Market Summary Report

Electricity and Gas
December 2025

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 (WEM), 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

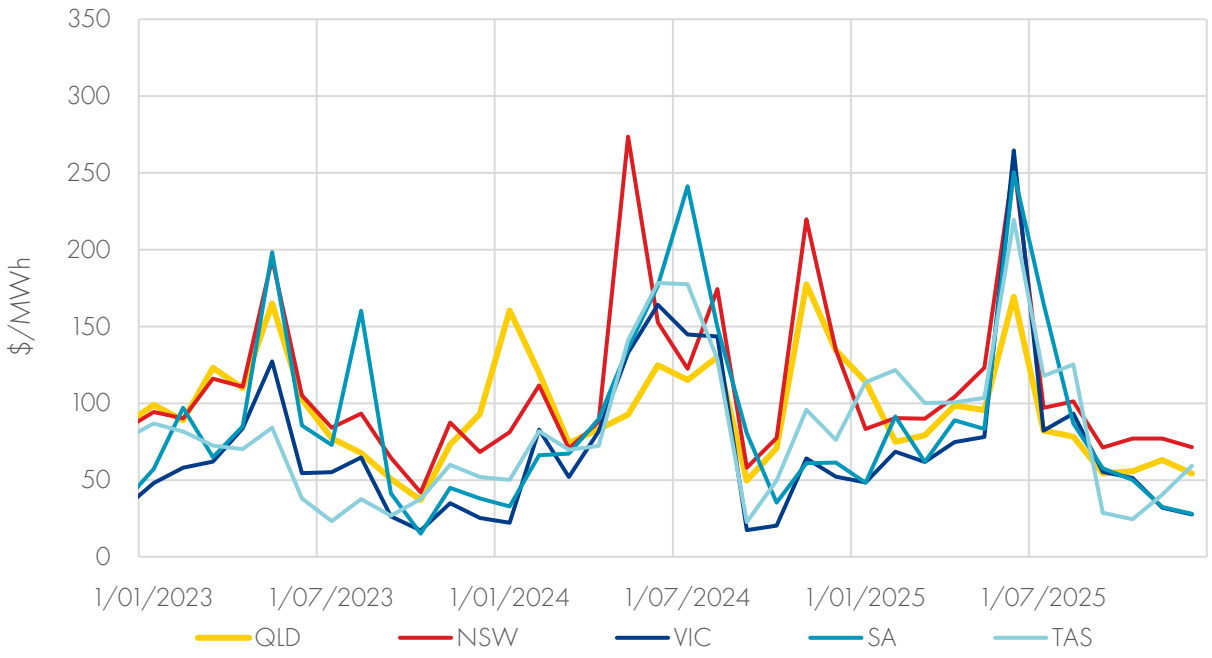
December 2025

Spot outcomes in the NEM continued the soft trend from November, despite again experiencing multiple spikes above $1000/MWh in New South Wales (NSW) and South Australia (SA). Contributing factors to the NSW spikes were high demand from heat, as four of 12 coal units were offline during the period, as well as ongoing transmission line constraints in south-central NSW. South Australia had two price spike events at each end of the month. The first occurred in the morning prior to solar coming online and the second was a single price spike late in the evening on 28 December.

The only notable high demand period occurred in NSW over 18 to 19 of December where maximum demand exceeded 13GW. During the Christmas period extreme minimum demand was seen in SA and Victoria (Vic). In SA, the minimum demand went to negative 300MW and required the implementation of a minimum system load (MSL) 1 and 2 on 26 December. Minimum system load (MSL) refers to the lowest level of electricity demand that the power system can safely accommodate while still maintaining grid stability.

Source: DCCEEW, AEMO

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	54.38	379.67	0	2,461
NSW	71.36	14,001.01	12	2,087
VIC	27.51	324.26	0	3,654
SA	27.92	20,299.99	5	4,375
TAS	59.34	350.02	0	298



Source: NEM Spot Market – AEMO

Contract Market

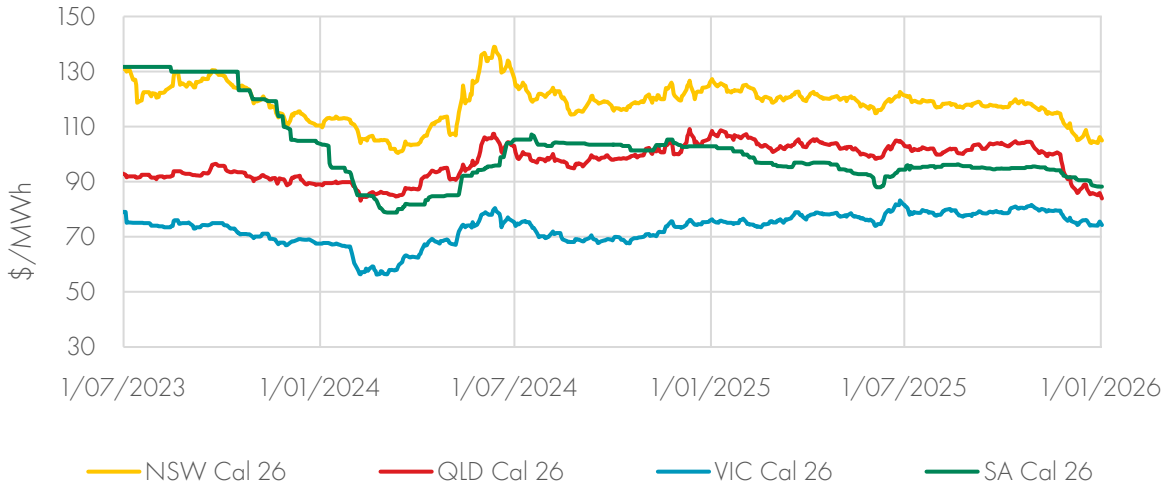
Calendar Year 2026 (CY26)

Prices came down in the CY26 contracts across all regions. This trend likely reflects the ongoing weakness in spot prices, which have remained subdued despite the traditional outage season, network constraints, and periods of high demand. Market participants appear focused on structural changes, particularly the rapid growth of battery energy storage systems (BESS) and renewables, reinforcing expectations of softer forward pricing.

