Business and Commercial

Wholesale market update

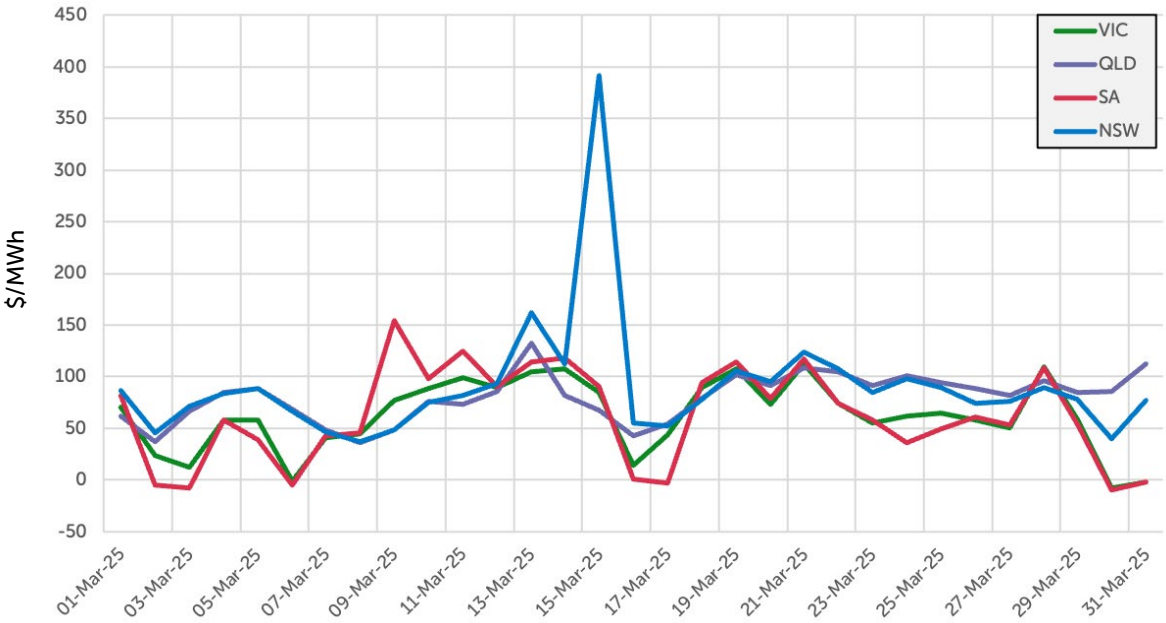
March 2025

EnergyAustralia

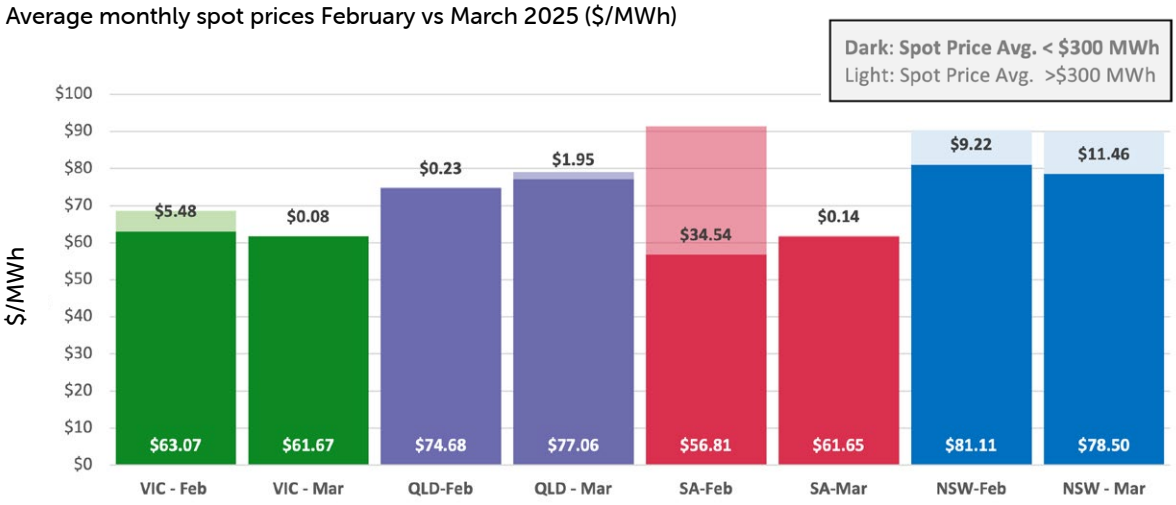
LIGHT THE WAY

Physical (spot) market summary

March average electricity spot prices

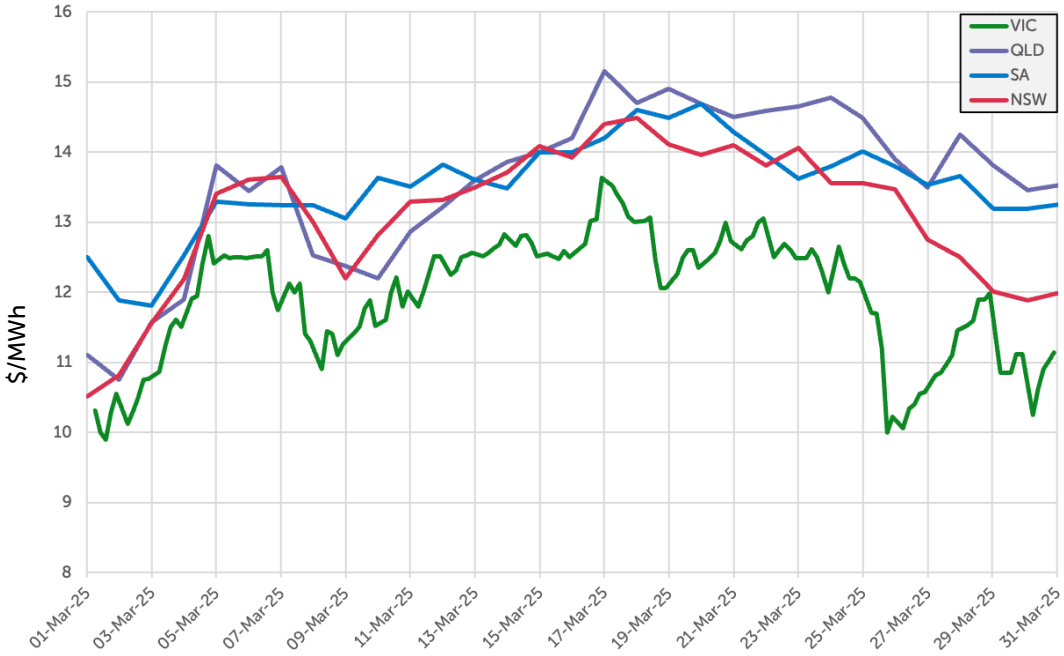


Average monthly spot prices February vs March 2025 ($/MWh)



- Average demand was comparable to last month while maximum demand decreased 4.6% as summer heat conditions eased. Maximum demand reached 31.74 GW at 6pm on 15 March, marking the second highest level for March since 2005.
- Average spot prices stayed quite flat in QLD and NSW but dropped in VIC and SA compared to February. Transmission constraints from VIC to NSW contributed to price separation between northern and southern regions.
- Wind rose 10% from February, mainly driven by NSW's stronger wind resource and economic offloading decreasing in SA and QLD. Solar output dropped, in line with seasonal trends.
- The afternoon of 15 March saw five price spikes ($14k–$17.4k/MWh) caused by high demand, constrained supply, and network outages.
- On 5 March, the battery fleet set a record high discharge of 1,224.7 MW during the 6.45pm dispatch interval, reflecting the growing role of battery storage in the National Electricity Market (NEM).

