



Market Summary Report

Electricity and Gas
December 2024



Shell
ENERGY

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](#).

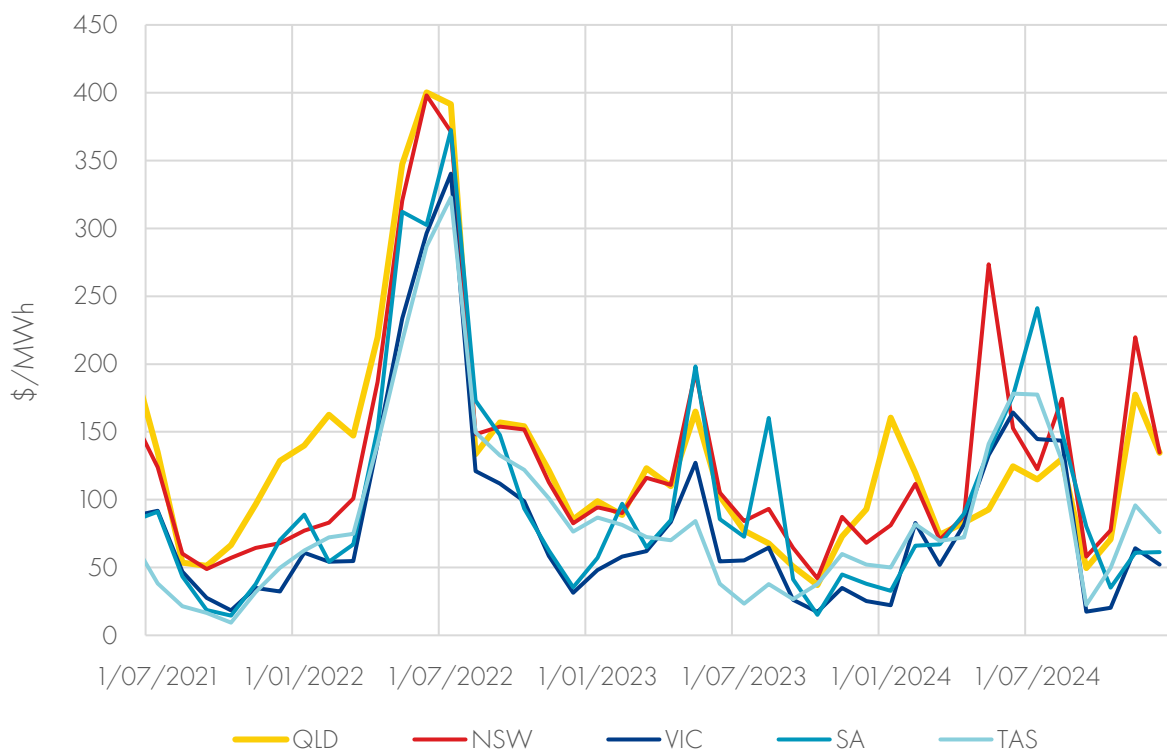
Spot Prices: National Electricity Market

December brought its share of challenges, with 2024 closing out with notable volatility. Traditionally, December is a quieter period in the National Electricity Market (NEM), due to the start of school holidays and business closures over Christmas. However, a combination of high temperatures and network constraints led to higher-than-average spot prices. The East Coast, in particular, experienced persistent high temperatures, resulting in the highest demand day of the year recorded in the NEM and some significant derating of wind turbines due to the heat.

Throughout December, there were significant changes to coal unit Medium Term Projected Assessment of System Adequacy (MTPASA), with a few unplanned outages and delays in returning to service. This led to some lack of reserve conditions in the NEM, which were managed by the Australian Energy Market Operator (AEMO). Several forecasted lack of reserves, which serve as notices to the market to warn of reduced electricity reserves, turned into actual lack of reserves. This occurs when the market response to the forecasted lack of reserves is insufficient to meet the thresholds, making the lack of reserves an operational reality. These factors also contributed to higher-than-average spot prices.

December 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	134.44	16,220.18	35	1,347
NSW	134.73	17,499.89	45	1,381
VIC	52.25	768.52	0	3,034
SA	61.47	17,406.00	6	3,354
TAS	76.11	12,123.37	3	1,102



Source: NEM Spot Market - AEMO

Contract Market

Calendar Year 2025 (CY25)

The volatility in spot prices during December led to rising CY25 swap prices across all nodes except SA. The impact of network outages on interconnectors and low coal availability have prompted participants to adjust their expectations for future periods under these conditions. Additionally, many participants who anticipated a reprieve in pricing during the holiday period did not see it materialise, resulting in the need to cover their short positions at higher levels.

December 2024

State	Previous Close	Period Low	Period High	Closing Price
QLD	111.19	110.94	127.57	120.95
NSW	129.83	127.87	140.75	135.43
VIC	79.57	79.44	86.04	84.63
SA	108.36	106.61	108.85	106.68
TAS	84.70	77.15	81.16	81.16

