



# **MARKET SUMMARY REPORT**

Electricity and Gas – July 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](#).

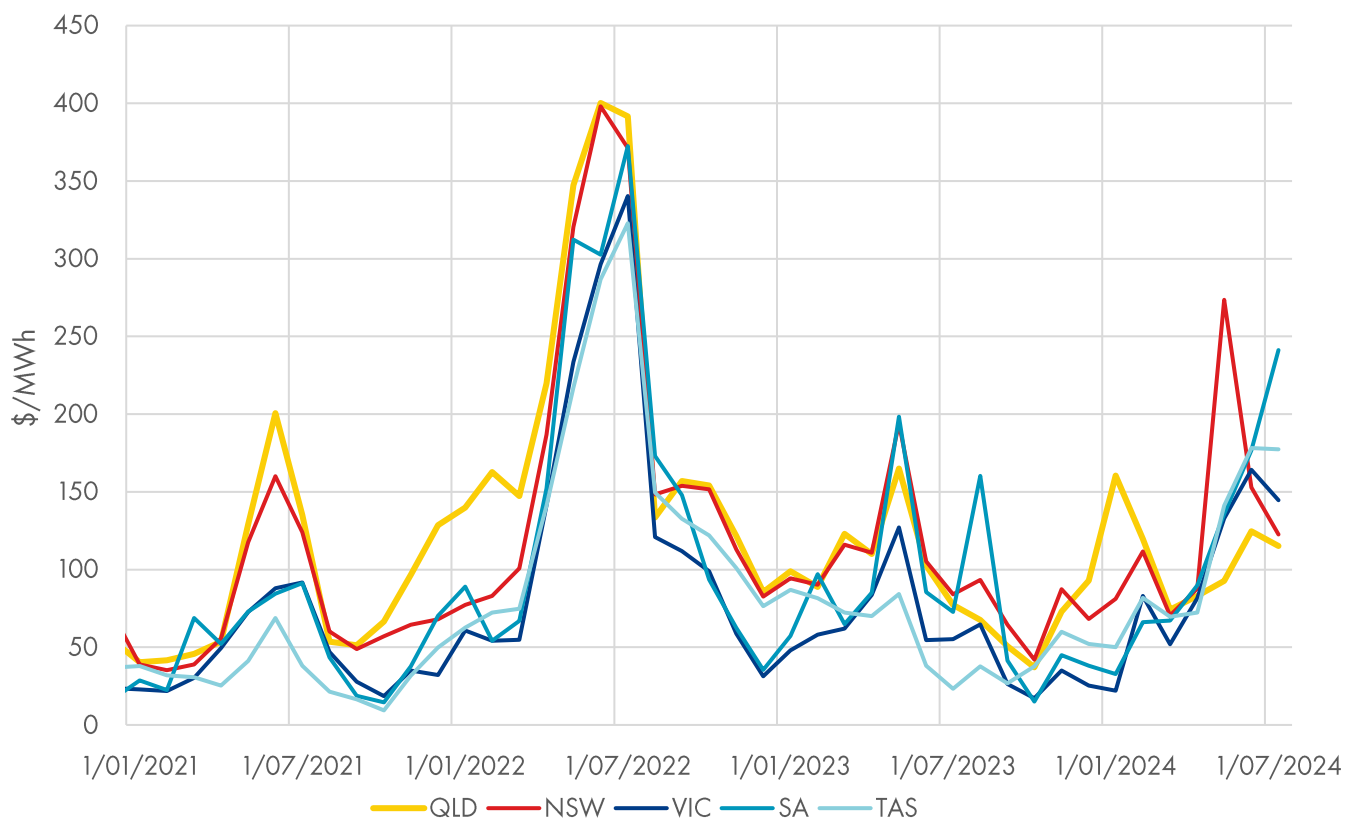
Energy Saving Certificates (ESCs) – information about the ESC program can be found [here](#). You can also refer to our [Energy Education video on ESCs](#).

# Spot Prices: National Electricity Market

In July, the National Electricity Market (NEM) saw a significant rise in demand across all states due to colder weather. New South Wales (NSW) and Victoria (Vic) experienced notable increases of 600 MW and 700 MW across the morning and evening peak with Qld, NSW, and Vic recording their highest July demand levels in over a decade. Wind generation, whilst higher compared to June, remained relatively low in Vic and South Australia (SA) compared to the same time last year. Despite the higher demand, prices in Vic, NSW, and Qld dropped slightly from June, thanks to increased wind generation, fewer transmission line constraints and no large overlapping coal outages. SA faced significant price volatility, with 103 intervals of prices exceeding \$1,000 due to very low wind generation on high-demand days. Tasmania continued to experience high prices because of low hydro storage levels, which required gas generators to run much harder than they have in the past five years.

## July 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	115.05	17,500.00	13	996
NSW	122.54	17,289.83	16	330
VIC	144.66	17,376.90	15	435
SA	241.23	17,500.00	106	1,030
TAS	177.43	15,635.31	13	53



Source: NEM Spot Market - AEMO

# Contract Market

## Calendar Year 2025 (CY25)

In July, we observed a softening of CY25 contract prices across all nodes. This was particularly evident in Qld and NSW contracts, where despite robust demand and coal outages, the downward trend was primarily driven by subdued spot outcomes.

