

Business and Commercial

Wholesale market update

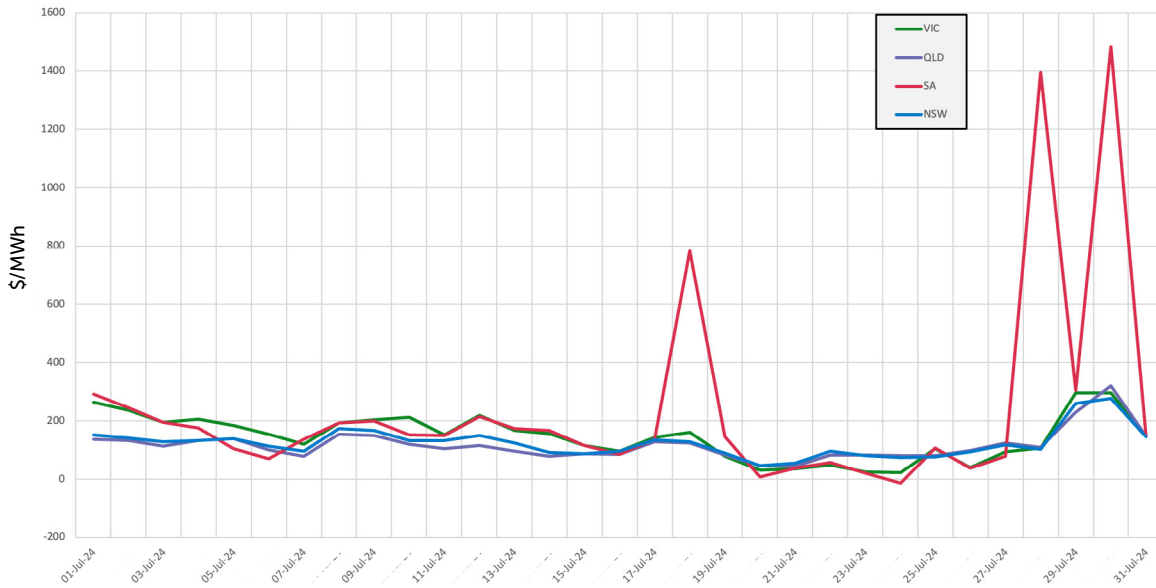
July 2024



EnergyAustralia
LIGHT THE WAY

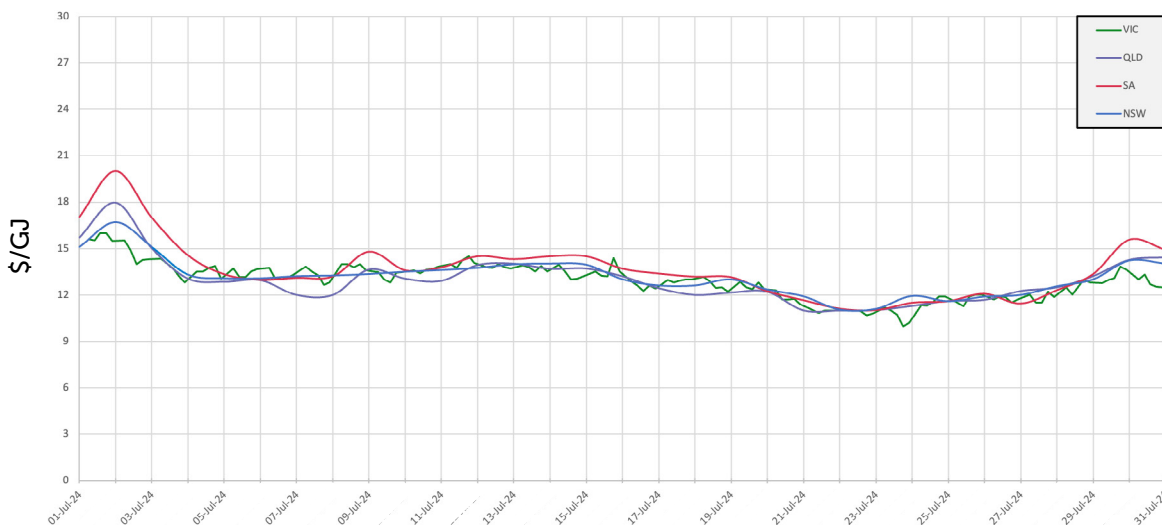
Physical (spot) market summary

July average electricity spot prices



- Average spot prices were down 5–15% compared to June, across all states except for SA, driven by strong wind supply. SA saw a 36% increase due to spot volatilities in late July caused by wind drought and the Heywood interconnector limit.
- National electricity demand continued trending up, driven primarily by the cold weather. The maximum demand is at the second highest level since 2004 at 33.61 GW.
- Wind output jumped by 50% compared to June (where we saw an unusual and prolonged wind drought). This is in line with seasonal trends and 6% higher than the same time last year.
- From late July into August we saw consistent evening spot volatilities across all states. This was driven by a combination of factors, including high demand, low renewable output, coal generator outages, Heywood transmission works and hydro conservation.