CY25 Flat



Source: ASX Data

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Contract Market

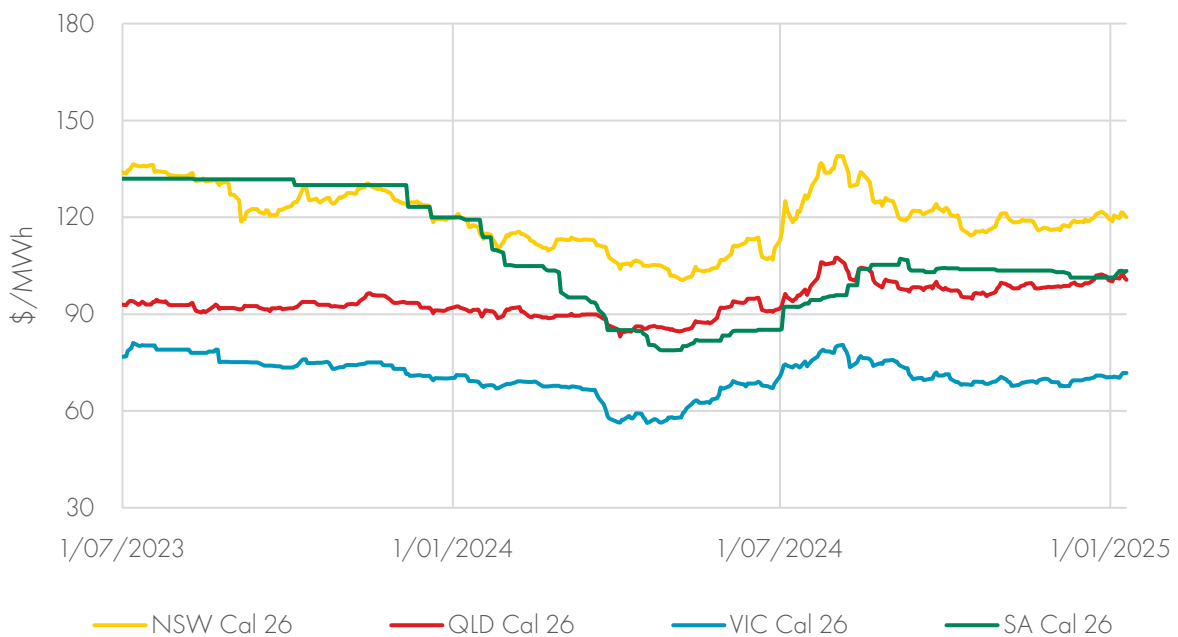
Calendar Year 2026 (CY26)

CY26 saw similar upward movement in December, albeit of a smaller magnitude. CY26 NSW and SA contracts continue to trade on par with CY27 onwards. Interestingly, the QLD and VIC curves are in backwardation, and the CY26 product is trading at a ~\$5 premium to CY27.

December 2024

State	Previous Close	Period Low	Period High	Closing Price
QLD	100.15	100.00	109.13	106.50
NSW	120.96	119.47	126.75	126.08
VIC	73.65	73.26	76.20	75.88
SA	104.00	102.66	103.34	102.94
TAS	71.18	66.21	70.27	69.58

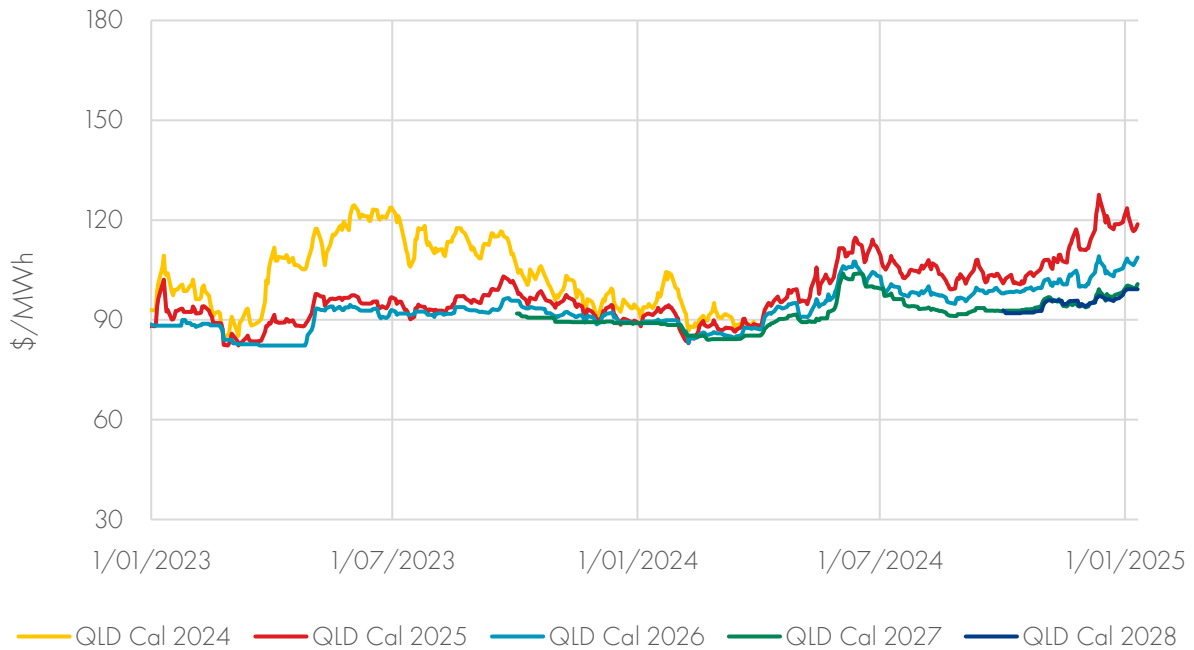
CY26 Flat



Source: ASX Data

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Contract Market – QLD Calendar Years Flat



