Business and Commercial

Wholesale market update

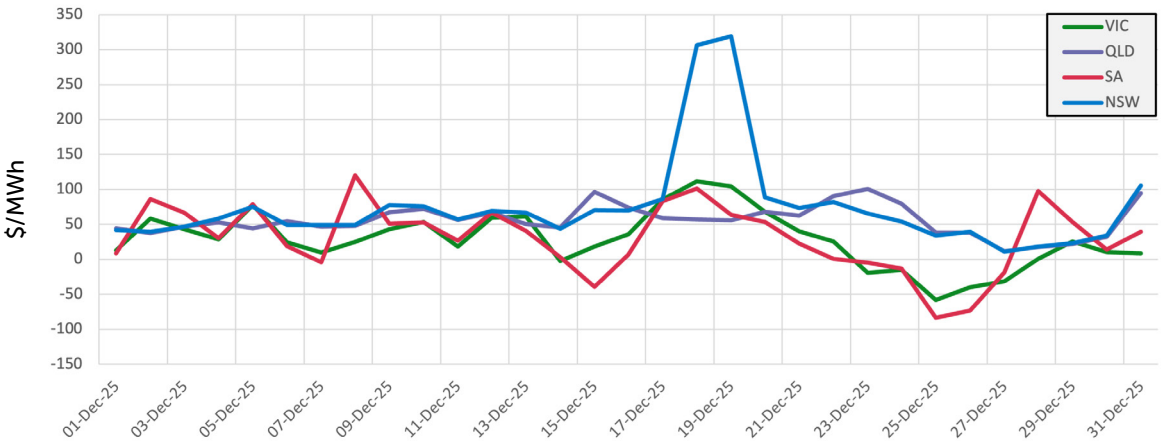
December 2025

EnergyAustralia

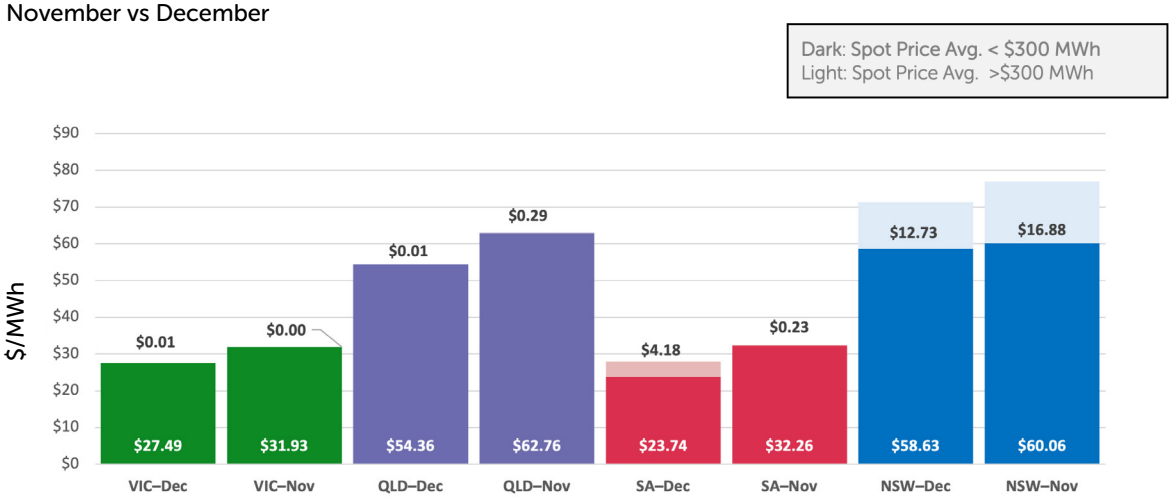
LIGHT THE WAY

Physical (spot) market summary

December average daily electricity spot prices



Average monthly electricity spot prices ($/MWh)
November vs December

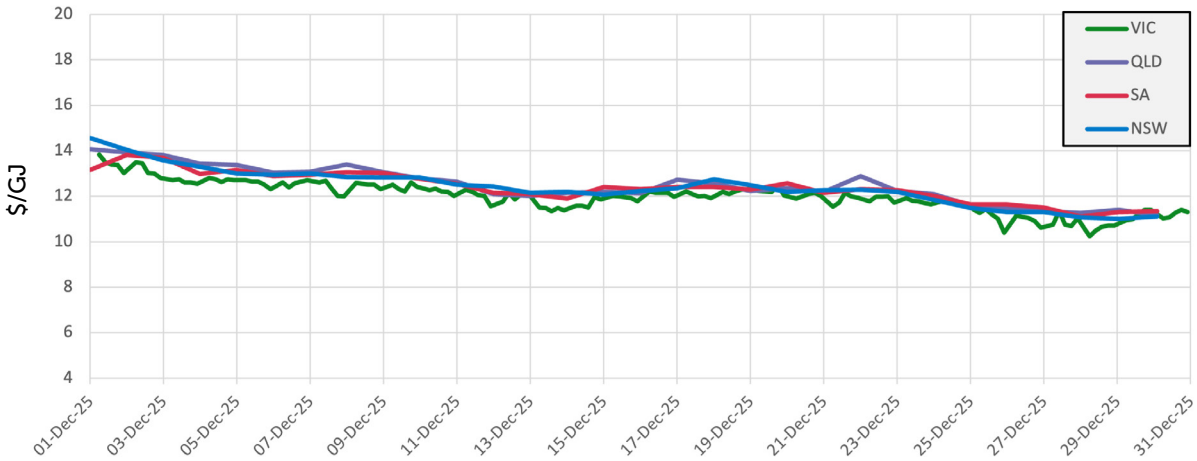


Graph note: The price analysis divides the average spot electricity price into two components:

- 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.

- December 2025 recorded average demand of 20.2 GW, similar to the previous month. However, maximum demand increased by 15% to 32.6 GW, mainly driven by higher cooling needs. Year-on-year, both average demand and maximum demand were lower than December 2024, down 1.7% and 4.3% respectively.
- December 2025 saw continued price divergence, with NSW recording the highest average price at $71.36/MWh, followed by QLD at $54.38/MWh. Southern states experienced significantly lower prices, with VIC averaging $27.51/MWh and SA at $27.92/MWh. Compared to last year, prices were approximately half across all regions, reflecting reduced underlying prices and less volatility events.
- Total wind output was 2,625 GWh, down 9% from November but up 26% compared to last year. Solar continued its seasonal uptrend, with total National Energy Market (NEM) output reaching 2,087 GWh, up 15% month-on-month and 22% year-on-year.

December average gas spot prices



