Business and Commercial

Wholesale market update

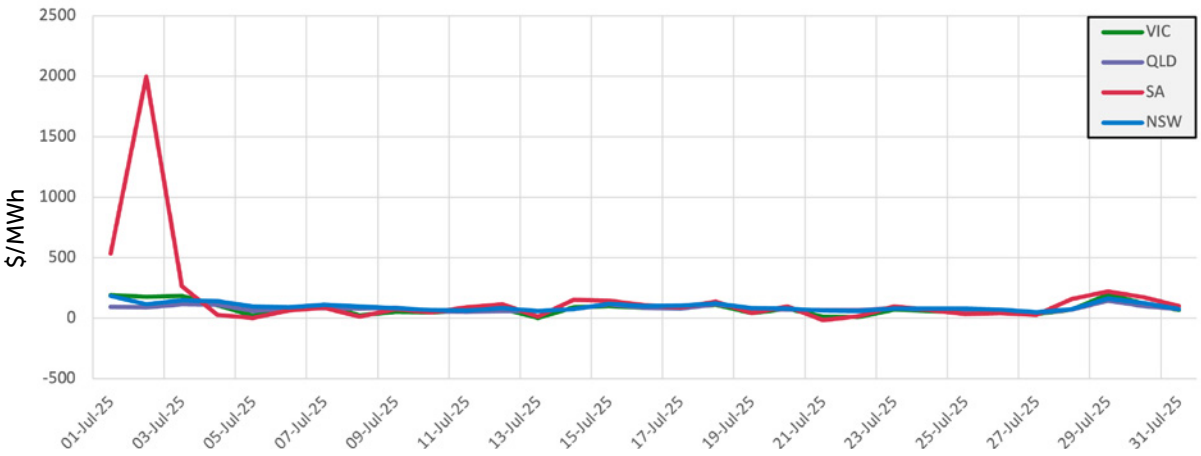
July 2025

EnergyAustralia

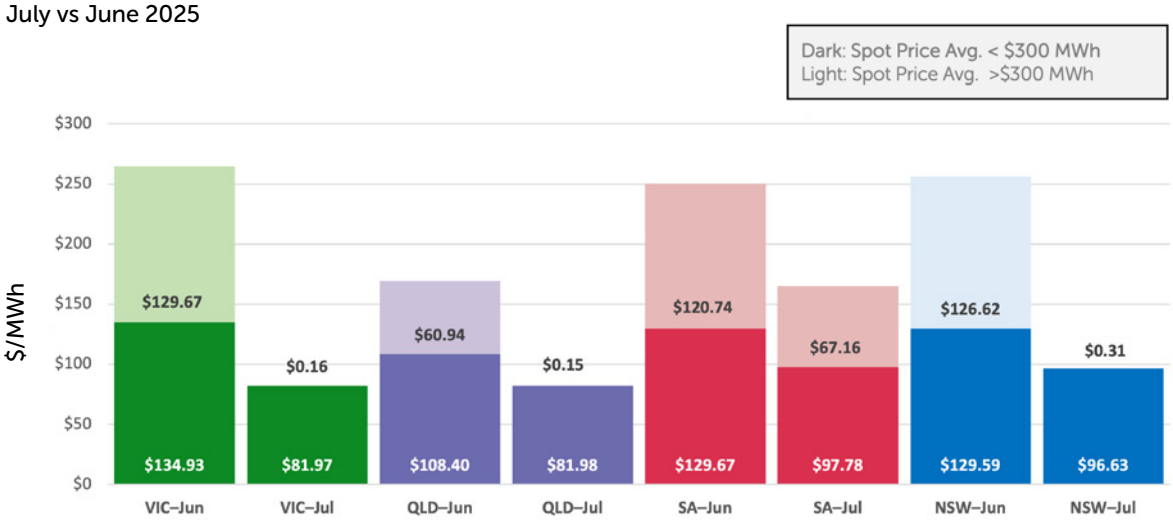
LIGHT THE WAY

Physical (spot) market summary

July average electricity spot prices



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

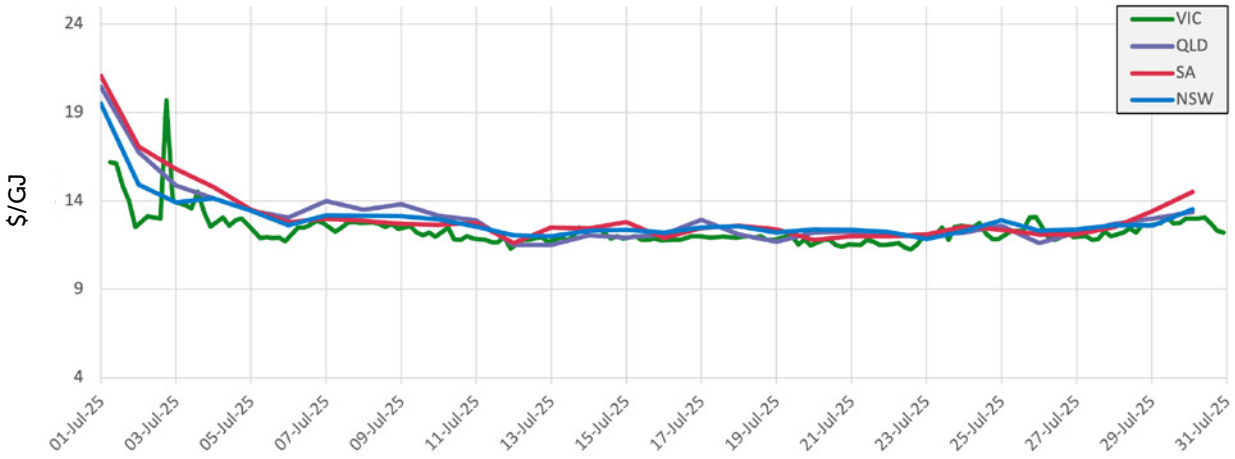


Graph note: The price analysis divides the average spot electricity price into two components:

- 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.

- Average demand in July was similar to previous levels, while maximum demand was 2% above last month but 3% below last year.
- Prices softened across the National Energy Market (NEM) in July. Except for SA, average prices in all mainland regions fell below $100/MWh, driven by strong wind output and increased baseload supply. SA experienced price separation due to low local wind generation and restrictions on the Heywood interconnector throughout most of July, which limited supply flexibility amid high demand.
- SA saw over five hours of price volatility on 2 July, with the highest price reaching $15,103/MWh at 10.35pm. Cold weather drove strong demand in SA, while minimal wind output and constrained interconnector capacity limited supply, resulting in sustained elevated prices.
- Basslink's agreement with Hydro Tasmania ended on 30 June. This change allowed APA Group to operate Basslink based on adequate electricity price differences between TAS and VIC. As a result when the price gaps between the two states is small, Basslink often reduces or stops the flow of electricity altogether. Since Basslink isn't incentivised to support the transfer of Frequency Control Ancillary Services (FCAS) – which help maintain the stability of the power grid – TAS may need to source these services locally. This could impact FCAS costs in the region.
- Wind output rose sharply from June levels, led by strong performance in NSW and VIC. A new record was set on 25 July at 9.10pm, when mainland wind generation exceeded 9.8 GW for the first time. Solar generation also saw a rise this month, starting its seasonal upswing.

