

Business and Commercial

Wholesale market update

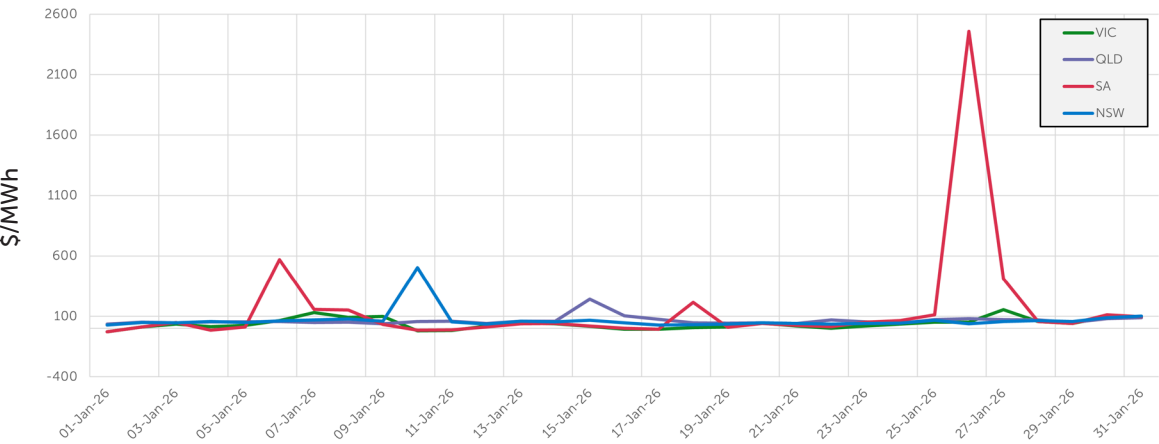
January 2026



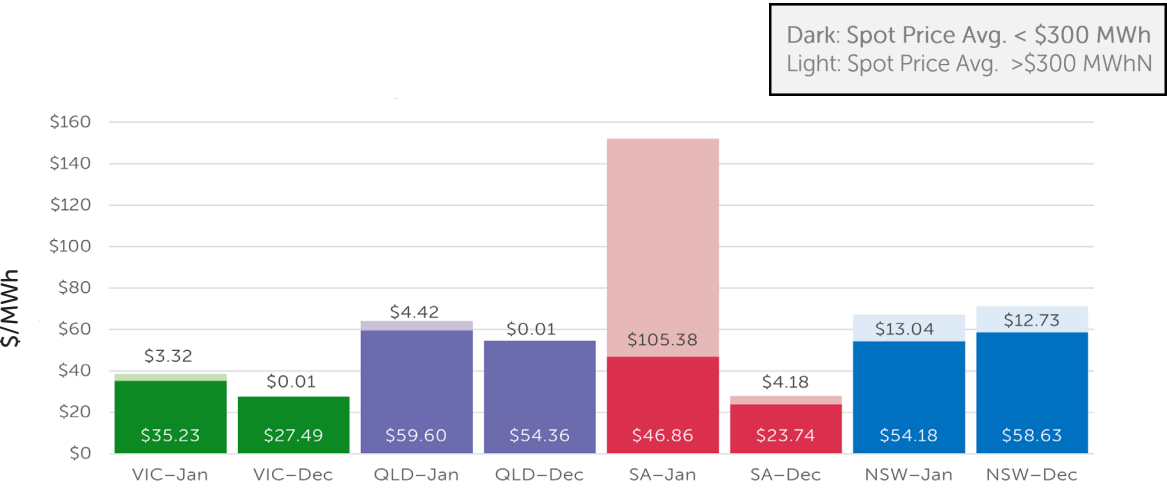
EnergyAustralia
LIGHT THE WAY

Physical (spot) market summary

January average daily electricity spot prices



Average monthly electricity spot prices (\$/MWh)

