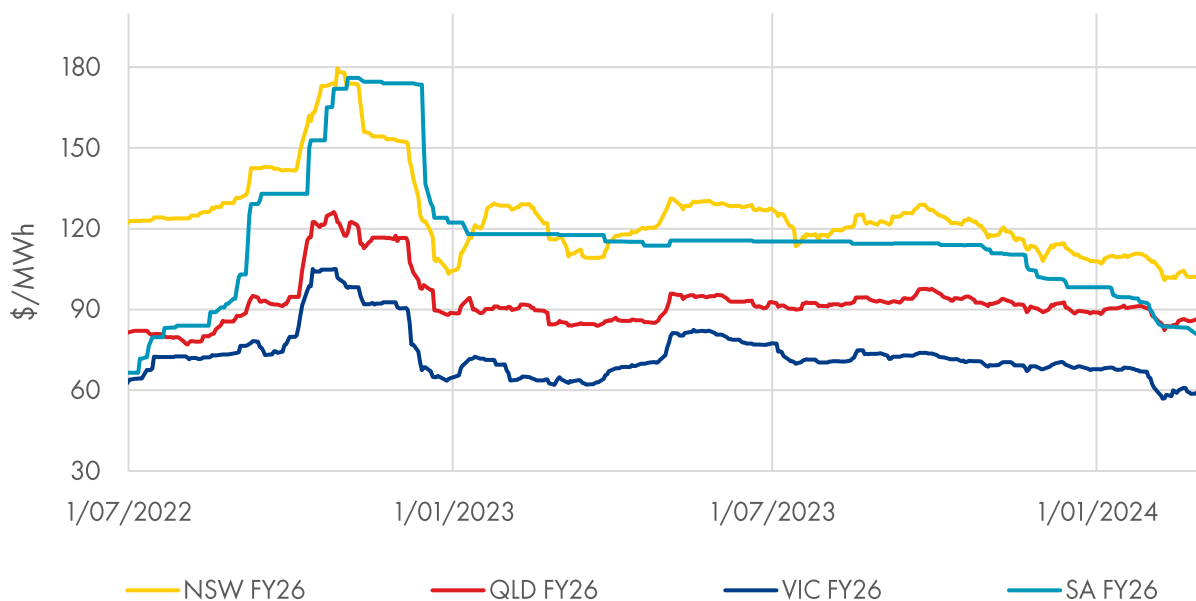
Financial Year 2026 (FY26)

FY26 contracts experienced the same general movements as the FY25 curves, predominantly driven by spot dynamics. All FY26 contracts experienced larger price decreases than FY25, in anticipation of renewable and storage project completion, supported by the Capacity Investment Scheme and similar government programs.

February 2024

State	Previous Close	Period Low	Period High	Closing Price
QLD	89.82	82.30	87.62	85.98
NSW	108.43	100.82	107.86	101.96
VIC	64.50	56.91	62.43	58.20
SA	89.50	80.41	89.25	80.41
TAS	71.00	66.50	71.37	66.50