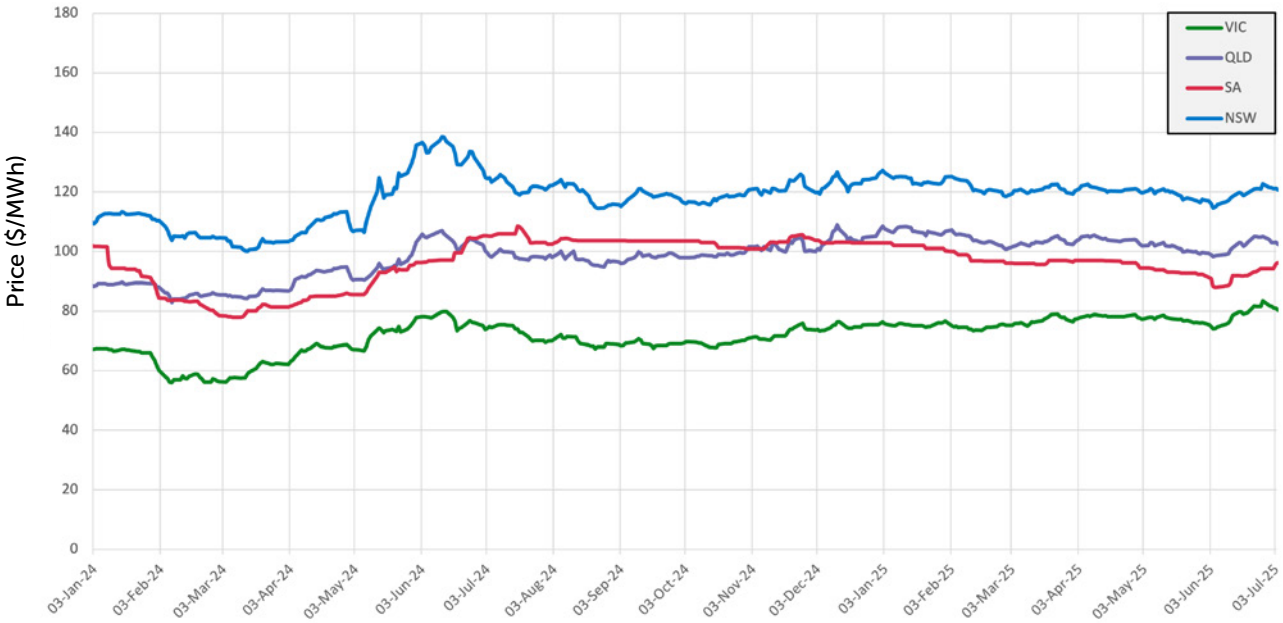
July average gas spot prices



- The average gas prices for the Short Term Trading Market (STTM) and Declared Wholesale Gas Market (DWGM) moved sideways at $13.10/GJ and $12.35/GJ, respectively. Overall, prices were stable, with only slight changes in gas heating demand and softer Gas-Powered Generation (GPG) usage. The maximum price reached was $21/GJ (in the Brisbane STTM), while the minimum was $11.25/GJ (in the DWGM).
- Gas demand in the DWGM and STTM decreased slightly by 1.55 PJ (-4%) to a total of 37.12 PJ, due to fewer extreme cold days during the month.
- Gas-Powered Generation (GPG) usage decreased by 4.94 PJ (-33%) to approximately 10 PJ, driven by higher wind generation and strong supply availability in the NEM.
- Liquified Natural Gas (LNG) export volumes from Curtis Island increased by 7.89 PJ (+7%) to 119 PJ. The average daily export was 3.83 PJ/day.
- The Iona gas storage facility again helped manage winter gas requirements. The storage balance decreased by 3.69 PJ, ending the month at 13.35 PJ, or 55% full. The ending balance was about 2.5 PJ above the same time last year.
- Production at the Longford Gas Plant has remained stable, averaging 611 TJ/day out of a 690 TJ/day capacity. The major outage related to the Turrum Phase 3 Project—an offshore gas development in the Gippsland Basin aimed at easing forecast east coast shortages—has been rescheduled to early-to-mid October 2025, alleviating Iona inventory concerns given the typically lower system demand during that month.

Futures electricity market summary

2026 FWD SWAP



General overview:

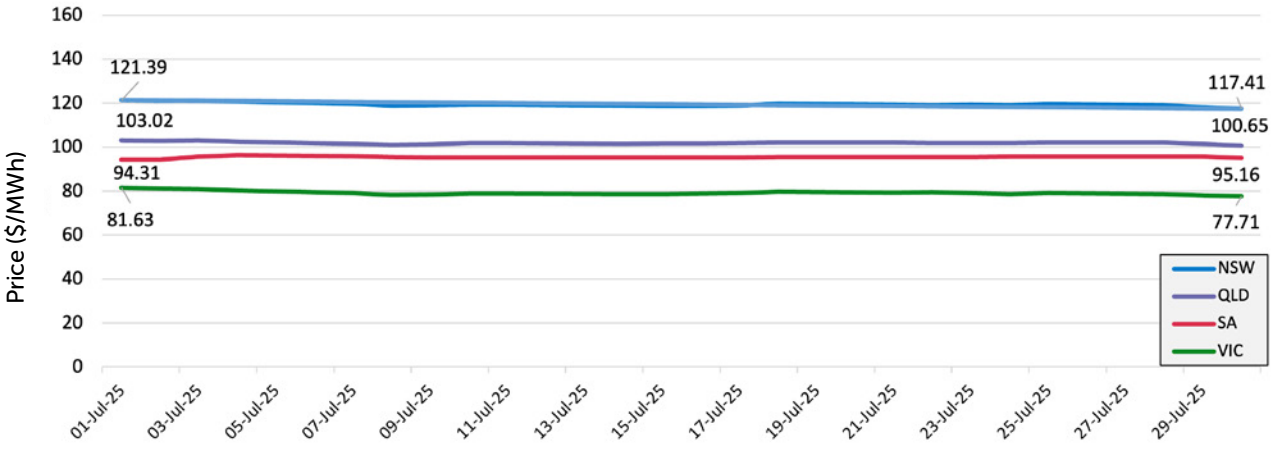
Throughout July, the VIC Cal 26 forward curve declined steadily, falling from $81/MWh to $78/MWh — a 4% drop — driven by softer spot prices and a lack of volatility. Both the swap and cap products moved in tandem, reflecting the same percentage decline.

