Business and Commercial

Wholesale market update

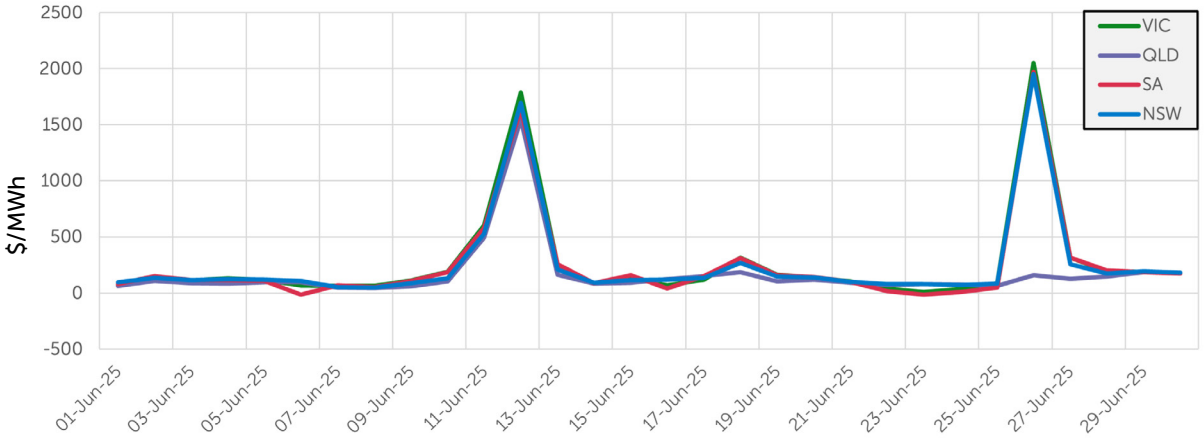
June 2025

EnergyAustralia

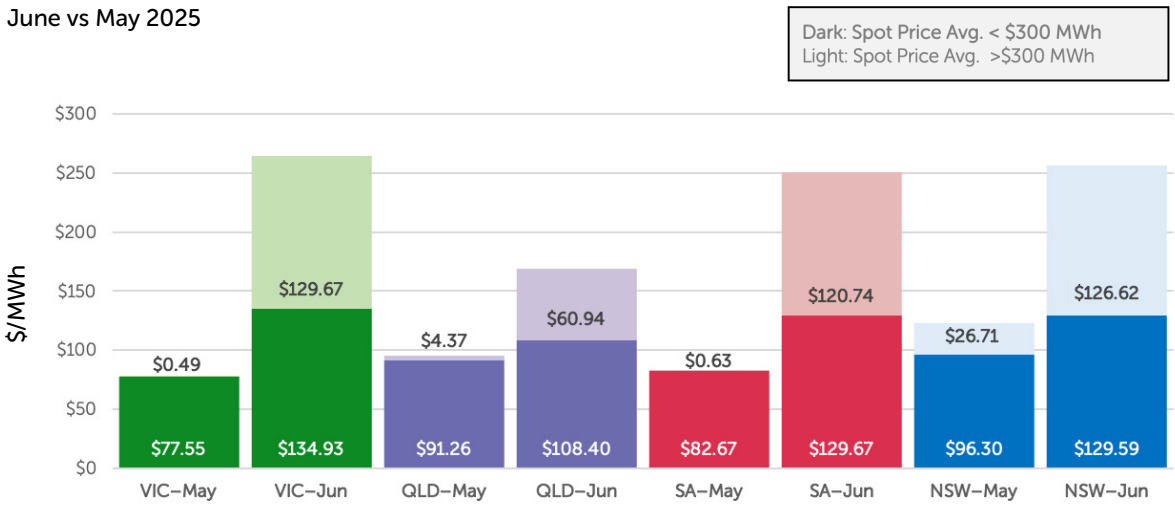
LIGHT THE WAY

Physical (spot) market summary

June average electricity spot prices



Average monthly electricity spot prices ($/MWh)
June vs May 2025

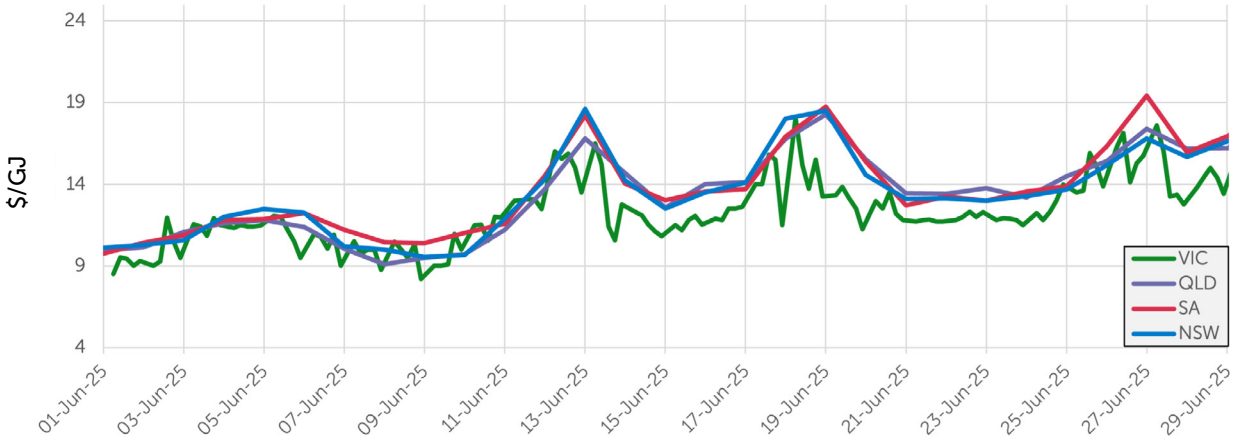


Graph note: The price analysis divides the average spot electricity price into two components:

- The average spot price capped at $300/MWh, and
- The cap return component (also referred to as volatility), which reflects the contribution to the monthly average of spot prices above $300/MWh.

- Maximum demand hit 32.87 GW in June, the second-highest since 2005, while average demand of 24.29GW was slightly above recent years, driven by cold temperatures, reduced rooftop PV output coupled with low wind generation.
- Average prices soared across the National Energy Market (NEM) in June. QLD averaged $169/MWh, while other mainland states exceeded $250/MWh – all significantly above May and last year. Price elevation was driven by strong demand, reduced baseload supply, and low renewable output.
- Total wind generation surged in June, up 14% from May and 51% year-on-year. But the output was highly variable, with some strong periods followed by long stretches of little wind. This boom-bust pattern created significant price swings. Solar output dropped 14% from May, aligning with seasonal patterns, but remained higher than last year.
- 12 June was a remarkable day that exemplified the month's price volatility. Reduced generation, wind output below 1,000 MW and coal unit unavailability coincided with high demand across the evening peak. Prices during the evening peak went above $10,000/MWh across regions, including the Market Price Cap (MPC) in VIC. A similar high price event also occurred on 26 June.