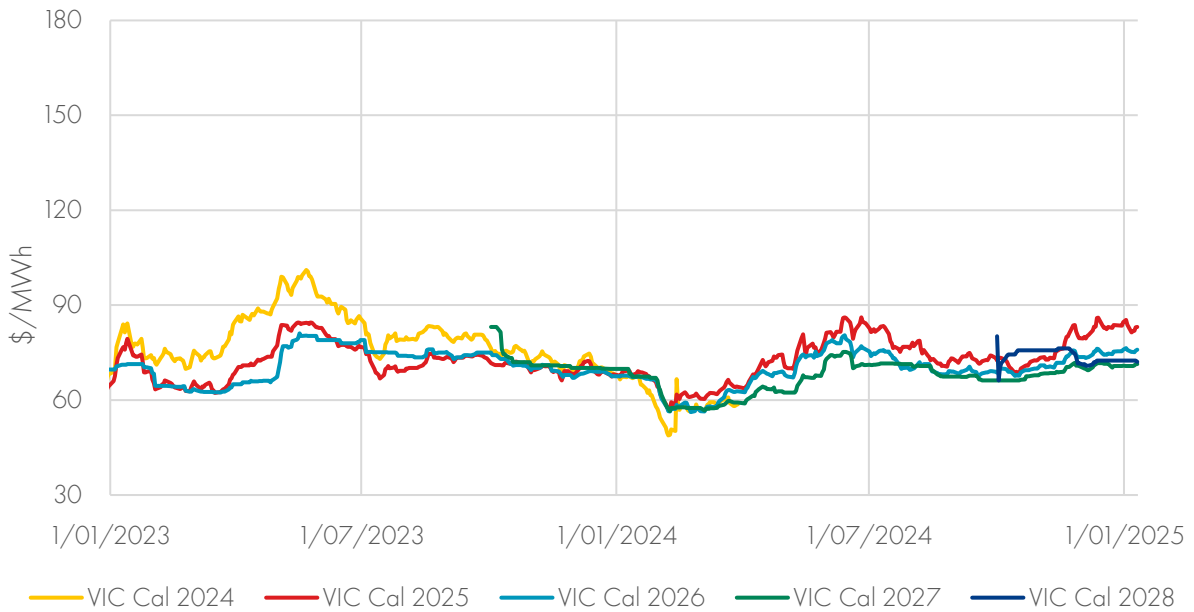
Contract Market – NSW Calendar Years Flat



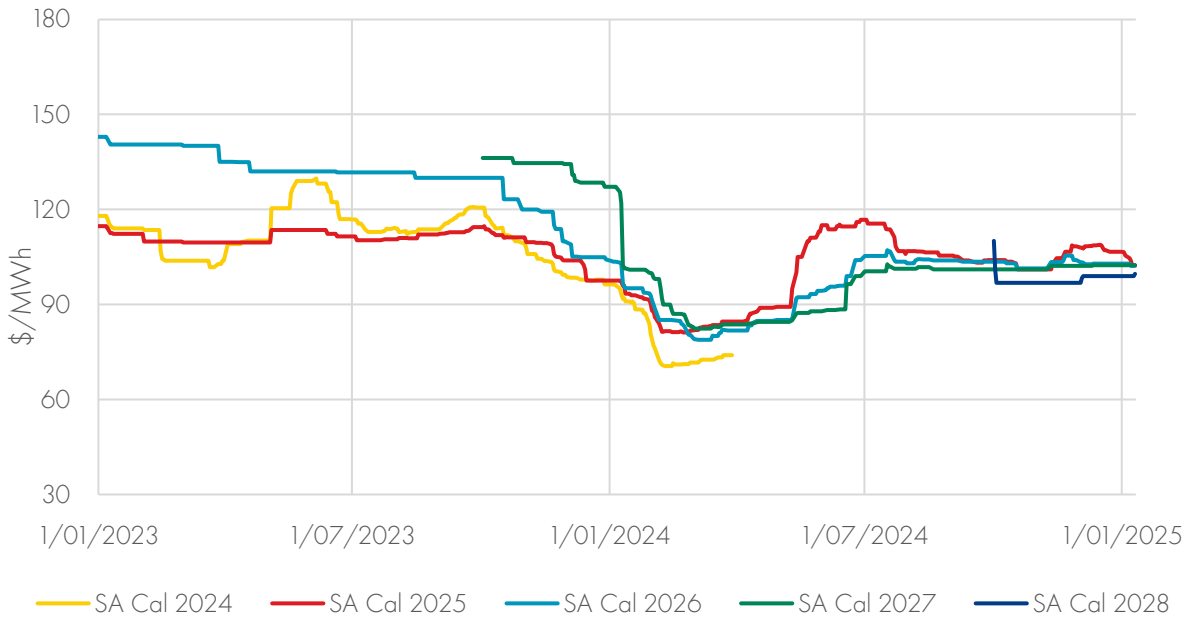
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Contract Market – VIC Calendar Years Flat