- Average gas prices declined across both markets. The Short Term Trading Market (STTM) fell by $0.69/GJ (-5%) to $12.39/GJ, while the Declared Wholesale Gas Market (DWGM) decreased by $0.21/GJ (-2%) to $11.95/GJ. Prices eased in line with lower gas heating requirements during the summer season, with gas-powered generation (GPG) demand also subdued due to a relatively mild start to summer and reduced industrial activity over the holiday period. The monthly maximum price was $14.55/GJ in the Sydney STTM, while the minimum was $10.25/GJ in the DWGM. Compared with the same period last year, prices were around 15% lower, driven by significantly reduced GPG utilisation amid very low NEM price volatility.
- Demand: Gas demand across the DWGM and STTM continued to decline during the summer month, falling by 2.79 PJ (-14%) to a total of 16.6 PJ.
- GPG usage: Gas-powered generation increased modestly by 0.47 PJ (+11%) to 4.8 PJ, providing support to the NEM during periods of major coal outages.
- LNG exports: LNG export volumes from Curtis Island pushed further into peak levels, reaching 130 PJ for the month, with an average daily export rate of 4.2 PJ/day.
- Storage: Iona gas storage increased slightly by 694TJ, ending the month at 13.5 PJ (55% full). Refill rates were moderated to support gas system requirements during Longford Gas Plant outages.
- Production: The Longford Gas Plant successfully completed its Turrum Phase 3 development outages, with daily capacity reduced to as low as 200 TJ/d for much of the first half of December. As a result, monthly average capacity declined by 172 TJ/d (-29%) to 422 TJ/d. The plant operated at an average utilisation rate of 80%, equivalent to 339 TJ/d.