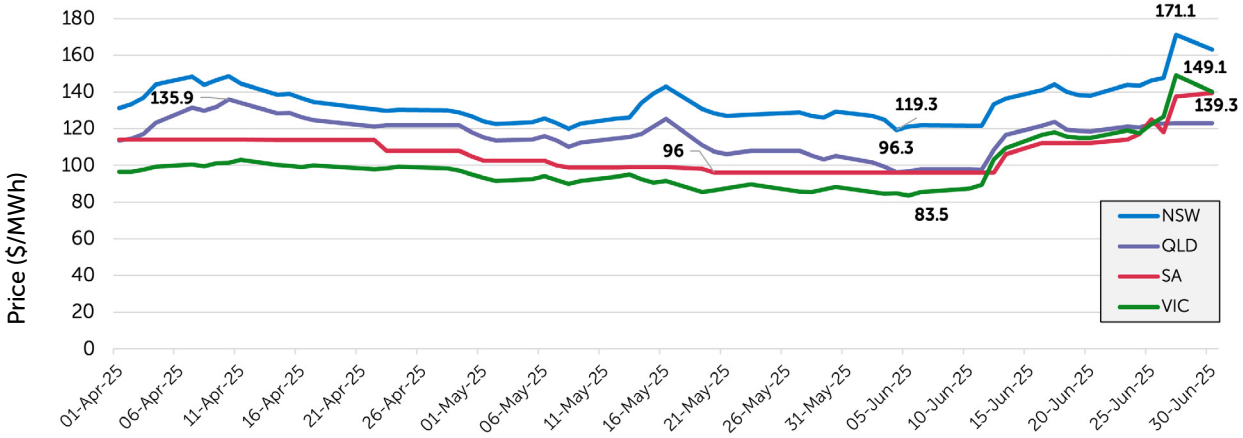
June average gas spot prices



- Gas demand in the Declared Wholesale Gas Market (DWGM) in VIC and Short Term Trading Market (STTM) in Adelaide, Sydney and Brisbane rose by 12.2 PJ (+46%) to a total of 38.66 PJ.
- Gas-Powered Generation (GPG) usage increased by 5.94 PJ (+66%) to 14.93 PJ, driven by a combination of planned and unplanned baseload outages in the National Electricity Market (NEM), strong winter demand, and several wind drought days.
- The average gas price for the STTM increased by $2.66/GJ (+24%) to $13.61/GJ, while the DWGM rose by $2.53/GJ (+25%) to $12.50/GJ. These price increases were driven largely by a surge in Gas-Powered Generation (GPG) requirements in the NEM, as well as higher demand for gas heating. The maximum price reached was $19.70/GJ (in the Brisbane STTM), while the minimum price was $8.20/GJ (in the DWGM).
- Liquified Natural Gas (LNG) export volumes from Curtis Island decreased by 2.85 PJ (-3%) to 111 PJ due to lower contracted volumes during the season. Average daily export was 3.69 PJ/day.
- The Iona gas storage facility was heavily utilised this month to manage the sharp rise in demand averaging 223 TJ/d of use and a maximum injection of 483 TJ on the 26 June. The storage balance decreased by 6.69 PJ, ending the month at 17 PJ or 70%, after being nearly full over the past few months.

Futures electricity market summary

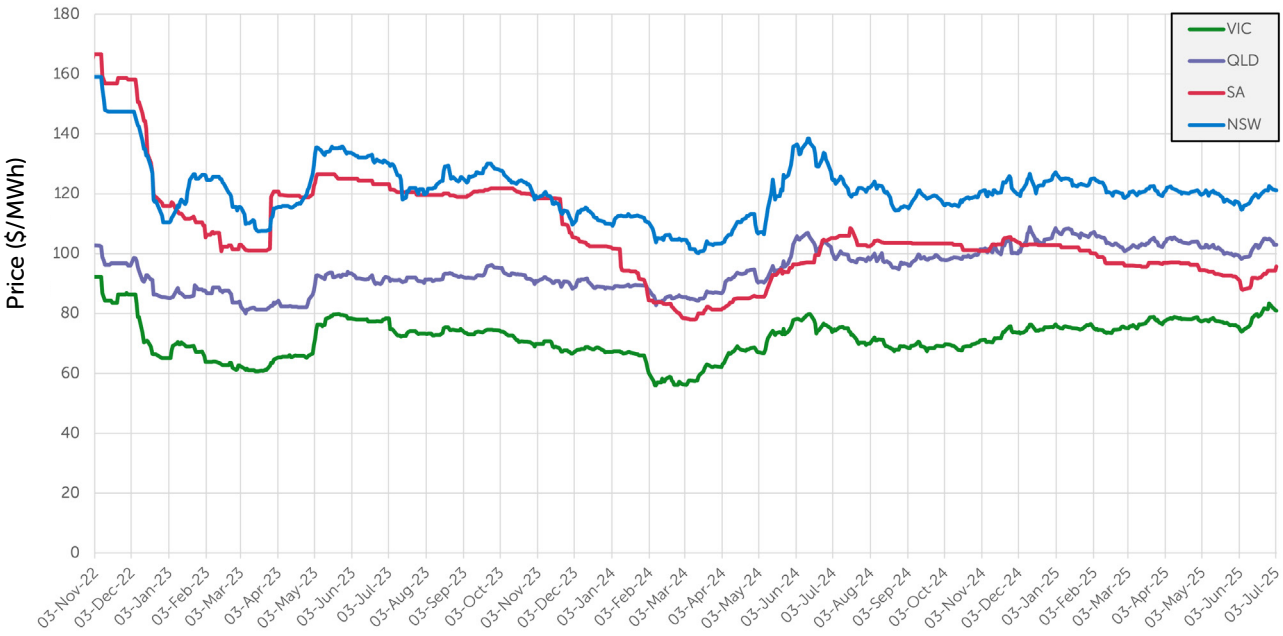
FWD SWAP (Q2 2025)



These reports are designed to provide trends and insights into the wholesale market, with some commentary reflecting the author's opinion.
If you have any questions about anything in this report, speak to your account manager or get in touch with us.