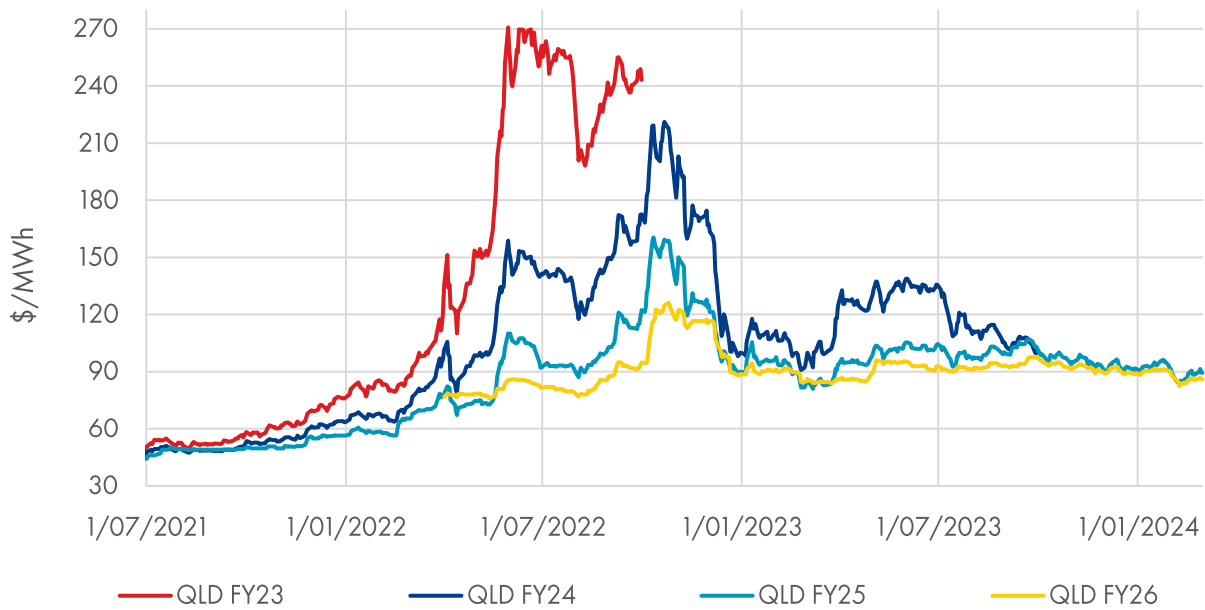
FY26 Flat



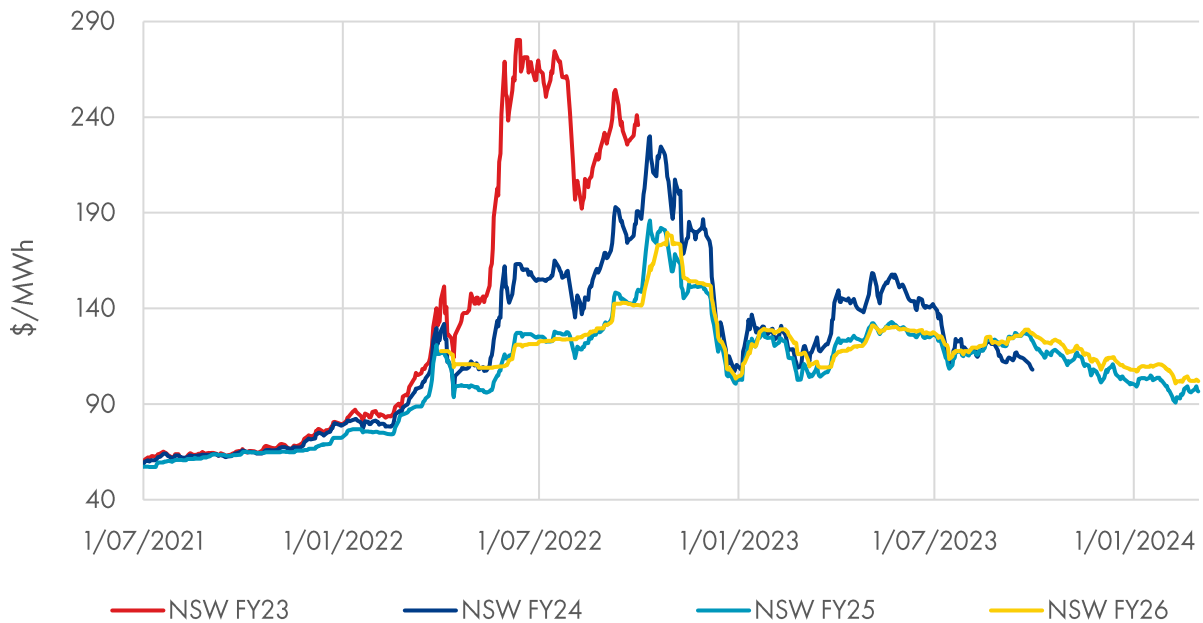
Source: ASX data

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Contract Market – QLD Financial Years Flat



