

Business and Commercial

Wholesale market update

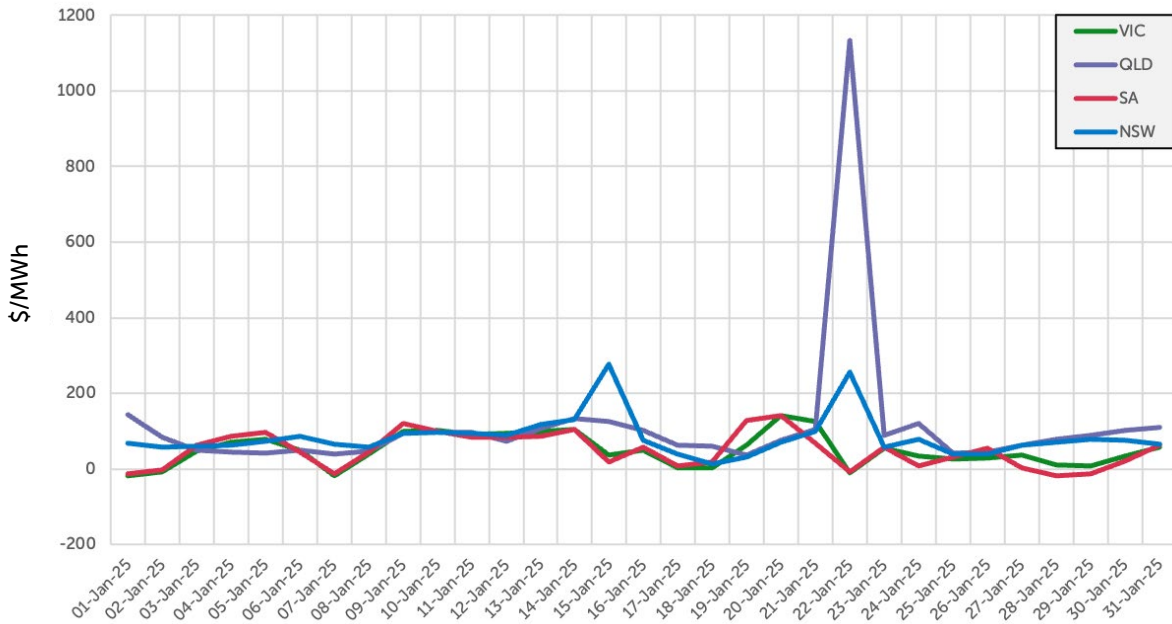
January 2025



EnergyAustralia
LIGHT THE WAY

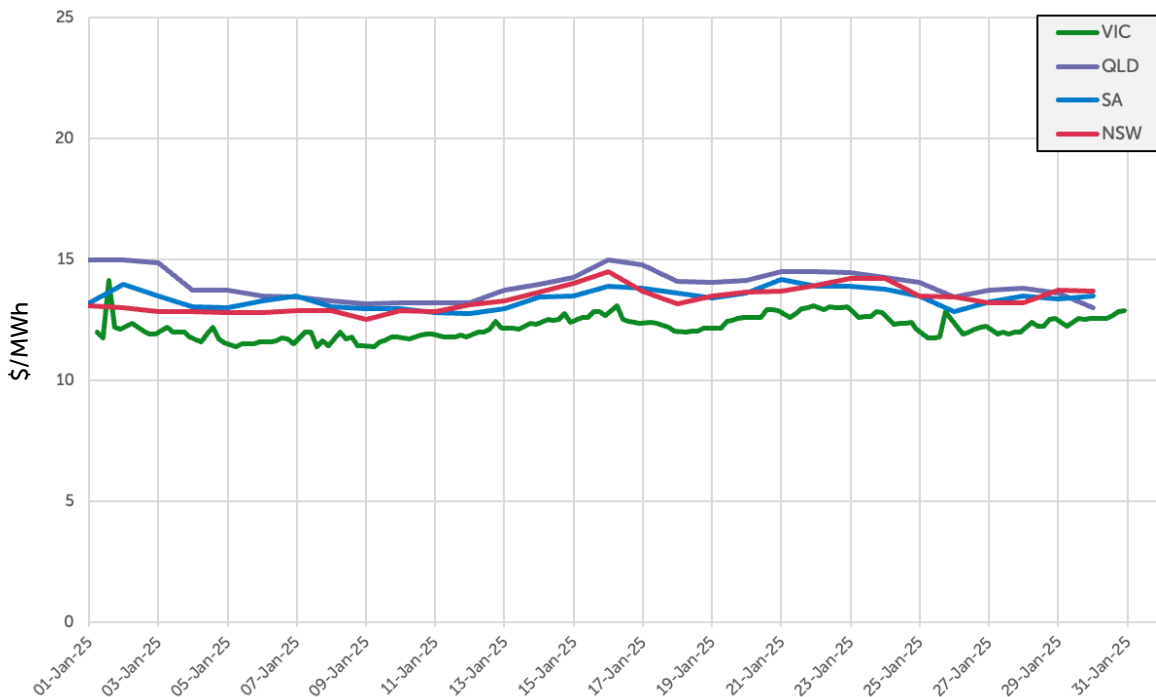
Physical (spot) market summary

January average electricity spot prices



- Average spot prices were lower than last month but higher than same time last year, except in QLD, which saw a decline. The price drops since December were primarily due to higher renewable output and improved coal availability.
- Average demand was slightly higher than last month, driven by warmer weather, while maximum demand followed the opposite trend due to a lack of comparable heat events.
- Wind output increased, particularly in NSW and VIC, while solar output continued its upward trend, hitting an all-time high.
- On 1 January, VIC set a new record low for market demand, reaching just 1,400 MW during the 12.10pm dispatch interval.
- QLD experienced an all-time high in market demand on 22 January, reaching 11,159 MW during the 5.45pm dispatch interval.

January average gas spot prices



- The average gas prices for the Short Term Trading Market (STTM) decreased by \$1.43/GJ or -10% to \$13.57/GJ while the Declared Wholesale Gas Market (DWGM) decreased by \$0.89/GJ or -7% to \$12.24/GJ. Prices have decreased due to lower Gas Powered Generation (GPG) usage and lower Liquefied Natural Gas (LNG) demand at Curtis Island. The maximum price reached was \$15.00/GJ, in Brisbane STTM, while the minimum price was \$11.40/GJ, in DWGM.
- Combined gas demand in the DWGM and STTM continued to decline, falling by 1 petajoule (PJ) due to consistent warm weather ending with a total usage of 15.43 PJ.
- GPG usage decreased materially by 1.78 PJ or -24% to 5.72 PJ with most of the National Energy Market (NEM) baseload plants back from their planned outages.
- LNG export volumes at Curtis Island decreased by 3.24 PJ or -2% to 131.1 PJ. Average daily export was 4.23 PJ/day with most of the decrease coming from Gladstone Liquefied Natural Gas Plant (GLNG).