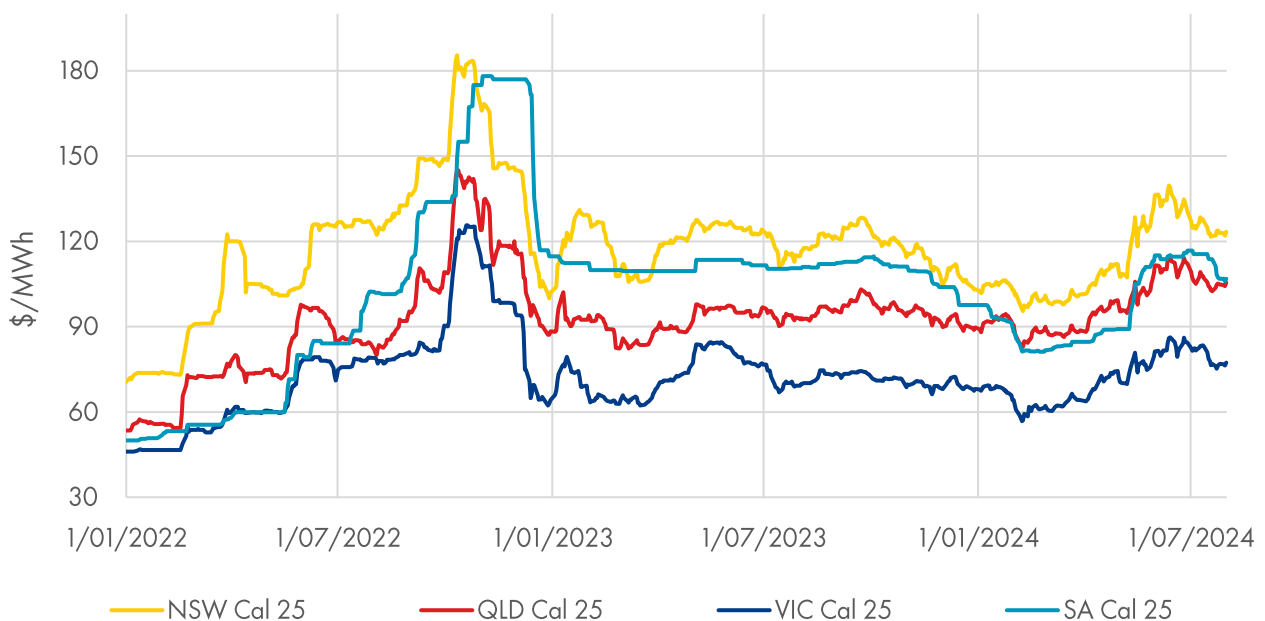
In SA, the spot market experienced volatility due to low wind and constraints. However, this was counterbalanced by an increase in liquidity in the Cal25 contract market.

A similar scenario unfolded in Tasmania, where lower rainfall and storage levels saw an increase in gas generation at higher prices in the spot market. Despite this, the forward curve remained unaffected, underpinned by confidence that future periods will likely see adequate rainfall and a return to healthy storage levels.

## July 2024

State	Previous Close	Period Low	Period High	Closing Price
QLD	109.36	96.00	106.11	105.50
NSW	127.24	105.81	119.40	123.38
VIC	82.56	70.34	77.17	77.35
SA	116.73	109.43	120.61	106.84
TAS	88.08	68.73	71.46	78.95

## CY25 Flat



Source: ASX Data

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# Contract Market

## Calendar Year 2026 (CY26)

CY26 contracts mirrored the downward trajectory observed in CY25 contracts, indicating a consistent trend across these periods.

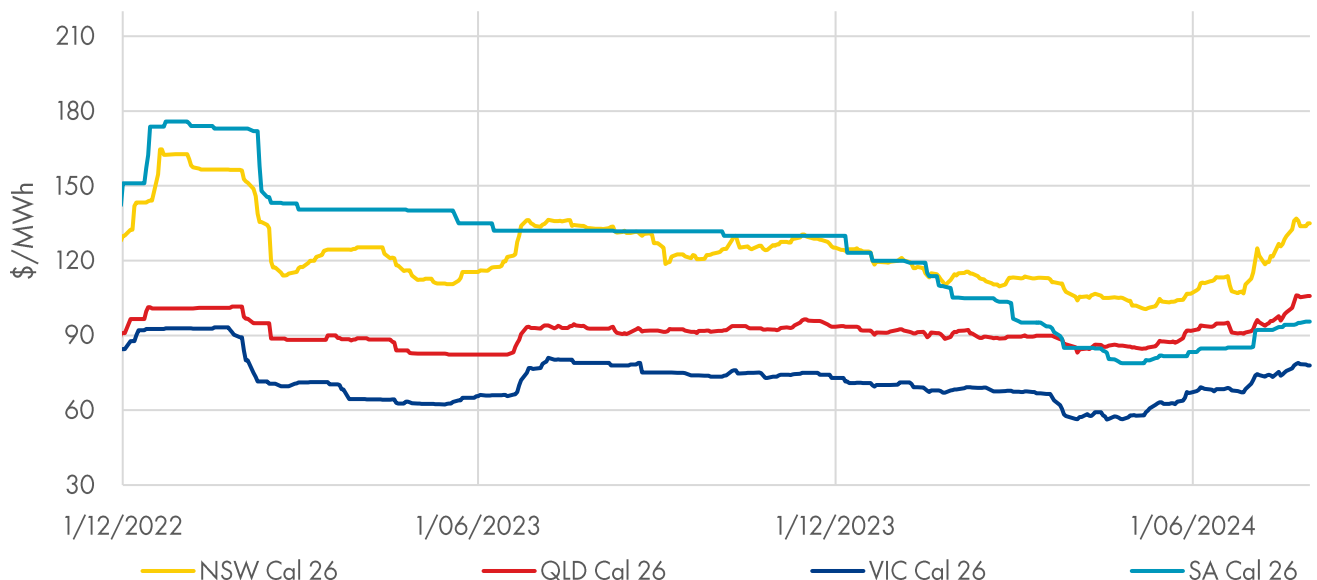
FY26 swap contracts concluded at a discount compared to FY25 in all regions, except for NSW, where the pricing closed at an equivalent level. In Qld and NSW, both the energy and cap components of the swap contract, specifically those priced below \$300, maintained a steady trading position.

However, in Vic and SA the energy portion of the contracts traded down, while the cap component experienced an upward movement.