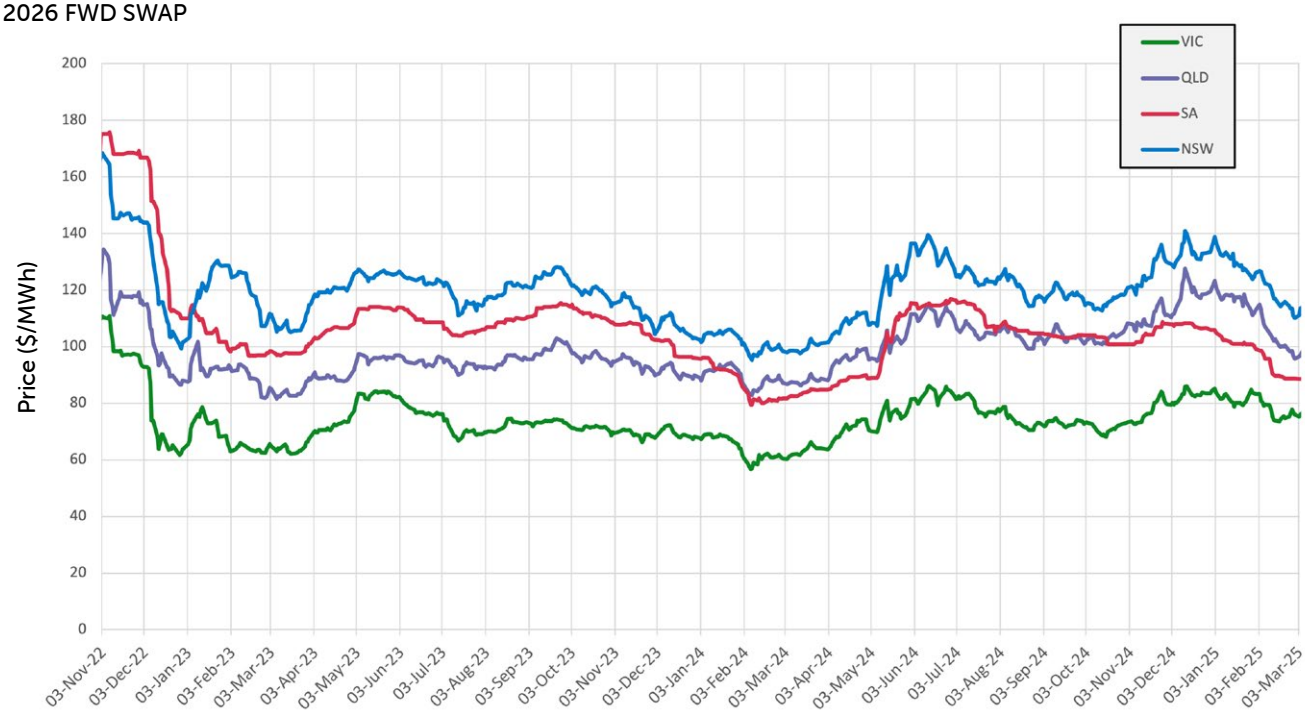
March average gas spot prices



- The average gas prices for the Short Term Trading Market (STTM) moved sideways at $13.39/GJ while the Declared Wholesale Gas Market (DWGM) decreased slightly by $0.69/GJ or -5% to $11.92/GJ. Overall prices were slightly lower due to mild conditions coinciding with the Iona gas storage outage. Maximum price reached was $15.15/GJ (in Brisbane STTM) while the min price was $9.90/GJ (in DWGM).
- Combined gas demand in the DWGM and STTM increased by 1.8 PJ or +12% with a total usage of 16.36 PJ.
- Gas Powered Generation (GPG) usage decreased by 947 TJ or -15% to 5.33 PJ due to mild conditions in the NEM.
- Liquified Natural Gas (LNG) export volumes at Curtis Island increased by 14 PJ or +12% to 129 PJ. Average daily export was 4.17 PJ/day.
- The Iona gas storage facility refilled almost to its limit before its outage on 17 March. The balance increased by another 1.6 PJ and ended at 24.09 PJ or 99% full. The outage of Iona gas storage meant any excess gas in VIC needed to be sent north to NSW or QLD thus causing lower prices to trade in the DWGM.

Futures electricity market summary

2026 FWD SWAP



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Prices and market dynamics in Q1-25

General overview

- March again lacked volatility in all states except for NSW, where the cap price component was $11.46/MWh. This cap contribution resulted from five price spikes, with an average price of $390.81/MWh on 15 March. The volatility resulted from high demand, supply constraints, and an ongoing network outage.
- Q1-25 overall did not have the level of volatility that was forecast into the forward curve at the beginning of January. The table below compares the underlying energy and cap outcomes for Q1-25 with the forward curve at the beginning of the quarter. The key outcomes are that underlying energy prices were strong, but volatility did not occur in Q1-25. The cap outcomes were less than 25% of the forecast for all states and less than 6% for VIC. VIC had higher underlying energy prices than forecast in the forward curve ($10.20/MWh). A contributing factor is likely to be Hydro Tasmania importing from VIC via Basslink, which increased VIC's demand.

