

Commercial & Industrial

Wholesale market update

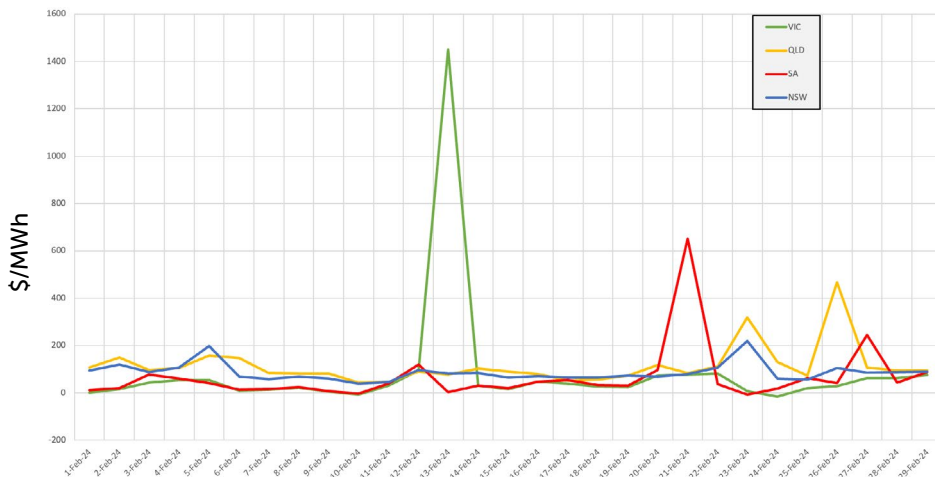
February 2024



EnergyAustralia
LIGHT THE WAY

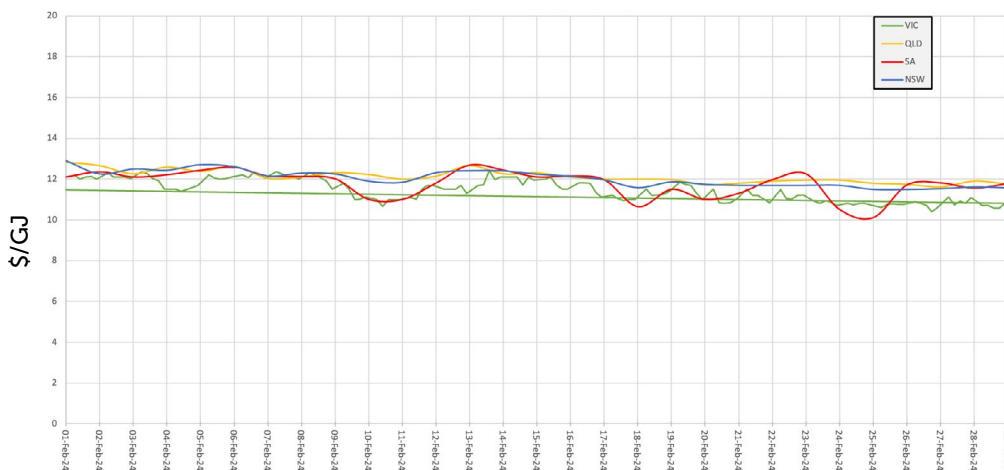
Physical (spot) market summary

February average electricity spot prices



- Compared to the same time last year, average spot prices were up 20%–40% across all states except SA. Price separation between the northern and the southern states continued, caused by interconnector constraints.
- Severe weather on 13 February led to the collapse of six 500kV towers in Vic and tripped all four Loy Yang A units. Renewable output was also constrained due to the transmission incident, creating a shortage of supply. The impact of this was load shedding and nearly two hours of Market Price Cap of \$16,600/MWh.
- 22 February saw the 5th highest February coincident National Electricity Market (NEM) demand in the last two decades at 33,281MW, primarily driven by hot weather. NSW demand on 29 February peaked at 13.8GW, the highest among the recent summers and triggered AEMO to issue a Lack of Reserves LOR2 (more information on Lack of Reserves notices available on [this fact sheet](#)).