December 2025

State	Previous Close	Period Low	Period High	Closing Price
QLD	92.93	85.05	91.72	85.89
NSW	110.88	104.04	111.24	106.28
VIC	76.83	74.06	76.95	75.60
SA	92.18	88.22	91.65	88.22
TAS	84.61	82.63	83.87	82.63

CY26 Flat



Source: ASX Data

Contract Market

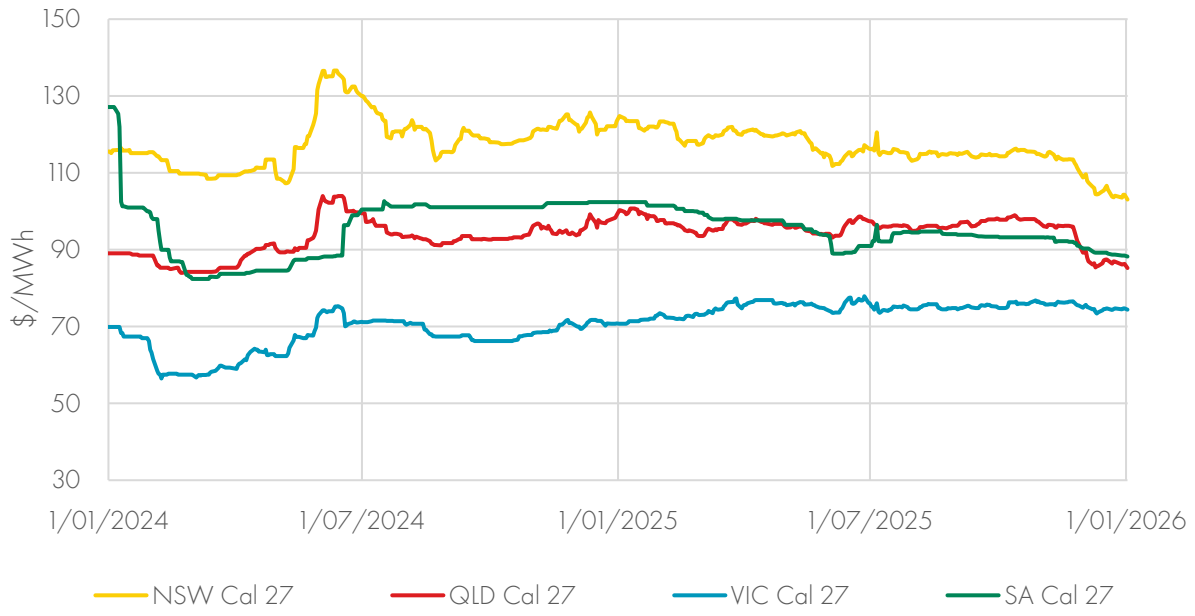
Calendar Year 2027 (CY27)

In December, the CY27 swap market continued to move down, with continued downwards movement in Queensland (Qld) and NSW. Whilst Vic and SA remained relatively flat, continuing the trend from November.

December 2025

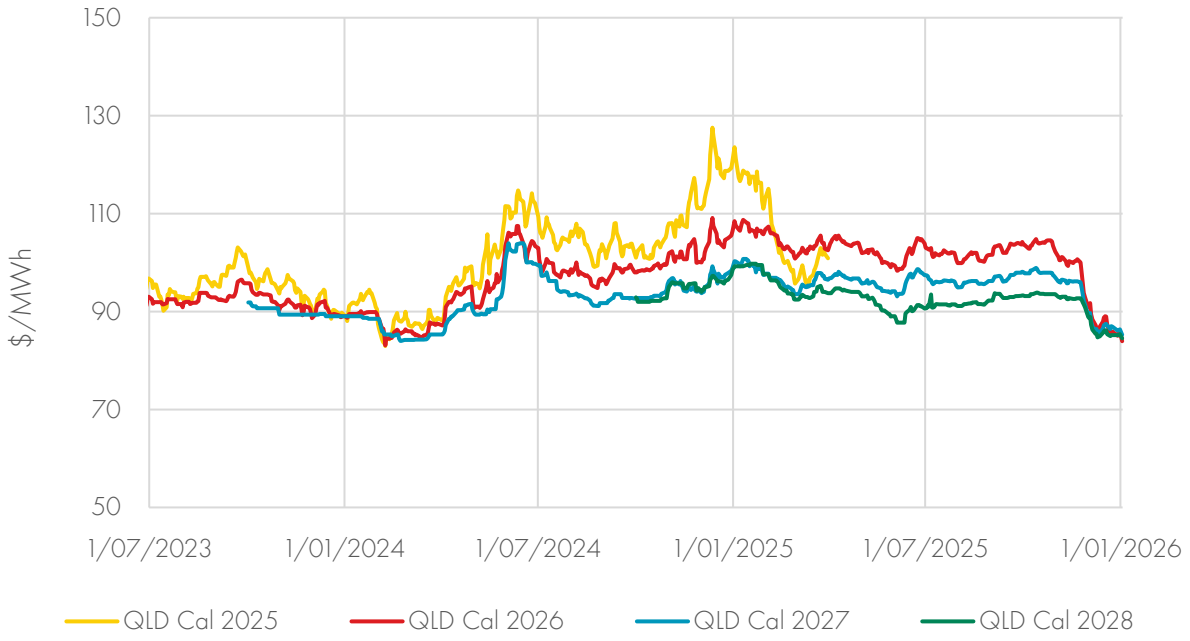
State	Previous Close	Period Low	Period High	Closing Price
QLD	91.46	85.36	89.68	86.34
NSW	110.59	103.52	109.67	104.34
VIC	75.47	73.43	75.62	74.76
SA	90.94	88.46	90.33	88.46
TAS	75.41	74.82	76.38	75.17

