

Commercial & Industrial

Wholesale market update

March 2023



EnergyAustralia
LIGHT THE WAY

Introduction

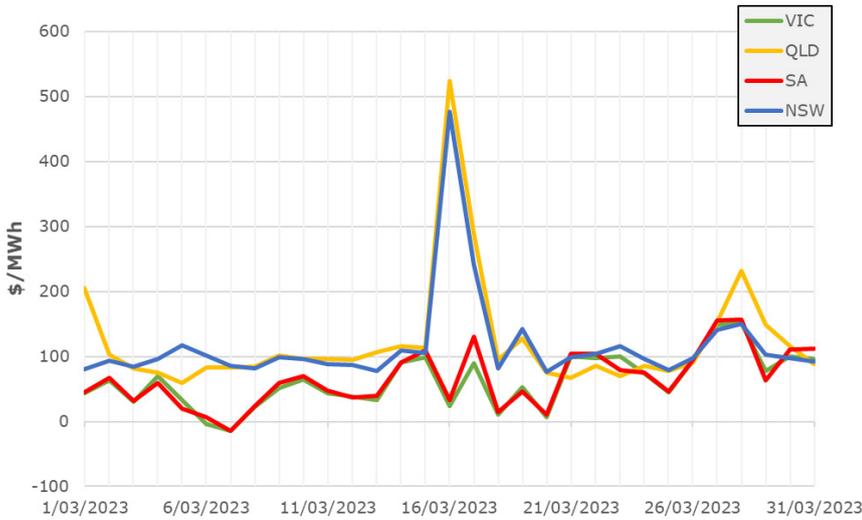
Welcome once again to our regular EnergyAustralia Commercial & Industrial wholesale market update. If you're receiving this for the first time, we trust that you will find it both informative and useful.

The purpose of these reports is to help keep you up to date with the latest energy wholesale market trends and other topical and timely organisation or sector initiatives or activities.

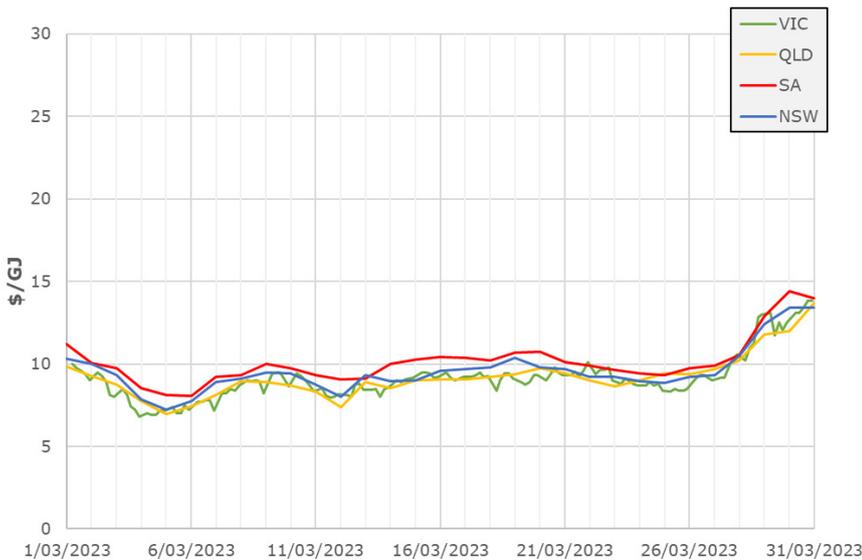
If you'd like to share your views, feedback or questions about anything featured in this report, please don't hesitate to speak with your Account Manager or get in touch with us [here](#).

