

Business and Commercial

Wholesale market update

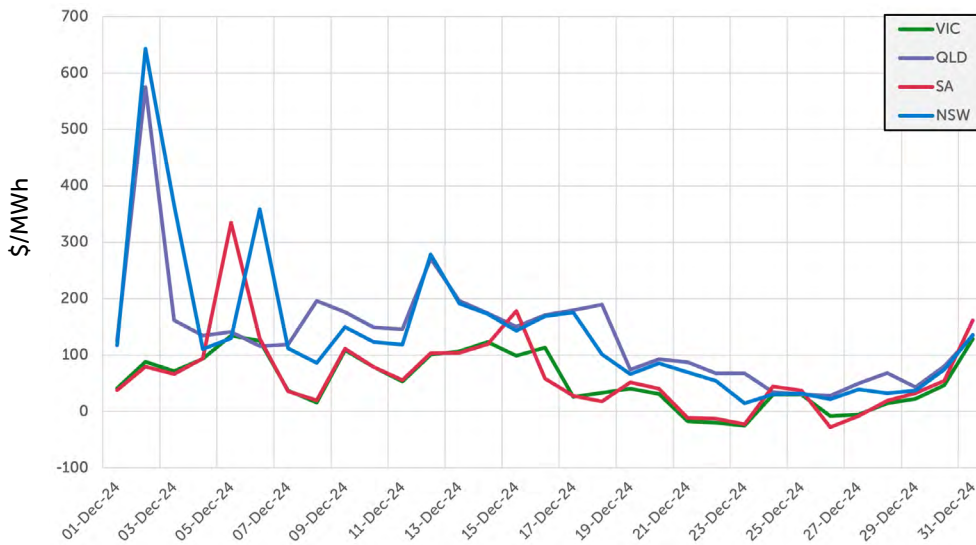
December 2024



EnergyAustralia
LIGHT THE WAY

Physical (spot) market summary

December average electricity spot prices



- Average spot prices were down compared to last month but up significantly compared to same time last year, driven by hot weather, reduced thermal unit and network outages.
- On 2 and 3 December a heat wave coupled with unit outages and network constraints resulted in tight supply and drove NSW and QLD prices up significantly.
- Average demand was up slightly compared to last month and the same time last year. However, maximum demand jumped by 17% to 34 GW at 6.00pm on 16 December, the highest level over the past 20 years, driven by the extreme heat in mid-December.
- Wind output saw a slight increase while solar output increased significantly to an all-time high, both in line with seasonal trends.
- On 16 December extreme heat drove temperatures to 40°C in the eastern states. AEMO issued a warning of possible LOR3 (Lack Of Reserves Level 3) event in NSW—the most severe reserve condition, indicating a risk of load shedding, where electricity supply to customers may be interrupted to stabilize the grid and prevent widespread blackouts. However, the warning was later cancelled as a planned line outage was delayed to ensure sufficient supply.

