

Commercial & Industrial

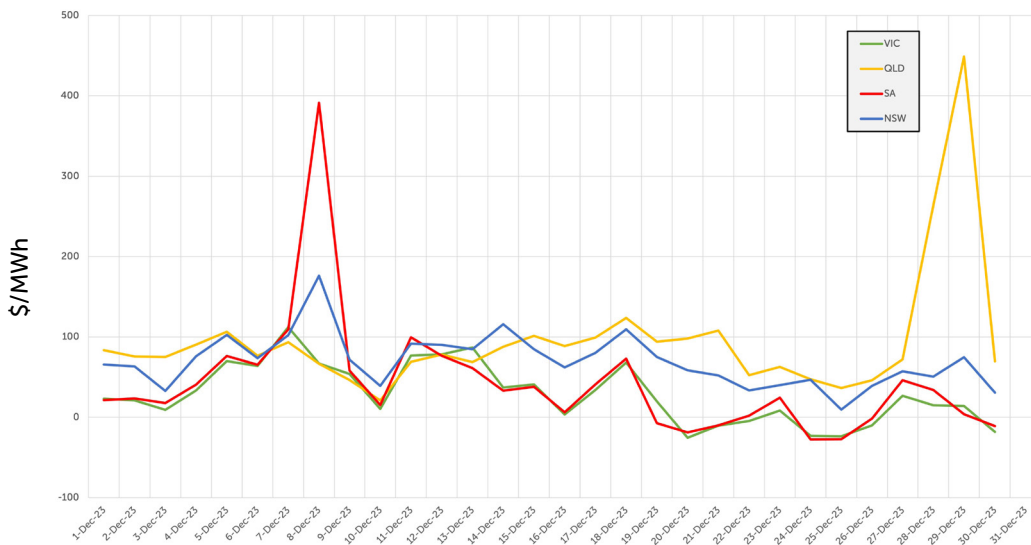
Wholesale market update
December 2023



EnergyAustralia
LIGHT THE WAY

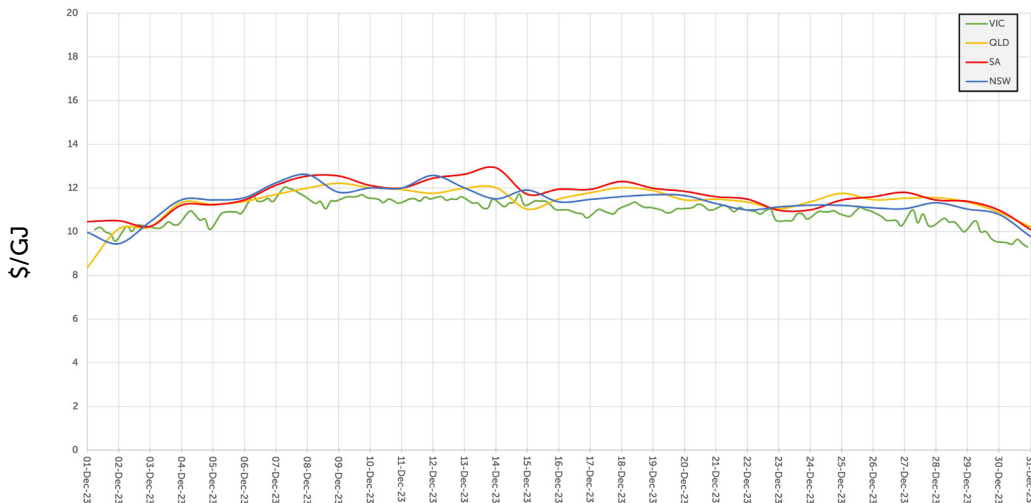
Physical (spot) market summary

December average electricity spot prices



- In comparison to November, average electricity spot prices were down 20% in December across all states except Qld.
- Average National Energy Market (NEM) demand rebounded from the November low to 20.7GW in December driven by warmer weather conditions, whilst remaining the third lowest December demand since 2004.
- Rooftop PV continues to outpace operational demand during the middle of the day, with Vic and SA achieving new all-time five minute lows of 1,426MW and -57MW respectively on 31 December. This prompted the Australian Energy Market Regulator (AEMO) to issue a Market Notice regarding the risk of maintaining system security. Vic also achieved its lowest-ever daily average spot price of -\$73.02/MWh on the day.
- Wind and solar output saw seasonal increases compared to November (solar reached an all-time high).