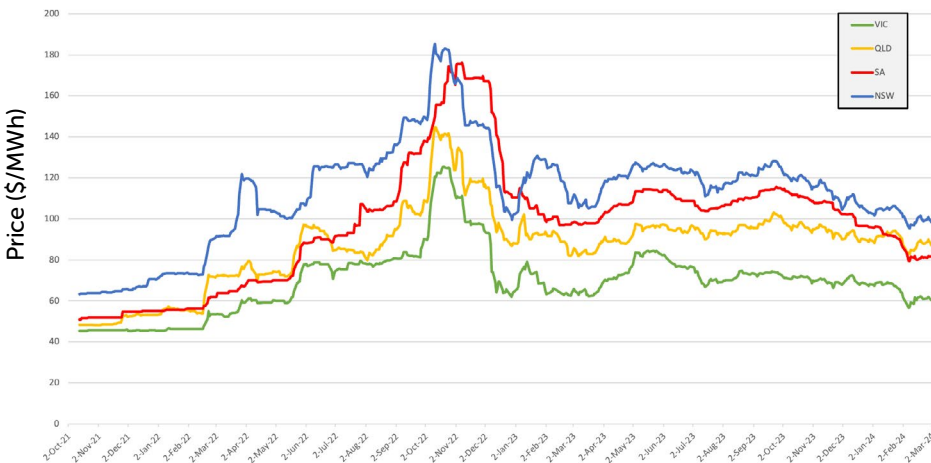
February average gas spot prices



- The average gas price for February 2024 increased by 6% from \$11.10/GJ to \$11.8/GJ. The increase was seen both in the Declared Wholesale Gas Market (DWGM) and Short Term Trading Market (STTM). This was due to the continuation of Longford maintenance and a 15% increase in gas fired generation use. This increase in use was attributed to a delayed summer in the east coast of Australia, occurring predominantly during February. Prices traded as low as \$10.10/GJ (Adl STTM hub) and as high as \$12.9/GJ (Syd STTM hub).
- Another notable insight is that Iona gas storage ended up with a lower monthly balance for the first time this year, due to 265 TJ being taken out to replace gas that was curtailed or was not made available from Longford. The February balance ended at 21.8 PJ – also the first time levels fell below 2021 and 2023 levels, for the same time of the year.

Futures electricity market summary

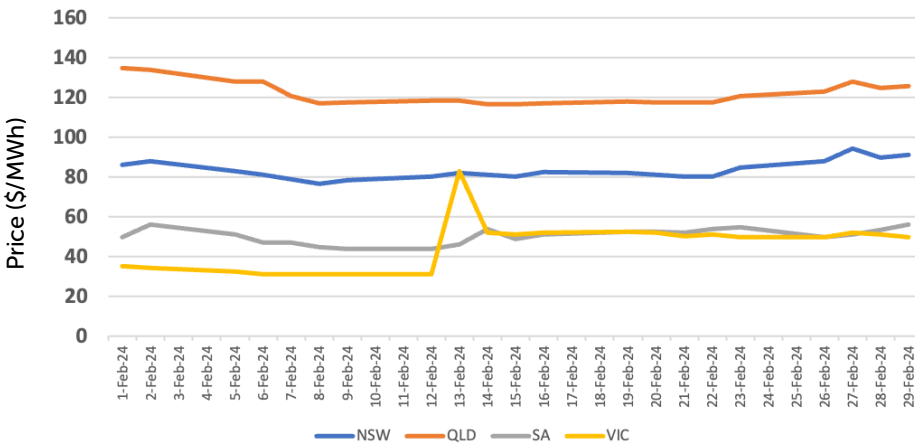
2025 CAL FWD SWAP



- The extreme weather event in Vic on 13 February caused damage to transmission towers, this – combined with AGL’s Loy Yang A (2,210MW) trip – caused the highest one-day percentage move (168%) in any current quarter on record. The quarterly swap maxed at \$83/MWh but quickly settled the next day when the volatility subsided. The Vic monthly close price reflected no change to the base underlying energy price, but the event put a minimum of \$15/MWh into the cap price for the quarter.