Spot outcome for Q1-25 ($/MWh)				
	VIC	QLD	SA	NSW
Underlying <300	57.50	77.28	55.34	76.75
Cap price >300	1.74	12.51	10.98	11.05
Flat	59.24	89.79	66.32	87.80

Q1-25 FWD Curve 31 Dec24 ($/MWh)				
	VIC	QLD	SA	NSW
Underlying <300	47.30	98.64	57.35	86.71
Cap price >300	31.25	54.86	46.90	54.50
Flat	78.55	153.50	104.25	141.21

Variance ($/MWh)				
	VIC	QLD	SA	NSW
Underlying <300	10.20	(21.36)	(2.01)	(9.96)
Cap price >300	(29.51)	(42.35)	(35.92)	(43.45)
Flat	(19.31)	(63.71)	(37.93)	(53.41)

FY-26 Swap prices in March 2025

- The FY26 swap prices concluded the month at levels comparable to those at the beginning of March. There was a lift in the forward curve for all regions in mid-March, which coincided with higher spot prices. However, this subsided at the back end of March.
- Despite the lack of volatility, the strong underlying prices and the possibility of volatility moving forward, the swap prices did not decline because the cap component of the swap remained strong.

FY26 swap curve ($/MWh)						
Region	Max trade price	Average trade price	1st trade day (3 March 25)	Last trade day (31 March 25)	Variance (Last minus 1st) $/MWh	Variance %
NSW	125	123	121	121	1	1%
QLD	110	106	104	106	2	2%
VIC	82	80	78	79	1	1%
SA	97	96	95	97	1	2%

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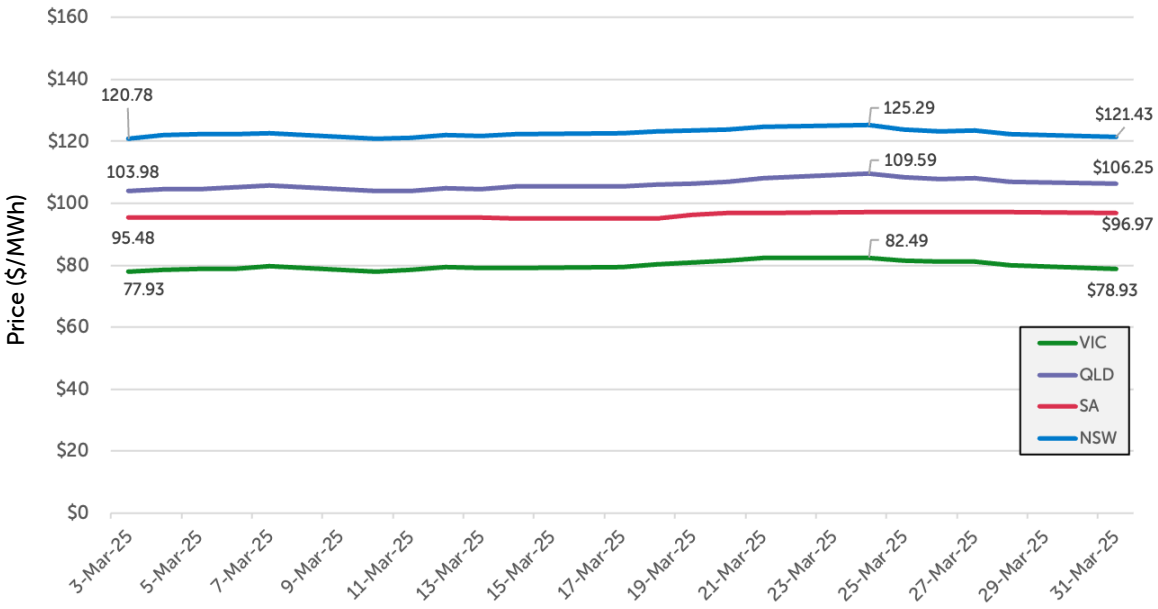
FY26 FWD SWAP (March-25)



FY26 Cap prices in March 2025

FY26 forward cap prices increased marginally by 1-4% in all regions in March, except for QLD, which increased by 11%. The higher QLD increase can be attributed to a few factors:

- Increased outages in the MTPASA (Medium-Term Projected Assessment of System Adequacy) for QLD.
- The cap prices appeared to hit a floor at the end of February, which contributed to fewer cap sellers at those lower price levels.
- The reduced number of sellers of FY26 cap contracts is shown below. The traded contracts were significantly lower in March than in February.

