Business and Commercial

Wholesale market update

August 2025

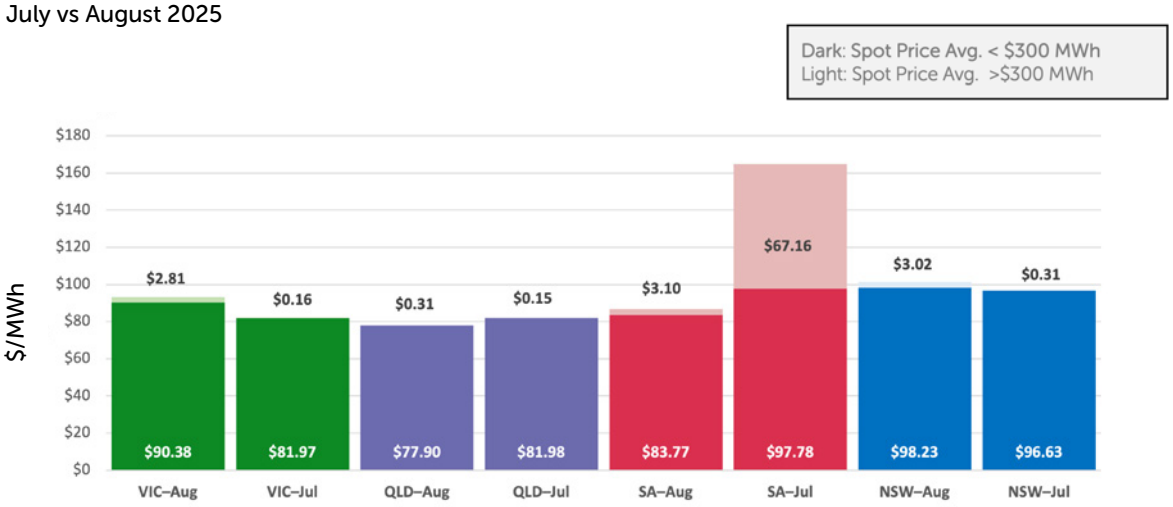
EnergyAustralia

LIGHT THE WAY

Physical (spot) market summary

August average electricity spot prices

Average monthly electricity spot prices ($/MWh)
July vs August 2025

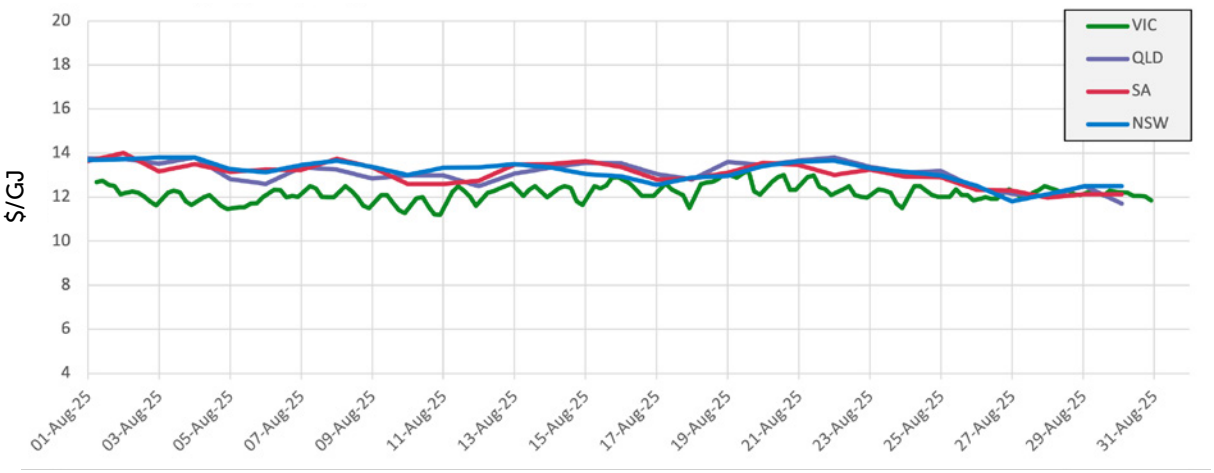


Graph note: The price analysis divides the average spot electricity price into two components:

- 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.