## July 2024

State	Previous Close	Period Low	Period High	Closing Price
QLD	103.00	93.67	99.01	98.23
NSW	127.50	114.39	122.45	121.38
VIC	75.37	68.72	72.18	69.68
SA	105.28	111.04	114.67	102.96
TAS	72.86	67.53	68.78	69.96

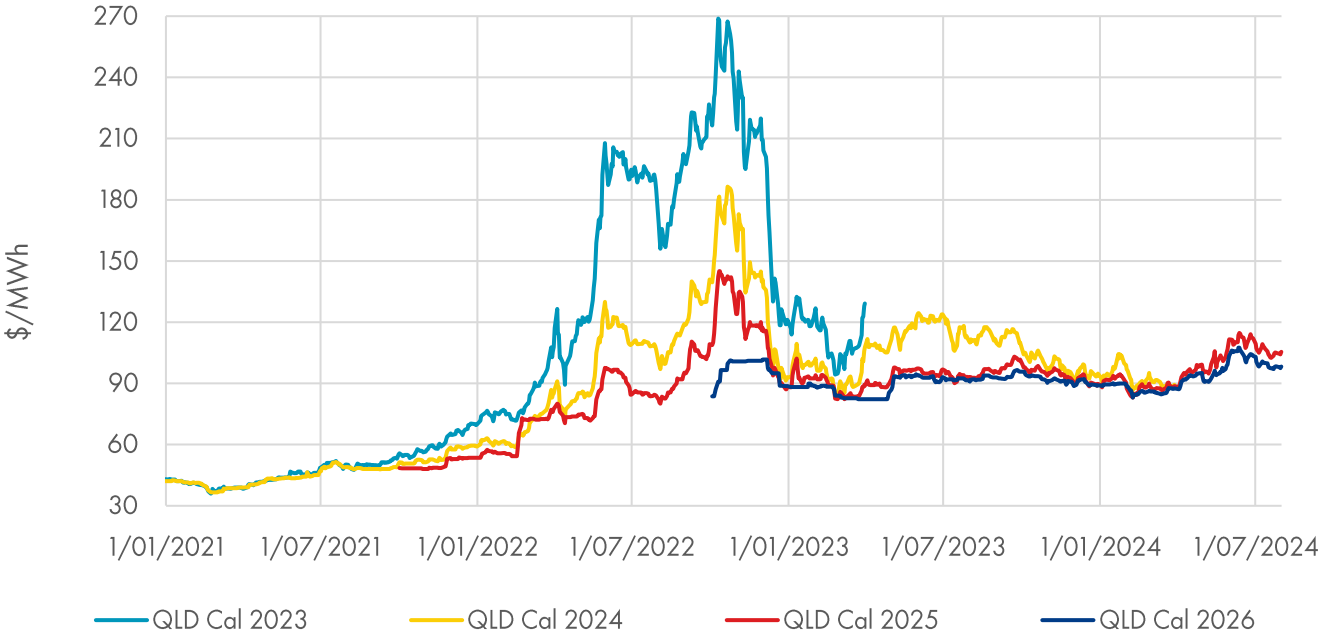
## CY26 Flat



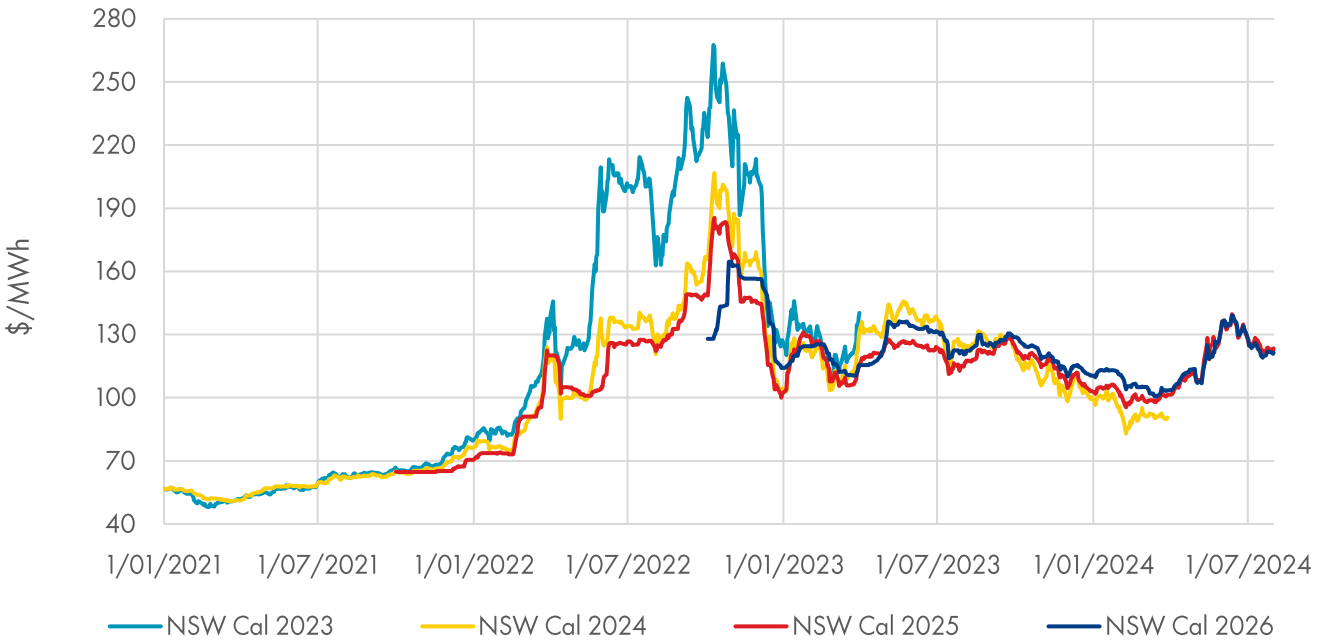
Source: ASX Data

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### Contract Market - QLD Calendar Years Flat



