

# Business and Commercial

Wholesale market update

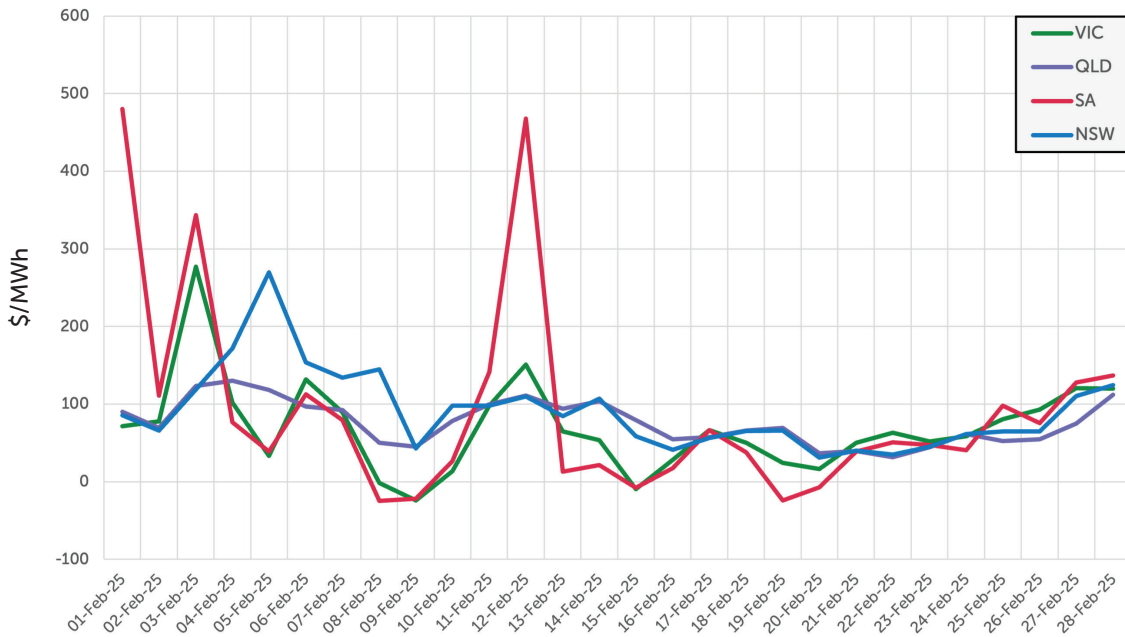
February 2025



**EnergyAustralia**  
LIGHT THE WAY

# Physical (spot) market summary

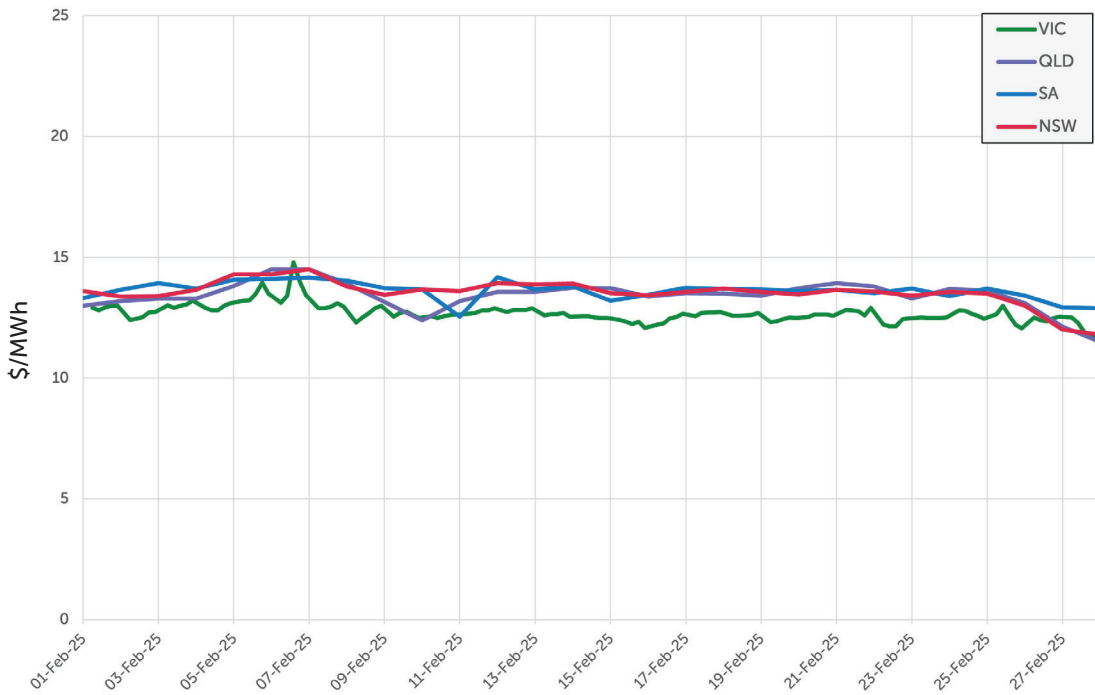
## February average electricity spot prices



