



Market Summary Report

December 2019

Introduction and Further Information

This report provides information on wholesale price trends for all regions within the National Electricity Market (NEM), the Western Australia energy market and environmental scheme certificates.

Please note that all electricity prices are presented as a \$ per MWh price and all certificate prices as a \$ per certificate price.

You can obtain the latest pricing information for the spot and contract markets on a daily basis from the “Market” section of the ERM customer portal.

Tasmanian contract prices are the non-regulated prices published by Hydro Tasmania on a weekly basis. All NEM spot prices are published by the Australian Energy Market Operator (AEMO). NEM contract prices are sourced from ASX.

Further information can be found at the locations noted below.

- Tasmanian Energy market - a comprehensive weekly report is published by the Office of the Tasmanian Energy Regulator which can be found here: <https://www.economicregulator.tas.gov.au/about-us/market-watch/tasmanian-market-watch>
- Western Australia energy market - AEMO publishes a detailed market report which can be found here: <http://wa.aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Data/Weekly-market-report>
- NEM Spot market – AEMO publishes a range of detailed information which can be found here: <https://aemo.com.au/Electricity/National-Electricity-Market-NEM/Data-dashboard>

Contract Market

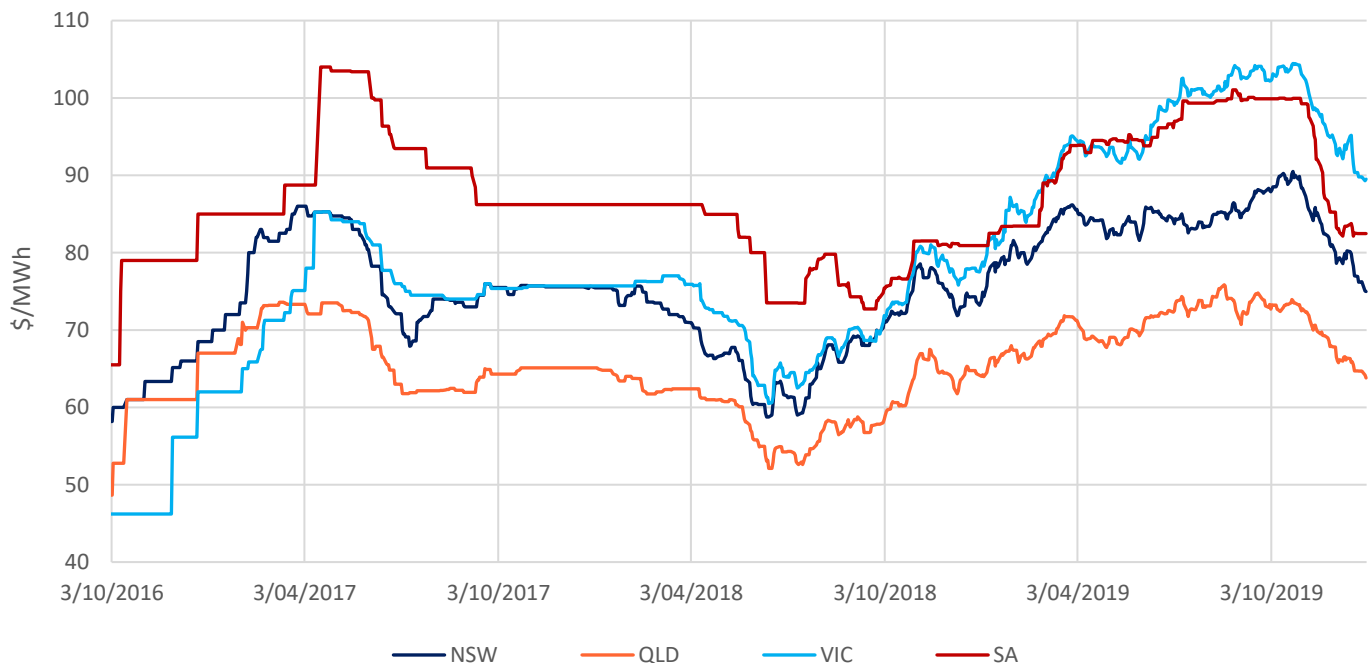
Calendar Year 2020 (CY20)

The CY20 contracts continued their selloff into December, with good unit availability continuing. The threat of some temperature-driven volatility mid-month gave some support to the curve, but when this did not eventuate, contract prices fell sharply. CY20 contracts in each region ended the month lower.