December average gas spot prices

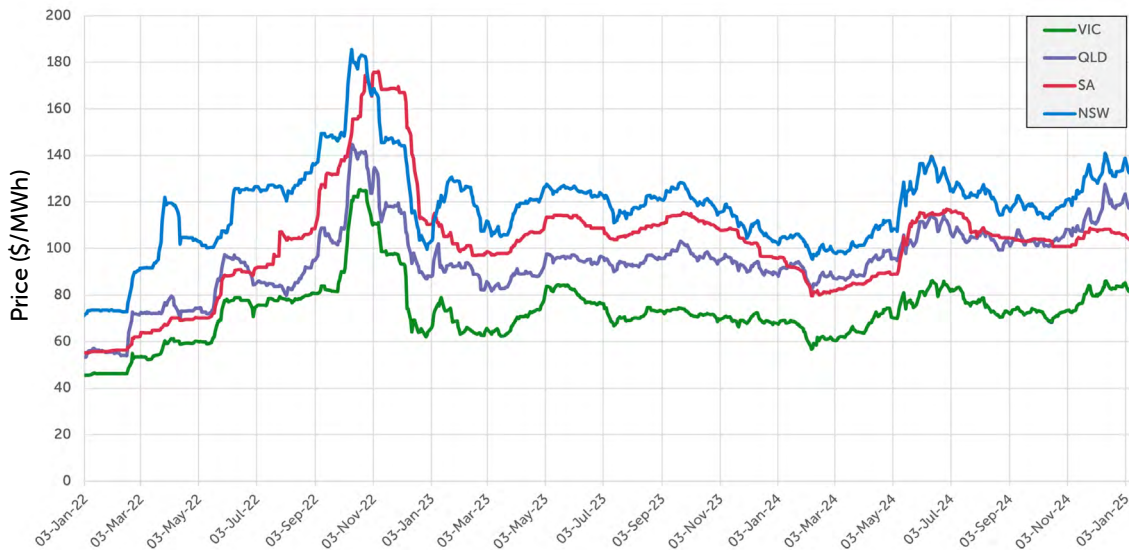


- The average gas prices for the Short Term Trading Market (STTM) increased by \$1.07/GJ or +8% to \$15.00/GJ while the Declared Wholesale Gas Market (DWGM) increased by \$0.96/GJ or +8% to \$13.13/GJ. The increase in price was mainly driven by high Gas-Powered Generation (GPG) usage due to significant plant and network outages in the National Energy Market (NEM) and high Liquefied Natural Gas (LNG) demand at Curtis Island. The maximum price increase was \$21.10/GJ (in Brisbane STTM) while the minimum price was \$10.72/GJ (in Victoria DWGM).

- Combined gas demand in the DWGM and STTM decreased further with the warming summer temperatures, dropping by 1.9 PJ or -10% to 16.45 PJ.
- GPG demand was maintained at a high level of 7.5 PJ due to baseload outages, hot weather and network outages requiring more supply in the NEM.
- LNG export volumes at Curtis Island increased by 6.32 PJ or +5% to 134 PJ. Average daily export was 4.3 PJ/day.
- The Iona gas storage facility had a good refill from the 2nd half of the month as demand and prices dropped leading into the summer holidays. The balance increased by 1.8 PJ and ended at 15.78 PJ or 65% full.

Futures electricity market summary

CAL25 FWD SWAP (Jan 22 to Dec 24)

