Commercial & Industrial

Wholesale market update

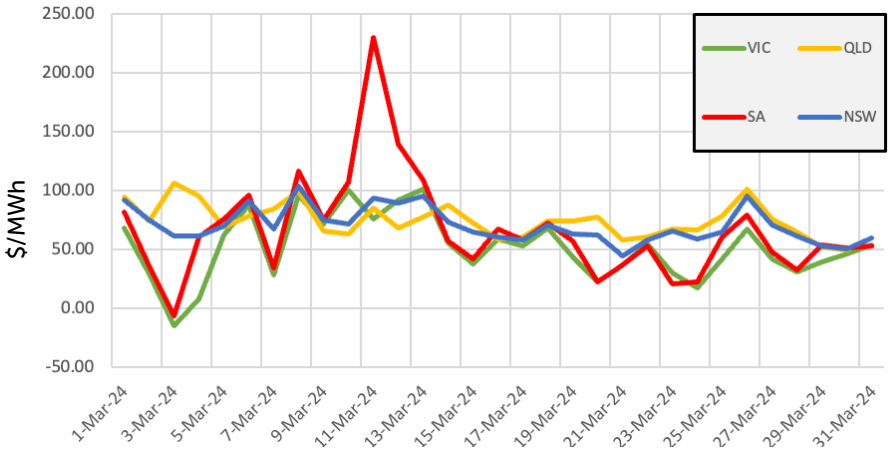
March 2024

EnergyAustralia

LIGHT THE WAY

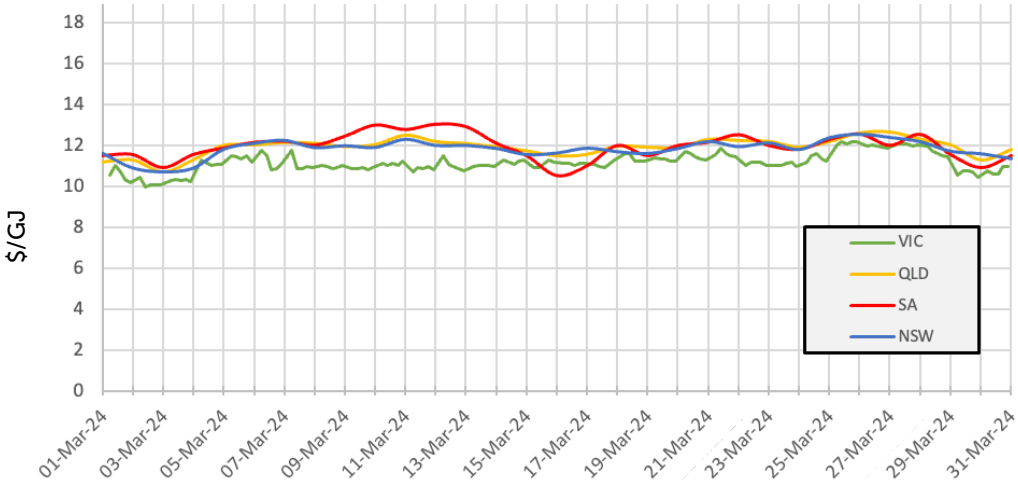
Physical (spot) market summary

March average electricity spot prices



- Average spot prices were down 20%–40% across all states (except SA which stayed relatively flat) compared to the same time last year and last month. Price separation between the north and south regions has eased significantly.
- 11 March saw the fourth highest March coincident National Energy Market (NEM) demand in the last two decades at 30,809 MW, primarily driven by hot weather in SA coinciding with solar/PV ramping down in Vic.
- On 6 March, the second Moorabool Sydenham 500kv line was reinstated via temporary towers (the first line came back late February), following the severe weather on 13 February that damaged both lines and six towers.
- The Callide C3 unit finally returned to service on 1 April, 518 days after a structural failure damaged part of the cooling tower in October 2022.