- In August, the average electricity price in VIC increased by 13%, primarily driven by elevated winter demand and a significant reduction in wind generation. The decline in price volatility over the month contributed to divergent outcomes across other National Electricity Market (NEM) regions: SA's average price declined to $86/MWh, QLD prices remained relatively stable within the $80/MWh range, and NSW recorded a modest increase to $101/MWh.
- Wind generation in VIC declined by approximately 20% month-on-month, placing upward pressure on spot prices. Additionally, hydro generators continued to operate conservatively due to ongoing concerns around water storage levels, further tightening supply conditions and supporting higher underlying prices.
- System demand trends also reflected the impact of colder winter conditions and ongoing electrification. Average operational demand increased by 6% compared with last month, while maximum demand rose by 3%, largely attributed to increased residential heating load.

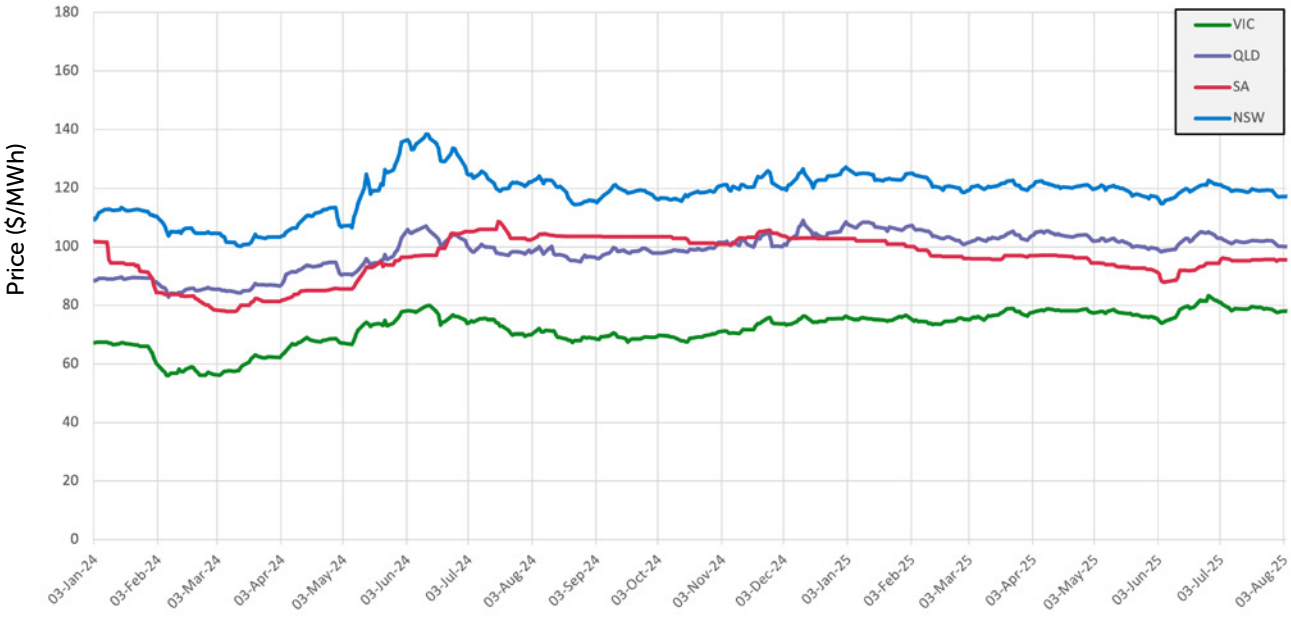
August average gas spot prices



- Gas prices: The average gas prices for the Short Term Trading Market (STTM) in Sydney, Adelaide and Brisbane and the Declared Wholesale Gas Market (DWGM) in VIC, held steady at $13.07/GJ and $12.17/GJ, respectively. Prices remained stable through the final month of winter, when storage levels typically reach their annual low. Gas heating demand eased, partly offset by a slight increase in Gas-Powered Generation (GPG) usage. The maximum price recorded was $14/GJ in the Adelaide STTM, while the minimum was $11.19/GJ in the DWGM.
- Demand: Gas demand in the DWGM and STTM fell by 3.15 PJ (-8%) to a total of 34 PJ as winter temperatures eased.
- GPG usage: Gas-Powered Generation usage increased slightly by 500 TJ (+5%) to approximately 10.5 PJ, replacing lost energy from lower NEM wind generation and VIC–SA interconnector outages.
- LNG exports: LNG export volumes from Curtis Island were largely unchanged at 118.33 PJ, averaging 3.82 PJ/day.
- Storage: The Iona gas storage balance decreased by 2.55 PJ, ending the month at 10.80 PJ, or 44% full. The end-of-month balance trend shifted in August after consistently sitting above 2024 levels in prior months. Storage now sits about 1.1 PJ below the same time last year, indicating effective utilisation through the 2025 winter period.
- Production: Output at the Longford Gas Plant remained stable, averaging 624 TJ/day out of 690 TJ/day capacity. The major outage associated with the Turrum Phase 3 Project has been rescheduled from October to November 2025 to avoid coinciding with another major outage at Otway Gas Plant.