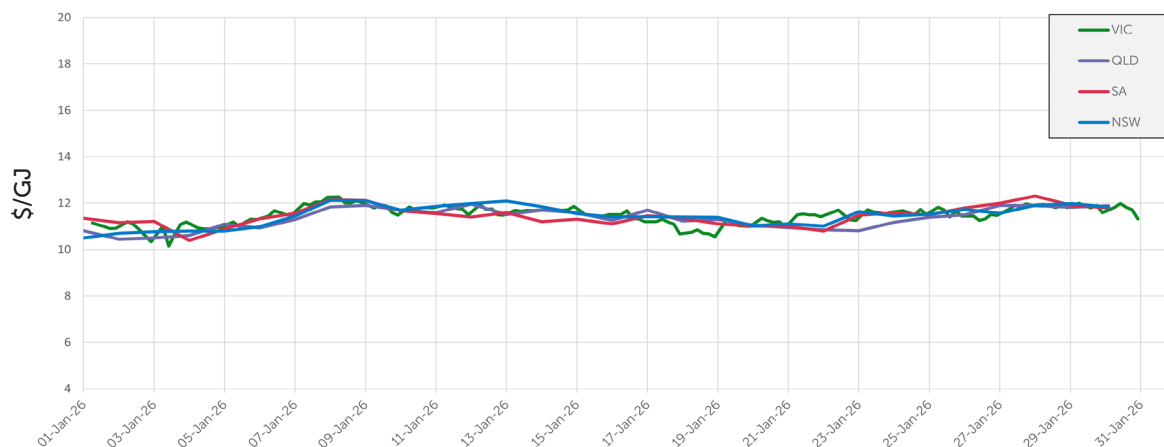


Graph note: The price analysis divides the average spot electricity price into two components:

- 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 spot prices were mostly higher except in NSW, however remained lower than in January 2025. The increase from December 2025 was driven by hot weather, while the decline relative to the same period in 2024 reflects substantial growth in PV and battery capacity.
- Both average and maximum demand increased significantly compared with December 2025 due to hotter conditions. However, demand remained on the lower side relative to historical January levels, driven by continued PV growth.
- Both wind and solar output increased, with solar generation reaching a new all-time high, in line with seasonal patterns.
- SA experienced its hottest night on record on 26 Jan (min temp > 34°C), driving persistent price volatility. The heatwave continued into the following day, with both SA and VIC recording temp > 43°C on 27 January. This resulted in further volatility, and VIC reached a new demand record of 10.8 GW.

January average gas spot prices



- **Prices:** Average gas prices declined across both markets. The Short Term Trading Market (STTM) prices fell by \$0.98/GJ (-8%) to \$11.41/GJ, while Declared Wholesale Gas Market (DWGM) prices decreased by \$0.48/GJ (-4%) to \$11.47/GJ. The easing in prices reflected lower gas heating demand during the summer period and reduced industrial activity over the holiday season. The monthly maximum price was \$12.31/GJ in the Adelaide STTM, while the minimum was \$10.15/GJ in the DWGM. Compared with the same period last year, prices were approximately 14% lower, driven by significantly reduced gas-powered generation (GPG) utilisation amid very low National Energy Market (NEM) price volatility.
- **Demand:** Total gas demand across the DWGM and STTM continued to decline over the summer month, falling by 1.72 PJ (-10%) to 14.9 PJ.
- **Gas-powered generation (GPG):** GPG usage decreased by 0.5 PJ (-11%) to 4.3 PJ, reflecting lower requirements, with most baseload plants returning from planned outages.
- **LNG exports:** LNG export volumes from Curtis Island declined by 1.77 PJ to 128.4 PJ for the month. The average daily export rate was 4.1 PJ/day.
- **Storage:** Iona gas storage recorded strong refilling activity, lifting storage balances by 3.5 PJ. End-of-month inventory stood at 16.85 PJ (69% full), with an average daily refill rate of 114 TJ/day.
- **Production:** The Longford Gas Plant's monthly average capacity increased by 111 TJ/day (+26%) to 533 TJ/day following the December 2025 outage. The plant operated at an average utilisation rate of 71%, equivalent to 377 TJ/day.

Futures electricity market summary

January saw soft spot outcomes continue to weigh on the forward curve, with FY27 contracts falling by around \$7 across NSW, QLD and VIC in the first two weeks of the year. Unsurprisingly the current quarter was hit even harder, selling off to better align with the reality of prices in the spot market.

A brief bout of NSW volatility mid-month, driven by a hot day with low wind, did give the forward market pause. However, this proved insufficient to offset the impact of record-breaking renewable output, which continued to suppress intraday and overnight spot prices. Notably, the Q1 swap remains at a premium to the Quarter-to-Date (QTD) average, reflecting market awareness that above-average thermal baseload availability has persisted and that the system remains exposed to heat-driven risk through February and March a risk that has already begun to emerge in early February.