Contract Market – SA Calendar Years Flat



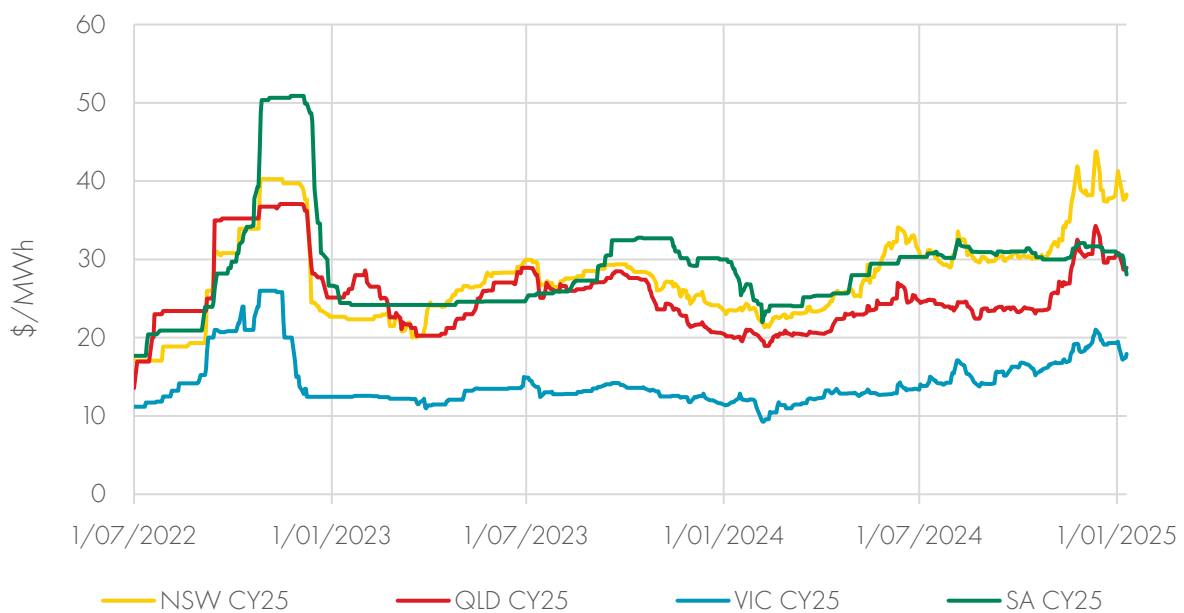
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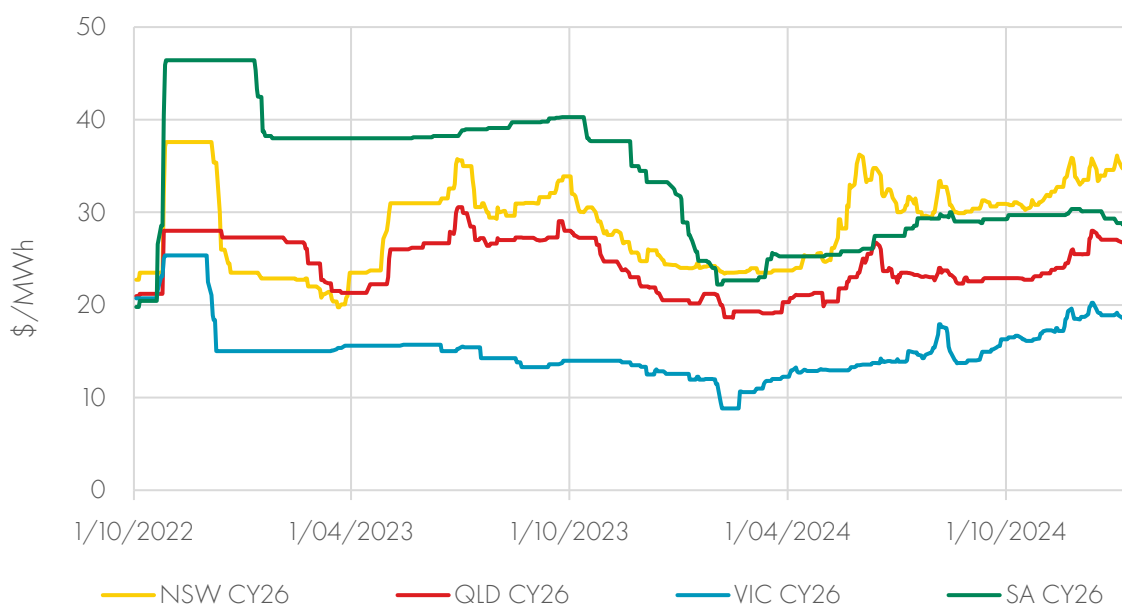
Cap Contract Market

In December, the cap market experienced significant volatility in NSW and QLD caps, primarily due to high price spot outcomes. Calendar Year 2025 (CY25) closed at a premium compared to the rest of the curve. VIC caps also saw a price increase, particularly for the winter periods, which was likely due to a lack of cap selling in the market rather than spot outcomes. Additionally, there was a notable divergence between the back end of 2024 and CY25 cap contracts from the rest of the curve. This could be attributed to participants protecting themselves against 2025 volatility after observing the impact of bidding behaviour, constraints, weather events and extreme heat on spot prices.

Calendar Year 2025 (CY25)



Calendar Year 2026 (CY26)



Source: ASX Data

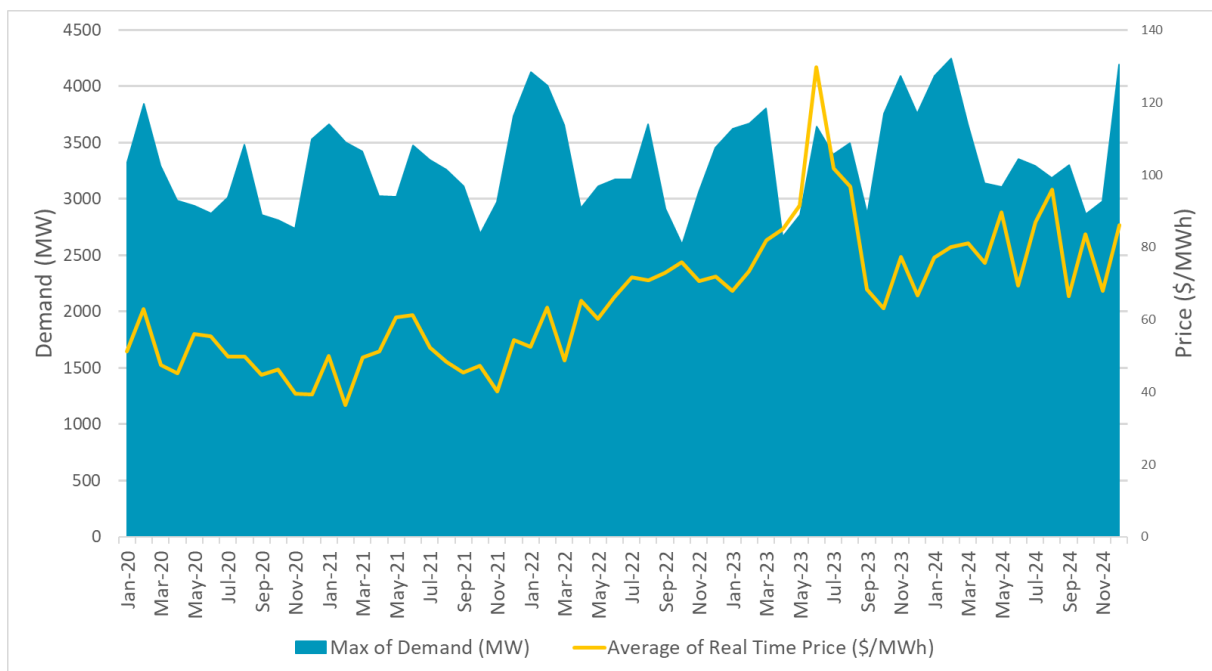
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Western Australia Energy Market (WEM)