December 2019

State	Previous Close	Period Low	Period High	Closing Price
QLD	67.83	63.80	67.80	63.80
NSW	81.01	74.98	80.24	74.98
VIC	95.21	89.30	95.17	89.51
SA	85.25	82.13	85.25	82.47
TAS	90.13	83.85	89.36	83.85

CY20 Flat



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Contract Market

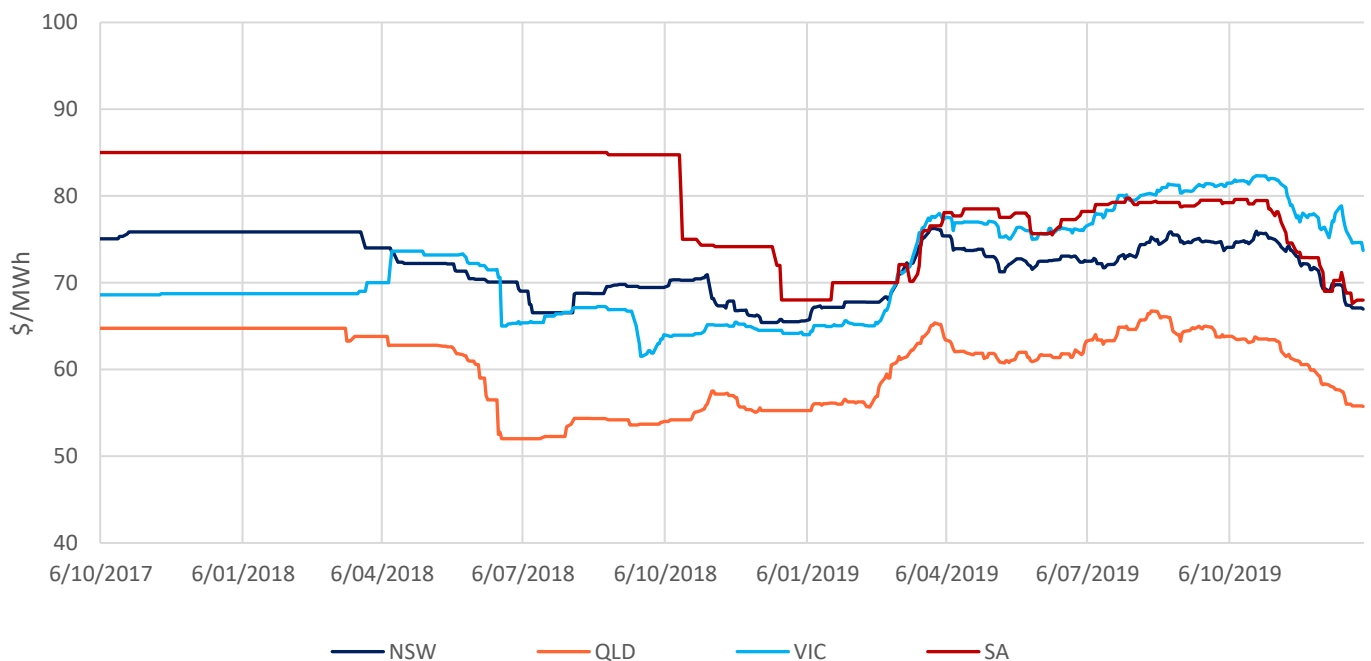
Calendar Year 2021 (CY21)

The CY21 contracts followed the CY20 contracts down this month, with the moves down not as extreme as those in the CY20 contracts. Similarly to the CY20 contracts, CY21 contracts closed lower in every region and continued the downward trend from last month.

December 2019

State	Previous Close	Period Low	Period High	Closing Price
QLD	59.97	55.74	59.31	55.74
NSW	71.78	66.95	71.41	66.95
VIC	77.95	73.70	78.85	73.70
SA	72.88	67.58	72.88	67.99
TAS	73.72	69.52	75.82	69.52