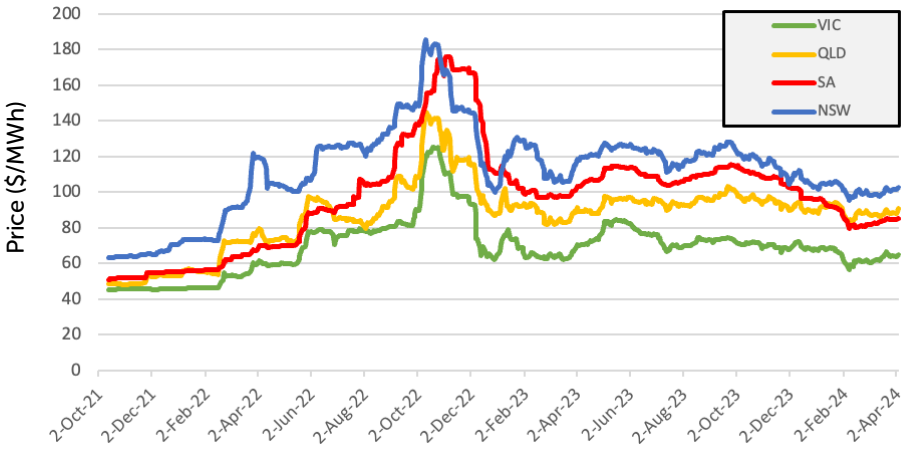
March average gas spot prices



- The average gas price for March 2024 did not move significantly from where it was in February 2024. The Short Term Trading Market (STTM) price traded at an average of $11.90/GJ while the Declared Wholesale Gas Market (DWGM) traded at an average of $11.16/GJ. This result is not surprising given there was a lot of supply available, especially from the Longford Plant and main gas storages which offset the 14% increase in gas demand. There was also a reduction of 15% in the gas fired power generation (GPG) usage, which further dampened prices.
- On 5 March, Australian Energy Market Operator (AEMO) directed large industrial gas users to cease or minimize gas use to match available supply following an incident in the Queensland Gas Pipeline (QGP) – where a rupture in the pipe caused a fire explosion. By mid-March, QGP was able to ramp up and operate to around 72% of its normal capacity.
- Maintenance on the SEA Gas pipeline interrupted flows from Iona Gas Storage Facility from 5–16 March. This resulted in the gas requirement in Adelaide and GPG usage to be solely served via the Moomba to Adelaide (MAP) pipeline. This caused a short and mild squeeze of gas prices in Adelaide to reach a max of $13/GJ for a short period.
- Iona and Newcastle Gas storages continue to refill for March 2024 and ended the month with a balance of 23 PJ (94%) and 1.25 PJ (80%) respectively.

Futures electricity market summary

2025 CAL FWD SWAP



- Despite warm temperatures and continued strong demand, the Qld Q1-24 trended lower as threats of volatility failed to materialise. Qld Q1-24 closed at $118.40 which is the lowest level since 22 February. Qld finished Q1-24 $29/MWh higher than NSW. Almost 50% of that difference was due to the higher volatility in Qld where 27% of quarter average ($32.20) was in the cap whereas NSW prices >$300/MWh contributed 20% ($16.60).
- Without the significant Victorian weather event on 13 February, the outcome for Vic and SA would have been considerably lower. The one-day event added $15.40/MWh into the Victorian price, or 30% of the overall price.