Q1-24						
Region	Max	Average	1-Feb-24	29-Feb-24	Variance \$/MWh	Variance %
NSW	94.5	88.7	86.3	91	4.7	5.4%
QLD	135	130.4	135.0	125.8	(9.2)	(6.8%)
VIC	56	42.6	35.1	50.0	14.9	42.5%
SA	83	53.0	50.0	56.0	6.0	12.0%

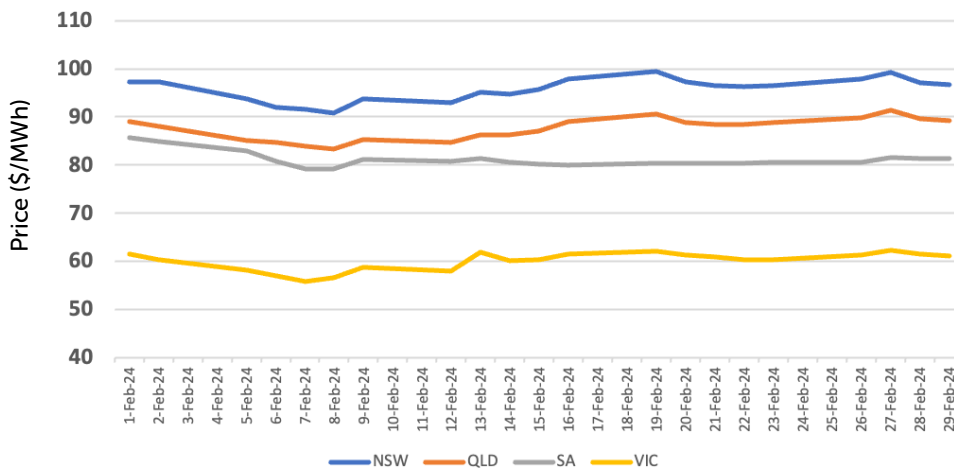
Q1-24 Swap Price by Region (Feb-24)



- There was less volatility in Qld in February, which saw the swap price drift lower from the beginning to the end of February. The downward move of \$9.2/MWh was all in the cap, decreasing from \$45/MWh to \$36/MWh.
- The FY-25 curve in all states drifted lower in the first week of February, caused by low spot outcomes despite high heat related demand. The curve recovered in all states except SA with stronger spot and volatility from mid-February. SA deteriorated and never recovered due to the low spot outcomes from extreme renewable penetration. The liquidity in SA contracts is also lower, which exaggerates rises and falls in the curve.

FY-25						
Region	Max	Average	1-Feb-24	29-Feb-24	Variance \$/MWh	Variance %
NSW	99	97	97.2	96.7	(0.5)	(0.5%)
QLD	89	89	89.0	89.2	0.2	0.2%
VIC	62	61	61.5	61.1	(0.4)	(0.7%)
SA	86	83	85.6	81.3	(4.2)	(5.0%)

FY-25 Swap Price by Region (Feb-24)



Victorian Energy market event February 2024

AEMO preliminary report

The Australian Energy Market Operator (AEMO) has issued a preliminary report into the incident in Victoria on 13 February, 2024, involving Moorabool-Sydenham tripped 500 kV lines, trip of the Hazelwood-Jeeralang line and storm damage to distribution networks which affected over 500,000 customers. Notably, the report mentions that although Reliability and Emergency Reserve Trader (RERT) was contracted, it was not pre-activated or activated and therefore there will be no RERT costs passed on.

[Read the preliminary report here.](#)

Ancillary charges

Ancillary services are used by the Australian Energy Market Operator (AEMO) to ensure the safe and reliable management of Australia's power system by maintaining technical standards for frequency, voltage, network loading, and system restart processes. Due to the Heywood-Jeeralang line trip, there's a limitation on procuring Frequency Control Ancillary Services (FCAS) within SA. As a result, customers in SA will see slightly higher ancillary charges on their March 2024 invoices issued in April.

Commercial & Industrial

Wholesale market update

February 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](#)