

# Commercial & Industrial

Wholesale market update

June 2023



**EnergyAustralia**  
LIGHT THE WAY

# Introduction

Welcome to the latest edition of your EnergyAustralia Commercial & Industrial wholesale market update.

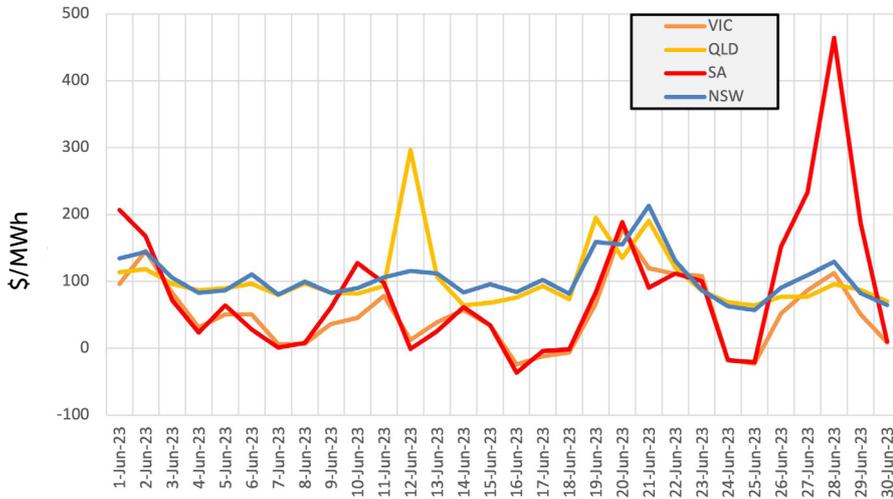
If you're new to this report, its purpose is to help keep you up to date with the latest energy wholesale market trends which generally impact retail energy segments, as well as other topical organisation or sector initiatives and insights.

We believe that its worth sharing timely information that can add value to your business. That's why we'd welcome the chance to hear from you with feedback, opinions or questions about anything featured here.

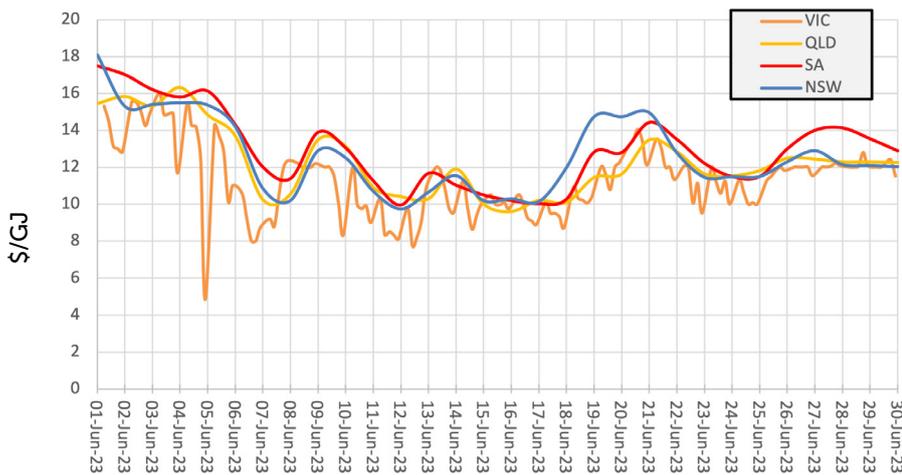
To join the conversation, please don't hesitate to speak with your Account Manager or [get in touch with us here](#).