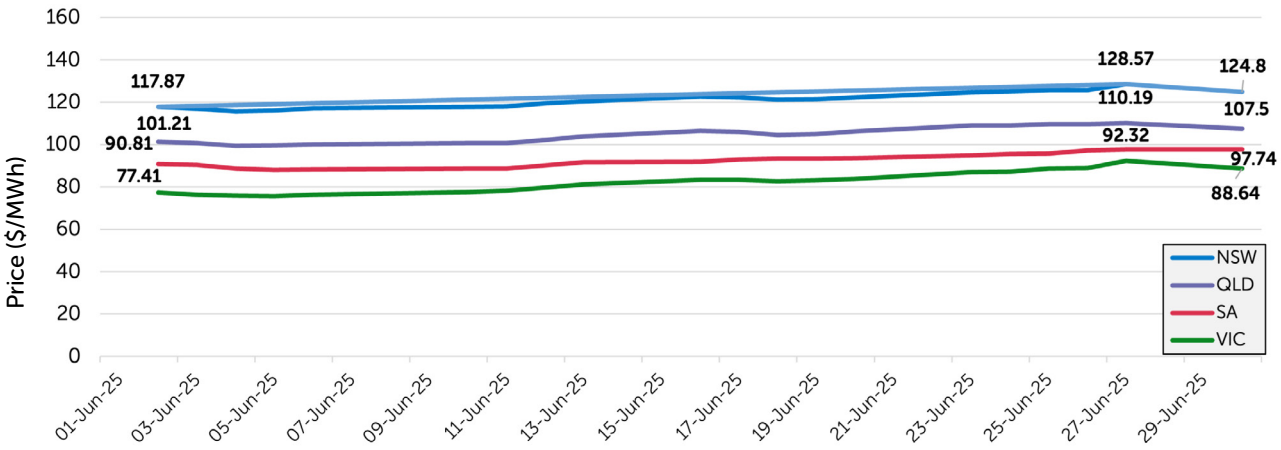
- Q2 2025 forward prices steadily declined throughout April and May, driven by softer-than-anticipated spot market outcomes. These low spot outcomes also flowed through to the longer dated forward curves. The Q2 2025 floor prices in all states were reached in first week of June and were all more than 10% lower than expectation at beginning of quarter.
- The bearish sentiment disappeared on 12 June 2025 when market dynamics shifted dramatically. This NEM wide high volatility day was followed two weeks later on 26 June by a second strong NEM wide volatility day (excluding QLD). The quarterly result more than exceeded the expectation at the beginning of the quarter and ended as the second-highest quarterly average on record across all regions (except QLD). QLD was sheltered from the 26 June volatility as the interconnector flow from QLD to NSW was constrained.