### Contract Market - NSW Calendar Years Flat



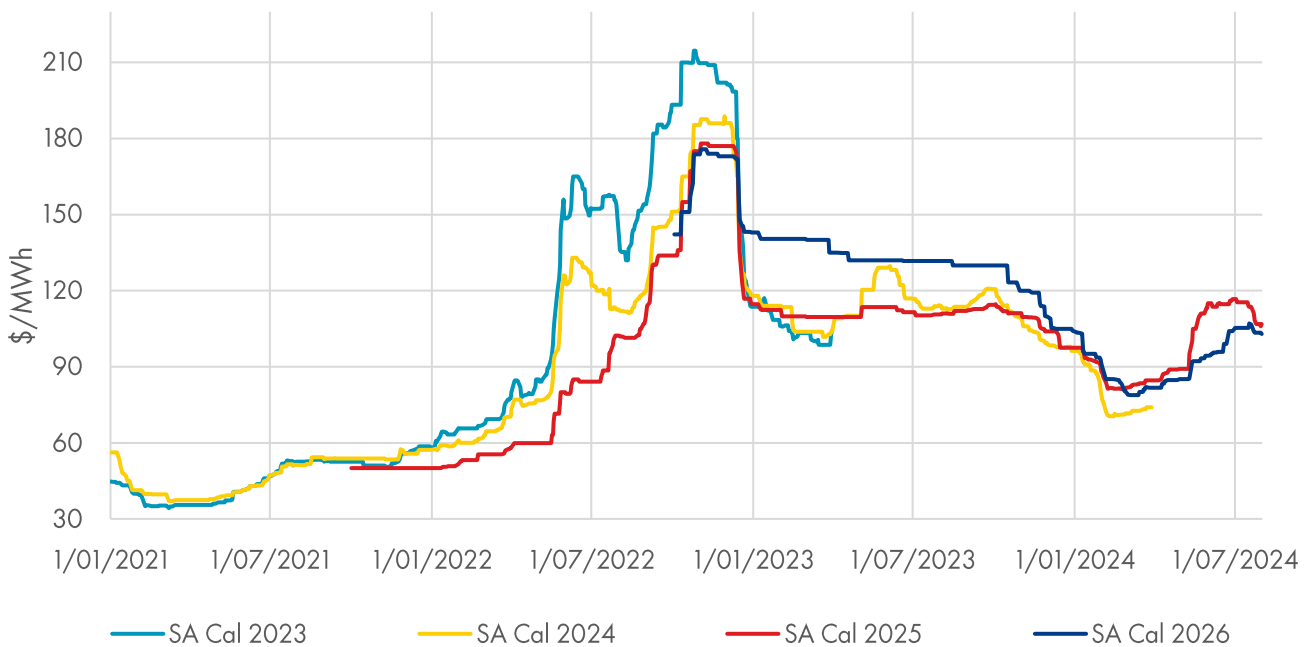
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## Contract Market - VIC Calendar Years Flat



## Contract Market - SA Calendar Years Flat



Source: ASX Data

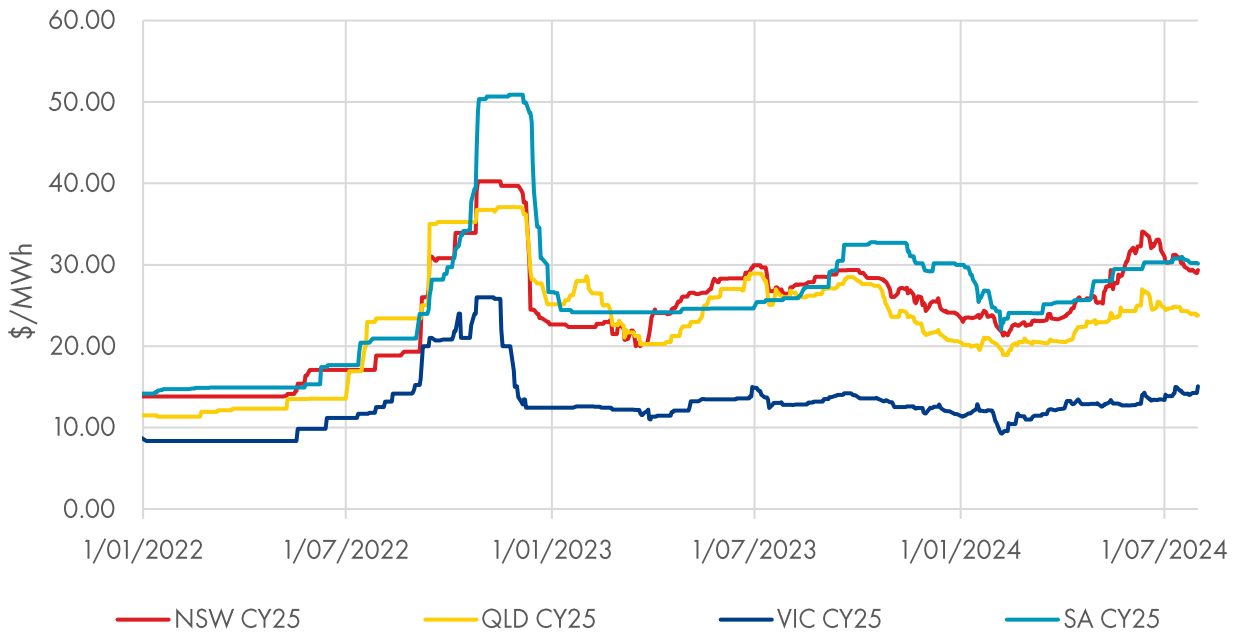
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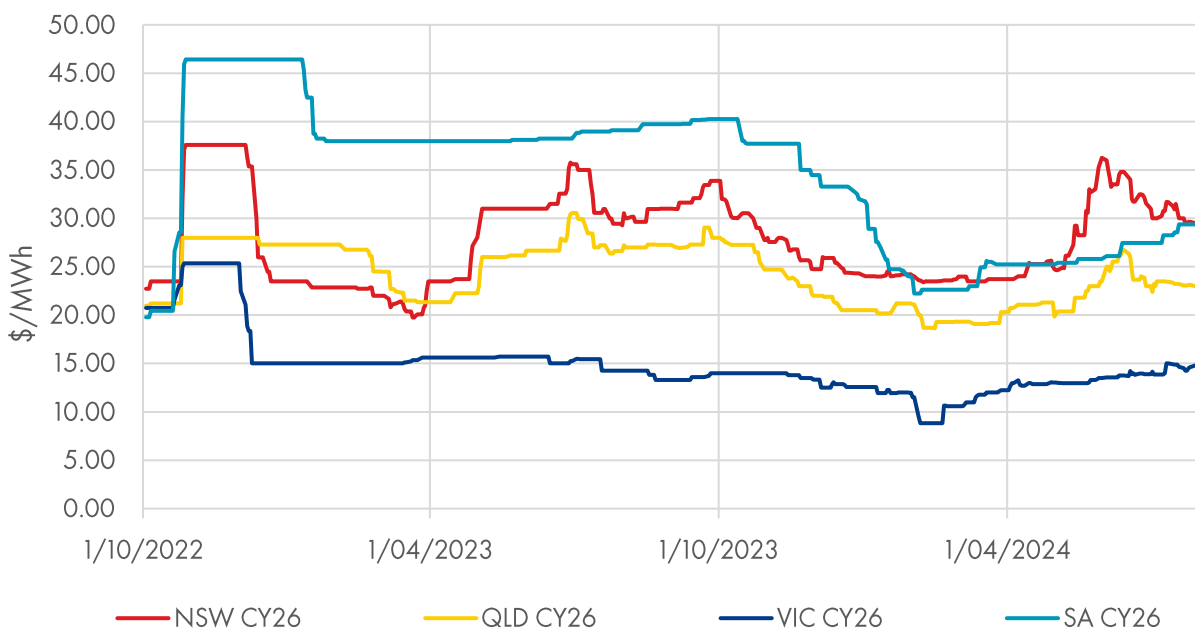
# Cap Contract Market