CY21 Flat

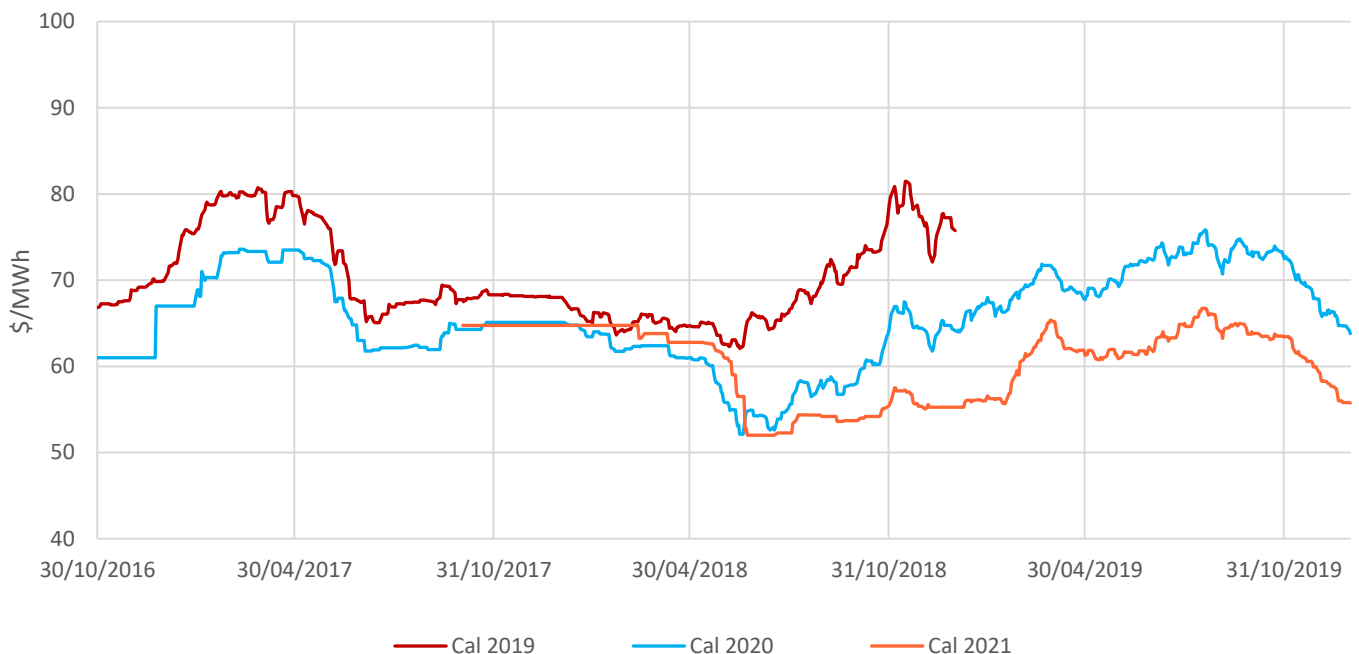


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Contract Market – NSW Flat

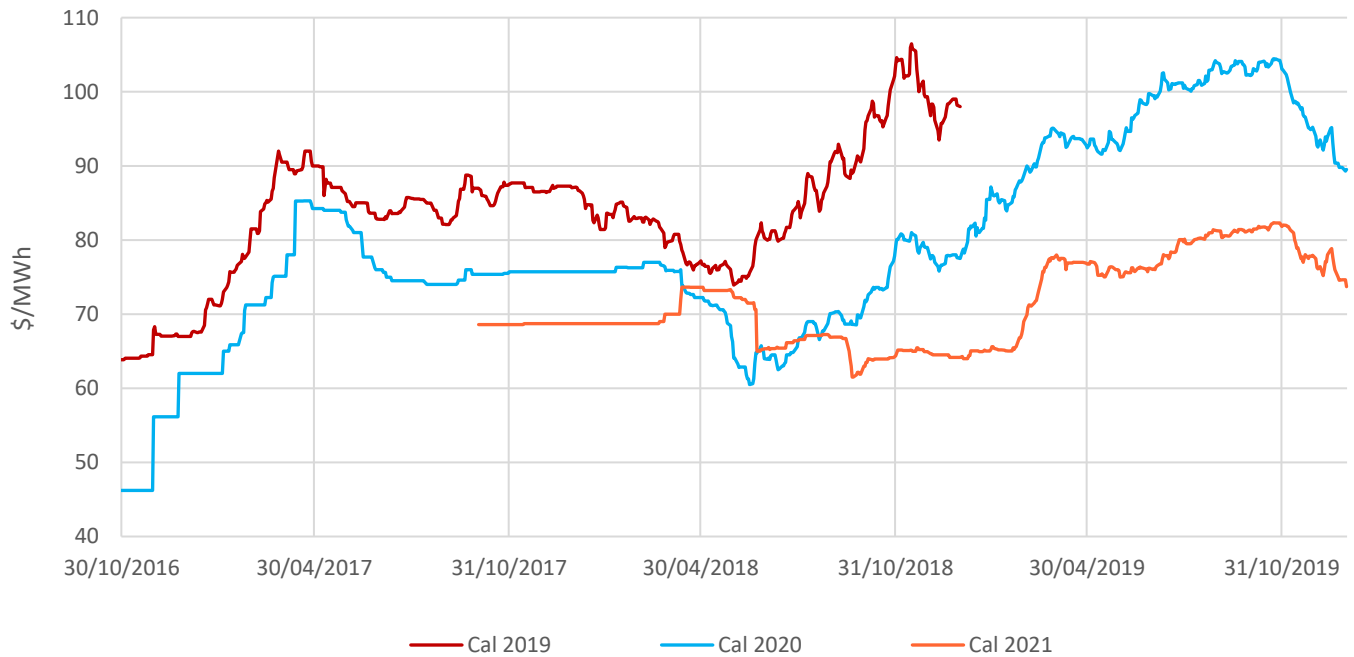


Contract Market – QLD Flat

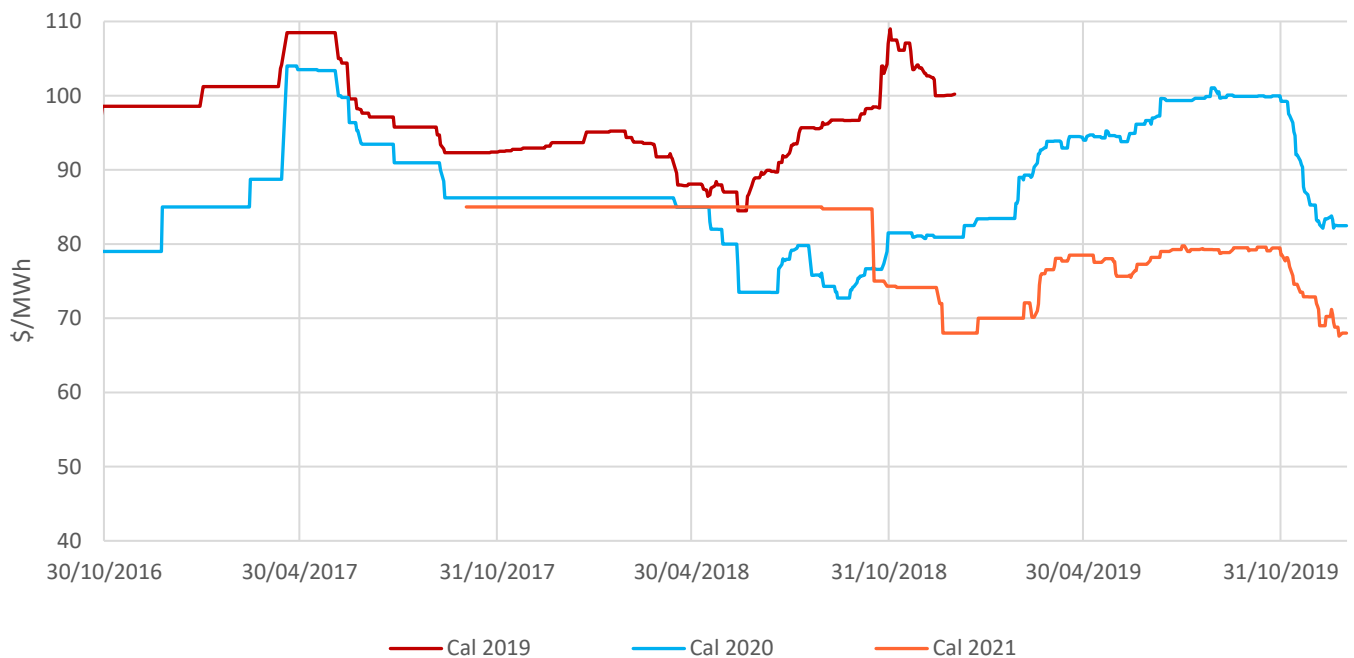


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Contract Market – VIC Flat