- Average and maximum demand were up compared to January, driven by warm weather and reduced rooftop PV output.
- Average spot prices were higher compared to last month, except for QLD, primarily caused by strong demand, coal outages, and network constraints.
- Both wind and solar output decreased relative to the previous month, in line with seasonal trends.
- On 1 and 12 February, SA had a total of 12 intervals of price volatility during evening peaks. Prices exceeded \$15,000/MWh, mainly due to limited interconnection between VIC and SA.
- On 16 February, NSW hit a new record low market demand of 2,532 MW during the 12.00pm interval. On the same day, low demand and high resource availability across the National Energy Market (NEM) resulted in 72% curtailment of large solar in the middle of the day.
- On 27 February, the Australian Energy Market Commission (AEMC) published the 2025–26 market price cap at \$20,300/MWh, up 16% from the current level.

February 2025 spot outcomes (\$/MWh)			
Region	Average spot \$/MWh	Average underlying (<\$300/MWh)	Average volatility (>\$300/MWh)
NSW	\$90.33	\$81.99	\$9.22
QLD	\$74.91	\$74.68	\$0.23
VIC	\$68.55	\$63.07	\$5.48
SA	\$91.35	\$56.81	\$34.54

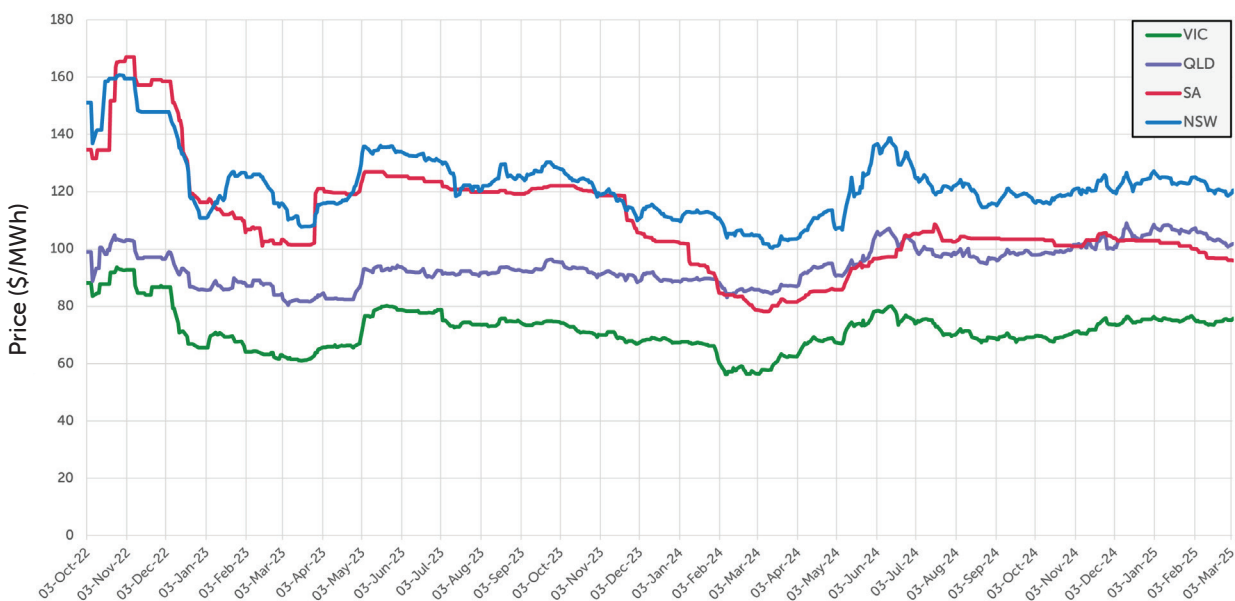
### February average gas spot prices



- The average gas prices for the Short Term Trading Market (STTM) moved sideways, staying at around \$13.52/GJ, while the Declared Wholesale Gas Market (DWGM) increased slightly by \$0.37/GJ, or +3% to \$12.61/GJ. Prices were mostly stable during the month due to mild conditions. Maximum price reached was \$14.80/GJ (in the DWGM) due to Longford Gas Plant intraday issue on 6 February. Minimum price was \$10.05/GJ (in the DWGM).
- Combined gas demand in the DWGM and STTM decreased further by 877 TJ during the summer, for a total usage of 14.56 PJ.
- GPG usage increased by 561 TJ or +10% to 6.28 PJ due to higher demand and prices in the National Energy Market (NEM).
- LNG export volumes at Curtis Island decreased by 16 PJ or -12% to 115 PJ. Average daily export was 4.11 PJ/day.