In July, cap contract prices in Qld and NSW remained stable, showing no significant fluctuations. However, in Vic and SA, cap contracts experienced an upward trend, primarily due to the volatility in the spot market towards the end of the month. The cap events in July were predominantly influenced by low wind conditions, in conjunction with constraints on the network.

## Calendar Year 2025 (CY25)



## Calendar Year 2026 (CY26)



Source: ASX Data

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# Western Australia Energy Market

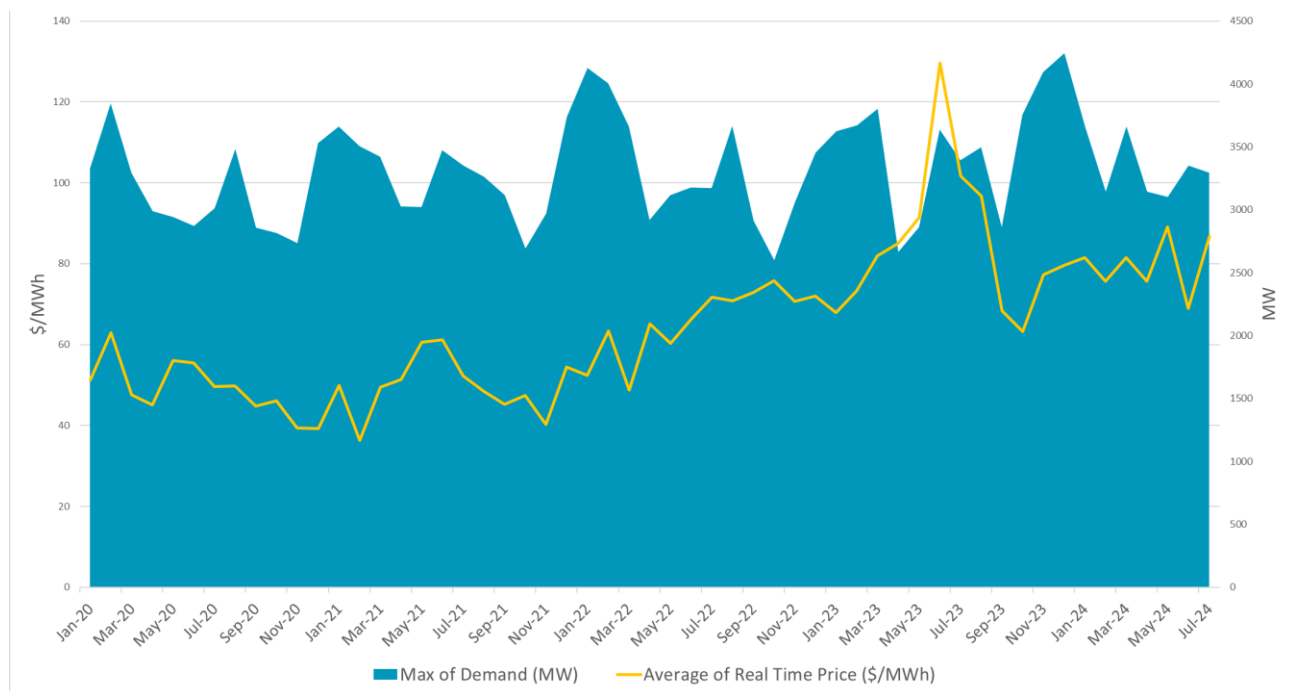
## WEM STEM and Balancing Prices

In July, the Western Electricity Market (WEM) saw an increase in the average real-time market price, which escalated to \$86.85. This coincided with a further drop in Perth’s minimum temperatures, with the average dropping by 0.4°C to 9.7°C compared to the previous month.

The WEM experienced 38.4% of real-time prices exceeding \$100/MWh. There were 28.3 hours during July when prices reached the Energy Offer Price Ceiling of \$738/MWh.

This spike in prices at the market cap was primarily driven by periods of low wind generation and concurrent outages of coal and gas generators. These factors resulted in tighter supply conditions compared to June, contributing to the observed increase in prices.

WEM Summary Statistics	
Average Real Time Price	\$86.85/MWh
Max 5 Min Real Time Price	\$738/MWh
5 Min Intervals at \$100 or Above	3431
5 Min Intervals at \$0 or Below	2525