CY27 Flat

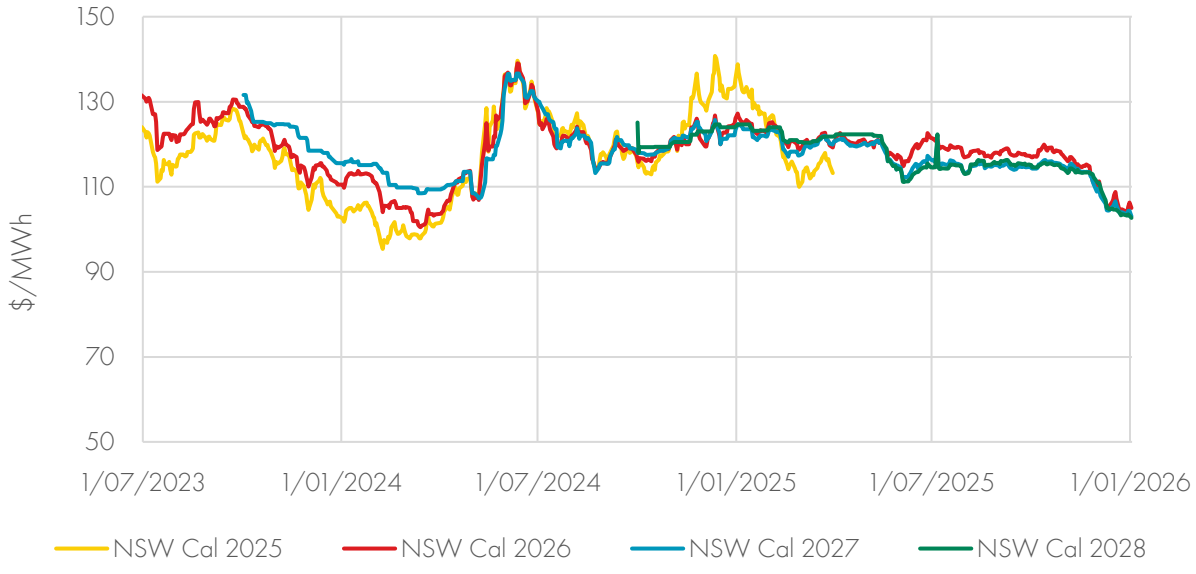


Source: ASX Data

Contract Market – QLD Calendar Years Flat

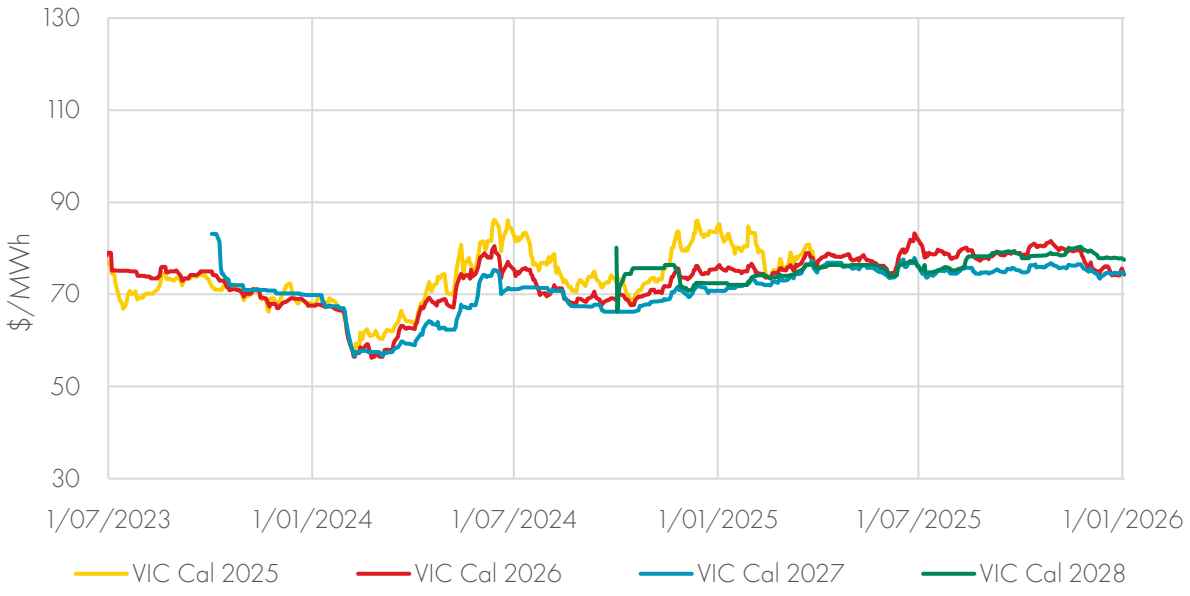


Contract Market – NSW Calendar Years Flat

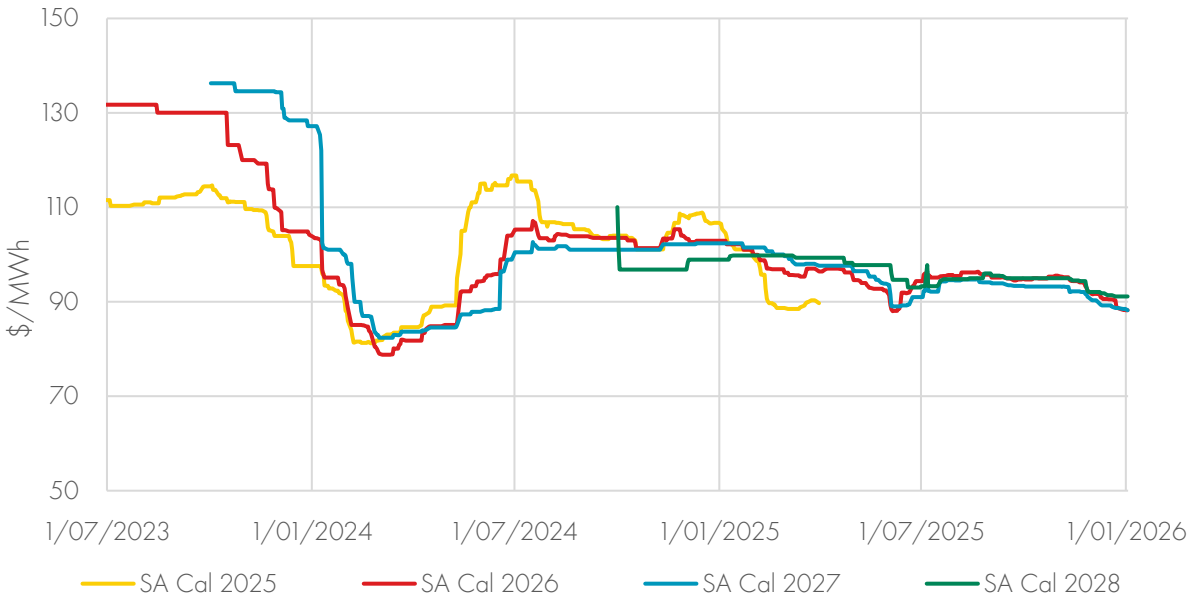


Source: ASX Data

Contract Market – VIC Calendar Years Flat



Contract Market – SA Calendar Years Flat

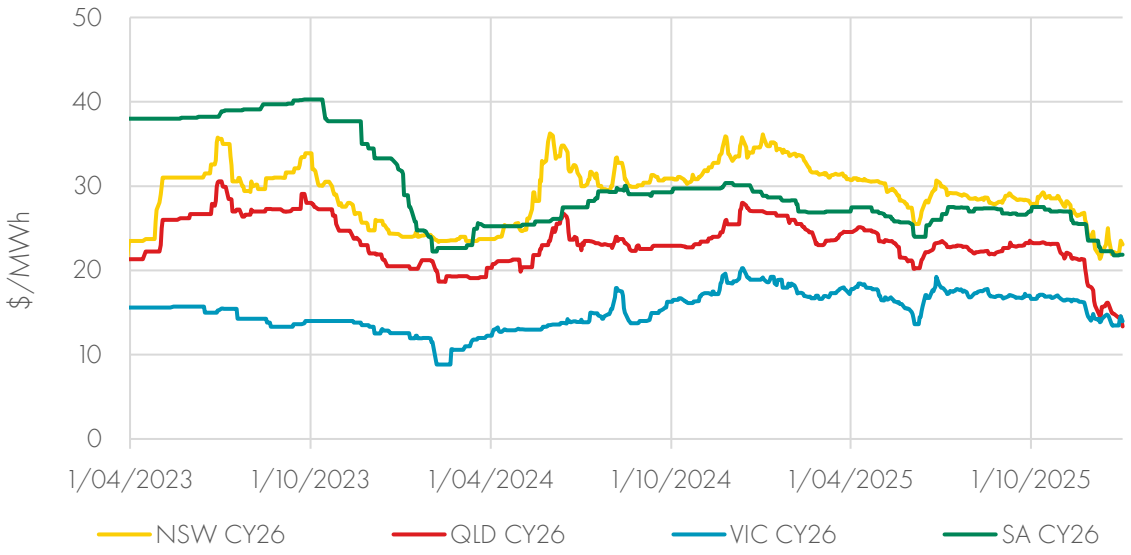


Source: ASX Data

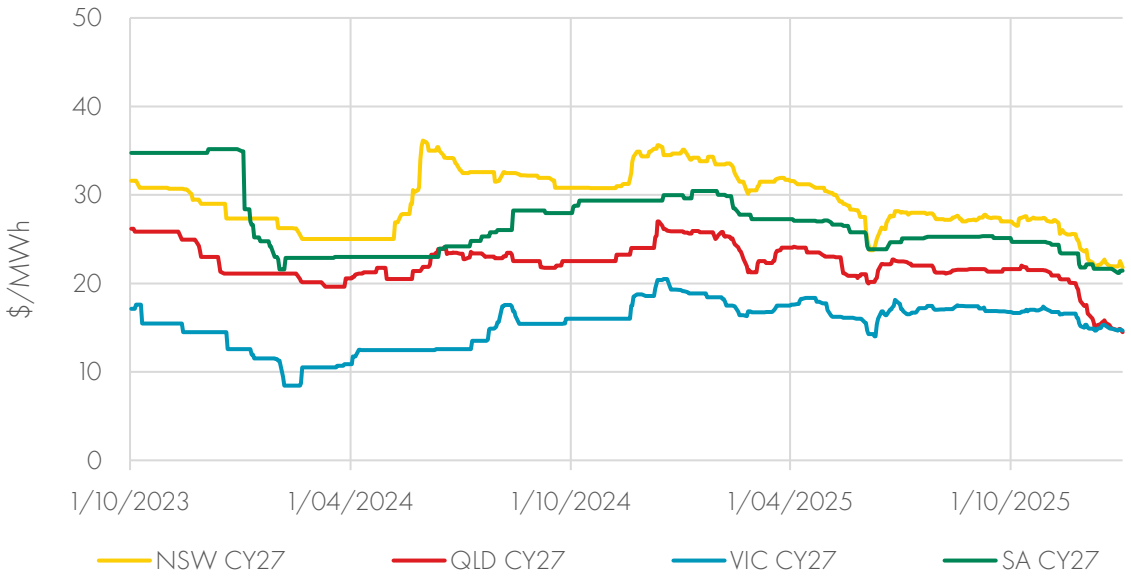
Cap Contract Market

Cap contracts for CY26 and CY27 followed the downwards movements in the swap market, with prices easing across all regions. This decline comes despite spot conditions characterised by high demand, tight availability, and network constraints – factors that have historically supported cap payouts. The move suggests participants are pricing in structural shifts such as increased battery storage and renewable penetration, which could dampen volatility as BESS seek to capture spreads between intraday highs and lows.