VIC was also impacted by extreme heat, with temperatures exceeding 40°C and demand setting new records. However, strong interconnector availability and elevated renewable output limited price escalation, leaving outcomes well below what would have been expected under comparable conditions just a few years ago. Understandably the market has taken a distinctly bearish view on volatility in VIC with Q1 cap prices now at ~\$6.50 implying only ~35 additional minutes of Market Price CAP (MPC) for the remainder of the quarter.

SA walked a slightly different path. A run of record-breaking extreme heat at the back end of the month drove significant dispatch from the local gas-powered generation fleet and multiple hours of Market Price Cap (MPC). As a result, Q1 cap prices effectively doubled following the extreme price outcomes over the long weekend. Some of this strength flowed through to underlying and longer-dated contracts, which have declined, but by nowhere near the extent seen across the rest of the NEM.

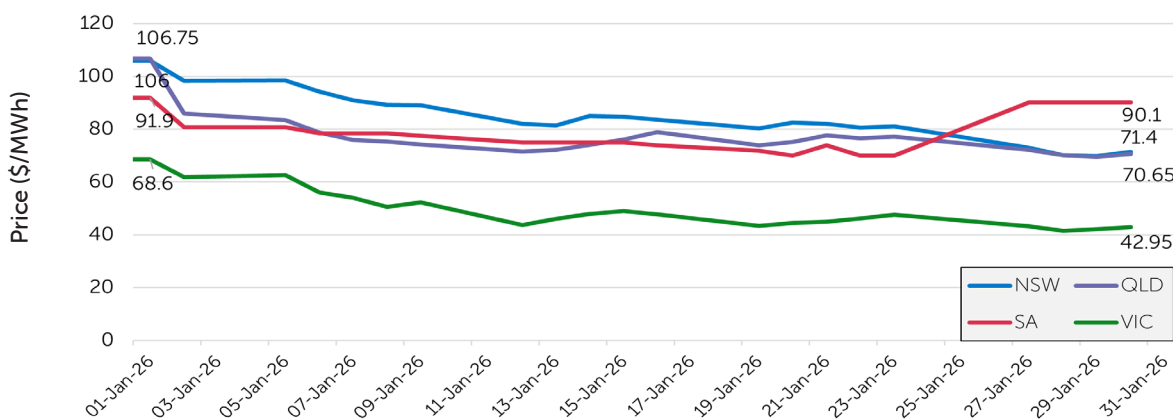
Q1-26 Swap Contracts

Region	Peak	End of Jan	Change
NSW	\$98.5 /MWh	\$71.4 /MWh	▼ \$27.1
QLD	\$86.0 /MWh	\$70.7 /MWh	▼ \$15.3
VIC	\$62.6 /MWh	\$43.0 /MWh	▼ \$19.7
SA	\$90.1 /MWh	\$90.1 /MWh	▼ \$0.0

FY27 Swap Contracts

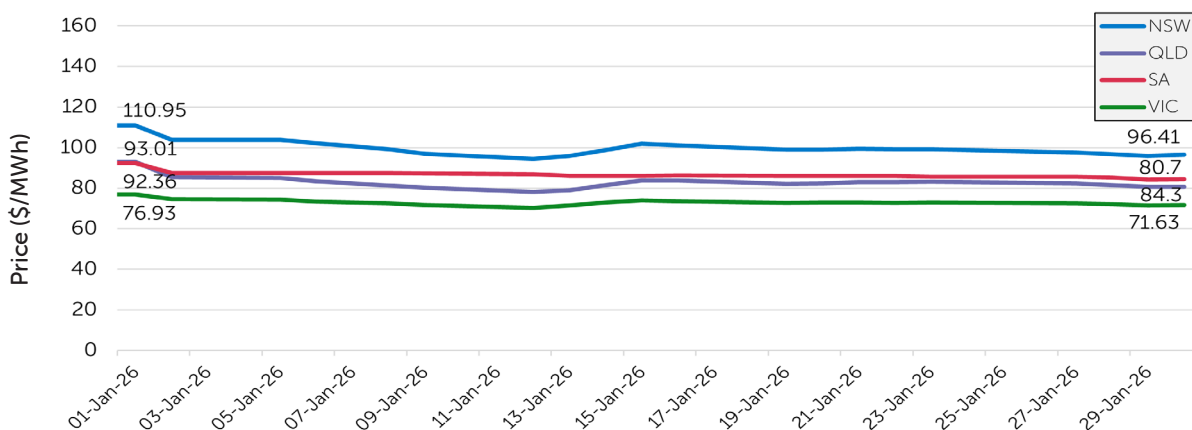
Region	Peak	End of Jan	Change
NSW	\$103.9 /MWh	\$96.4 /MWh	▼ \$7.5
QLD	\$85.5 /MWh	\$80.7 /MWh	▼ \$4.8
VIC	\$74.6 /MWh	\$71.6 /MWh	▼ \$3.0
SA	\$87.6 /MWh	\$84.3 /MWh	▼ \$3.3