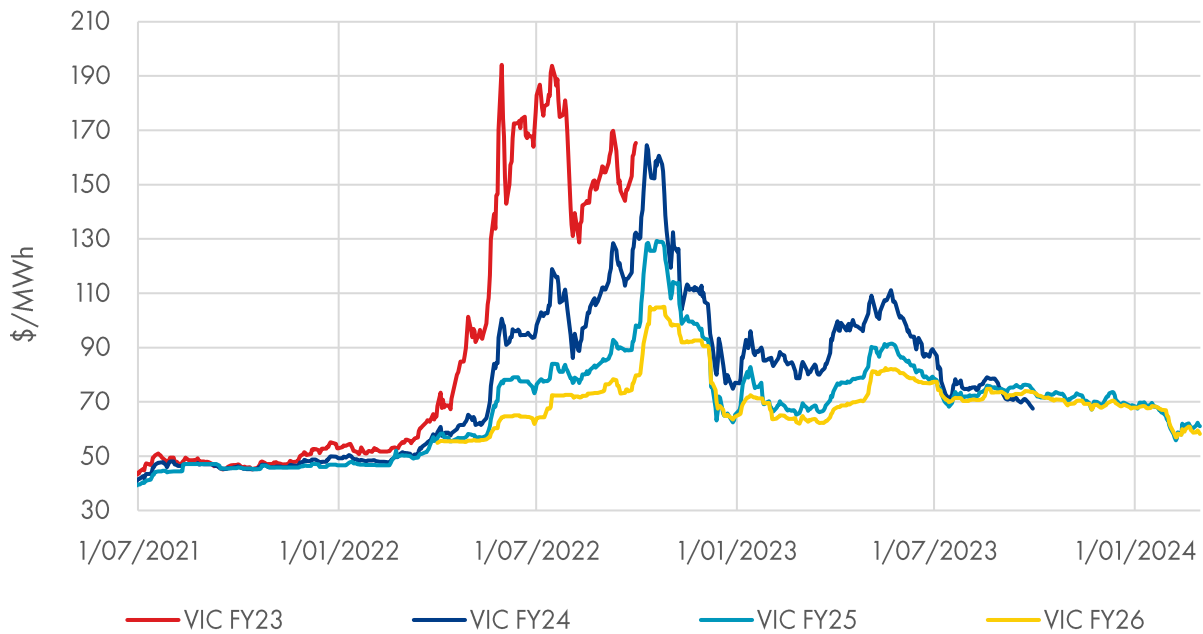
Contract Market – NSW Financial Years Flat



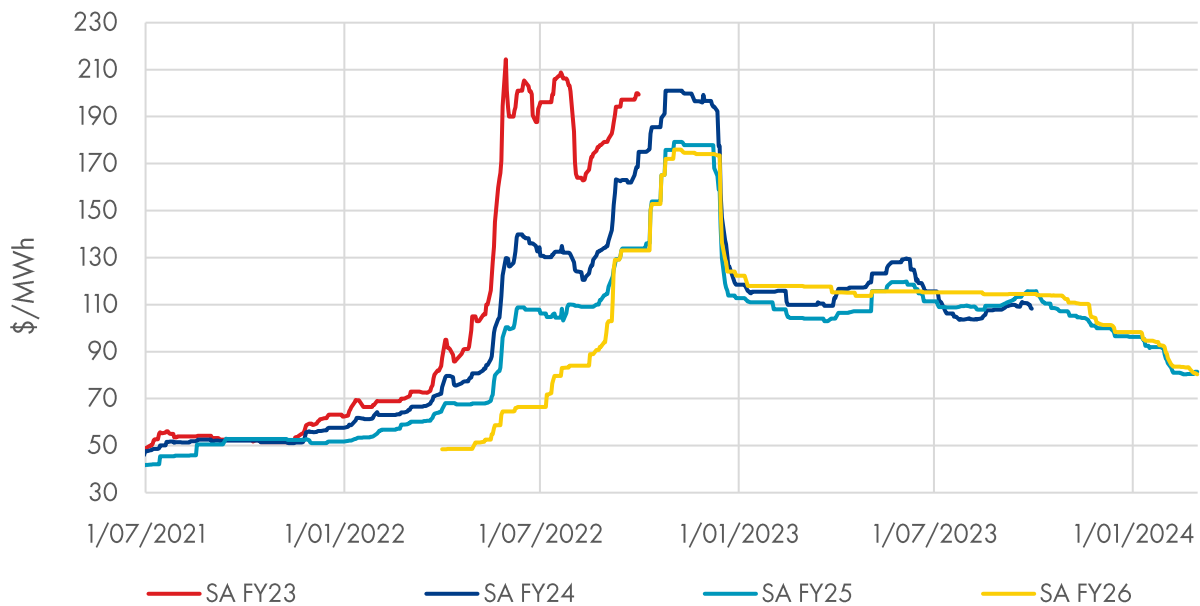
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Contract Market – VIC Financial Years Flat