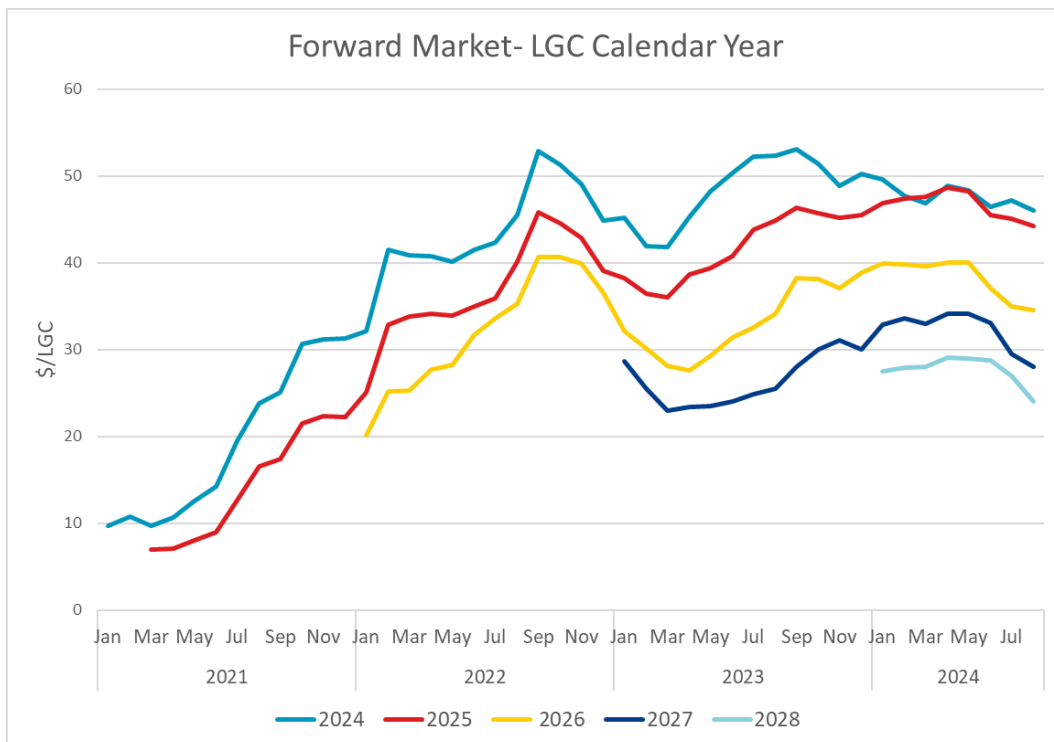
Source: Western Australia Energy Market – AEMO

# Emission Schemes

## Large Scale Generation Certificates (LGCs)

July saw a continued softening of LGC market prices, with the most significant movements occurring in the Cal27 and Cal28 vintages (down \$4.00 and \$3.70 respectively). This downward trend was primarily due to an increase in the number of market participants capable of trading later-dated certificates. Recent supply-demand data also indicates a future surplus of renewable generation, surpassing demand.

Interestingly, lower wind generation in June did not result in a tight supply in the spot LGC market. This suggests that natural sellers with LGC delivery obligations under Power Purchase Agreements (PPAs) had excess inventory or were able to postpone delivery without causing any significant impact on the market.

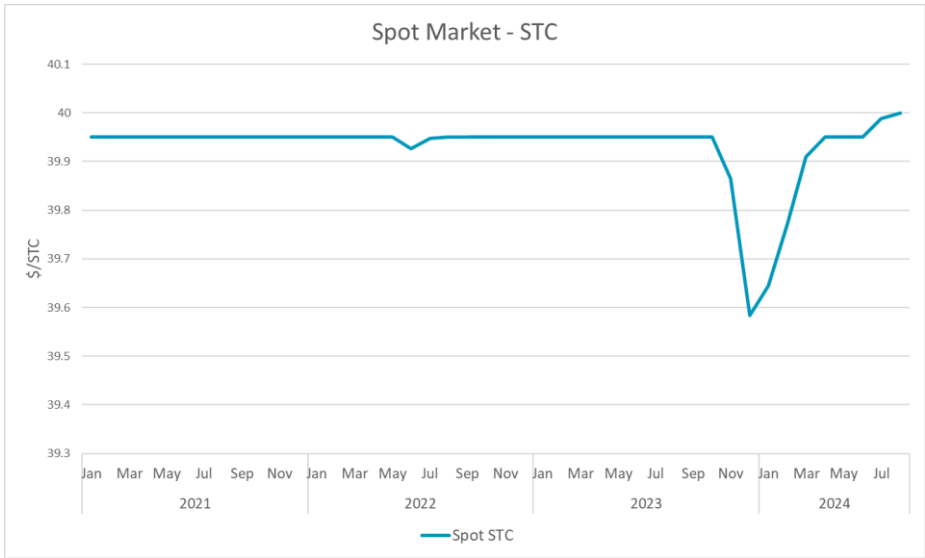


Source: Shell Energy Customer STEP Portal

## Small Scale Technology Certificates (STCs)

In July, the Small-scale Technology Certificate (STC) clearing house concluded the month with a deficit exceeding 2 million certificates, a significant shift from the balance between surplus and deficit observed in June. The Over the Counter (OTC) market maintained a steady trading rate at \$39.90 throughout the month. This stability was due to retailers seeking supply outside of the clearing house to meet customer demand.

Source: Clean Energy Regulator (CER)



Source: Shell Energy Customer STEP Portal

### Victorian Energy Efficiency Certificates (VEECs)

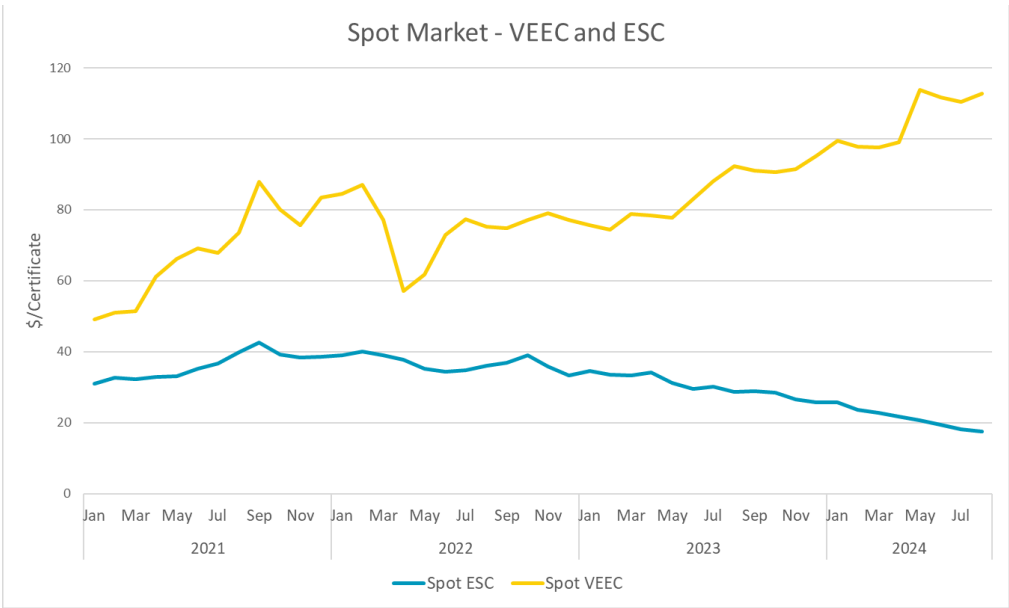
In July, there was a \$13 increase in VEEC spot prices, eventually settling slightly lower at \$109.50. The price hike was propelled by persistently low creation levels and the VEU’s (Victorian Energy Upgrades) additional postponement of the refrigerator display cabinet activity. The trend of low creation is anticipated to intensify due to the prohibition on door knocking.