The bulk of this downward movement can be attributed to the sharp fall in Q3-25 forward pricing, which started the month at $114/MWh and ended at $78/MWh. Typically, July and August see elevated demand due to colder weather and shorter daylight hours, which would usually support higher spot prices. However, strong baseload and wind generation kept the Q3 spot outcome subdued at $82.13/MWh. With expectations of similar conditions in August and a seasonal drop in demand in September — thanks to longer daylight hours and warmer temperatures — the Q3-25 forward price shed $20/MWh over the month.

The VIC Cal 27 curve also edged lower, though only slightly, with a $1/MWh decrease. NSW Cal 26 followed a similar trajectory, falling $4/MWh from $121 to $117/MWh. The same underlying factors that influenced VIC — low volatility and strong generation — were at play in NSW.

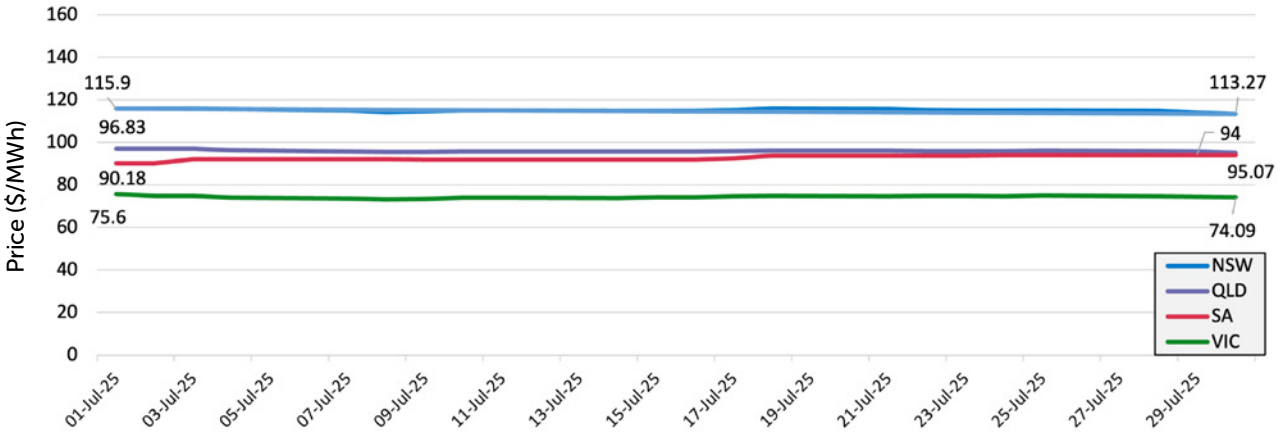
SA was the outlier in July, with spot prices exceeding expectations. This was largely due to scheduled maintenance on the Heywood interconnector during Q3-25, timed to coincide with higher seasonal demand to ensure system security. On 2 July, extreme volatility saw average prices spike to $1,999/MWh, driven by minimal wind generation (less than 100 MW), constraints on Heywood, and a full outage of the Murray Link. This volatility fed directly into the forward market, pushing the Cal 27 swap price up by $4/MWh, from $90 to $94/MWh. The increase likely reflects a combination of recent market instability, the upcoming closure of Torrens Island Power Station B in mid-2026, and potential delays to Stage 2 of Project Energy Connect — new transmission infrastructure in NSW that will enable 800 MW of transfer capacity but may restrict energy flow between NSW and SA.