2026 FWD SWAP



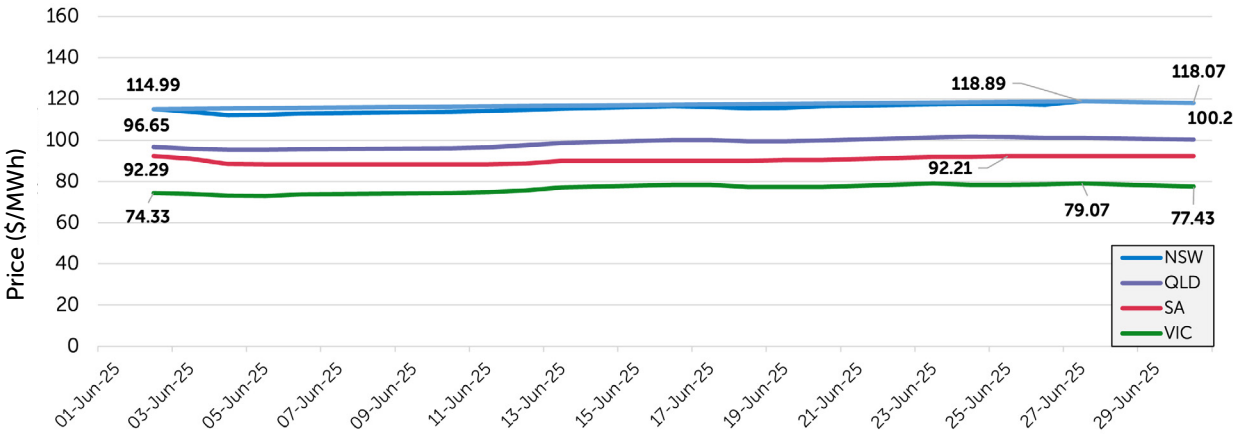
- The FY26 and FY27 forward swap curves moved higher in June 2025, driven by the extreme NEM wide spot price volatility on 12 and 26 June. Most of the forward swap increase was driven by an increase in the forward cap prices.
- The FY26 curve lifted $6/MWh and $7/MWh for NSW and QLD respectively. The NSW FY26 contract finished at $125/MWh a level it has not traded at since 4 February 2025. The VIC contract was higher by $11/MWh an increase of 14%. This cap price for VIC increased 49% or $7/MWh. VIC cap price had been trading low with little risk of volatility expected in Victoria. The two high spot events in June have caused a reassessment of VIC volatility.
- The underlying VIC FY26 price continued to strengthen throughout June, with the energy price lifting $5.70/MWh from a low of $62.20 on 4 June to $67.90/MWh on 30 June. This increase was primarily driven by near term Q3-25 expectation, with the underlying price rising $10/MWh. Hydro generators continue to conservatively offer volume at higher prices due to concerns over dam levels and uncertainty surrounding the future operation of the Basslink interconnector from 1 July 2025.
- The FY27 curves followed similar shape to FY26, however most of the price expectation has been factored into the near-term risk, resulting in less pronounced increases. On average, the FY27 increases were about half of those seen in FY26, with the exception of VIC and SA which saw lower movements. Victoria's increase was benchmarked against a larger 14% rise, whereas SA swap for FY27 remained unchanged.
- The FY26 SA swap reversed its downward momentum, rising 8% in June 2025. This was driven by the increased risk of volatility (FY26 Cap price lifted 30% or $7/MWh) off the back of the NEM wide volatility days. Contributing to this was expectation of Q3-25 interconnector issues which saw the SA cap price double from $19/MWh on 5 June 2025 to $38/MWh on June 30. The SA underlying energy increased marginally by $2/MWh.

FY26 FWD SWAP (June-25)



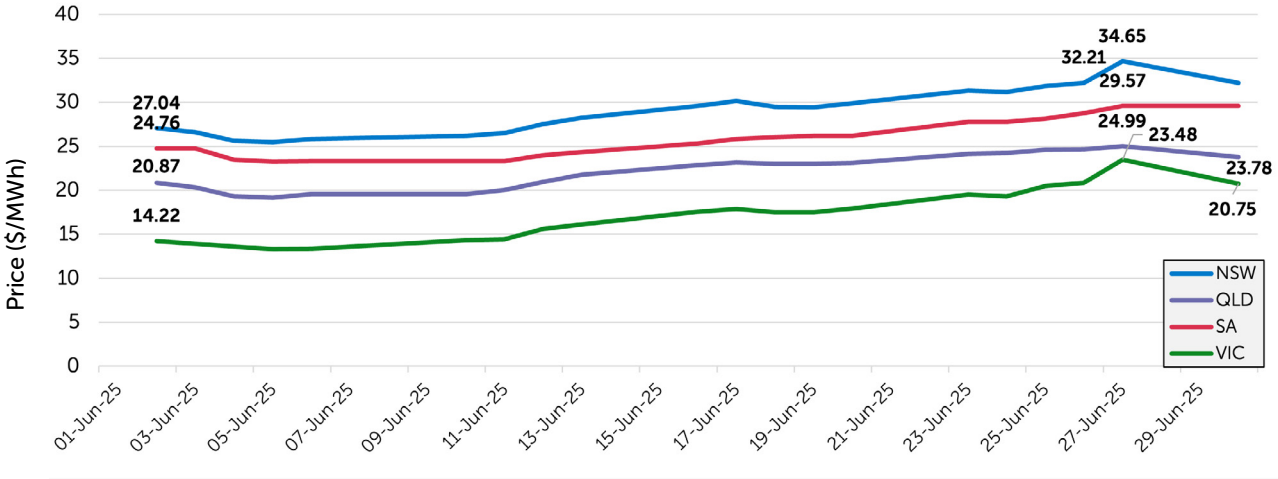
FY26 swap curve ($/MWh)						
Region	Max trade price	Average trade price	First trade day (2 June 2025)	Last trade day (30 June 2025)	Variance (last minus first) $/MWh	Variance %
NSW	129	121	118	125	7	6%
QLD	110	105	101	108	6	6%
VIC	92	82	77	89	11	14%
SA	98	92	91	98	7	8%