Contract Market – SA Financial Years Flat



Source: ASX data

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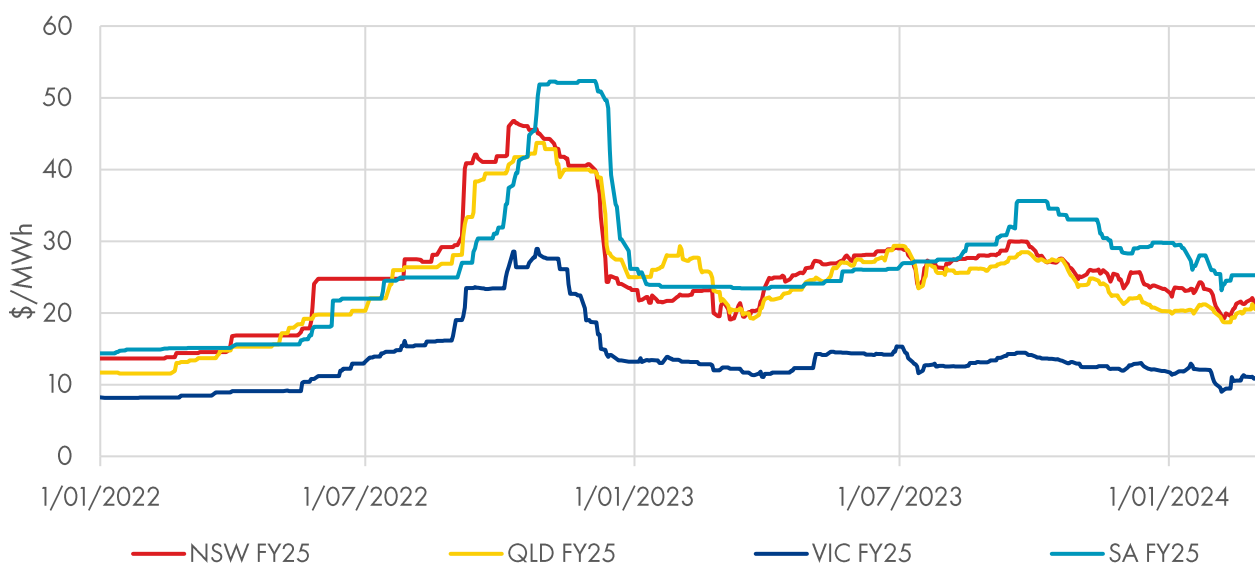
Cap Contract Market

The cap contract markets fell in early February due to mild spot outcomes, returning to previous levels following a Victorian power system event. Following this event, VIC and SA cap contracts stabilised.

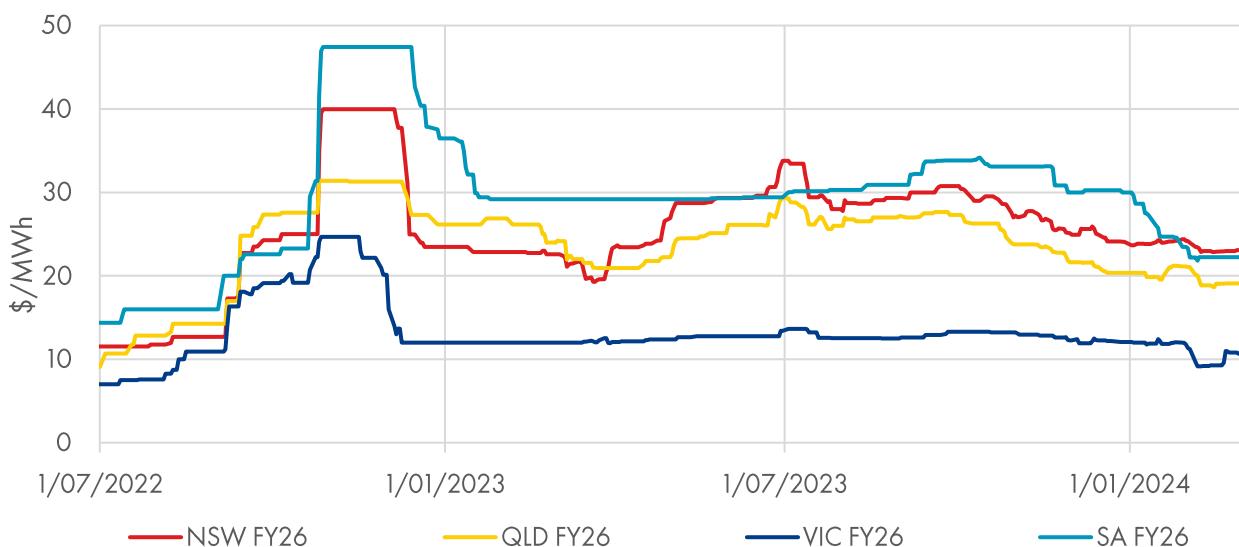
QLD and NSW (FY25 and FY26) cap prices continued to increase over the month off the back of cap payouts in the spot market. In the NSW contracts, FY26 caps closed higher than FY25 (contango), however the backwardation was observed in all other regions.