CAL26 FWD SWAP (July 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	121	119	121	117	(4)	-3%
QLD	103	102	103	101	(2)	-2%
VIC	82	79	81	78	(3)	-4%
SA	96	95	94	95	1	1%

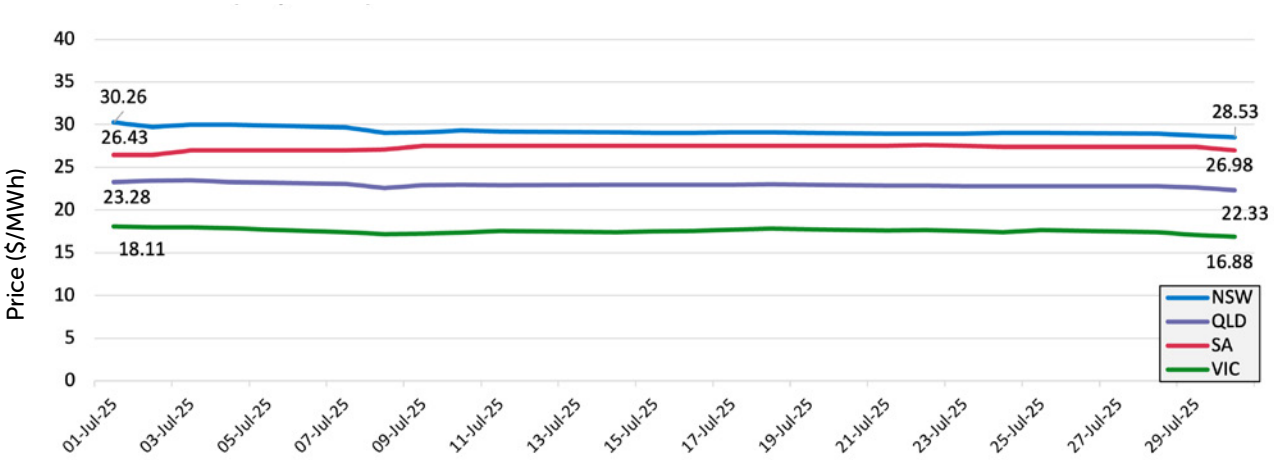
CAL27 FWD SWAP (July 2025)



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	116	115	116	113	(3)	-3%
QLD	97	96	97	95	(2)	-2%
VIC	76	74	75	74	(1)	-1%
SA	94	93	90	94	4	4%

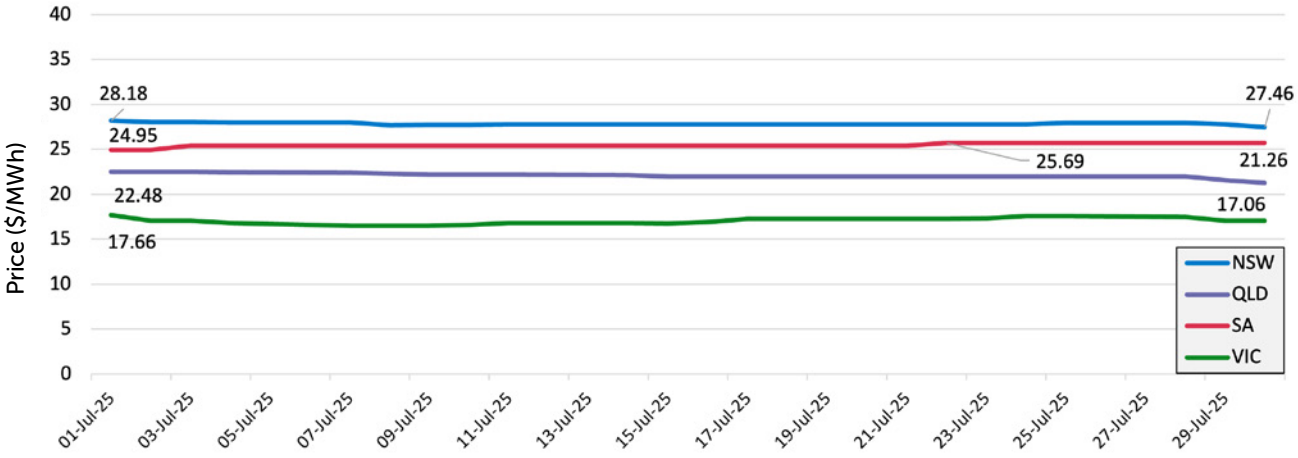
These reports are designed to provide trends and insights into the wholesale market, with some commentary reflecting the author's opinion.
If you have any questions about anything in this report, speak to your account manager or get in touch with us.

CAL26 FWD CAP (July 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	30	29	30	29	(1)	-3%
QLD	23	23	23	22	(1)	-4%
VIC	18	18	18	17	(1)	-6%
SA	28	27	26	27	1	4%

CAL27 FWD CAP (July 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	28	28	27	(1)	-4%
QLD	22	22	22	21	(1)	-4%
VIC	18	17	17	17	0	0%
SA	26	25	25	26	1	4%

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