- The Iona gas storage facility continued refilling daily throughout the month, increasing its balance by 3.66 PJ and ended at 19.45 PJ or 80% full.

Futures electricity market summary

CAL26 FWD SWAP



Prices and Market Dynamics in January 2025

General overview:

- Underlying energy prices aligned with forward curve expectations across all states.
- Contributing factors to strong underlying prices included coal-fired generator outages, high demand, and inter-connector flow constraints.
- Despite high demand and baseload outages, expected volatility did not materialise, leading to a significant drop in Q1-25 cap prices by more than 50% in NSW and QLD.

Spot prices outcomes:

- VIC and SA prices settled lower in January 2025 due to the lack of volatility.
- Spot prices in VIC and SA averaged \$48/MWh for January 2025, well below the Q1-25 swap price of \$78.25/MWh at the beginning of January.
- QLD was the only region with average spot price above \$100/MWh, reaching \$114/MWh, driven by a \$1,133/MWh average day outcome on 22 January. Without this event, the average price would have been closer to \$80/MWh.
- NSW averaged \$83/MWh which was well below expectation due to lack of volatility.

Cap prices in January 2025:

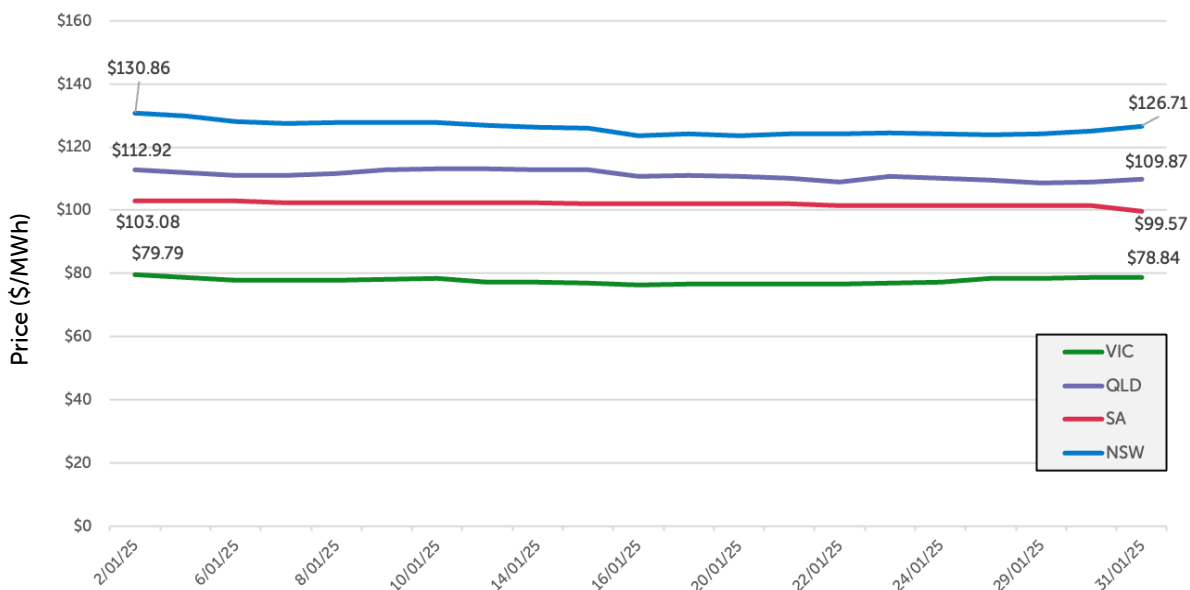
- Cap prices fell substantially in QLD and NSW due to pre-dispatch volatility that did not materialise.
 - » NSW cap price dropped by \$27/MWh (45%) from \$61/MWh to \$34/MWh.
 - » QLD cap price fell by \$20/MWh (36%) from \$56/MWh to \$36/MWh.
 - » QLD's smaller drop was due to volatility on 22 January, with record demand of 11,159MW and interconnector constraints preventing northern flow into QLD from NSW.
- VIC cap prices declined by more than 50% by 22 January but surged \$13.50/MWh to \$26.25/MWh in just three days. A \$10/MWh rise on 24 January was driven by expected heatwave conditions. While the heatwave occurred, the anticipated volatility did not, and the cap price retreated.