Calendar Year 2026 (CY26)



Calendar Year 2027 (CY27)



Source: ASX Data

Western Australia Energy Market (WEM)

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

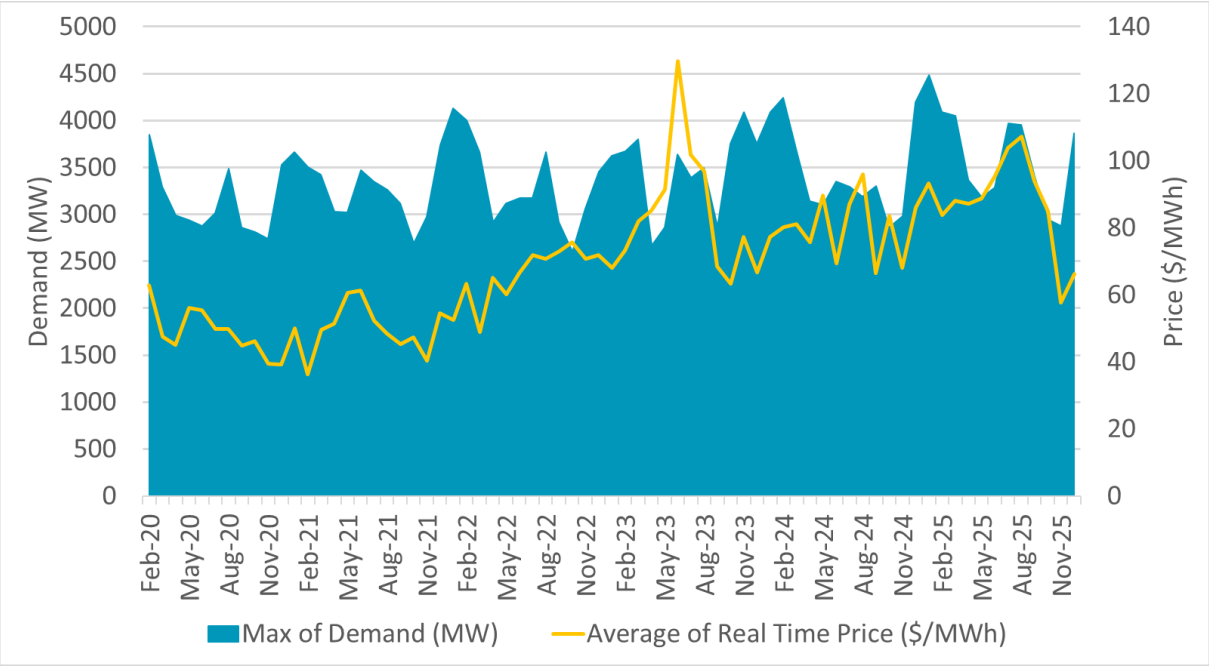
December saw notable periods of heat across the month, including a stretch of seven days above 35°C, with Christmas day reaching a peak of 42°C, making it the hottest day of the month. These high-temperature events led to periods of stronger pricing, particularly through the middle of December, where hot weather drove demand and resulted in spot prices in the $300–$400/MWh range.

Across Christmas eve and Christmas day, the market experienced around two hours at the Market Price Cap (MPC), reflecting both elevated demand and reduced supply availability. The highest pricing over the Christmas period was largely influenced by a thinner market, as fewer units were online. Many participants likely did not anticipate Christmas day demand to remain as strong as it was earlier in the month, contributing to tighter conditions and higher volatility.

Outside these heat-driven events, the market was relatively steady. Battery spreads were limited, with minimal negative pricing and fewer pronounced peak periods compared to prior months. This shift is also reflected in the significant reduction in negative price intervals – falling from 1,282 in November to just 493 in December.

Source: AEMO, ESM

WEM Summary Statistics	
Average Real Time Price	66.31
Max 5 Min Real Time Price	1000
5 Min Intervals at $100 or Above	807
5 Min Intervals at $0 or Below	493



Source: Western Australia Energy Market – AEMO

Emission Schemes

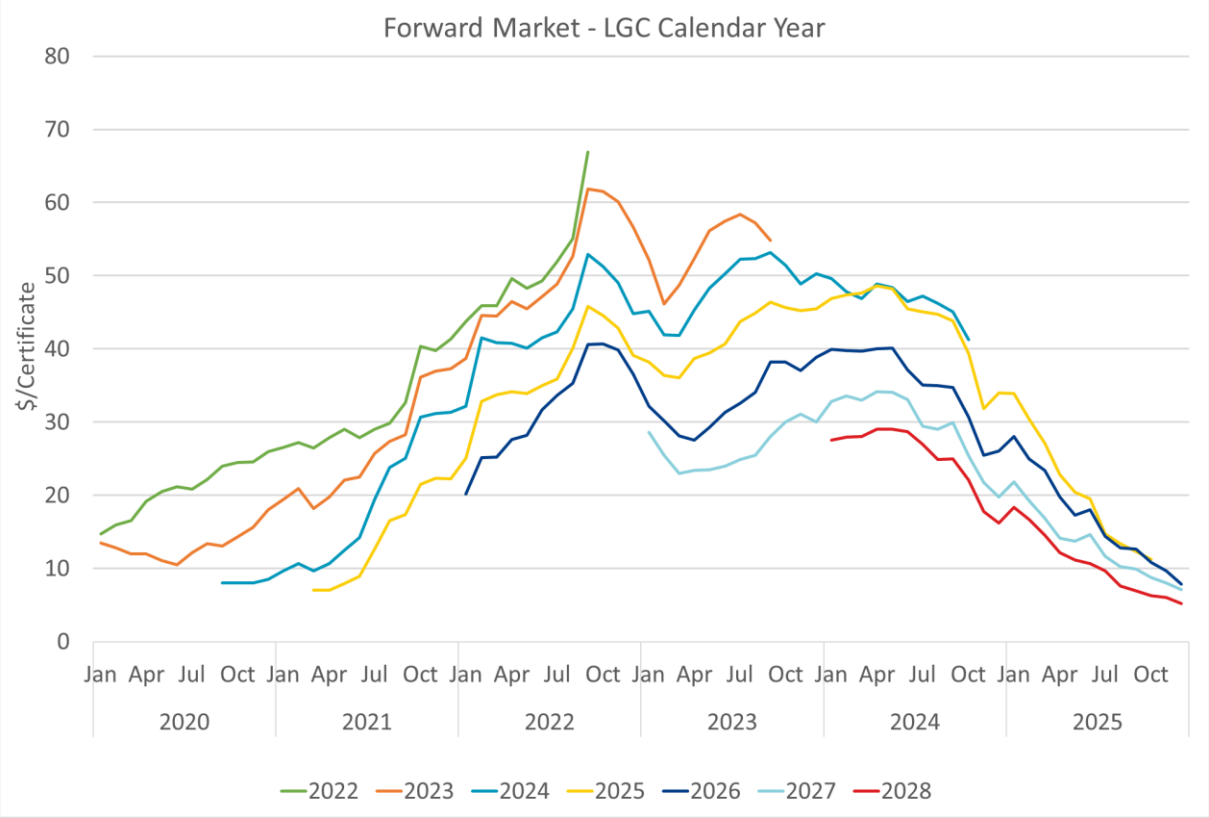
Large Scale Generation Certificates (LGCs)

The LGC market continued to soften through December, finishing the month at $6.25. During the month, the Clean Energy Regulator (CER) also announced that participants can now register to begin creating Renewable Electricity Guarantee of Origin (REGO) certificates.