Futures electricity market summary

The summer quarter of Q1-26 will be the next pivotal point in the market, and in December 2025 the risks were ignored with Q1-26, Cal-26 and Cal-27 continuing to be heavily sold down. Historically, Q1 has been the highest priced quarter but the high baseload supply, strong renewable penetration (solar) coupled with batteries, has diminished the perceived volatility risk, and that momentum continues to flow through the forward curve.

The Q1-26 contracts have been very heavily sold off in all states, but QLD has been the sharpest, falling $40/MWh (30%) from a high of $129.10/MWh on 24 October to $89.10/MWh at the end of Cal-26. The QLD cap has fallen $24.25/MWh (55%) to finish at $19.85. The NSW Swap contract peaked on 13 October 2025 at $121.75 and finished at $100.60/MWh, a fall of 17%. VIC and SA held up for longer but have not been immune to the sell-off. VIC swap peaked at $77.75/MWh in late October and finished at $64.50/MWh, a decline of $13.25/MWh (17%). The VIC decline has been less driven by a lack of Q1-26 volatility and more by the very bearish energy prices. The December 2025 average spot price was only $27.49/MWh, and the Q1-26 underlying energy has sold off $7.05/MWh on the back of this.

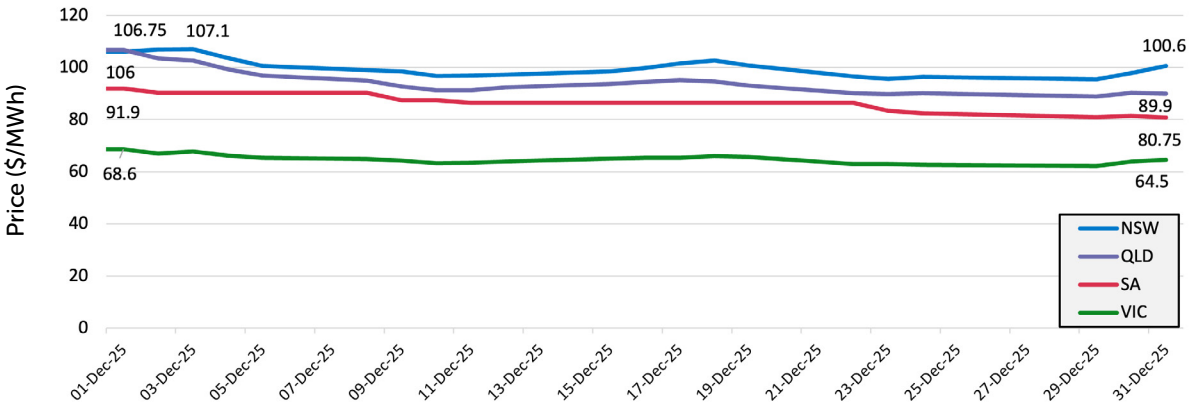
The Q1 outcome often sets the tone for the remainder of the calendar year, and the bearish Q1-26 outlook has pushed right through Cal-26 and Cal-27 for all states, with NSW and QLD being the hardest hit, falling more than 5.5% and finishing the quarter at $104.1/MWh and $86/MWh, respectively. These lows for NSW and QLD have not been seen since Q2-2024. VIC and, to a lesser extent, SA have continued to be resilient, which is more to do with the expectation or at least the unknown outcome, for winter 2026, where there is a stronger reliance on base supply when renewables and batteries are less effective against sustained demand. The Cal-26 and Cal-27 VIC contracts declined by less than $1.50/MWh and are still trading close to $75/MWh.