FY26 & FY27 swap prices:

- Swap prices declined over the month due to strong underlying conditions and lack of volatility in the current quarter spot market.
- FY26 and FY27 swap prices drifted 2-3% lower in all regions except VIC.
- VIC forward prices were supported by expected heatwave conditions in late January. Prices might have been more bearish if the Basslink (VIC to TAS) had not been importing volume at prices greater than \$100/MWh, particularly between 9 and 22 January.

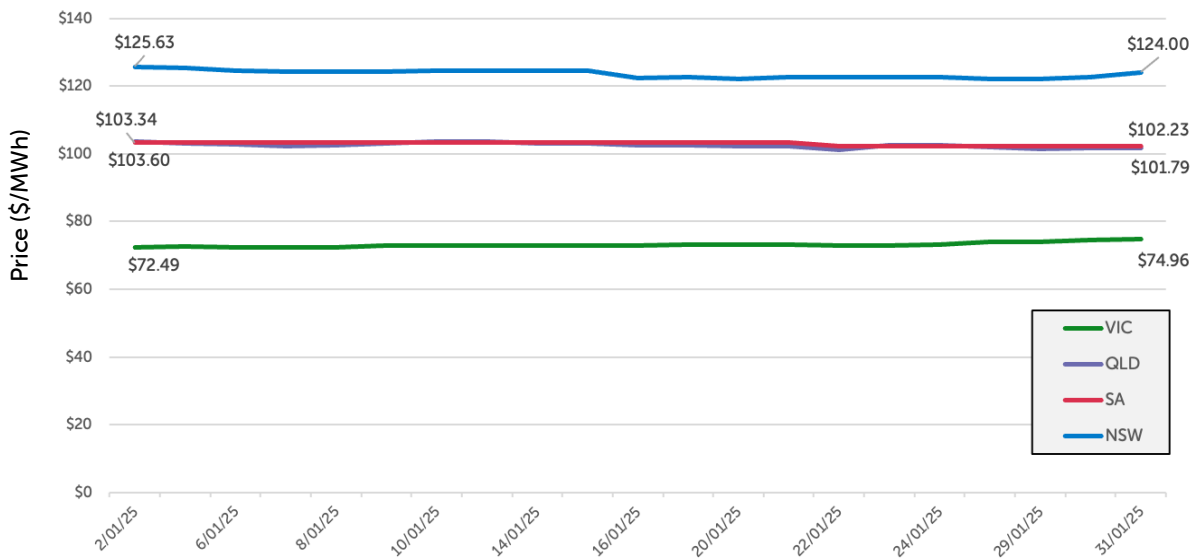
January 2025 spot outcomes (\$/MWh)			
Region	Average spot \$/MWh	Average underlying (<\$300/MWh)	Average volatility (>\$300/MWh)
NSW	\$83.34	\$71.06	\$12.29
QLD	\$114.02	\$79.86	\$34.16
VIC	\$48.35	\$48.32	\$0.04
SA	\$48.23	\$47.70	\$0.54

FY26 swap curve (\$/MWh)						
Region	Max trade price	Average trade price	1st trade day (2 January 25)	Last trade day (31 January 25)	Variance (Last minus 1st) \$/MWh	Variance %
NSW	131	126	131	127	(4)	-3%
QLD	113	111	113	110	(3)	-3%
VIC	80	78	80	79	(1)	-1%
SA	103	102	103	100	(4)	-3%

FY26 FWD SWAP (January-25)

FY27 swap curve (\$/MWh)						
Region	Max trade price	Average trade price	1st trade day (2 January 25)	Last trade day (31 January 25)	Variance (Last minus 1st) \$/MWh	Variance %
NSW	126	124	126	124	(2)	-1%
QLD	104	103	104	102	(2)	-2%
VIC	75	73	72	75	2	3%
SA	103	103	103	102	(1)	-1%

FY27 FWD SWAP (January-25)



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EnergyAustralia Pty Ltd.
ABN 99 086 014 968.
Locked Bag 14060, Melbourne Vic 8001.

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