Source: Essential Services Commission

### Energy Saving Certificates (ESCs)

In July, the ESC spot price experienced a decline due to an influx of certificates from the end of the financial year entering the market. The market concluded at \$17.20, \$1.05 less than the previous month. Following a rule modification, heat pumps will no longer qualify for the creation of both ESC and PRCs (Peak Reduction Certificates), potentially slowing down creation rates. Starting from August, this activity will solely generate ESCs.

Source: IPART



Source: Shell Energy Customer STEP Portal

## Peak Reduction Certificates (PRCs)

In July, spot PRCs closed slightly higher at \$2.30. Creation remained healthy but could slow following the ineligibility of heat pump activities to create PRCs. In addition, market participants are closely watching the new battery activity called 'BESS2' which involves the electricity account holder signing a contract that allows a Demand Response Aggregator to control their residential battery for three years. Certificates can be created from BESS2 implementations where the Implementation Date is on or after 1 November 2024.

Source: IPART

# Gas Forward Market

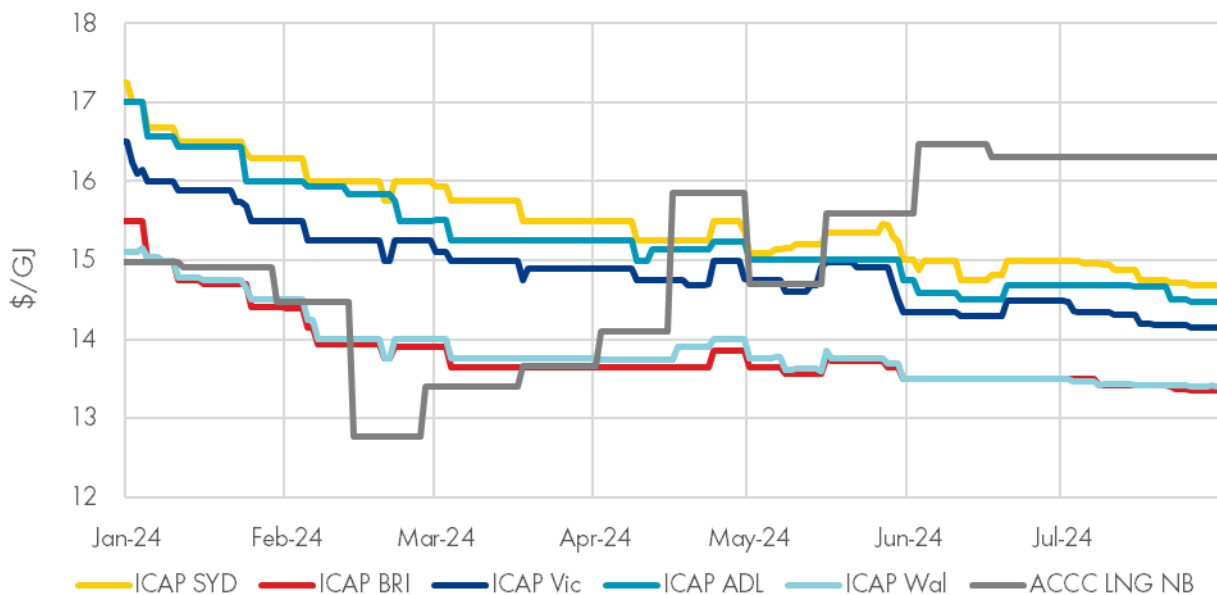
## Calendar Year 2025 (CY25)

Domestic forward contracts for Calendar Year 2025 (CY25) continued to trade down during the month, the Victorian contract falling by \$0.34/GJ to \$14.15/GJ for wholesale, full-year, flat-profiled gas. The ACCC LNG netback forward price was flat month on month at \$16.31/GJ, approaching a \$3/GJ premium to the Wallumbilla forward contract price of \$13.40/GJ.

### July 2024, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$13.35	\$13.50	\$13.50	\$13.35	-\$0.15	-1.1%
ICAP Sydney	\$14.68	\$15.00	\$15.00	\$14.68	-\$0.32	-2.1%
ICAP Adelaide	\$14.47	\$14.69	\$14.69	\$14.47	-\$0.22	-1.5%
ICAP Victoria	\$14.15	\$14.49	\$14.49	\$14.15	-\$0.34	-2.3%
ICAP Wallumbilla	\$13.40	\$13.50	\$13.50	\$13.40	-\$0.10	-0.7%
ACCC LNG NB	\$16.31	\$16.31	\$16.31	\$16.31	\$0.00	0.0%