Contract Market – SA Flat



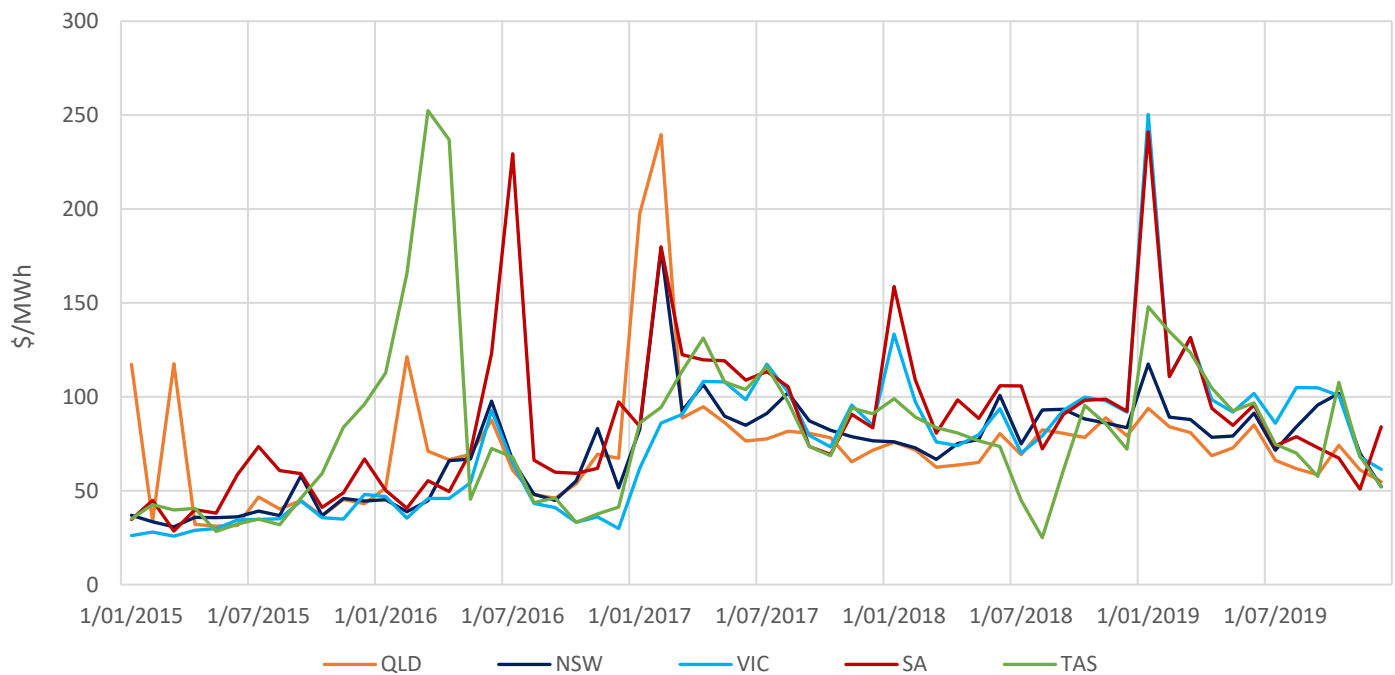
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Spot Prices: National Electricity Market

Spot price averages continued to slide across the east-coast over December, with increased demand from warmer weather more than compensated for by increased reliability and generation from the coal-fired fleet. Some high temperature days late in the month threatened volatility, but this only eventuated in SA, which bucked the trend and was the only node to average higher for the month.