To do so, proponents must first become a registered person before registering their facility, and REGO certificates can only be created for electricity generated after facility approval. The indicative timeframes are up to six weeks for registered person approval and up to 90 days for facility registration, with further details available in the REGO Participant Handbook.

Facilities may participate in both the Renewable Energy Target (RET) and REGO schemes; however, the same unit of electricity cannot be used to create LGCs (or other certificates) and REGOs. The REGO scheme will operate beyond the expiry of the RET in 2030 and expand eligibility to electricity not currently covered by the RET, such as energy dispatched from storage or generation below baseline. At this stage, no pricing information for REGOs is available.

Source: CER

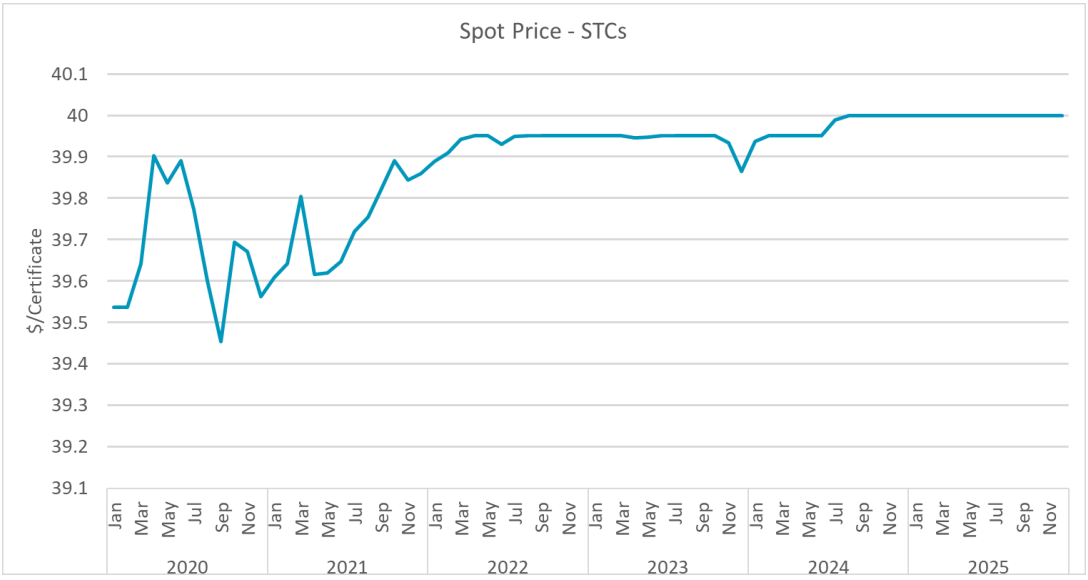


Source: Shell Energy Customer Strategically Timed Energy Procurement (STEP) Portal

Small Scale Technology Certificates (STCs)

December was a busy month for STCs, following the federal government's announcement that the program budget will increase significantly – from the original A$2.3 billion to about A$7.2 billion over the next four years. The expanded program aims to support more than two million battery installations by 2030, adding roughly 40GWh of behind-the-meter storage. To date, more than 160,000 installations have already been completed, delivering more than 3.6GWh since launch. The existing rules will continue to apply, including eligibility for systems up to 100kWh and the cap of 50kWh of usable capacity for STC creation. The tiered STC structure and biannual reduction model are scheduled to begin on 1 May 2026, subject to final regulation, meaning the rebate will step down every six months from that date. Meanwhile, the STC Clearing House steadily increased throughout December as government buybacks under the program slowed toward year-end.

Source: DCCEEW



Source: Shell Energy Customer STEP Portal

Peak Reduction Certificates (PRCs)

December was relatively steady for PRCs, with spot prices holding around the $2.90 mark throughout the month. Certificate creation remained low, with just under one million PRCs generated for the period – an expected outcome given both the seasonal slowdown and the recent shift of BESS activity out of the PRC program and into the STC scheme.

Source: IPART

Victorian Energy Efficiency Certificates (VEECs)