Futures electricity market summary

2026 CAL SWAP



General overview – August 2025 Forward market summary – Cal-26 and Cal-27

The Cal-26 and Cal-27 forward swap and cap curve markets remained rangebound through August, with low volatility but consistent high underlying energy prices. This was underpinned by strong demand, baseload outages, and reduced wind generation.

The current Q3-25 forward curves fell by between 20-30% in QLD, NSW and VIC whilst SA saw a more modest decline of 10% due to the continued threat of volatility with continuing interconnector restrictions.

State Level Trends:

- VIC: Continued strength in the VIC forward curves has been the dominant theme year to date (YTD). Cal-26 and Cal-27 curves rose from ~$70/MWh in January to $78/MWh and $75/MWh respectively by end-August — a >10% increase.
- NSW: In contrast, the NSW Cal-26 curve softened, falling 8% from >$125/MWh to $115/MWh. This decline has largely been driven by reduced perceived volatility, with cap prices accounting for over 70% of the movement.
- QLD: Also saw softening, though less pronounced than NSW. The cap decline was also strong in QLD.
- SA: The Cal-26 SA curve has declined $12/MWh from $105/MWh to $95/MWh, but it has recovered from a low of $87/MWh in late Q2-25. The recovery has been off the back of greater expected risk with high volatility in June and July 2025.

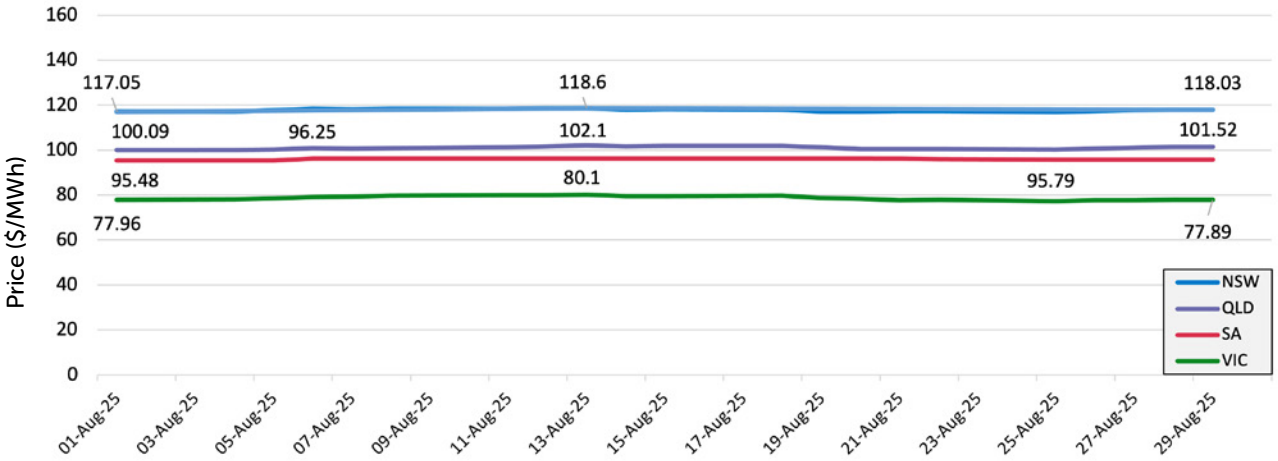
Longer Dated VIC Contracts:

- The VIC Q4-28 contract rose 12% from $52/MWh to $58/MWh, reflecting market reassessment of the Yallourn Power Station retirement timeline, now viewed as more likely in mid-2028. The Cal-28 curve increased by $3/MWh (4%) to finish the month at $78.30/MWh.