### CY25 Flat Calendar Year | 1 January 2024 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>)

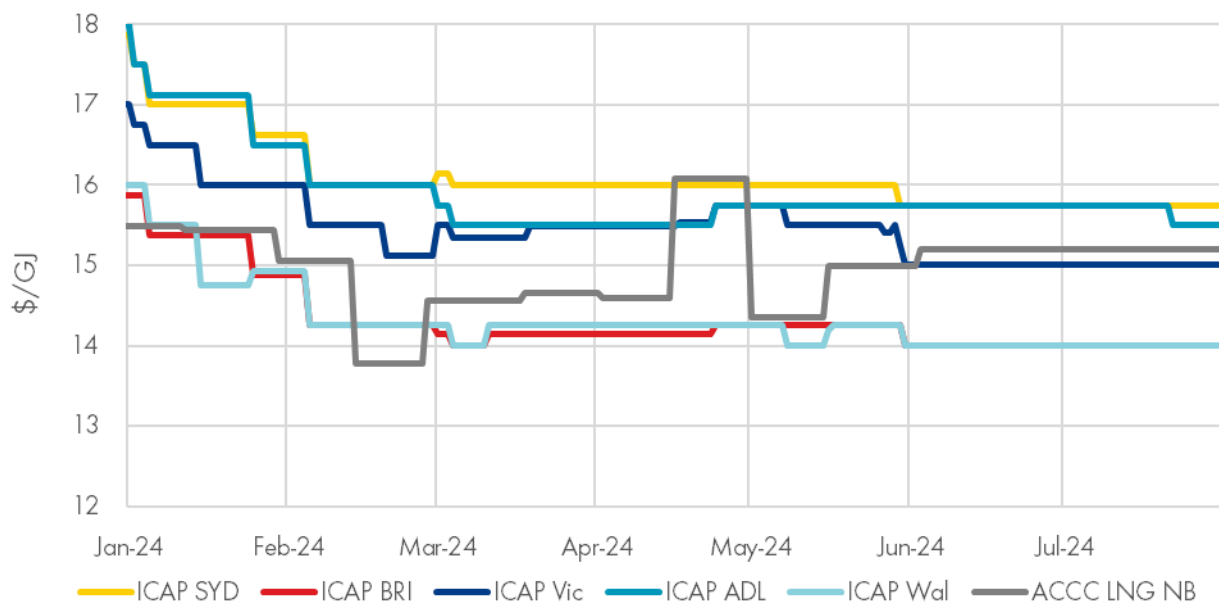
## Calendar Year 2026 (CY26)

Domestic forward contracts for Calendar Year 2026 (CY26) were mostly unchanged in July with limited liquidity, the Adelaide contract falling by \$0.25/GJ to \$15.50/GJ for wholesale, full-year, flat-profiled gas, representing an increased premium of \$1.00/GJ on the CY25 price, the forward curve now firmly in contango. The ACCC LNG netback forward price was steady through the month, ending July at \$15.20/GJ.

### July 2024, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$14.00	\$14.00	\$14.00	\$14.00	\$0.00	0.0%
ICAP Sydney	\$15.75	\$15.75	\$15.75	\$15.75	\$0.00	0.0%
ICAP Adelaide	\$15.50	\$15.75	\$15.75	\$15.50	-\$0.25	-1.6%
ICAP Victoria	\$15.00	\$15.00	\$15.00	\$15.00	\$0.00	0.0%
ICAP Wallumbilla	\$14.00	\$14.00	\$14.00	\$14.00	\$0.00	0.0%
ACCC LNG NB	\$15.20	\$15.20	\$15.20	\$15.20	\$0.00	0.0%

### CY26 Flat Calendar Year | 1 January 2024 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

After a high priced and volatile June, the average spot market price fell by \$3/GJ in July. The Victorian market average price was \$13.20/GJ, falling to as low as \$11.03/GJ in the middle of winter.

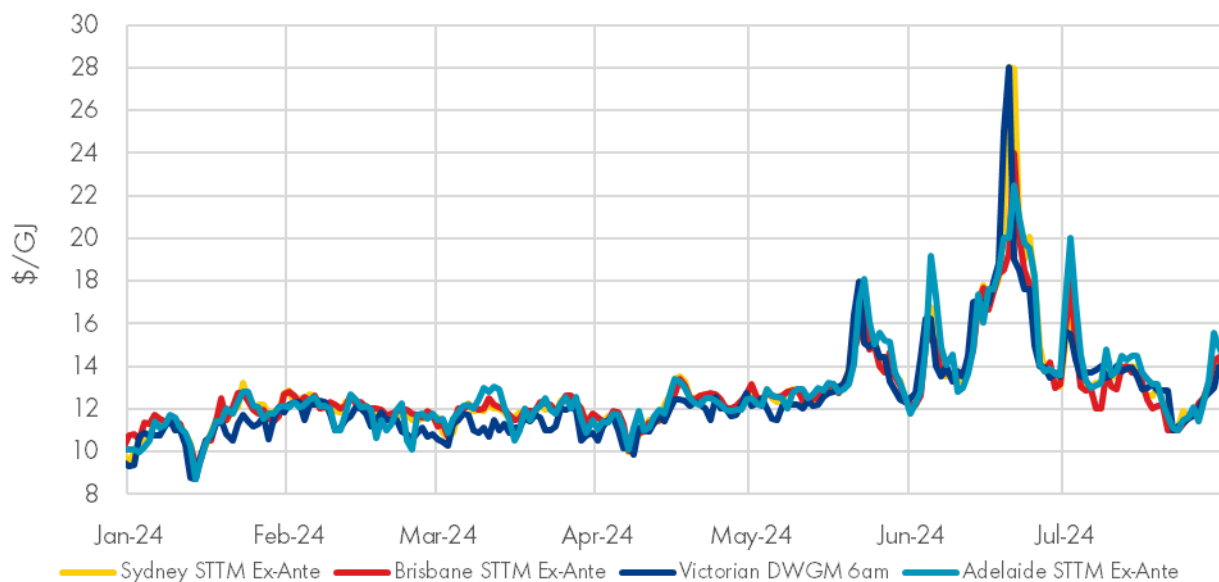
Robust winter demand for heating in Sydney and Melbourne continued to drive high gas usage. However, supply increased during the month from the main southern supply facilities Longford and Otway, which helped to put some downward pressure on price. Additional gas was also available to the market due to planned LNG export plant shutdowns in Gladstone, Qld. Wind generation continued to be variable through July, with gas generation filling the void when required. Iona underground storage ended the month at 10.6PJ, with just over 4PJ of gas withdrawn.

### July 2024, \$/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM <sup>1</sup>	\$12.99	\$11.00	\$17.97
Sydney STTM	\$13.16	\$11.05	\$16.70
Adelaide STTM	\$13.66	\$11.03	\$20.00
Victorian DWGM <sup>2</sup> 6am	\$13.20	\$11.03	\$15.61

<sup>1</sup>STTM = Short Term Trading Market, <sup>2</sup>DWGM = 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 January 2024 to date



Source: AEMO Market Data





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