WEM Short-Term Energy Market (STEM) and Balancing Prices

In December, the average energy price experienced a slight month-on-month increase as demand rose with the onset of summer. Additionally, the introduction of two new batteries into the Wholesale Electricity Market (WEM) may have contributed to these higher prices. Although evening peak pricing has decreased due to Battery Energy Storage System (BESS) discharge, the charging of these systems during the middle of the day has reduced the occurrence of negative prices. Overall, this has led to less price volatility in the market, with fewer instances of deep negative or market price cap prices. Lastly, the market operated for the first full month under the new shortfall obligation rule, requiring participants to shift from Available Capacity to In-Service Capacity to address shortfalls in Energy, Contingency Raise, or Regulation Raise during Pre-Dispatch or Dispatch Schedule.

WEM Summary Statistics	
Average Real Time Price	\$77.88/MWh
Max 5 Min Real Time Price	\$738/MWh
5 Min Intervals at \$100 or Above	4556
5 Min Intervals at \$0 or Below	3032



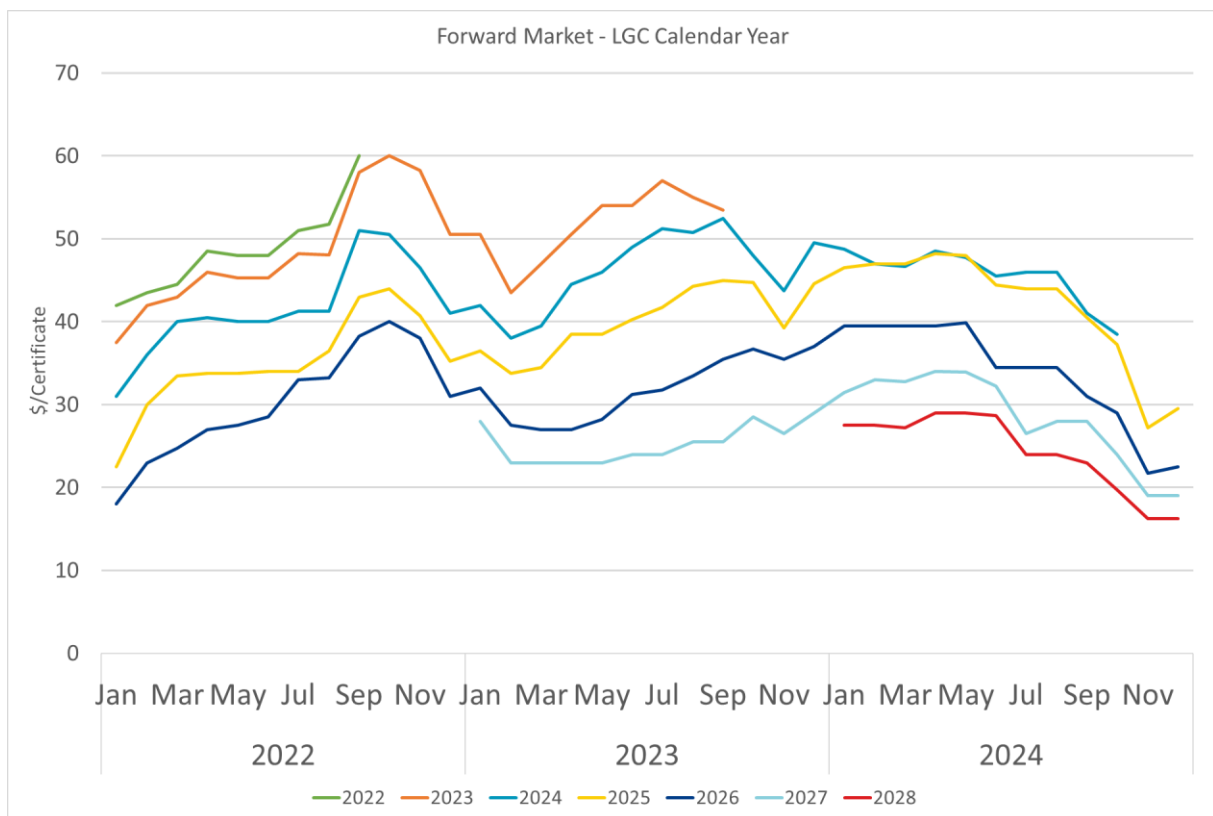
Source: Western Australia Energy Market - AEMO

Emission Schemes

Large Scale Generation Certificates (LGCs)

December was a volatile month for Large-scale Generation Certificates (LGCs) in the lead-up to the holiday period and the surrender deadline in February. Price movements as large as \$3 were observed across the vintages on a single trading day, with significant trading volumes. This volatility could be attributed to market participants adjusting their positions in preparation to meet their liability surrender obligations. Additionally, the recovery of the curve may have occurred once the market reached a level where buyers were comfortable acquiring volumes.