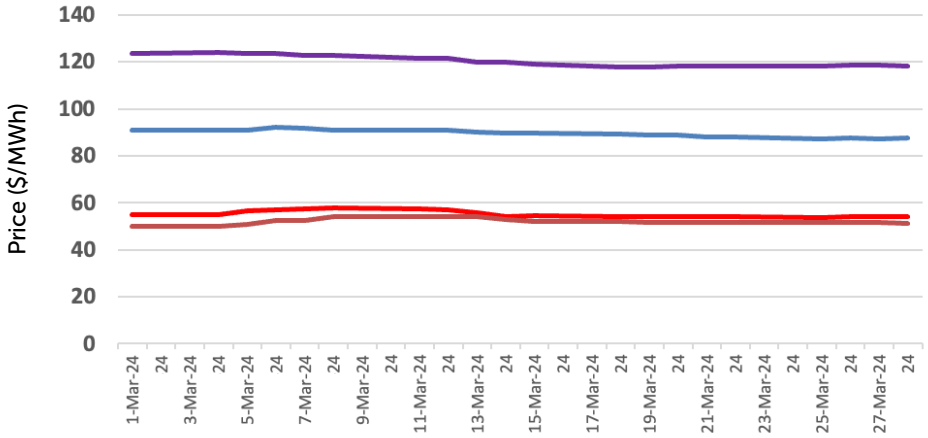
Q1-24 Contract traded 1 – 28 March

Region	Max	Average	1-Mar-24	28-Mar-24	Variance $/MWh	Variance %
NSW	92.1	89.6	91.0	89.6	(1.4)	(1.5%)
QLD	124	120.4	123.8	118.4	(5.3)	(4.3%)
Vic	58	52.0	50.0	51.3	1.3	2.6
SA	54	55.2	55.0	54.3	(0.8)	(1.4%)

Q1-24 – Underlying energy & volatility component

Region	Energy <300 MWh	Cap> 300 MWh	Total	% Unerlying	% Volatility
NSW	70.7	16.6	87.2	81%	19%
QLD	85.8	32.2	118.1	73%	27%
Vic	36.3	15.4	51.7	70%	30%
SA	43.9	11.2	55.1	80%	20%

Q1-24 Swap price by region (March 24)



- The FY-25 curve in all states drifted higher in March 2024, albeit rising from very low base levels in early February 2024 which hasn't been seen since May 2022, prior to the extreme sustained winter 2022 price outcomes.

FY-25						
Region	Max	Average	1-Mar-24	28-Mar-24	Variance $/MWh	Variance %
NSW	100	97	95.7	98.8	3.1	3.3%
QLD	88	88	88.0	88.6	0.6	0.7%
Vic	67	62	60.6	63.9	3.2	5.3%
SA	85	83	81.6	84.7	3.0	3.7%

Interested to know more about RRO events and the opt-in process for large energy users?

The Retailer Reliability Obligation (RRO) is a requirement administered by the Australian Energy Regulator (AER) to ensure energy retailers and large customers maintain sufficient energy resources to support the reliability of the energy system during peak demand periods. The RRO promotes stable and secure energy supply by mandating that participating retailers and large customers plan and secure necessary resources well in advance to meet forecasted reliability gaps.

The Australian Energy Market Operator (AEMO) has recently shared details on how large energy users who consume over 50 GWh per annum, or have a demand of 30 MW and above, can opt in to manage their own obligations. For more information on the process and requirements you can refer to the **AER's fact sheet.** More information on the open obligations in NSW, Vic and SA can be found on the **AER website.**

EnergyAustralia opens Tallawarra B gas-fired power station

On 19 February, EnergyAustralia launched the $300 million Tallawarra B gas-fired power station, a substantial addition to the NSW electricity system. This state-of-the-art 320 MW fast-start facility enhances system reliability and flexibility, particularly as renewable energy sources expand and coal-fired power stations phase out. Complementing EnergyAustralia's existing Tallawarra A gas-fired power station, Tallawarra B strengthens our capacity to provide flexible and dependable energy, playing a crucial role in meeting demand during peak periods and bridging the gap during low solar and wind generation.

Read more on our website.

Discover our innovative Lake Lyell Pumped Hydro project

Curious to learn more about EnergyAustralia's Lake Lyell Pumped Hydro Project and its role in the energy transition? Take a look at our aimated video, which demonstrates the vision and technology behind this exciting project.

Watch the video on YouTube.

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