July average gas spot prices



- The average gas prices for the Short Term Trading Market (STTM) decreased by \$2.80/GJ or -17% to \$13.27/GJ, while the Declared Wholesale Gas Market (DWGM) decreased by \$2.75/GJ or -18% to \$12.92/GJ. The decrease in price is largely due to the improvement in main gas production and a reduction in Gas-fired Power Generation (GPG) usage. The maximum price reached was \$20/GJ, while the minimum price was \$10/GJ.
- Gas demand for heating increased further. Combined gas demand in the DWGM and STTM increased by 1.86 PJ or 5% to 40 PJ.

- On the Gas-fired Power Generation (GPG) end, usage decreased by 1.66 PJ or -10% to just under 15 PJ – noting that most reduction came from Snowy Hydro. Hydro Tasmania Tamar Valley was still required to manage the Tasmanian grid, and therefore used the same amount of gas as previous months – at just under 1.8 PJ.
- Iona gas storage again played a huge role in managing incremental requirement for heating and GPG, together with Newcastle gas storage. Iona net injected a total of 3.9 PJ, at an average rate of 127 TJ/d. Maximum injection scheduled for a day was 398 TJ on the last day of July. The storage balance ended at 10.9 PJ or 45% full.
- Longford production increased by 2.1 PJ or 11% to 21 PJ, due to higher average capacity of 740 TJ/d. Worth noting, some capacity was unused during the third week of July due to lower prices and relatively lower demand. Maximum capacity for the month was 755 TJ/d.
- Otway's production was up following the commissioning Enterprise gas field – this saw it producing about 800 TJ more at an average rate of 178 TJ/d. Total production was 5.5 PJ with max capacity of 193 TJ/d.
- Gas flows to Curtis Island increased by 2 PJ with a daily rate of 3.68 PJ/d due to significant increase in QCLNG production offsetting both APLNG and GLNG LNG train outages.

Futures electricity market summary

CAL25 FWD SWAP (Jan 22 to July 24)

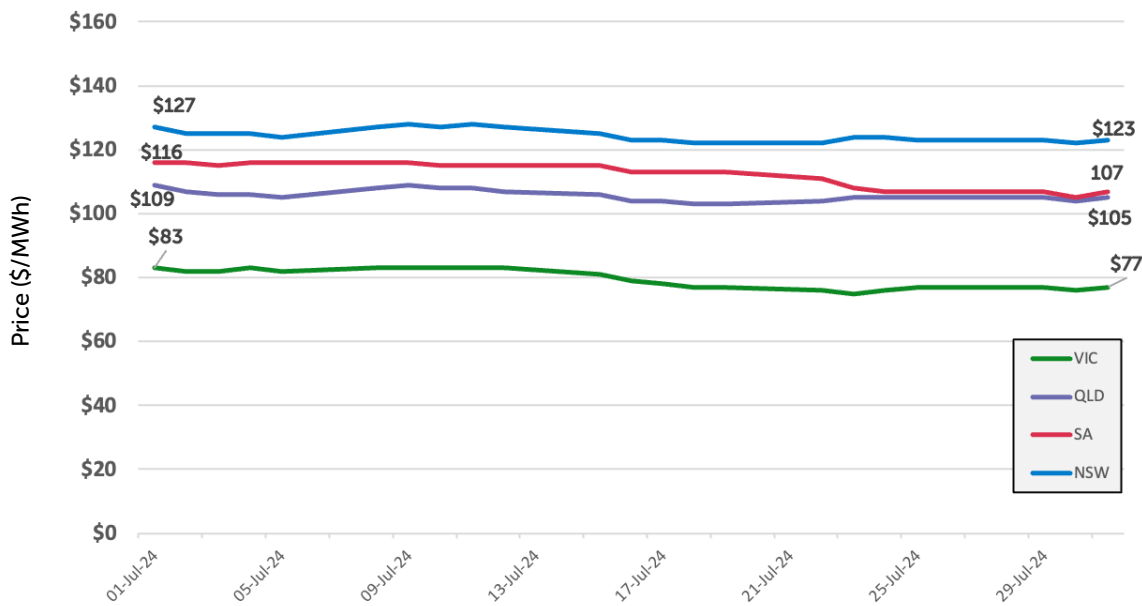


- **Market trending downwards:** The CAL25 and CAL26 curve trended downwards over the month, finishing \$3 to \$9 down by the end of the month.
- **SA Volatility at end of July:** The last week of July saw a sudden burst of volatility each night in South Australia. The reduced renewables and higher dependence on gas and diesel generators pushed prices up on multiple nights. This volatility pushed up the cap price in SA.
- **Wind drought continues with occasional high bouts of wind power:** Wind power continues to remain low on average, resulting in middle of the day prices of around \$100 and raising the underlying energy price. There are still days with wind power pushing above 5,000MW in the National Energy Market (NEM), but these are not as frequent as historically observed.