The closure of Yallourn Power Station in mid-2028 has seen the spread between FY28 and FY29 increase from $1.35/MWh, on 1 July 2025, to finish Cal-26 at $8/MWh. This increase is due to the perception that the cheap brown coal base load energy will require more expensive gas to fill the energy shortfall, as renewables, utility batteries and interconnectors will likely be insufficient when Yallourn Power Station first comes out.

Q1-26 Swap Contracts			
Region	Peak	End of Dec	Change
NSW	$107.1/MWh	$100.6/MWh	▼$5.4
QLD	$106.8/MWh	$89.9/MWh	▼$16.9
VIC	$68.6/MWh	$64.5MWh	▼$4.1
SA	$91.9/MWh	$80.8/MWh	▼$11.2

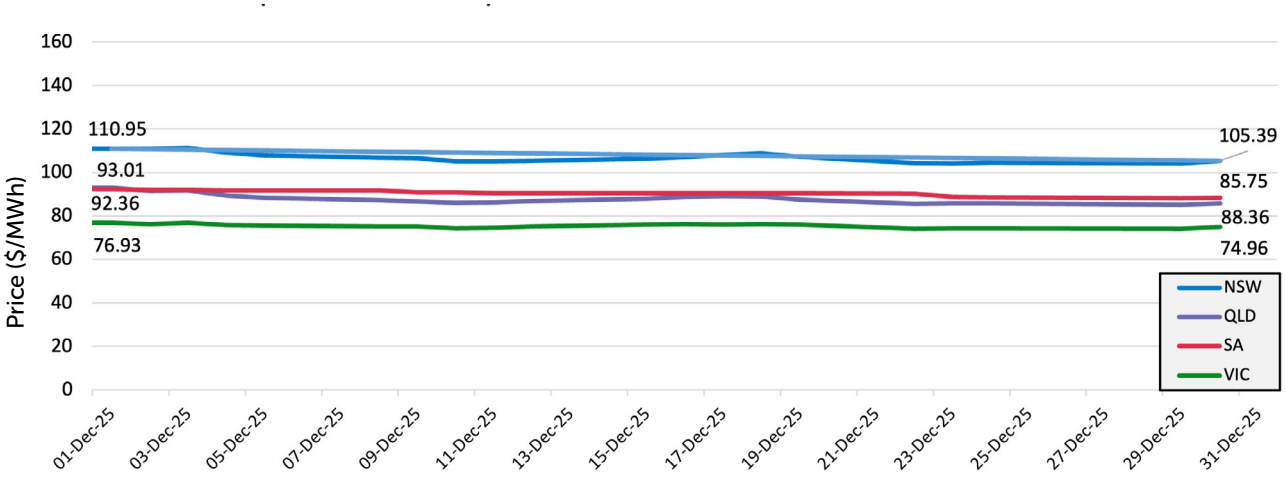
Cal-26 Swap Contracts			
Region	Peak	End of Dec	Change
NSW	$111.3/MWh	$106.3/MWh	▼$4.6
QLD	$93.0/MWh	$85.9/MWh	▼$7.1
VIC	$76.9/MWh	$75.5/MWh	▼$1.4
SA	$92.4/MWh	$88.2/MWh	▼$4.2