December 2019

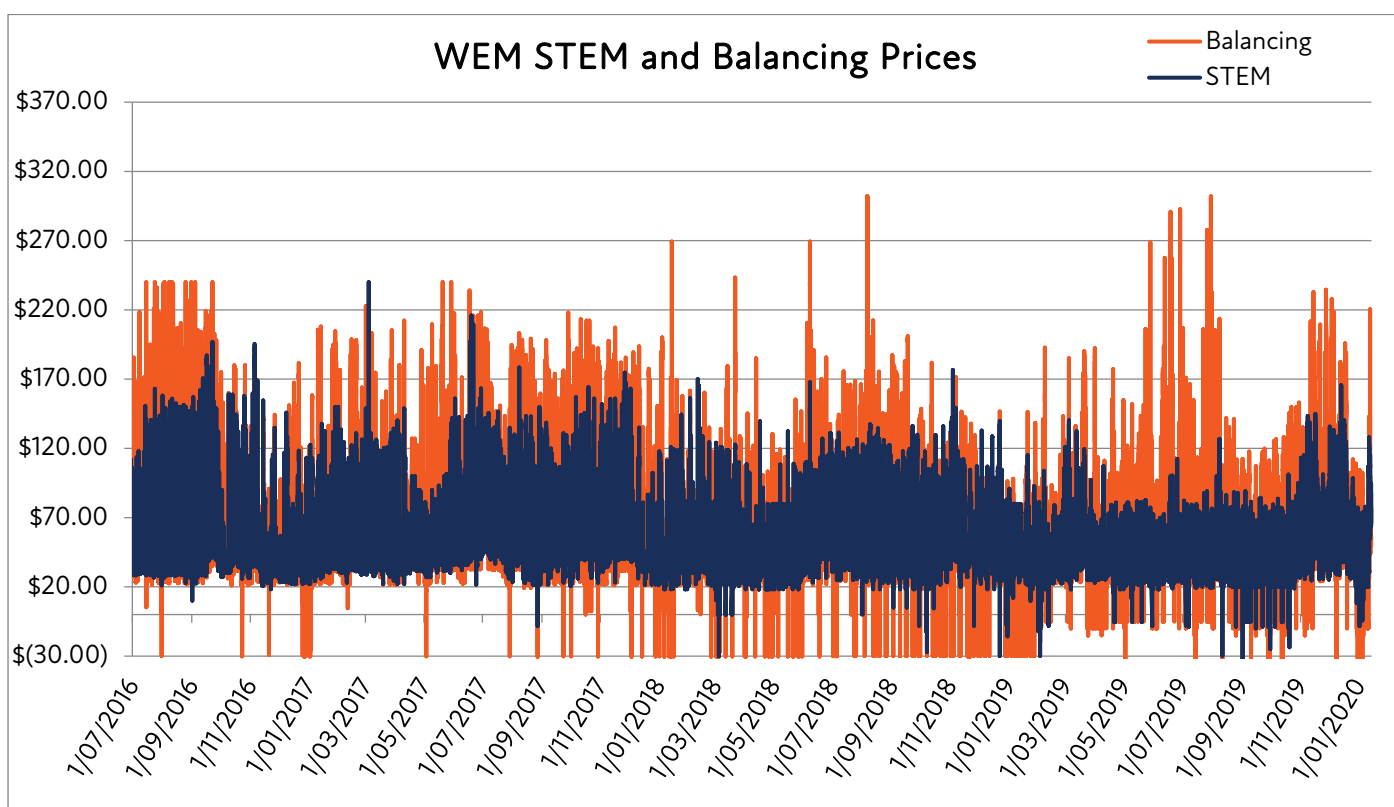
State	Monthly Average	Max Half Hour Spot Price
QLD	54.83	340.45
NSW	52.09	215.08
VIC	61.39	6,442.90
SA	84.03	14,700.00
TAS	52.18	301.57



Western Australian Energy Market

STEM prices in Western Australia during December were once again up from the previous month. The average flat prices increased \$4.24 to \$54.84 while the peak increased \$10.77 to \$63.85. Balancing prices saw even larger gains, with flat up \$8.01 to \$59.48 and peak up \$19.87 to \$70.46. The spread between flat and peak pricing has once again pushed back out.

We saw higher price volatility in both the STEM and Balancing markets, with 100 intervals above \$100 (and 0 intervals below \$0) in the STEM and 184 intervals above \$100 (with 22 intervals below \$0) in the Balancing market.



Emission Schemes

LGCs traded down for most of December, reaching a low of \$38.25 before closing at \$39.00, down \$7.75 over the month. The CY20 certificates followed the spot and CY19 certificates down closing the month at \$35.50, down \$5.75. The CY21 and CY22 certificates did not follow the earlier vintage certificates down, with the CY21 certificates up \$1.90 to close at \$25.50 and CY22 certificates closing at \$15.50, up \$3.75.

VEECs jumped up in early December before finding a new trading level around \$30.00 and trading around this level for most of the month, closing at \$30.50, up \$5.80 for the month. The Victorian government released news about the future of the scheme post CY20, this includes increases in the targets from 2021 and some changes to how the scheme operates.

ESCs closed the month at \$23.25, down \$0.90. Participants continued to digest news about the expansion and extension of the scheme that was announced in November. Creation and trading volumes remained in line with expectations.

STCs traded to a high of \$37.80 before ending December at \$37.45, down \$0.05 over the month. December saw very strong certificate creation and good liquidity, registration issues from the previous month have been largely rectified. The level the CY20 STP is set at will influence where the certificates next trade.



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