| July 2024 Spot Outcomes (\$/MWh) | | | |
|----------------------------------|---------------------|---------------------------------|---------------------------------|
| Region | Average Spot \$/MWh | Average Underlying (<\$300/MWh) | Average Volatility (>\$300/MWh) |
| NSW | 127.17 | 116.86 | 10.31 |
| QLD | 119.06 | 107.2 | 11.86 |
| VIC | 149.14 | 137.84 | 11.30 |
| SA | 241.22 | 132.59 | 108.63 |

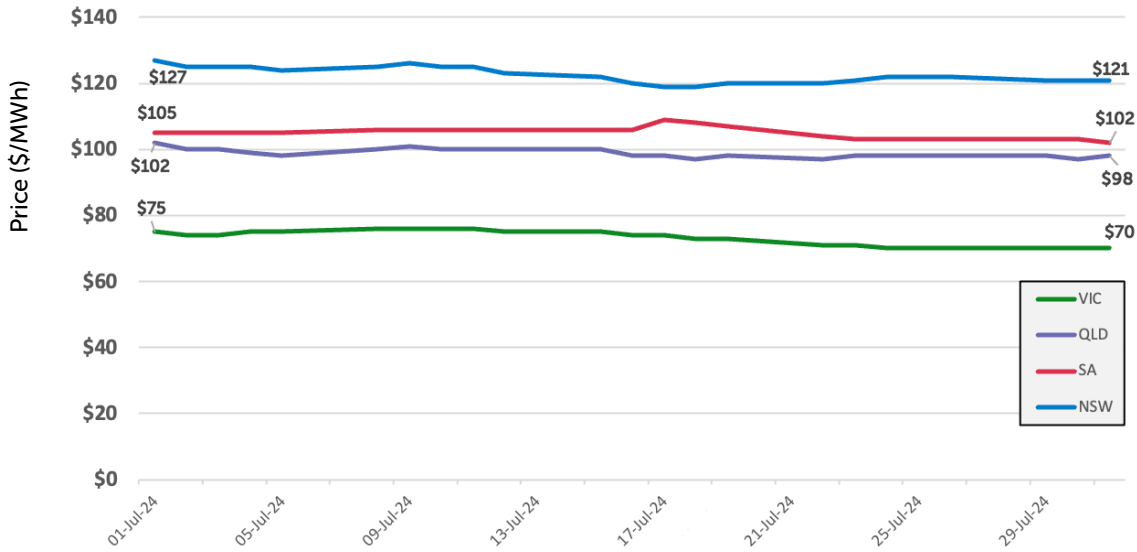
| CAL25 Swap Curve (\$/MWh) | | | | | | |
|---------------------------|-----------------|---------------------|---------------------------|-----------------------------|----------------------------------|------------|
| Region | Max Trade Price | Average Trade Price | 1st Trade Day (1 July 24) | Last Trade Day (31 July 24) | Variance (Last minus 1st) \$/MWh | Variance % |
| NSW | 128 | 124 | 127 | 123 | (4) | (3%) |
| QLD | 109 | 106 | 109 | 105 | (4) | (4%) |
| VIC | 83 | 80 | 83 | 77 | (6) | (7%) |
| SA | 116 | 112 | 116 | 107 | (9) | (8%) |

CAL25 FWD SWAP (July-24)



| FY-26 Futures Swap Curve (\$/MWh) | | | | | | |
|-----------------------------------|-----------------|---------------------|---------------------------|-----------------------------|----------------------------------|------------|
| Region | Max Trade Price | Average Trade Price | 1st Trade Day (3 June 24) | Last Trade Day (28 June 24) | Variance (Last minus 1st) \$/MWh | Variance % |
| NSW | 140 | 134 | 137 | 131 | (6) | (4%) |
| QLD | 111 | 108 | 109 | 108 | (2) | (1%) |
| VIC | 83 | 80 | 80 | 80 | 0 | 0% |
| SA | 109 | 106 | 105 | 108 | 3 | 3% |

FY-26 FWD SWAP (July-24)



Introducing our new Business and Commercial unit

EnergyAustralia has combined two parts of its retail businesses, small and medium enterprises and commercial and industrial, into a new unit called Business and Commercial. The aim of this integration is to provide all business customers, regardless of size, with a single point of contact at EnergyAustralia. In the coming months, we will implement changes to make it easier for business, commercial, and industrial customers to do business with us.

Our objective to provide affordable, reliable, and clean energy and to support our customers through the energy transition, does not change. In the meantime, our dedicated team of energy experts across these businesses are available to help you with all of your energy needs.

Business and Commercial

Wholesale market update

July 2024

EnergyAustralia Pty Ltd makes no representation and gives no assurance, guarantee or warranty as to the accuracy of information provided. All forward looking statements are based on publicly available information and are estimates only and should not be relied upon without seeking further advice. To the maximum extent permitted by law, none of EnergyAustralia Pty Ltd, its related companies, directors, employees, or agents will be liable for any loss arising from the use of information presented in this document or in connection with it.

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

[Contact Us](#) | [Privacy Policy](#)