The contango curve shape observed in the NSW cap contracts is likely a result of the volatility experienced in NSW in February, despite a healthy fleet of baseload generation available during this period. The market may be mindful of the potential impact of future coal closures on prices, particularly in a scenario of growing demand and reduced baseload generation.

Financial Year 2025 (FY25)



Financial Year 2026 (FY26)



Source: ASX data

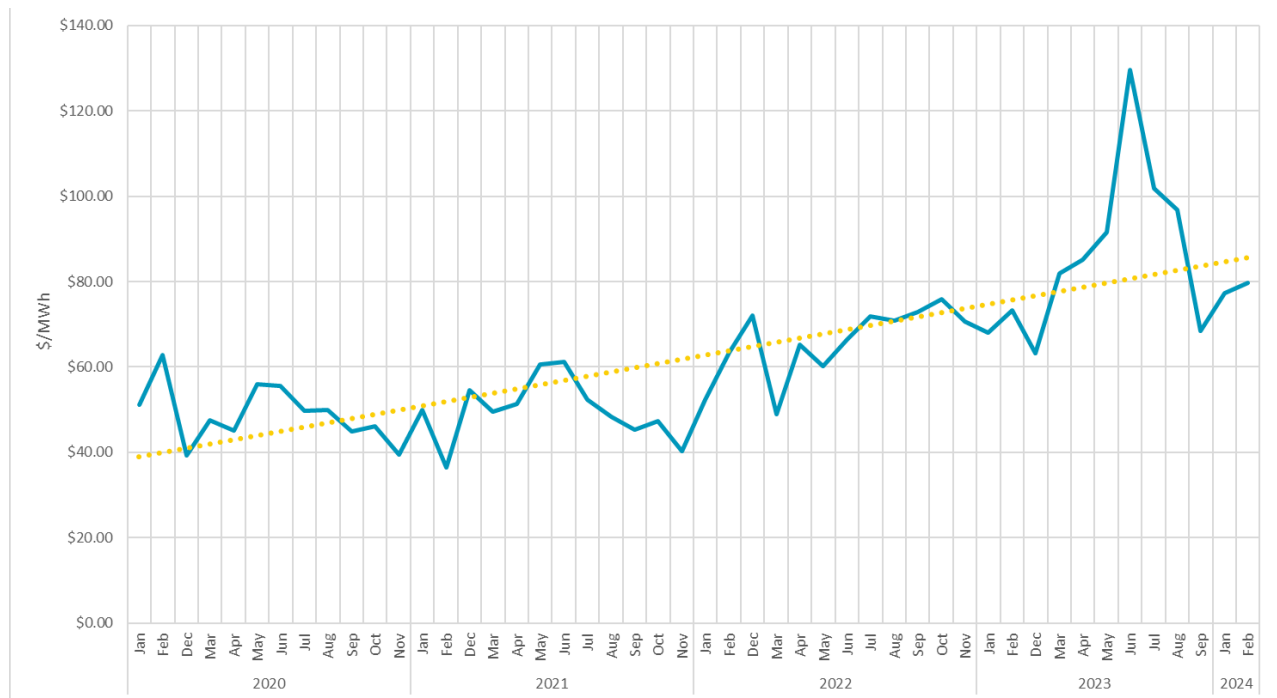
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Western Australia Energy Market

In February, the Western Electricity Market (WEM) average Real Time Market prices was \$81.14. This was primarily due to last month being the second-warmest February ever recorded, with temperatures 2.78 °C above average.

Higher average temperatures led to unprecedented demand in the WEM, setting five new demand records and reaching a peak demand of 4,233 MW on 18 February. Furthermore, 26% of Real Time prices in February exceeded \$100/MWh, with spot prices at the Energy Offer Price Ceiling of \$738/MWh for a cumulative total of 17.5 hours.