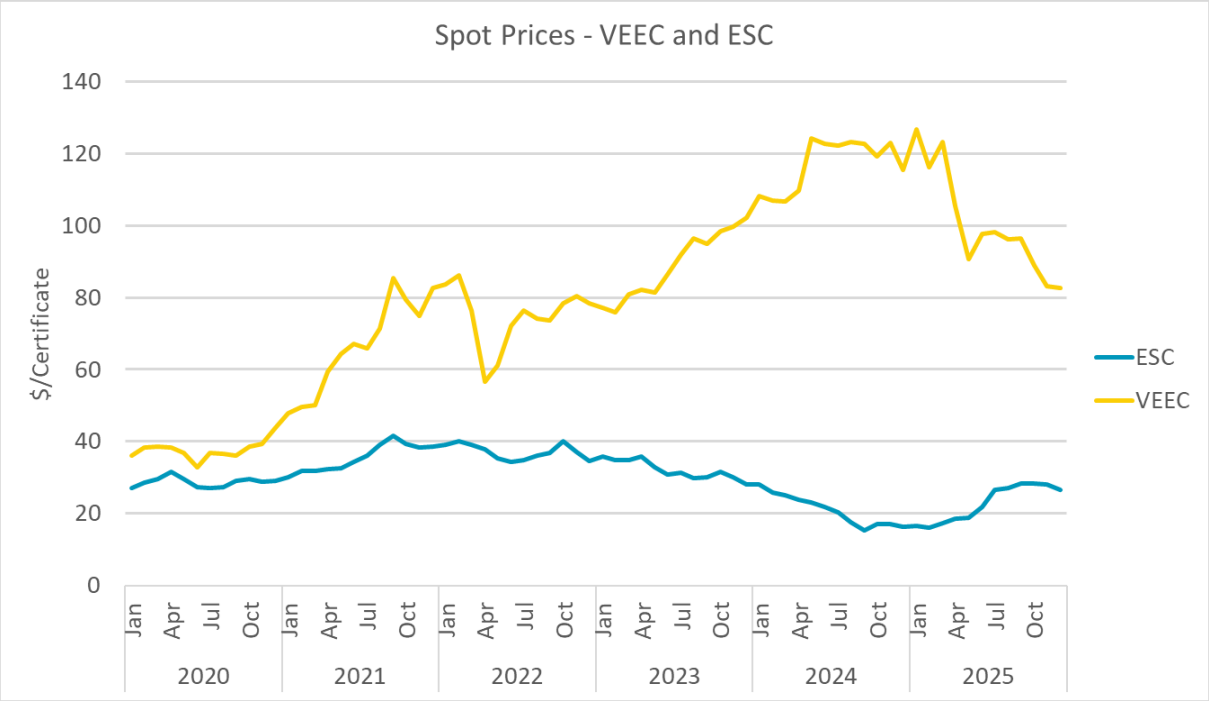
December saw a reversal of November's upward movement, with prices falling back below $80. This decline was largely driven by strong certificate creation and the revised 2026 target and factors, which were reduced by nearly 40%–for example, shifting from 15% in 2025 to 9.7% in 2026. Although the target update was announced earlier in the year, the adjustment to the factors is likely to have influenced retailers' liability forecasts, contributing to the downward pressure observed through the month.

Source: VEU

Energy Saving Certificates (ESCs)

ESCs remained relatively flat through December, with trading holding in a tight range between $22.50 and $23 for most of the month. This stability persisted despite low creation levels, likely supported by the substantial inventories currently being held by participants. Creation activity for the final quarter of 2025 continues to be dominated by commercial lighting, driven by the phase-out of this activity which was highlighted in the November edition of our monthly market report.

Source: IPART



Source: Shell Energy Customer STEP Portal

Gas Forward Market

Calendar Year 2025 (CY25)

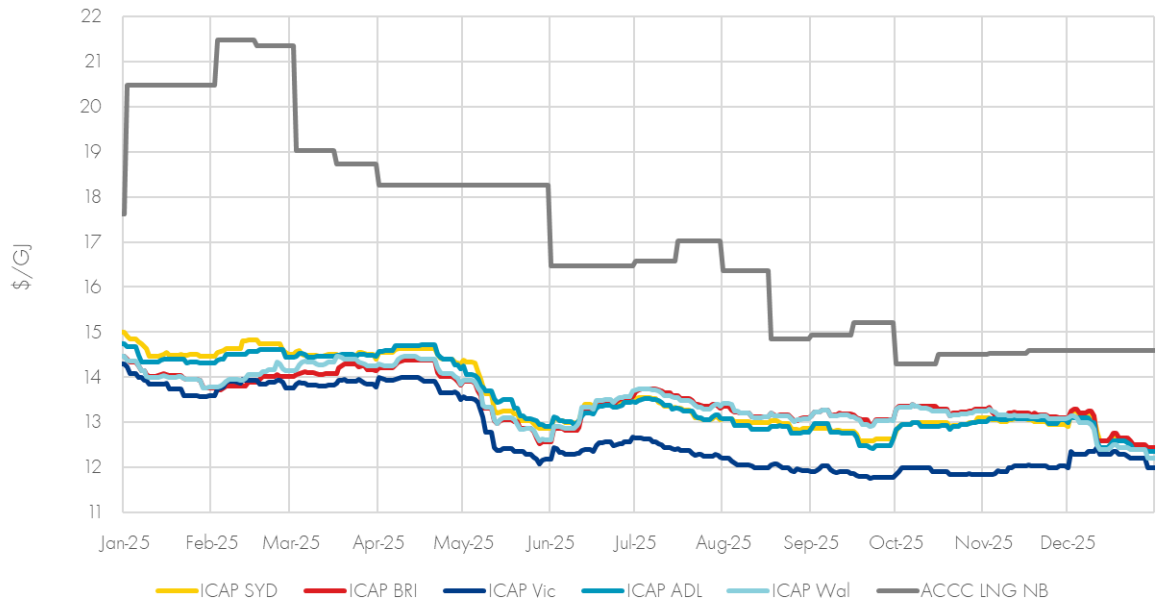
Domestic forward prices for CY25 again trended down in December, capping off a year of low volatility and, consequently, price declines. Forward prices rose in early June in response to a spot price rally. The rally was driven by low intermittent power generation and high winter demand resulting in high gas-powered generation (GPG) usage. However, this was short-lived, with prices ending the year around $12/GJ.

The ACCC LNG NB rose by a small amount as CY25 forward contracts converged with the spot market. The decline in prices from the start of the year was primarily driven by relatively weak demand and a well-supplied market as additional LNG export capacity from the United States of America came online.

December 2025, $/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change	Monthly Change (%)
ICAP Brisbane	$12.45	$13.30	$13.10	$12.45	-$0.65	-5.0%
ICAP Sydney	$12.35	$13.25	$12.90	$12.37	-$0.53	-4.1%
ICAP Adelaide	$12.35	$13.15	$13.00	$12.36	-$0.64	-4.9%
ICAP Victoria	$11.99	$12.45	$12.00	$11.99	-$0.01	-0.1%
ICAP Wallumbilla	$12.20	$13.15	$13.08	$12.20	-$0.88	-6.7%
ACCC LNG NB	$14.59	$21.47	$14.52	$14.59	$0.07	0.5%

CY25 Flat Calendar Year | 1 January 2025 to date



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)