ASX MW Trader by Qtr				
Contract Qtr's	Mar 25	Feb 25	Variance	Decline
Q3-25	85	176	91	-52%
Q4-25	42	212	170	-80%
Q1-26	17	251	234	-93%
Q2-26	10	200	190	-95%

FY26 swap curve ($/MWh)						
Region	Max trade price	Average trade price	1st trade day (3 February 25)	Last trade day (28 February 25)	Variance (Last minus 1st) $/MWh	Variance %
NSW	32	32	31	32	0	1%
QLD	26	25	23	26	3	11%
VIC	19	18	17	18	1	4%
SA	27	27	26	27	1	4%

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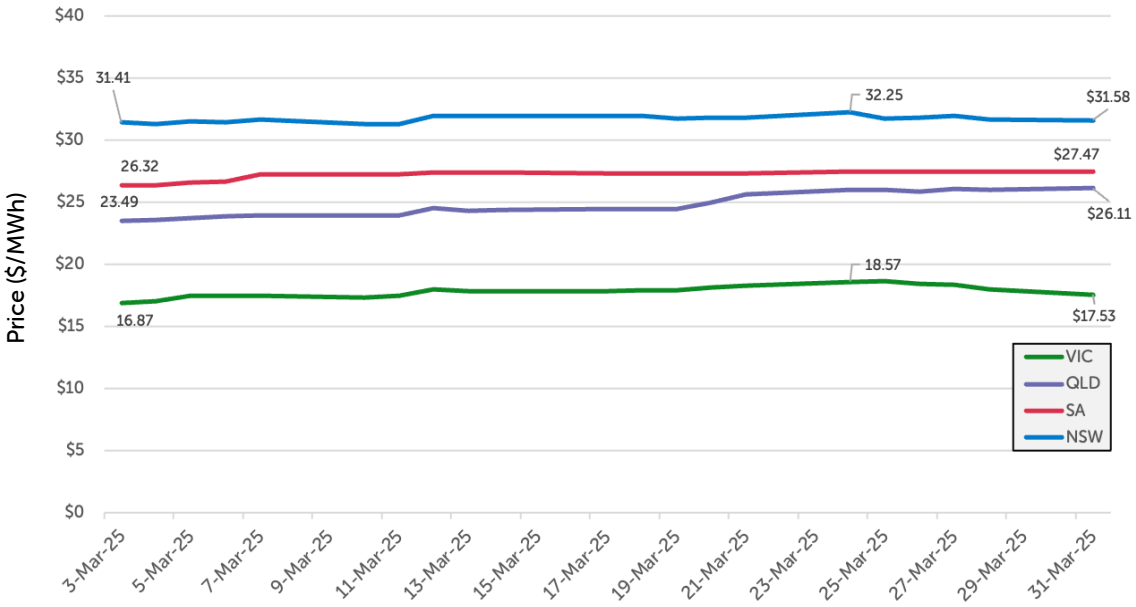
FY26 FWD SWAP (March-25)



Interim Reliability Reserves (IRR) in NSW and SA for FY 2024–25

Back in February, we let our customers in NSW and SA know that the Australian Energy Market Operator (AEMO) had secured Interim Reliability Reserves (IRR) for FY 2024–25 to help manage forecast electricity shortfalls. Through a tender process, 265 MW in NSW and 200 MW in SA were contracted to make sure extra supply was available when needed. Because these reserves were put in place to support system reliability, the associated costs are passed through to retailers. Retailers then pass these costs onto customers, as allowed under market rules.

The costs for Q4 2024 have already been included in customer charges, and the costs for Q1 2025 will now be passed through in May invoices issued from 1 June (a little earlier than the 1 July timing we mentioned previously).

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