- The Iona Gas Storage Facility was refilling hard again ahead of winter and before its planned outage on 17 March for 16 days. The balance increased by another 3 PJ and ended at 22.45 PJ or 92% full.

## Futures electricity market summary

### 2026 CAL FWD SWAP



## Prices and market dynamics in February 2025

### Key market announcements

The AEMC's announcement of the market price cap (MPC) increase had minimal impact on the cap forward curve as the market had likely fully priced this in.

### General overview

- Underlying energy prices were higher than expected before the beginning of Q1 in VIC and were closely aligned in SA and NSW but significantly lower in QLD.
- Despite high demand and baseload outages, volatility did not materialise, leading to a significant drop in Q1–25 cap prices.

### Spot prices outcomes

- VIC spot prices settled well below the balance of quarter (BOQ) expectation at the beginning of February. This was due to a lack of volatility in VIC, but the underlying energy price of \$63/MWh was \$5/MWh higher than expected. The underlying spot was higher driven by;
  - High demand from hot weather
  - Coal-fired outages (Loy Yang Power Station A4 unit off for the second half of February) and Yallourn Power Station W1 and W4 units offline for significant periods.
  - Bass-link interconnector electricity imported from Vic at prices exceeding \$100/MWh on occasions.
  - Interconnector forced flow constraints eased, meaning that flow from NSW was not forced south in VIC.
- SA spot prices aligned with balance of quarter (BOQ) expectations for volatility and energy. This was primarily due to the high market demand in SA and Heywood interconnector constraints.

### Q1-25 cap prices in February 2025

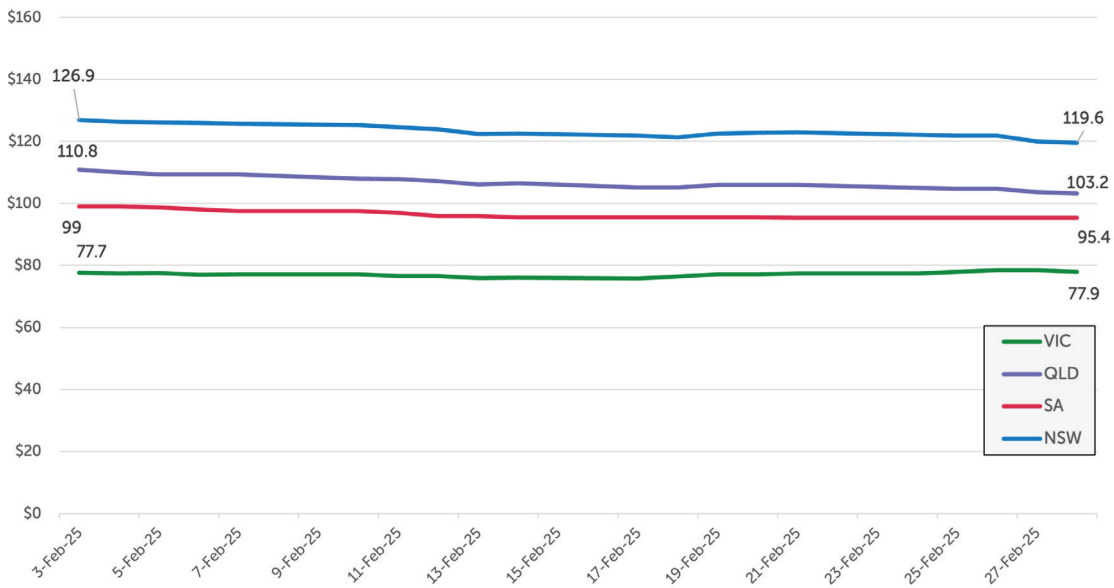
- Cap prices fell substantially in all regions in February due to low volatility, continuing the trend from January 2025.
- NSW cap price fell by \$24/MWh (68%) from \$35/MWh to \$11/MWh.
- VIC cap prices fell by \$19.55/MWh (84%) from \$23.30/MWh to \$3.75/MWh.