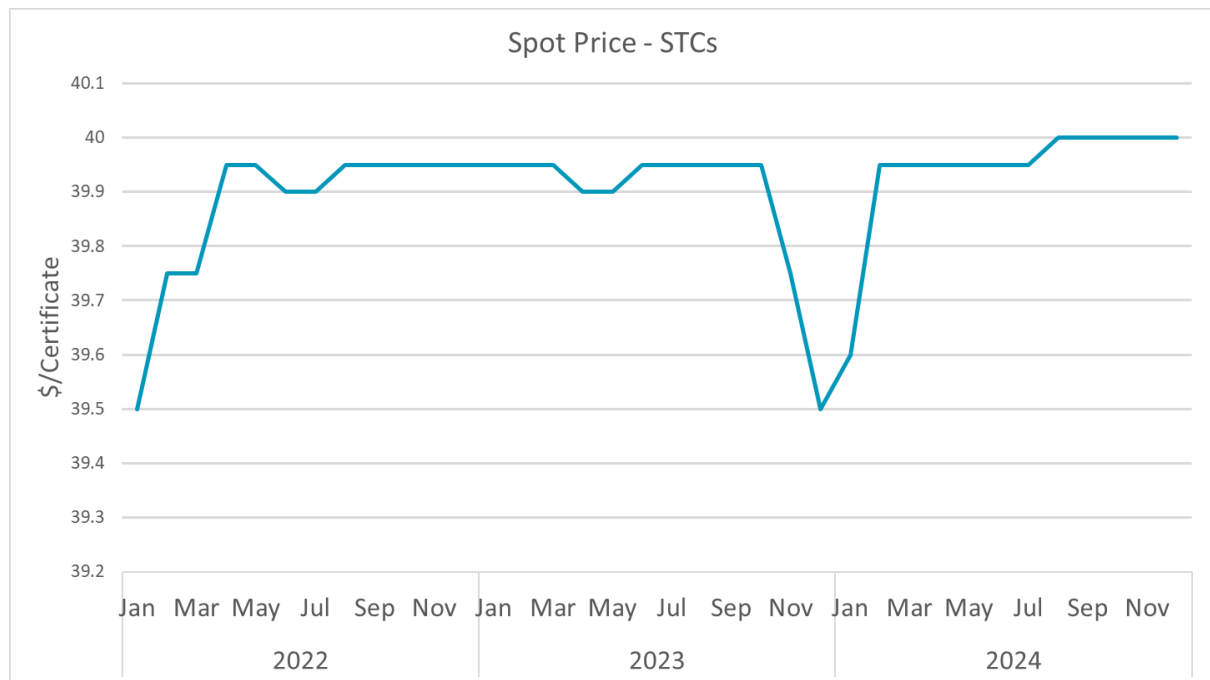
It was also interesting to see some increased trading activity in the back end of the curve, particularly in the 2027 and 2028 calendar years, which tend to be relatively illiquid. Given that the front end of the curve moved up, some participants may have believed that the back end should have moved up as well and were happy to buy the back end before this shift occurred.



Source: Shell Energy Customer STEP Portal

Small Scale Technology Certificates (STCs)

STC prices remained stable throughout December. The clearing house fluctuated between small surpluses and deficits, incentivising creators to sell their certificates to the clearing house for the penalty price of \$40 rather than at a discount over-the-counter (OTC). Market participants are eagerly awaiting the release of the small-scale technology percentage (STP) in January. This percentage helps calculate the amount of STCs that liable entities must surrender each year. Given the current supply is not sufficient to meet the demand required by liable entities, participants will likely be hoping for a reduction in the percentage. Alternatively, there will need to be an increase in supply to balance the market.



Source: Shell Energy Customer STEP Portal

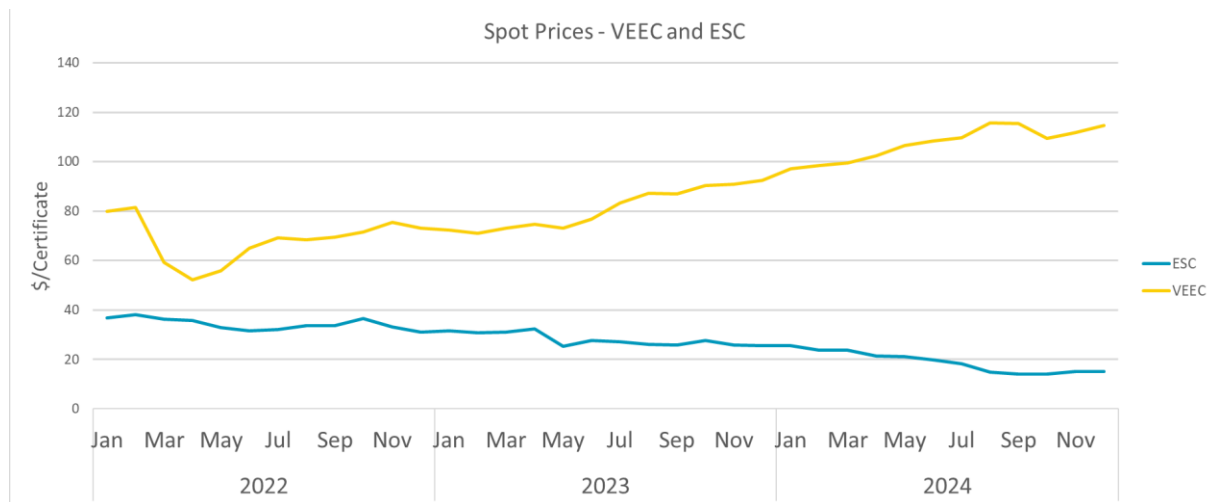
Victorian Energy Efficiency Certificates (VEECs)

In late November, the Department of Energy, Environment and Climate Action (DEECA) announced a strategic review of the VEEC scheme. This review included discussions on future target reductions aimed at decreasing demand by reducing the number of certificates that liable entities need to purchase. Although these proposed targets are set for the 2026 compliance year, the market reacted immediately, causing prices to drop by \$6.50 to \$106.50. However, prices gradually increased back to previous levels as interim supply may still be insufficient to meet natural customer demand. December closed at \$110.75.