Physical market summary

March average electricity spot prices



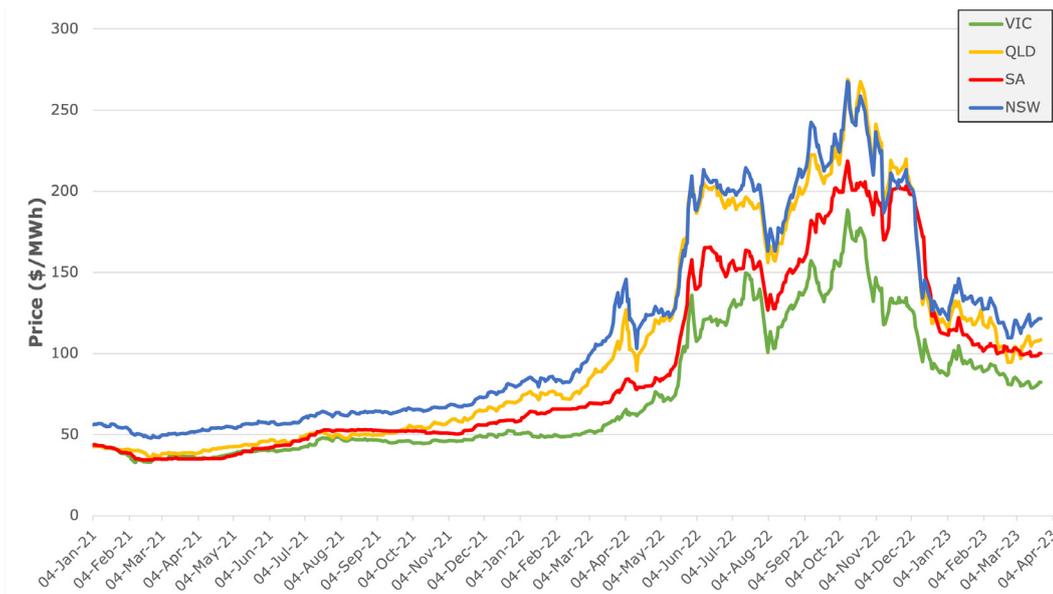
March average gas spot prices



- Strong wholesale electricity market outcomes were seen in NSW and QLD averaging \$116 / MWh and \$123 / MWh respectively. In a similar theme to previous months significantly above VIC and SA ~ low \$60's/ MWh
- A key driver of these prices was a spate of hot weather in the northern states driving strong demands in both regions
- NSW and QLD both recorded record demands for electricity during March. On March 6 NSW generated above 13 GW for the first time whilst QLD achieved 10.1 GW on March 17. Additionally, the combined NSW/QLD demand on March 16 was a massive 21.9 GW
- In combination with a few outages across the states, including a Bayswater unit and a Vales Point unit, this contributed to approximately 40 minutes of volatility on March 16 in NSW and close to 1 hour total for the month
- Following on from the backend of February, the unplanned Queensland Curtis Liquefied Natural Gas (QCLNG) train outage extended until late in March. As a consequence, there was approximately 600 – 800 TJ of gas not being exported which freed up supply for the southern states and resulted in limited volumes having to flow to the northern states. Ultimately this played a key factor in wholesale gas prices across all markets in the \$8-10 / GJ range until the last couple of days of the month

Futures electricity market summary

2023 CAL FWD SWAP



- Electricity futures prices have been extremely volatile throughout March with a number of up and down movements due to:
 - NSW Labor announcement that they are considering buying Eraring Power Station to keep it running beyond 2025
 - Brookfield made a binding agreement to buy Origin Energy, and have stated they are open to keeping Eraring Power Station open for a longer period of time
 - Callide C coal units have stated up to a 6-month delay in their outages bringing return to service to Q4 2023
 - Part owners of Callide C have gone into voluntary administration raising uncertainty if they will be able to honour their contracts
 - Spot market outcomes have firmed up signalling the demand/supply balance is still quite tight, noting this is ahead of Liddell Power Station closing
- CAL24 contracts still see NSW as highest (\$132/MWh), with VIC as lowest (\$85/MWh)
- Liddell Power Station is scheduled to shut down completely by the end of April, with no indication if this were to be delayed at all
- Looking ahead to winter, with Liddell Power Station out and supply already restricted, the market across Q2/Q3 in NSW and QLD has shot up between \$30/MWh and \$50/MWh
- The coal and gas price caps did reduce forward prices as soon as they were announced, but we are now seeing forward prices rise and they are getting close to their pre-price cap levels
- Cap prices in NSW and QLD have seen large jumps, especially with QLD Q2 and Q3 caps doubling price through March. The market is expecting to see a greater amount of spot prices above \$300/MWh
- Callide C part owners going into voluntary administration has resulted in markets offsetting their positions with NSW and QLD contracts to protect against counterparties defaulting on their contracts
- As indicated above, looking ahead to later year contracts, the market is particularly focused on Eraring Power Station and whether the closure date will be delayed. Brookfield, who are in a binding agreement to purchase Origin Energy have not ruled out shutting Eraring Power Station down on time, which would align to their vision of a renewables future but have also indicated they are open to keeping it running if it were to guarantee market stability and security.

Q1 wholesale market update webinar

In early April, Vaughan Furniss, Head Commercial & Industrial hosted a webinar for our Commercial & Industrial customers. In this session we met some new members of our trading teams, heard about the Q2 planned plant outages and received an update on relevant regulatory matters.

[Watch the recording here](#)

Gas bill delay for Victorian interval meters

Please note that Victoria interval meter customers will receive their March invoices the first week of May. This is in line with the Australian Energy Market Operator (AEMO) VIC Gas market calendar which is scheduled for release on May 1. For more information, please visit the AEMO website or speak to your Account Manager.

[Visit the AEMO website here](#)

Contact us

If you'd like to discuss anything featured here, please don't hesitate to talk with your Account Manager or get in touch with us [here](#).

Commercial & Industrial

Wholesale market update

March 2023

EnergyAustralia Pty Ltd

ABN 99 086 014 968

Locked Bag 14060, Melbourne, Vic. 8001

[energyaustralia.com.au](https://www.energyaustralia.com.au)