Q1-26 Swap



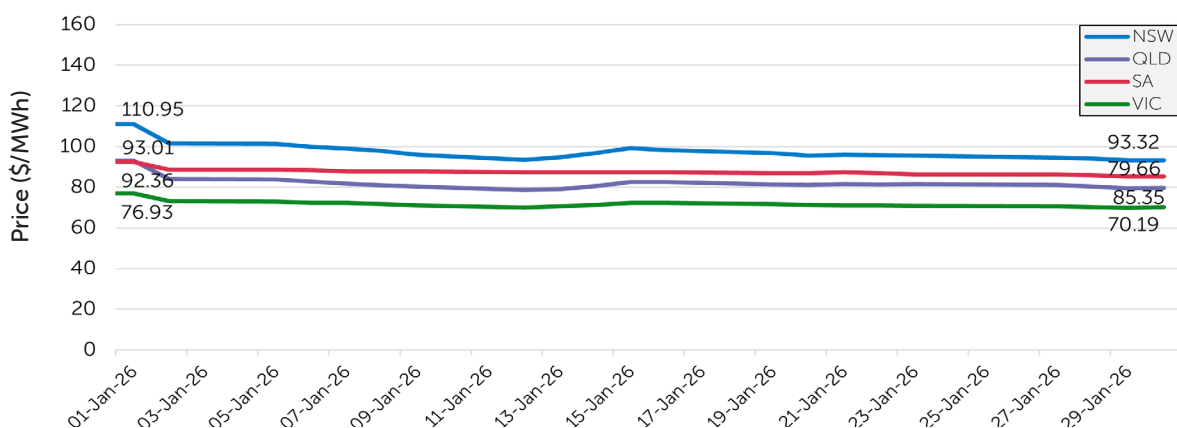
FY26 Q1 Swap						
Region	Max trade price	Average trade price	Opening Price (1 January 2026)	Last trade day (30 January 2026)	Variance (last minus open) \$/MWh	Variance %
NSW	98.5	83.4	106.0	71.4	(34.6)	-32.6%
QLD	86.0	75.4	106.8	70.7	(36.1)	-33.8%
VIC	62.6	78.2	68.6	43.0	(25.7)	-37.4%
SA	90.1	48.4	91.9	90.1	(1.8)	-2.0%

FY27 Swap curves (January 2026)



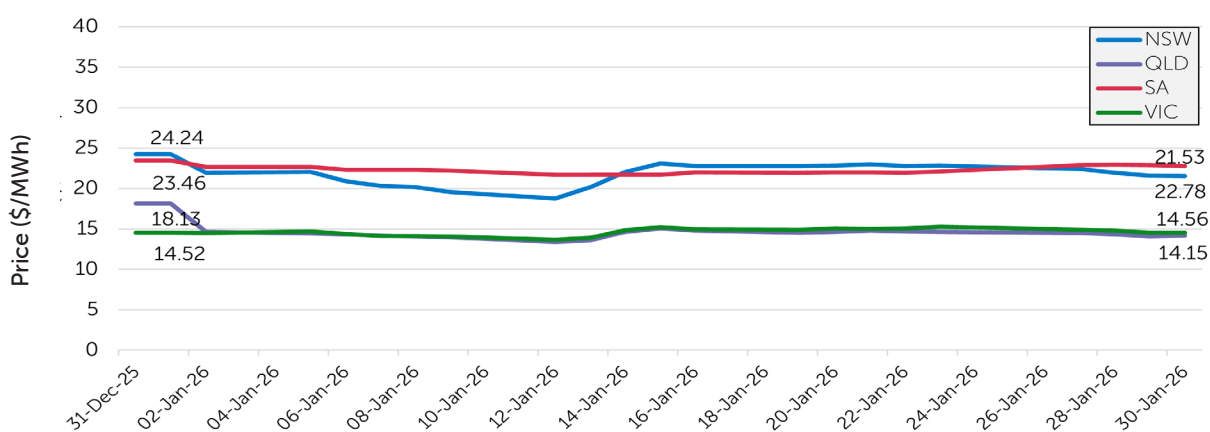
FY27 swap curve (\$/MWh)						
Region	Max trade price	Average trade price	Opening Price (1 January 2026)	Last trade day (29 January 2026)	Variance (last minus open) \$/MWh	Variance %
NSW	111.0	99.0	111.0	96.4	-14.5	-13.1%
QLD	93.0	82.1	93.0	80.7	-12.3	-13.2%
VIC	76.9	72.7	76.9	71.6	-5.3	-6.9%
SA	92.4	86.3	92.4	84.3	-8.1	-8.7%