Energy Saving Certificates (ESCs)

December was another stable month for ESCs. Creation was slightly below the weekly average for the year, but this had little impact on market pricing. The market closed at \$14.50, likely due to the large surplus of certificates being held in registry accounts. As a result, we are likely to see a delay in the effects of this low creation.

Source: IPART



Source: Shell Energy Customer STEP Portal

Peak Reduction Certificates (PRCs)

In mid-December, the Independent Pricing and Regulatory Tribunal (IPART) released a rule change to exclude any heat pump over 425L from creating a certificate. The market reacted to this change, resulting in an increase in price of up to \$2.50 per certificate, as well as a reduction in volumes coming to market.

Source: IPART

Gas Forward Market

Calendar Year 2025 (CY25)

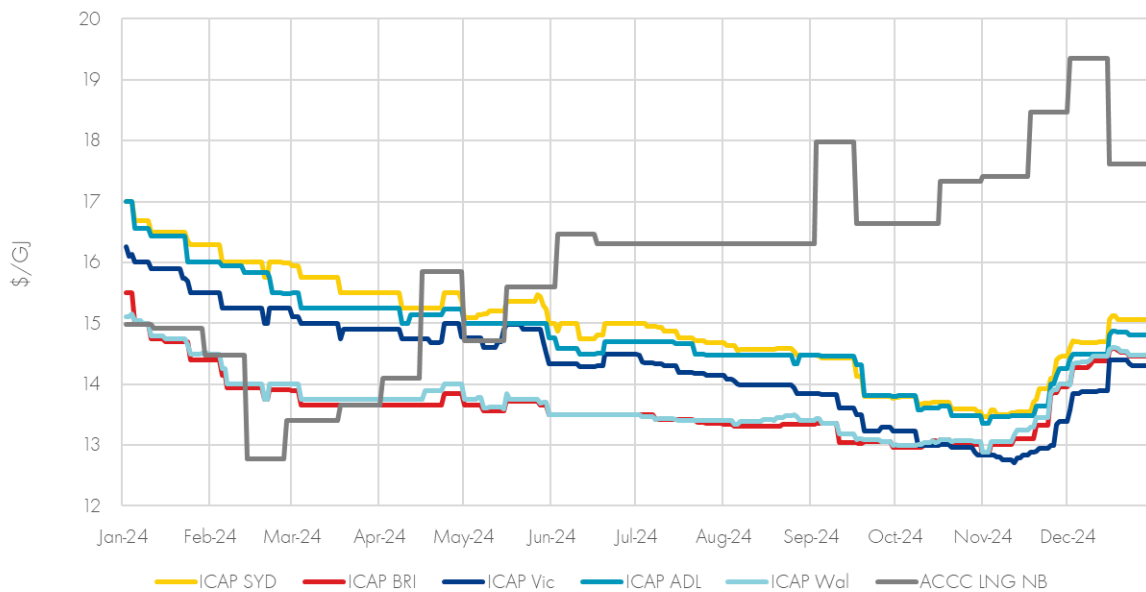
Prices for domestic forward contracts for CY25 ended higher in December. The pace of change was, however, slower than in November, when prices increased by an average of 7.18%. The Victorian CY25 contract saw the strongest gains, with low flows into the Iona gas storage facility at the start of the month creating an expectation that more gas in 2025 will be needed to refill before the start of winter.

In contrast to the traded domestic markets, the ACCC LNG netback forward price fell during the month. Despite low northern hemisphere temperatures and high gas-powered generation (GPG) utilisation, strong global LNG production and ample supply from European storage facilities kept prices restrained.

December 2024, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$13.96	\$14.59	\$13.96	\$14.48	\$0.52	3.7%
ICAP Sydney	\$14.45	\$15.12	\$14.45	\$14.99	\$0.54	3.7%
ICAP Adelaide	\$14.26	\$14.88	\$14.26	\$14.75	\$0.49	3.4%
ICAP Victoria	\$13.39	\$14.40	\$13.39	\$14.30	\$0.90	6.8%
ICAP Wallumbilla	\$13.99	\$14.60	\$14.00	\$14.48	\$0.47	3.4%
ACCC LNG NB	\$17.61	\$19.35	\$18.47	\$17.61	-\$0.85	-4.6%

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>)