WEM Real Time Prices



February WEM Summary Statistics

Average Real Time Price	\$80.14/MWh
Max 5 Min Real Time Price	\$738/MWh
5 Min Intervals at \$100 or Above	2153
5 Min Intervals at \$0 or Below	1662

Source: Western Australia Energy Market – AEMO

Emission Schemes

Every February, liable entities like electricity retailers are required to surrender a specific number of Large-scale Generation Certificates (LGCs) to the Clean Energy Regulator. This annual obligation ensures that a certain proportion of Australia's electricity is sourced from renewable energy.

Throughout February, there was a noticeable decline in spot LGC prices leading up to and following the LGC surrender date. This trend indicates that the market had an adequate supply of natural sellers or that the entities surrendering had enough spot certificates on hand to meet their 2023 obligations.

CY24 closed \$1.85 lower at \$46.50
CY25 closed \$0.50 higher at \$47.25
CY26 closed \$0.10 lower at \$39.50
CY27 closed \$0.25 higher at \$33.25
CY28 closed \$0.25 lower at \$27.25
CY29 closed \$0.50 higher at \$23.50
CY30 closed \$0.25 higher at \$18.75

In February, Small-scale Technology Certificates (STCs) experienced a slight decrease of \$0.30, settling at \$39.60. At the start of the month, the STC clearing house had a surplus, with supply exceeding the demand needed for the Quarter 4 2023 compliance period. However, STC prices increased at the end of the month, following the announcement of a higher-than-expected 21.4% small-scale technology percentage for 2024.

New South Wales Energy Saving Certificates (ESCs) saw a drop of \$1.25 in February, reaching a 12-month low at \$21.90. This decrease in prices was likely due to a healthy creation of certificates throughout the month and buyers holding surplus spot inventory.

Victorian Energy Efficiency Certificates (VEECs) experienced a significant price drop of \$5 over February, ending at \$91. This was primarily due to large volumes of certificates being sold into the market, which exerted downward pressure on prices.

Gas Forward Market

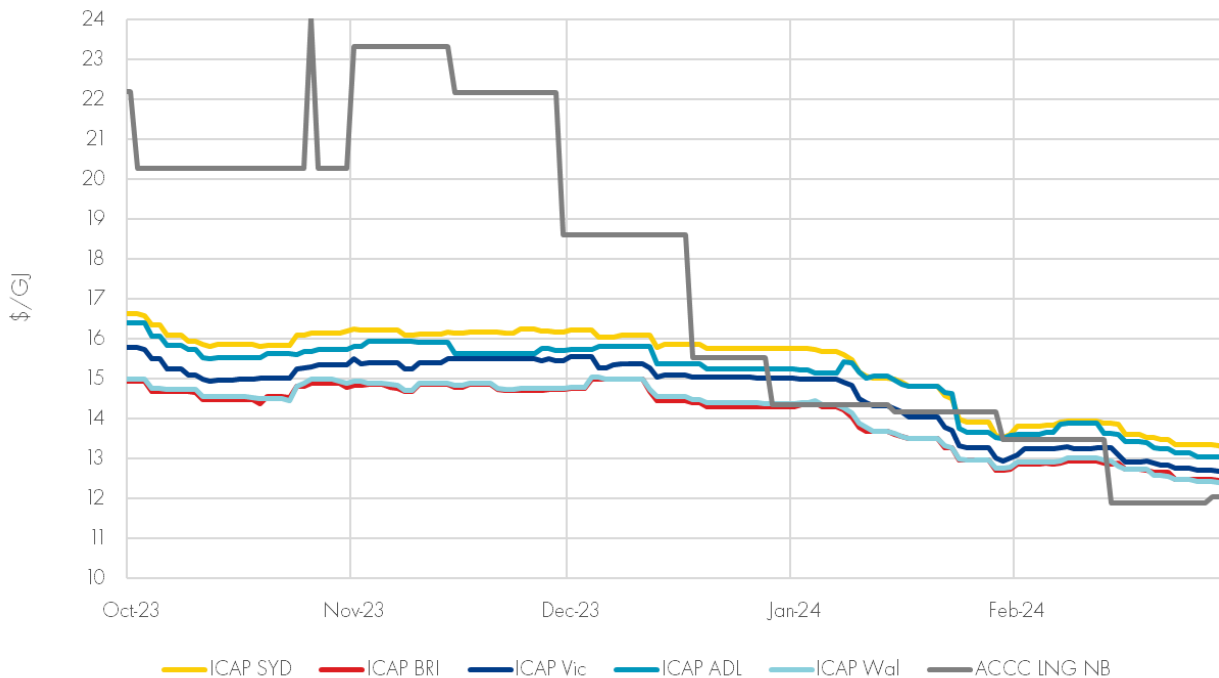
Calendar Year 2024 (CY24)

All domestic forward contracts for Calendar Year 2024 (CY24) decreased across the month of February. The Victoria forward price closed the month at \$12.69/GJ, falling below \$13.00/GJ for the first time since early 2022. The price differential between the domestic markets has also reduced, with the Victoria forward price only trading \$0.29/GJ above the price at Wallumbilla as at the end of February. The ACCC LNG netback (NB) forward price declined by over 10% to \$12.05/GJ and is now trading at a discount to all domestic market prices.