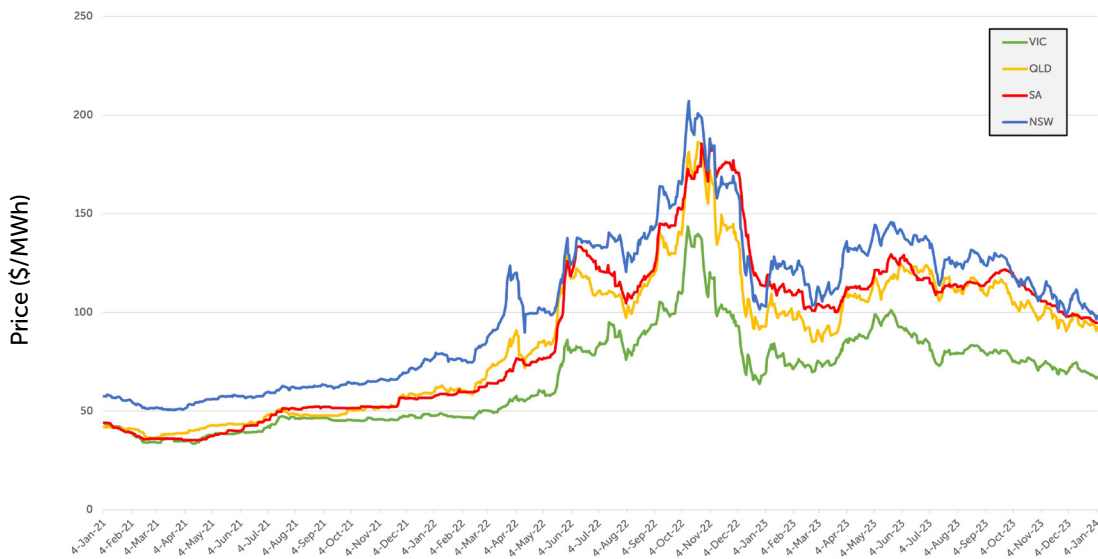
December average gas spot prices



- Gas prices dropped overall with less mass-market and Commercial and Industrial demand, and less gas-fired generation.
- Declared Wholesale Gas Market (DWGM) dropped 40 cents on average to \$10.9/GJ on the back of warmer temperatures. Vic demand dropped ~90TJ/d or approximately 20% compared to November. The Christmas break period saw demand drop to approximately 247TJ/d on average over the last week of December with prices clearing as low as \$9.5/GJ.
- Similarly, prices in the Short Term Trading Market (STTM) dropped by 40 cents across the hubs. Sydney and Brisbane averaged \$11.3/GJ, while Adelaide \$11.6/GJ. Demand in Sydney and Adelaide dropped ~11% on average while Brisbane dropped 15%. Overall demand in the STTM hubs dropped 40TJ/d on average across NSW, Qld and SA.

Futures electricity market summary

2024 CAL FWD SWAP



- December 2023 spot outcomes were lower than November, mainly due to strong seasonal renewable generation output and the return of base-load generators undergoing summer readiness in anticipation of El Niño conditions.
- The benign spot prices saw the calendar year 2024 (Cal-24) swap remain rangebound in all states, and finish December 2023 at or near their opening prices at the beginning of December.
- There were periods of strong heat with some baseload outages in Qld & NSW, but despite expected volatility, little eventuated, indicating adequate system generation without any unplanned outages.
- Q1-2024 swap prices for NSW and Qld did rally significantly in the first half of December, with NSW increasing 20% from \$100 to a maximum of \$120/MWh on 13 December. Qld Q1-2024 also peaked on 13 December at \$124.50, an increase of 12%. Almost 50% of the initial Q1-2024 swap price increase was the recovery of cap prices, but the lack of volatility saw these prices retreat and end at or marginally lower than the start of December.
- The financial year 2025 (FY-25) contract in all states ended Cal-24 at or below \$100 with Vic below \$70/MWh. This was the first month since February 2023 all prices had been that low for the FY-25 forward contracts.

EnergyAustralia successfully completes test fire of Tallawarra B

EnergyAustralia is excited to announce it has successfully completed its first test fire at its Tallawarra B gas power station located on the shores of Lake Illawarra at Yallah in southern New South Wales. Tallawarra B is the first power station built in the National Energy Market (NEM) for over a decade, being a fast-start 316MW gas turbine which will play a critical role in supporting electricity reliability at peak periods and at times of low solar and wind production. It is expected Tallawarra B will bid into the market from the end of February 2024.

You can [read more on our website](#) about how Tallawarra B will help provide energy security for businesses in NSW.



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