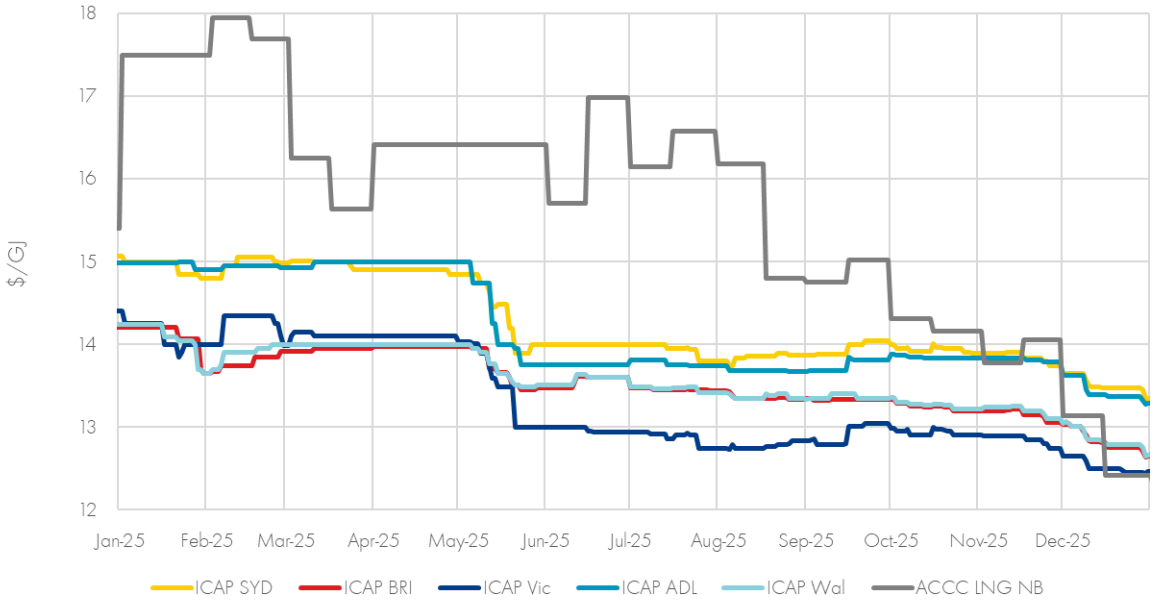
Forward prices for CY26 declined again on the back of weak December prices. During the year, May saw a significant drop in prices as expectations of a mild winter for a second year in a row led to weaker market sentiment across all years. After this reset, prices then stabilised between $13/GJ to $14/GJ, with Sydney and Adelaide again being the premium markets.

ACCC LNG NB prices for CY26 experienced significant declines in December. Like the CY25 contract, a well-supplied market with few indications of demand increasing in the short-term led to price falls. This has further increased the backwardation in LNG forward contracts.

December 2025, $/GJ

Market	Period Low	Period High	Opening Price	Closing Price	Monthly Change ($/GJ)	Monthly Change (%)
ICAP Brisbane	$12.64	$13.04	$13.04	$12.65	-$0.39	-3.0%
ICAP Sydney	$13.33	$13.65	$13.63	$13.35	-$0.28	-2.1%
ICAP Adelaide	$13.28	$13.62	$13.62	$13.29	-$0.33	-2.4%
ICAP Victoria	$12.44	$12.65	$12.65	$12.46	-$0.19	-1.5%
ICAP Wallumbilla	$12.65	$13.06	$13.05	$12.66	-$0.39	-3.0%
ACCC LNG NB	$14.74	$17.95	$14.06	$12.42	-$1.64	-11.7%

CY26 Flat Calendar Year | 1 January 2025 to date



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 declined in the second half of December, as the end of year holiday period led to a reduction in industrial demand. Overall, 2025 spot prices were generally flat. High prices in June and the start of July were driven by a combination of unplanned maintenance at the Longford Gas Plant, periods of low wind generation, coal generator outages and low temperatures.

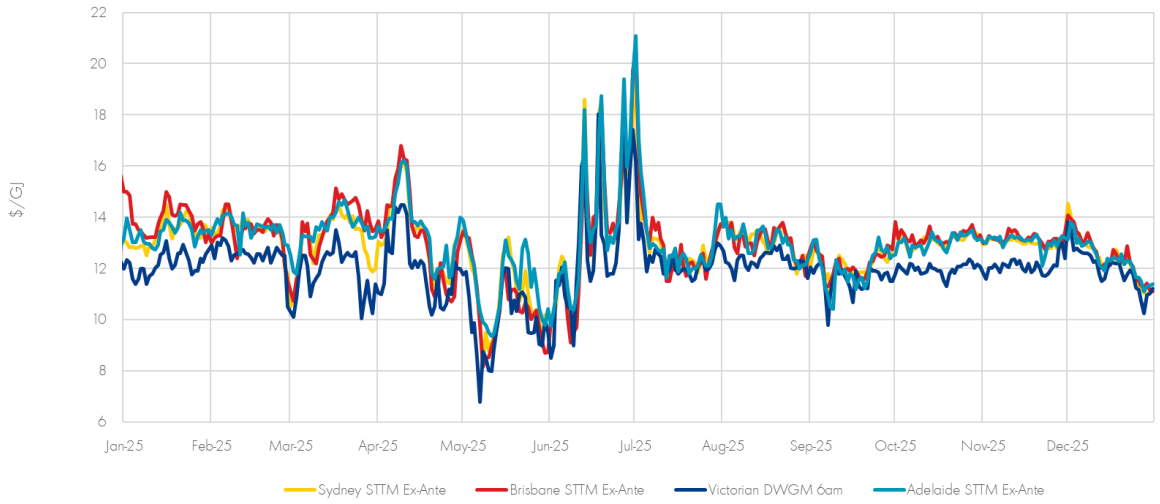
Levels at the Iona Gas Storage Facility ended December up approximately 7% to 13.4PJ, which was approximately 2.2PJ lower than the same time in 2024.

December 2025, $/GJ

Market	Average Spot Price	Minimum Spot Price	Maximum Spot Price
Brisbane STTM[1]	$12.45	$11.10	$14.07
Sydney STTM	$12.37	$11.00	$14.55
Adelaide STTM	$12.36	$11.11	$13.80
Victorian DWGM[2] 6am	$11.99	$10.25	$13.83

[1]STTM = Short Term Trading Market, [2]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 2025 to date



Source: AEMO Market Data

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