February 2024, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$12.45	\$12.94	\$12.86	\$12.45	-\$0.41	-3.2%
ICAP Sydney	\$13.32	\$13.93	\$13.82	\$13.32	-\$0.50	-3.6%
ICAP Adelaide	\$13.04	\$13.90	\$13.61	\$13.04	-\$0.56	-4.1%
ICAP Victoria	\$12.69	\$13.29	\$13.10	\$12.69	-\$0.41	-3.2%
ICAP Wallumbilla	\$12.40	\$13.00	\$12.86	\$12.40	-\$0.45	-3.5%
ACCC LNG NB	\$11.88	\$13.47	\$13.47	\$12.05	-\$1.42	-10.5%

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>)

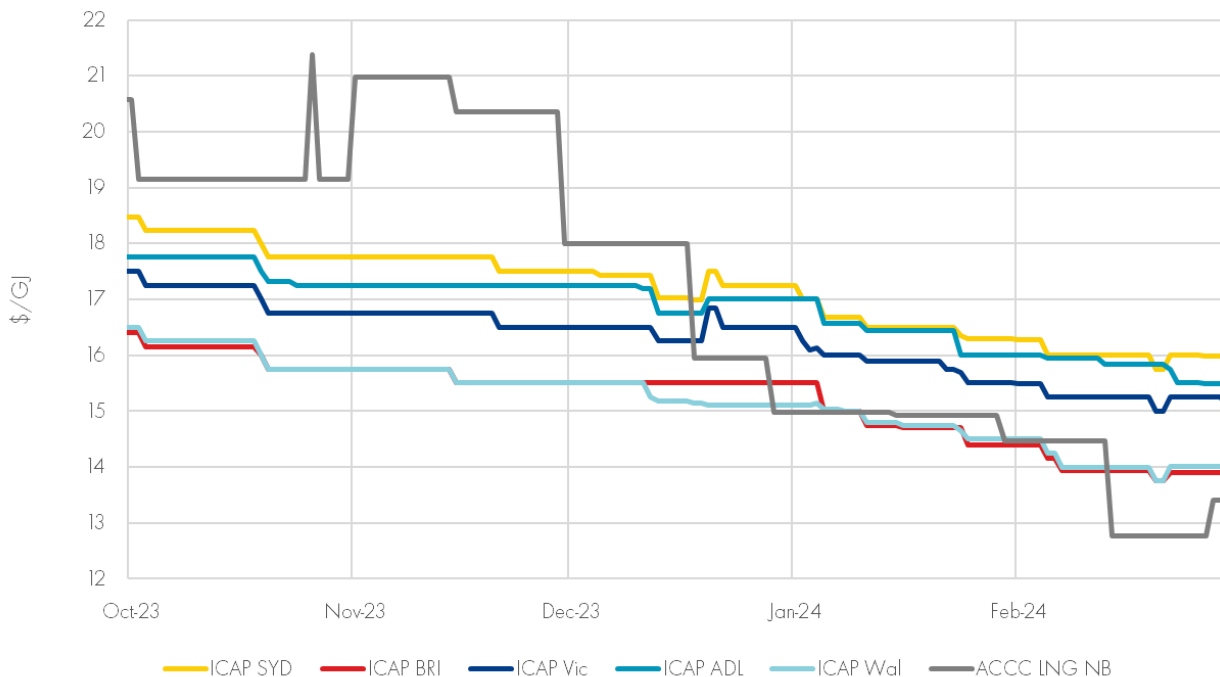
Calendar Year 2025 (CY25)

Domestic forward contracts for Calendar Year 2025 (CY25) decreased across February, with Brisbane and Wallumbilla prices briefly falling below \$14/GJ for the first time since the contract started trading in late 2022. The forward price for Sydney is still trading at close to a \$2/GJ premium to Wallumbilla, reflecting transportation costs to deliver gas to customers. The ACCC LNG netback forward price declined by 7.4%, ending the month at a discount to all domestic market prices. There has been recent increased liquidity in the CY25 contract through exchange traded, brokered and bilateral markets.