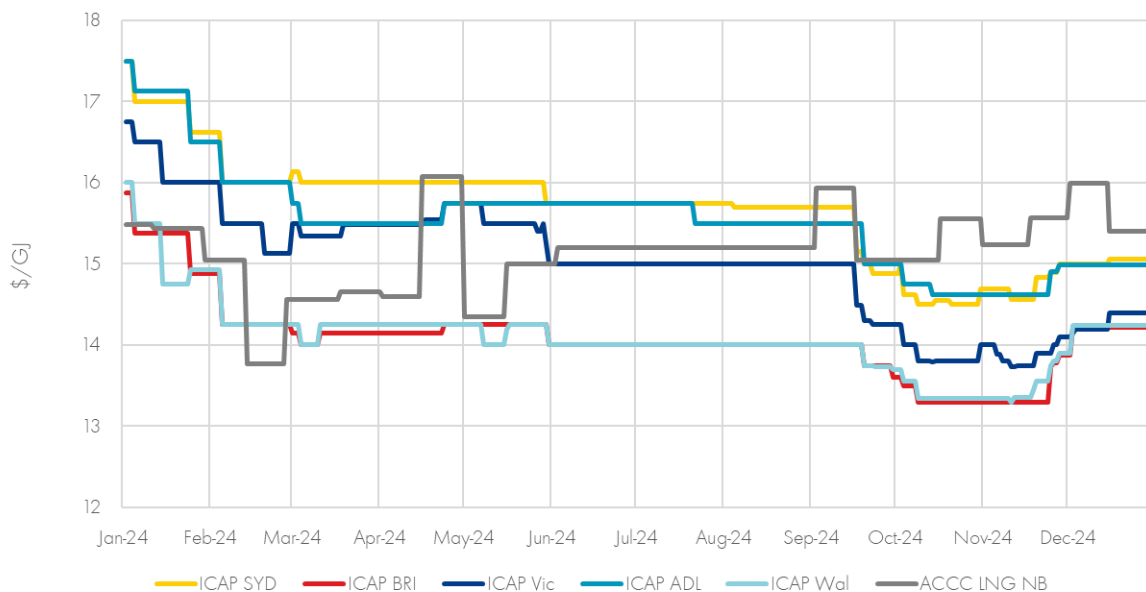
Calendar Year 2026 (CY26)

Domestic prices for CY26 contracts generally rose again in December, albeit at a slower pace than the more liquid CY25 contracts. The Brisbane STTM and Wallumbilla contracts both increased by 2.4% following on from consistent strong buying interest in the CY25 contracts. The ACCC LNG netback forward price eased slightly during the month, ending December 1.1% lower. While the 2025 price is still at a premium compared to 2026, the smaller relative decline has reduced the backwardation between the years.

December 2024, \$/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	\$13.88	\$14.21	\$13.88	\$14.21	\$0.34	2.4%
ICAP Sydney	\$15.00	\$15.06	\$15.00	\$15.06	\$0.06	0.4%
ICAP Adelaide	\$14.99	\$14.99	\$14.99	\$14.99	\$0.00	0.0%
ICAP Victoria	\$14.10	\$14.40	\$14.10	\$14.40	\$0.30	2.1%
ICAP Wallumbilla	\$13.90	\$14.24	\$13.90	\$14.24	\$0.34	2.4%
ACCC LNG NB	\$15.40	\$15.99	\$15.57	\$15.40	-\$0.17	-1.1%

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

Early December saw a continuation of the elevated spot prices from November. Warm weather resulting in additional GPG demand and robust LNG production unimpacted by the higher temperatures resulted in a tight market. Notably, the Brisbane STTM price reached \$21.09/GJ on 16 December 2024. The last domestic market to clear above \$20/GJ was the Adelaide STTM on 2 July 2024.

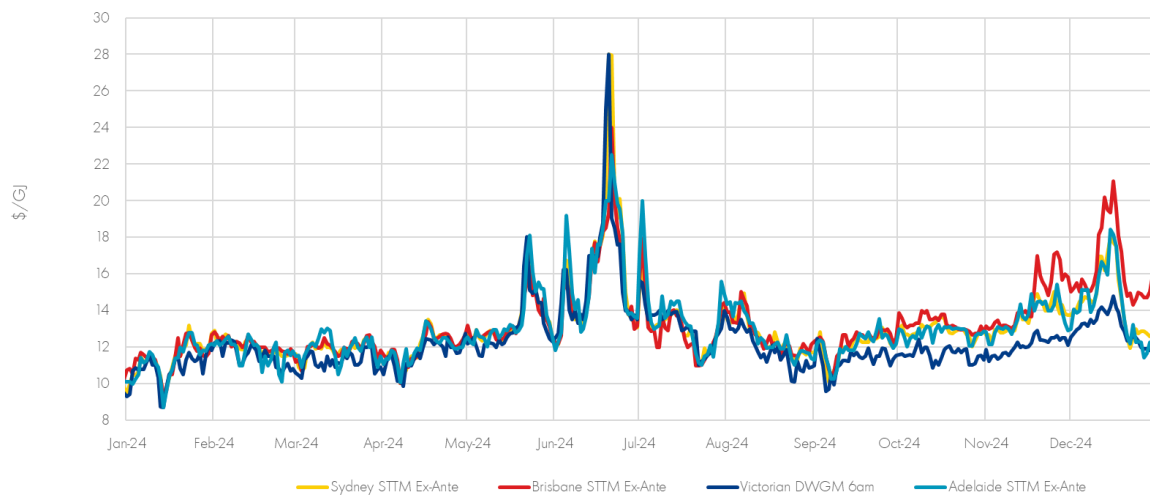
There was a distinct decline in spot prices in the second half of the month. This reflected typical demand reductions entering the end of year holiday period, as many commercial and industrial gas users reduce their operations during this time. The resulting demand reduction allowed the Iona storage facility in Victoria to fill by 1.87PJ from the middle of the month. It ended December approximately 63% full.

December 2024, \$/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM ¹	\$16.30	\$14.31	\$21.09
Sydney STTM	\$14.44	\$11.93	\$18.00
Adelaide STTM	\$14.25	\$11.42	\$18.42
Victorian DWGM ² 6am	\$13.06	\$11.81	\$14.79

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 January 2024 to date



Source: AEMO Market Data



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