FY27 FWD SWAP (June-25)



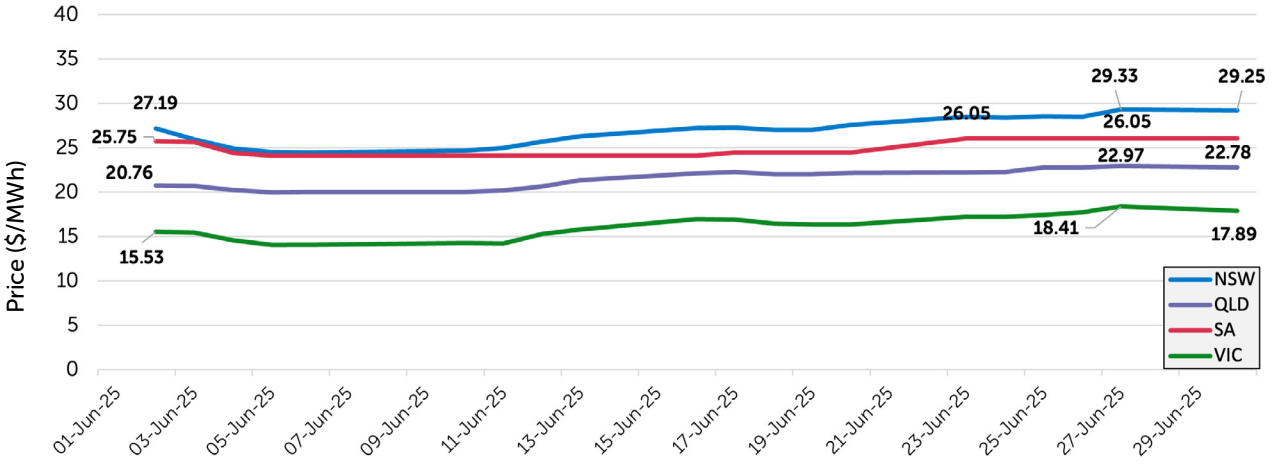
FY27 swap curve ($/MWh)						
Region	Max trade price	Average trade price	First trade day (2 June 2025)	Last trade day (30 June 2025)	Variance (last minus first) $/MWh	Variance %
NSW	119	116	115	118	3	3%
QLD	102	99	97	100	4	4%
VIC	79	76	74	77	3	4%
SA	92	90	92	92	0	0%

FY26 FWD CAP (June-25)



FY26 cap curve ($/MWh)						
Region	Max trade price	Average trade price	First trade day (2 June 2025)	Last trade day (30 June 2025)	Variance (last minus first) $/MWh	Variance %
NSW	35	29	27	32	5	18%
QLD	25	22	21	24	3	14%
VIC	23	17	14	21	7	49%
SA	30	26	25	30	5	20%

FY27 FWD CAP (June-25)



FY27 cap curve ($/MWh)						
Region	Max trade price	Average trade price	First trade day (2 June 2025)	Last trade day (30 June 2025)	Variance (last minus first) $/MWh	Variance %
NSW	29	27	27	29	2	7%
QLD	23	22	21	23	2	10%
VIC	18	16	16	18	2	13%
SA	26	25	26	26	0	0%

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