Q1-26 Swap



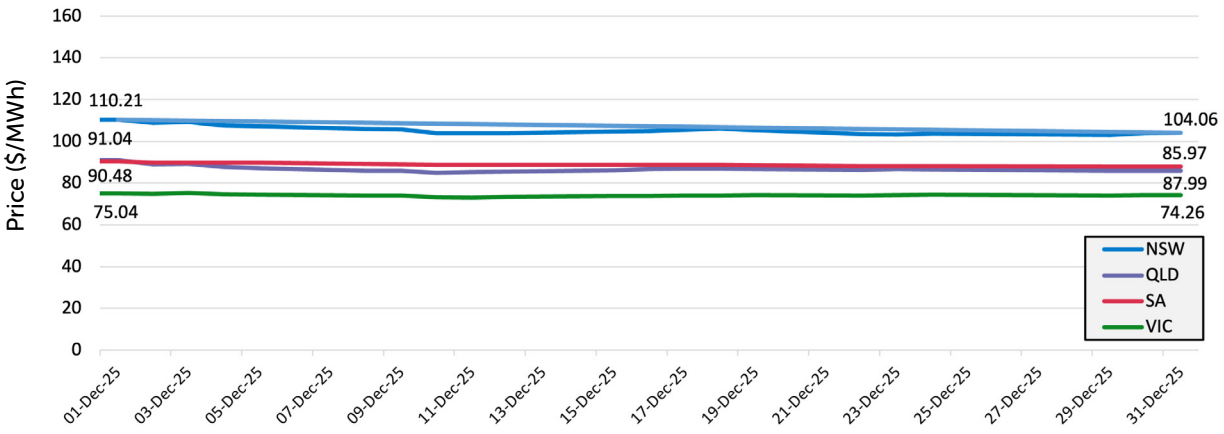
CAL26 Q1 Swap ($/MWh)						
Region	Max trade price	Average close price	Opening Price (1 December 2025)	Last trade day (31 December 2025)	Variance (last minus first) $/MWh	Variance %
NSW	107.1	107.0	106.0	100.6	(5.4)	-5.1%
QLD	106.8	91.4	106.8	89.9	(16.9)	-15.8%
VIC	68.6	52.8	68.6	64.5	(4.1)	-6.0%
SA	91.9	60.3	91.9	80.8	(11.2)	-12.1%

CAL26 FWD SWAP (December 2025)



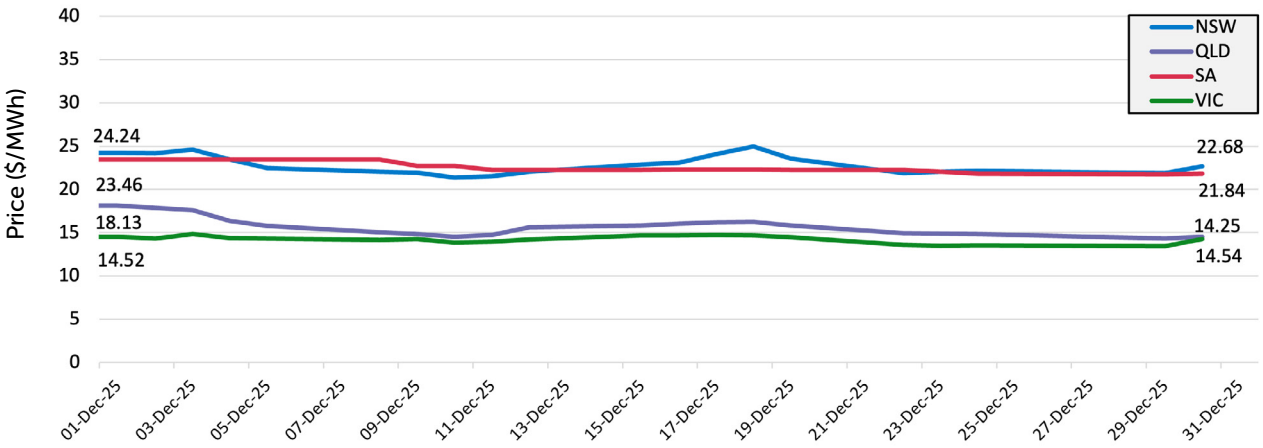
CAL26 swap curve ($/MWh)						
Region	Max trade price	Average close price	Opening Price (1 December 2025)	Last trade day (31 December 2025)	Variance (last minus first) $/MWh	Variance %
NSW	111.3	107.2	111.0	106.3	-4.6	-4.2%
QLD	93.0	88.2	93.0	85.9	-7.1	-7.7%
VIC	76.9	75.5	76.9	75.5	-1.4	-1.8%
SA	92.4	90.7	92.4	88.2	-4.2	-4.5%