# Physical market summary

## June average electricity spot prices



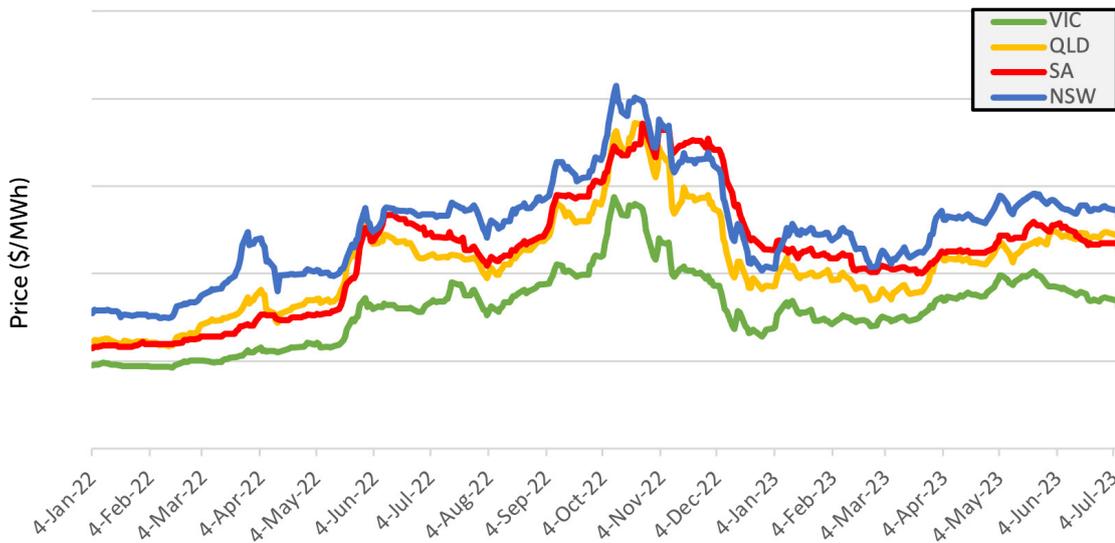
## June average gas spot prices



- June spot prices fell in all regions compared to May 2023
- Mild weather for the first half of the month resulted in softer demand from electricity consumers
- Exceptionally strong wind output in SA and VIC and high generation availability was seen across the National Energy Market (NEM)
- Wintery conditions in the later part of June led to spot price volatility
- The interconnector between SA and VIC (Heywood and Murraylink) experienced a transmission outage on 28 - 29 June and 26 - 30 June which resulted in load shedding across parts of SA resulting in higher prices, as can be seen in the electricity spot price graph above
- Solar output for June continued dropping in line with seasonal expectation. It is, however, still 28% higher than last year due to new capacity being added
- A NEM-wide wind output record was surpassed three times this month, with a new high of 7,417MW set on 25 June at 10:10am

# Futures electricity market summary

2024 CAL FWD SWAP



- The month of June has seen swap prices fall across all states
- Q3 and Q4 2023 swap prices have dropped up to \$44 over one month (VIC Q3 2023) as the spot market has had very mild outcomes and we start to see the impact of government interventions in the spot market (gas price cap of \$12/GJ for new domestic gas contracts offered by gas producers, and coal price cap of \$125/t)
- QLD and NSW CAL24 swap have remained stable over the month. Market is unsure how these regions will play out given that Liddell has shut down and Callide C outage continues to be extended
- VIC and SA CAL24 swap has fallen \$10/MWh. This is due to adequate supply and winter demands being lower than expected
- Caps are the one product operating in a different direction. QLD Q1 2024 caps increased from \$50 to a high of \$72. Due in part to the market predicting a capacity problem in QLD as the Callide C power plant outage was extended by 3 months for unit 3 and 6 months for unit 4 which puts QLD at risk of not being able to meet the high summer electricity demand

## Administered pricing compensation charges

Administered pricing compensation is the fourth category of compensation costs to be passed through from the Australian Energy Market Operator (AEMO) to market participants for the June 2022 market event. Administered pricing compensation allows eligible market participants to claim compensation for direct and opportunity costs due to the application of the administered price cap during an administered price period.

AEMO has charged us an interim value for administered pricing costs, which we are passing on now in your July invoice issued from 1 August, however once AEMO has finalised its cost assessment this may result in a further adjustment. We will notify you if this occurs.

Further information on these interim pass-through charges will be shared shortly.

## Senex and EnergyAustralia gas deal to deliver energy security for Australians

Senex and EnergyAustralia announced they have signed a conditional agreement for the supply of 24 petajoules (PJ) of natural gas from January 2025 from Senex's proposed Atlas expansion in Queensland's Surat Basin. [Read more](#)

# Tips for smarter energy use

Reducing your energy use can be good for business. From simple measures like powering down non-critical lighting in areas when not in use, upgrading your equipment and appliances, to installing solar power, there are many ways you can take steps to reduce your business's overall energy use. [Read more](#)

As always, lots happening in the market. We hope you found this update of use and once again, I encourage you reach out to your Account Manager if you'd like a deeper dive into any of the topics covered here. Or if you prefer you can [get in touch by email with us here](#).

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