February 2024, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$13.75	\$14.40	\$14.40	\$13.90	-\$0.50	-3.4%
ICAP Sydney	\$15.75	\$16.29	\$16.29	\$15.99	-\$0.29	-1.8%
ICAP Adelaide	\$15.49	\$16.00	\$16.00	\$15.49	-\$0.51	-3.2%
ICAP Victoria	\$15.00	\$15.50	\$15.50	\$15.25	-\$0.24	-1.6%
ICAP Wallumbilla	\$13.75	\$14.50	\$14.50	\$14.00	-\$0.50	-3.4%
ACCC LNG NB	\$12.77	\$14.47	\$14.47	\$13.40	-\$1.07	-7.4%

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 \$10.10/GJ and \$12.89/GJ for February. The Victorian Declared Wholesale Gas Market (DWGM) average 6am price was \$11.56/GJ, nearly \$1/GJ higher than the average spot price in January. Market volatility was more pronounced in Adelaide and Victoria, and more subdued in Brisbane and Sydney.

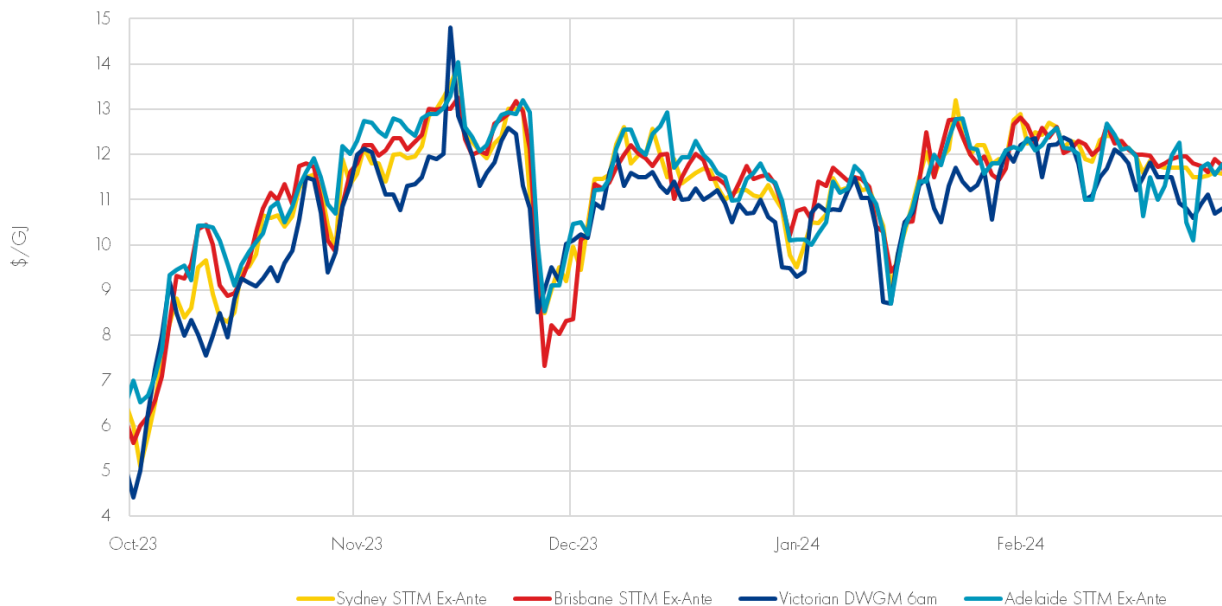
Sustained high overnight temperatures in South-East Queensland drove increased power generation in the state. This was met with an increase in black coal generation, rather than an increase in gas generation. LNG export facilities in Gladstone also operated at close to their temperature adjusted maximum capacities across the month. In the south, Iona inventory declined by approximately 200 TJ across the month, supplementing the market with additional supply across an extension to planned maintenance at the Longford production facility.

February 2024, \$/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM ¹	\$12.12	\$11.62	\$12.81
Sydney STTM	\$12.03	\$11.50	\$12.89
Adelaide STTM	\$11.77	\$10.10	\$12.69
Victorian DWGM ² 6am	\$11.56	\$10.60	\$12.37

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



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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