Reliability Outlook:

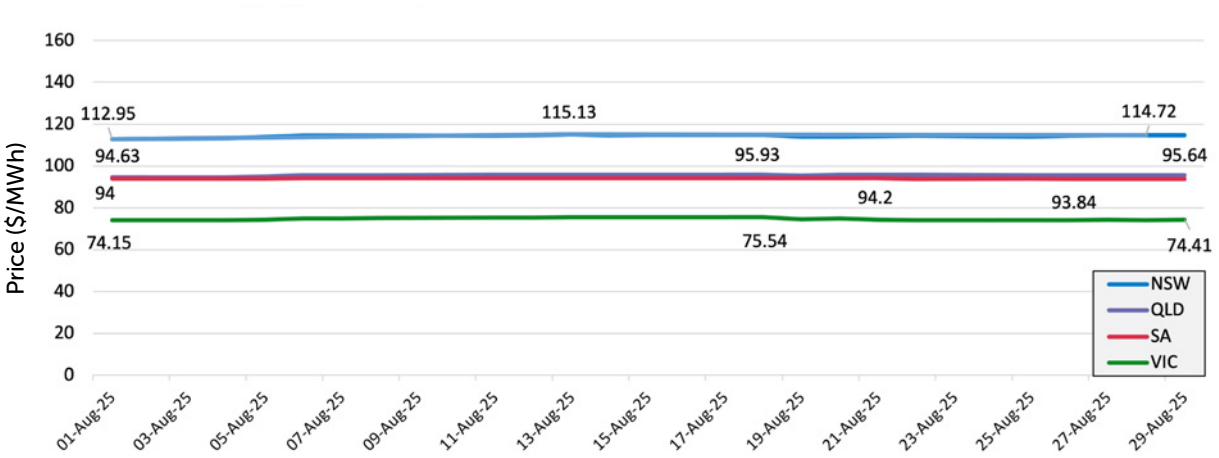
- The 2025 Electricity Statement of Opportunities (ESOO) confirmed no reliability gaps in NSW or VIC, even with the planned retirements of Eraring Power Station (NSW) and Yallourn Power Station (VIC).

CAL26 FWD SWAP (August 2025)



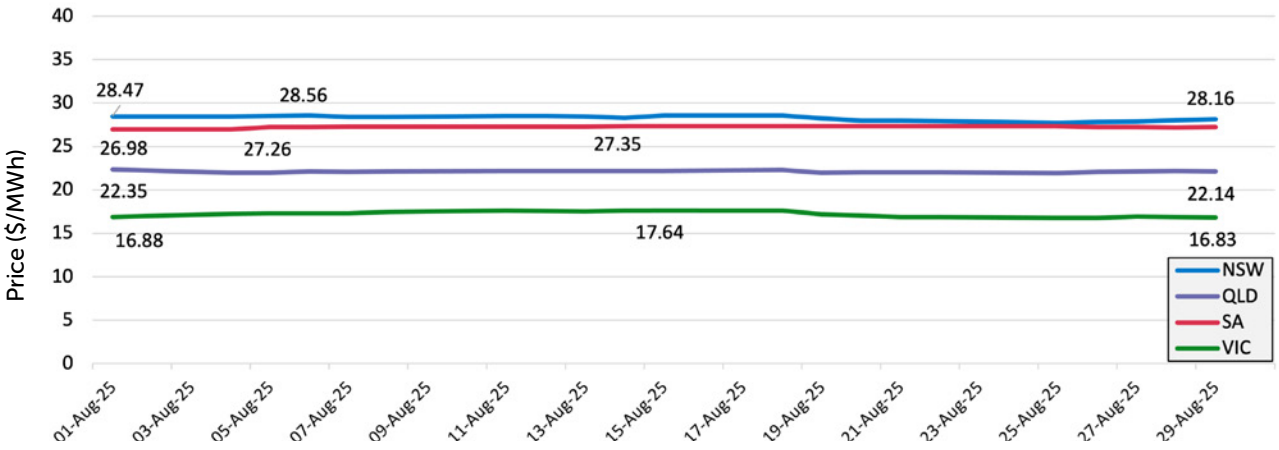
CAL26 swap curve ($/MWh)						
Region	Max trade price	Average trade price	First trade day (1 July 2025)	Last trade day (30 July 2025)	Variance (last minus first) $/MWh	Variance %
NSW	119	118	117	118	1	1%
QLD	102	101	100	102	1	1%
VIC	80	79	78	78	0	0%
SA	96	96	95	96	0	0%