CAL27 FWD SWAP (December 2025)



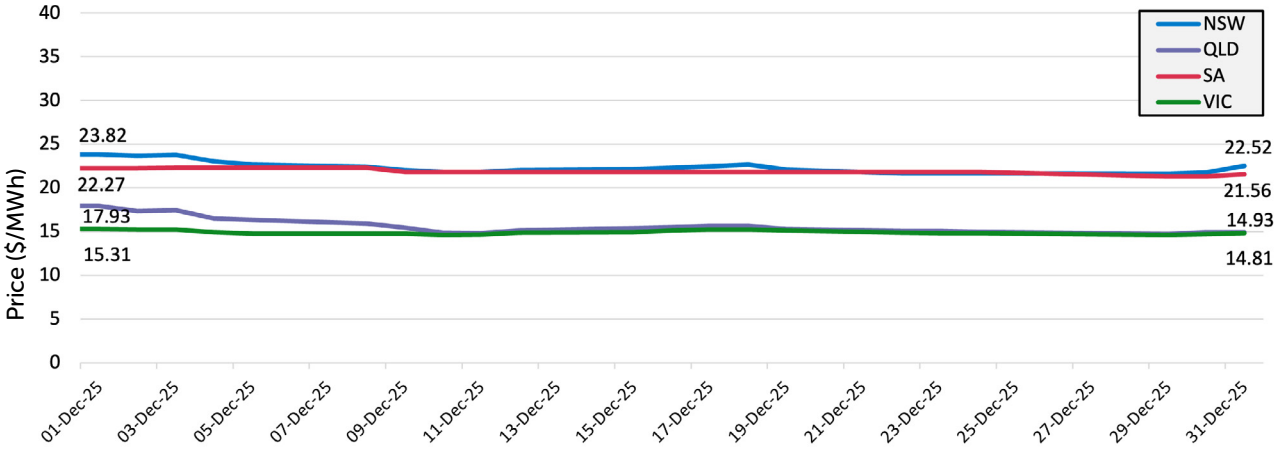
CAL27 swap curve ($/MWh)						
Region	Max trade price	Average close price	Opening Price (1 December 2025)	Last trade day (31 December 2025)	Variance (last minus first) $/MWh	Variance %
NSW	110.2	105.7	110.2	104.1	-6.1	-5.6%
QLD	91.0	87.0	91.0	86.0	-5.1	-5.6%
VIC	75.2	74.2	75.0	74.3	-0.8	-1.0%
SA	90.5	89.0	90.5	88.0	-2.5	-2.8%

CAL26 FWD CAP (December 2025)



CAL26 cap curve ($/MWh)						
Region	Max trade price	Average close price	Opening Price (1 December 2025)	Last trade day (31 December 2025)	Variance (last minus first) $/MWh	Variance %
NSW	25.0	22.9	24.2	23.6	-1.0	-4.1%
QLD	18.1	15.8	18.1	14.6	-3.5	-19.2%
VIC	14.8	14.2	14.5	14.6	0.1	0.4%
SA	23.5	22.6	23.5	21.8	-1.6	-6.9%

CAL27 FWD CAP (December 2025)



CAL27 cap curve ($/MWh)						
Region	Max trade price	Average close price	Opening Price (1 December 2025)	Last trade day (31 December 2025)	Variance (last minus first) $/MWh	Variance %
NSW	23.8	22.4	23.8	22.5	-1.3	-5.5%
QLD	17.9	15.8	17.9	14.9	-3.0	-16.7%
VIC	15.3	15.0	15.3	14.8	-0.5	-3.3%
SA	22.3	21.9	22.3	21.6	-0.7	-3.2%

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