FY28 Swap curves (January 2026)



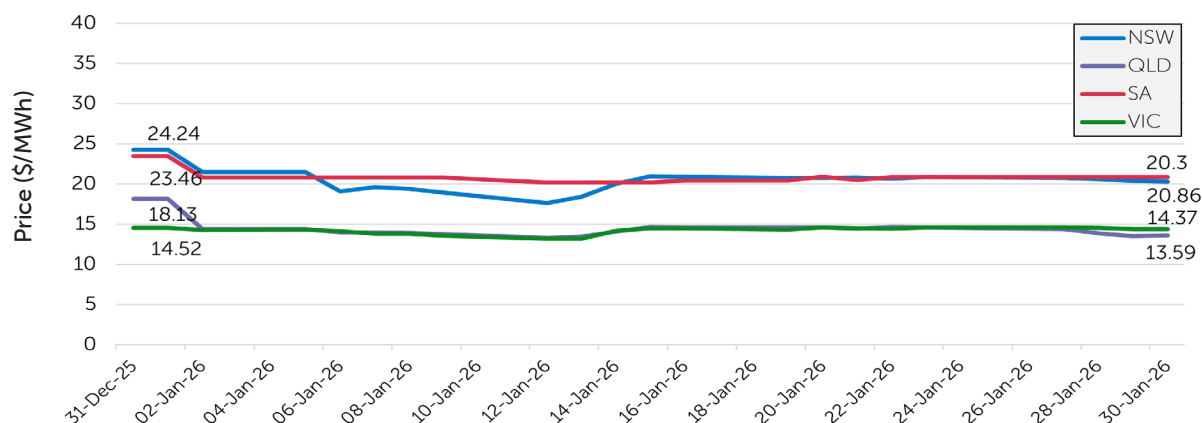
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Region	Max trade price	Average trade price	Opening Price (1 January 2026)	Last trade day (29 January 2026)	Variance (last minus open) \$/MWh	Variance %
NSW	111.0	96.6	111.0	93.3	-17.6	-15.9%
QLD	93.0	81.2	93.0	79.7	-13.4	-14.4%
VIC	76.9	71.4	76.9	70.2	-6.7	-8.8%
SA	92.4	87.2	92.4	85.4	-7.0	-7.6%

FY27 FWD CAP (January 2026)



FY27 Cap curve (\$/MWh)						
Region	Max trade price	Average trade price	Opening Price (1 January 2026)	Last trade day (29 January 2026)	Variance (last minus open) \$/MWh	Variance %
NSW	24.2	21.7	24.2	21.5	-3.0	-12.4%
QLD	18.1	14.4	18.1	14.2	-4.0	-22.0%
VIC	15.3	14.6	14.5	14.6	0.0	0.3%
SA	23.5	22.2	23.5	22.8	-0.7	-2.9%

FY28 FWD CAP (January 2026)



FY28 Cap curve (\$/MWh)						
Region	Max trade price	Average trade price	Opening Price (1 January 2026)	Last trade day (29 January 2026)	Variance (last minus open) \$/MWh	Variance %
NSW	24.2	20.2	24.2	20.3	-4.0	-16.5%
QLD	18.1	14.1	18.1	13.6	-4.5	-25.0%
VIC	14.6	14.2	14.5	14.4	-0.2	-1.0%
SA	23.5	20.6	23.5	20.9	-2.6	-11.1%

South Australia REPS update

The Minister for Energy and Mining announced changes to South Australia's Retailer Energy Productivity Scheme (REPS) for 2026–2030, which were detailed in a Gazette notice issued on 24 December 2025 and again on 12 February 2026.

Because the final structure and targets for the scheme have not yet been confirmed, we did not apply SA REPS charges to large customers on their January 2026 bills. We will review whether any charges need to be passed through in future billing cycles.

We expect further clarity in the coming weeks and will update customers once details are finalised.

More information: Visit the [Essential Services Commission of South Australia](#) website.

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