CAL27 FWD SWAP (August 2025)



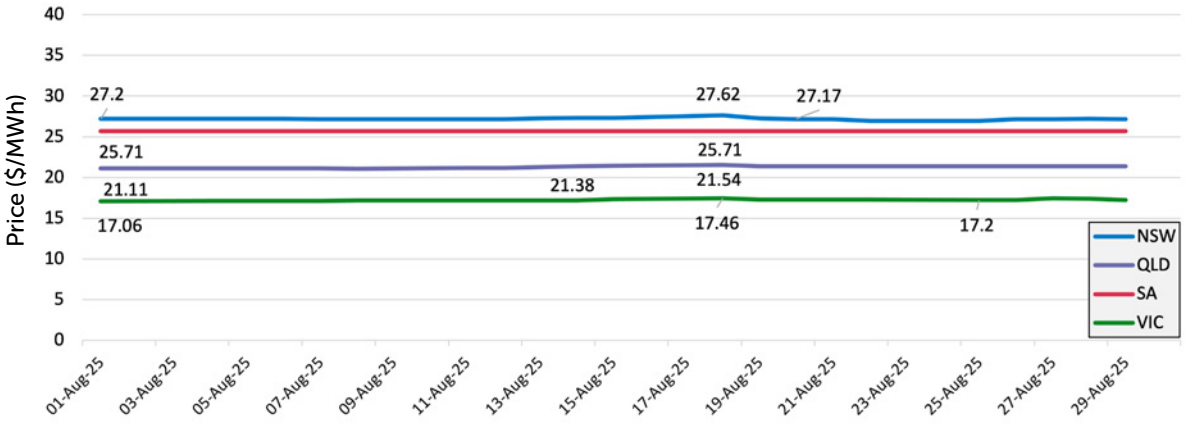
CAL27 swap curve ($/MWh)						
Region	Max trade price	Average trade price	First trade day (1 July 2025)	Last trade day (30 July 2025)	Variance (last minus first) $/MWh	Variance %
NSW	115	114	113	115	2	2%
QLD	96	96	95	96	1	1%
VIC	76	75	74	74	0	0%
SA	94	94	94	94	0	0%

CAL26 FWD CAP (August 2025)



CAL26 cap curve ($/MWh)						
Region	Max trade price	Average trade price	First trade day (1 July 2025)	Last trade day (30 July 2025)	Variance (last minus first) $/MWh	Variance %
NSW	29	28	28	28	0	0%
QLD	22	22	22	22	0	0%
VIC	18	17	17	17	0	0%
SA	27	27	27	27	0	0%

CAL27 FWD CAP (August 2025)



CAL27 cap curve ($/MWh)						
Region	Max trade price	Average trade price	First trade day (1 July 2025)	Last trade day (30 July 2025)	Variance (last minus first) $/MWh	Variance %
NSW	28	27	27	27	0	0%
QLD	22	21	21	21	0	0%
VIC	17	17	17	17	0	0%
SA	26	26	26	26	0	0%

Electricity Statement of Opportunities

The Australian Energy Market Operator (AEMO) has released its 2025 Electricity Statement of Opportunities (ESOO), which forecasts electricity reliability across the National Electricity Market (NEM). This report helps governments, energy providers, and investors identify where new generation, storage, and transmission infrastructure is needed to maintain reliable supply—especially as coal plants retire and demand grows.

Key finding by state:

- SA: A 390 MW reliability gap is currently forecast for summer 2026–27 due to the retirement of Torrens Island B and delays to the EnergyConnect interconnector.
- QLD: An 80 MW reliability gap is forecast for summer 2025–26, driven by rising demand and slower project commissioning.
- NSW and VIC: No formal reliability gaps are forecast following the planned closures of Eraring and Yallourn Power Stations. This is largely due to lower forecast demand and ~3GW of well-located batteries being commissioned.

What does this mean for EnergyAustralia customers?

There is no action required at this stage. We will contact customers directly if any requirements arise.

For more information about reliability across the NEM read the ESOO report on the AEMO website.

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