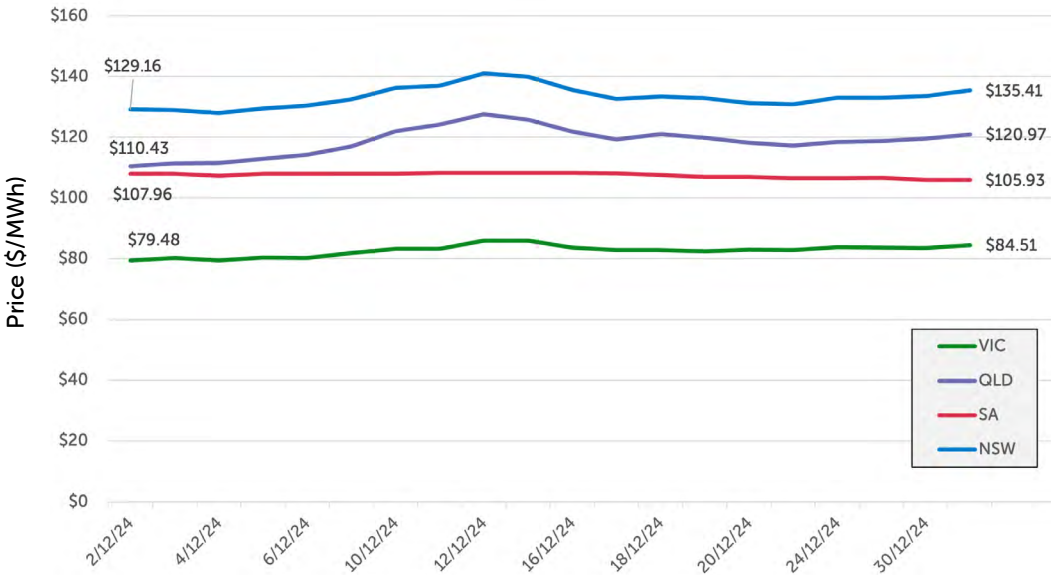


- **Spot volatility in December for QLD and NSW as hot weather, plant outages, and network limitations continue to occur:** November saw high average spot prices in QLD and NSW and these prices continued into December seeing both states average around \$134/MWh. Hot weather and plant outages saw various days with LOR2 (Lack Of Reserves Level 2) forecasts which created the right conditions for spot volatility to eventuate.
- **VIC and SA prices settled lower over Q4 due to the lack of volatility in these states:** There was higher than anticipated spot volatility in QLD and NSW. VIC and SA were more resilient. VIC and SA spot prices averaged \$52 and \$61 respectively for December. Overall, for Q4 VIC's cap price settled at \$0.15/MWh while NSW settled at \$47.36/MWh, highlighting the different market conditions for each state.
- **Cap prices remained stable over December:** Despite the strong volatility in NSW and QLD for December, cap prices remained stable over the month starting and finishing the month at the same price.
- **Swap prices increased over the month due to strong underlying factors:** Swap prices moved as the market saw an increase in the underlying price. A number of major plant outages were delayed such as Bayswater and Tallawarra A leading the swap to finish higher.

December 2024 Spot Outcomes (\$/MWh)			
Region	Average Spot \$/MWh	Average Underlying (<\$300/MWh)	Average Volatility (>\$300/MWh)
NSW	\$134.73	\$99.27	\$35.43
QLD	\$134.44	\$112.92	\$21.52
VIC	\$52.25	\$51.91	\$0.34
SA	\$61.46	\$53.57	\$7.90

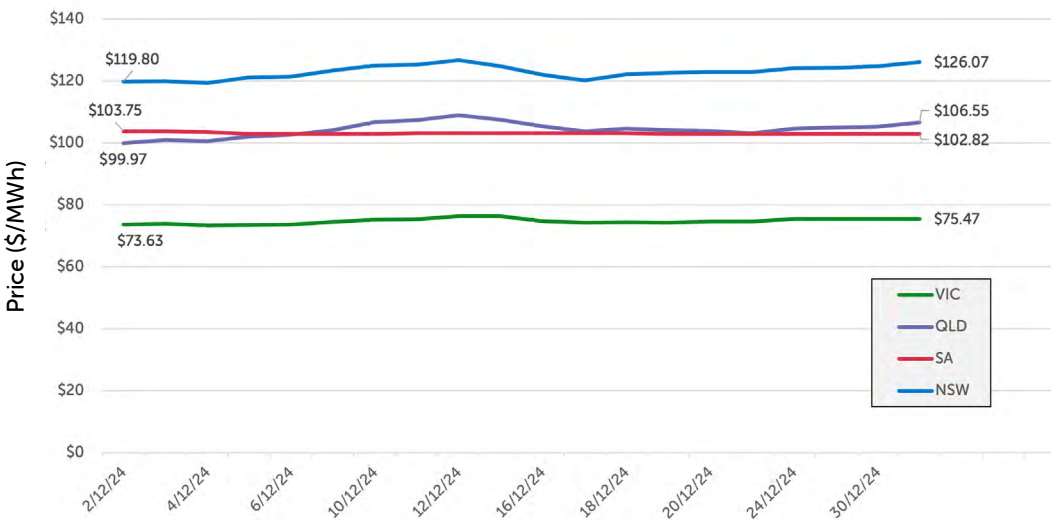
CAL25 Swap Curve (\$/MWh)						
Region	Max Trade Price	Average Trade Price	1st Trade Day (2 December 24)	Last Trade Day (31 December 24)	Variance (Last minus 1st) \$/MWh	Variance %
NSW	141	133	129	135	6	5%
QLD	128	119	110	121	11	10%
VIC	86	83	79	85	5	6%
SA	108	107	108	106	(2)	-2%

CAL25 FWD SWAP (December 24)



CAL26 swap curve (\$/MWh)						
Region	Max Trade Price	Average Trade Price	1st Trade Day (2 December 24)	Last Trade Day (31 December 24)	Variance (Last minus 1st) \$/MWh	Variance %
NSW	127	123	120	126	6	5%
QLD	109	104	100	107	7	7%
VIC	76	75	74	75	2	2%
SA	104	103	104	103	(1)	-1%

CAL26 FWD SWAP (December 24)



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