### FY26 swap prices

- FY26 swap prices retreated by \$7 to \$8/MWh in NSW and QLD, respectively, an acceleration in the decline from January. The lack of volatility was a key driver.
- FY26 forward prices declined by \$4/MWh. The decline would have been similar to NSW and QLD, but the volatility on 12 February stabilised the decline in the cap price.
- The Victorian FY26 swap price held up and was the only region not to decline. The strong underlying spot prices were the key driver.

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	127	123	127	120	(7)	-6%
QLD	111	107	111	103	(8)	-7%
VIC	79	77	78	78	0	0
SA	99	96	99	95	(4)	-4%

### FY26 FWD SWAP (February-25)

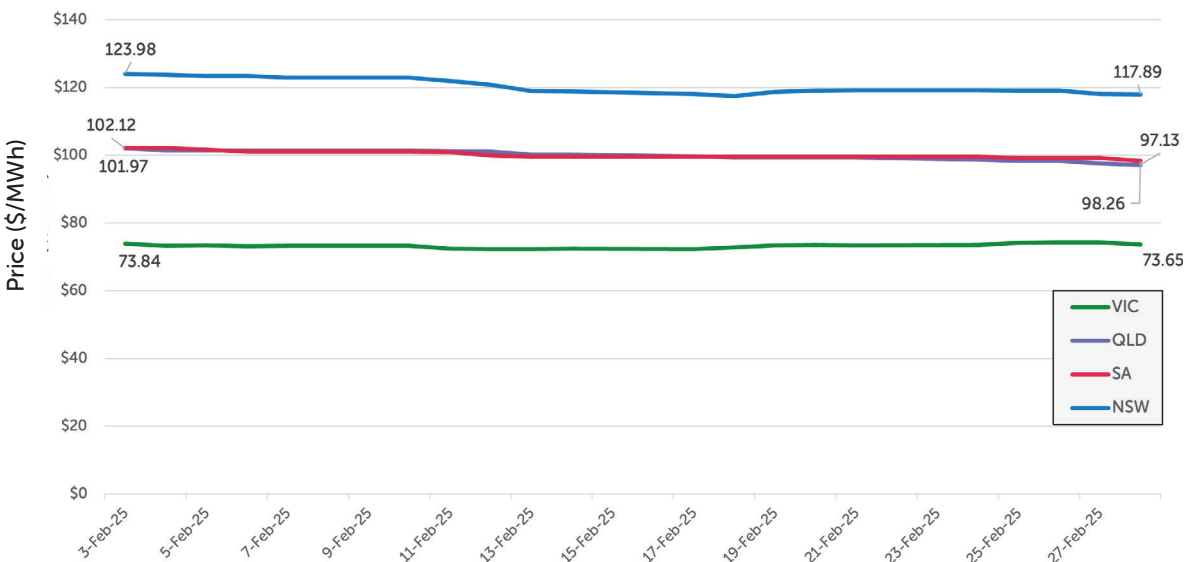


### FY27 swap prices

- The FY27 swap price curve followed the same trend as FY26, retreating by \$5 to \$6/MWh in QLD and NSW, respectively.
- VIC FY27 was resilient and ended the quarter flat.

FY27 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	124	120	124	118	(6)	-5%
QLD	102	100	102	97	(5)	-5%
VIC	74	73	74	74	(0)	0%
SA	102	100	102	98	(4)	-4%

### FY27 FWD SWAP (January-25)



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