



Market Summary Report

March 2020

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

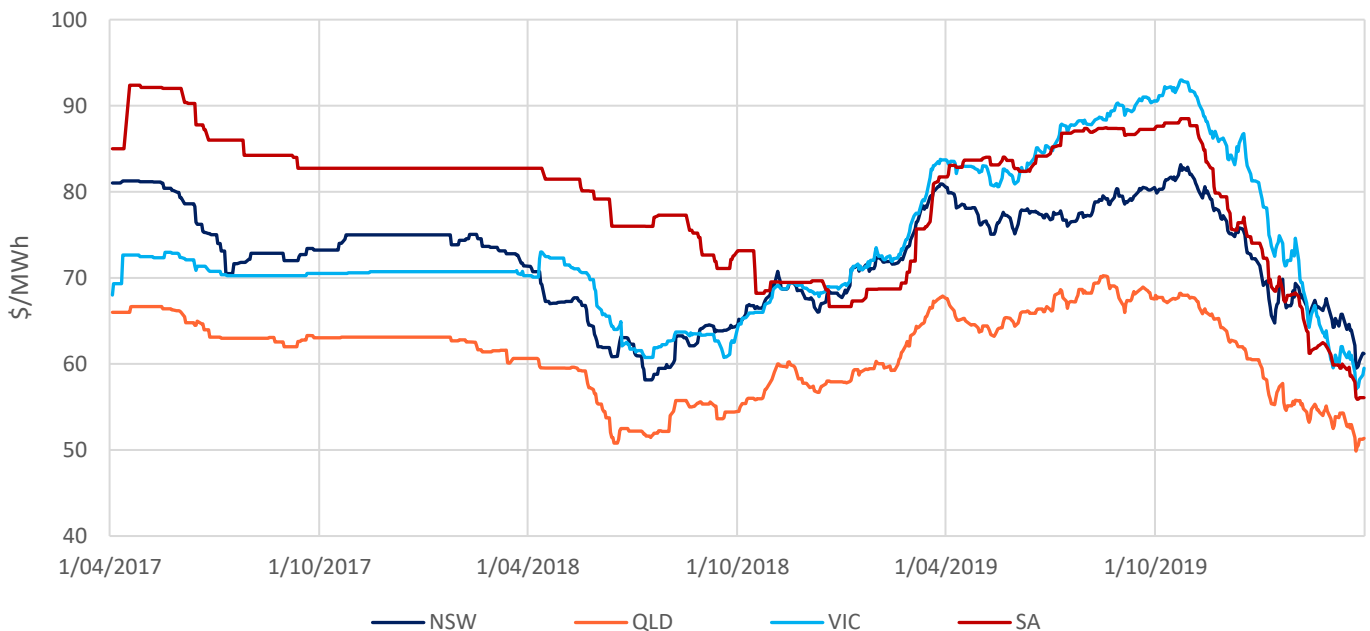
Financial Year 2021 (FY21)

The FY21 contracts sold off in March, with NSW seeing the biggest tumble, down \$5.81 for the month. The magnitude of the moves down this month were not as extreme as those in February. The spread between contract prices in all regions continues to reduce, with the spread between the lowest and highest price contract now \$9.84.

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State	Previous Close	Period Low	Period High	Closing Price
QLD	54.51	49.87	54.31	51.35
NSW	67.00	59.50	65.77	61.19
VIC	62.84	57.04	62.01	59.50
SA	61.87	55.89	61.06	56.08
TAS	61.97	53.81	59.02	56.08

FY21 Flat



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Contract Market

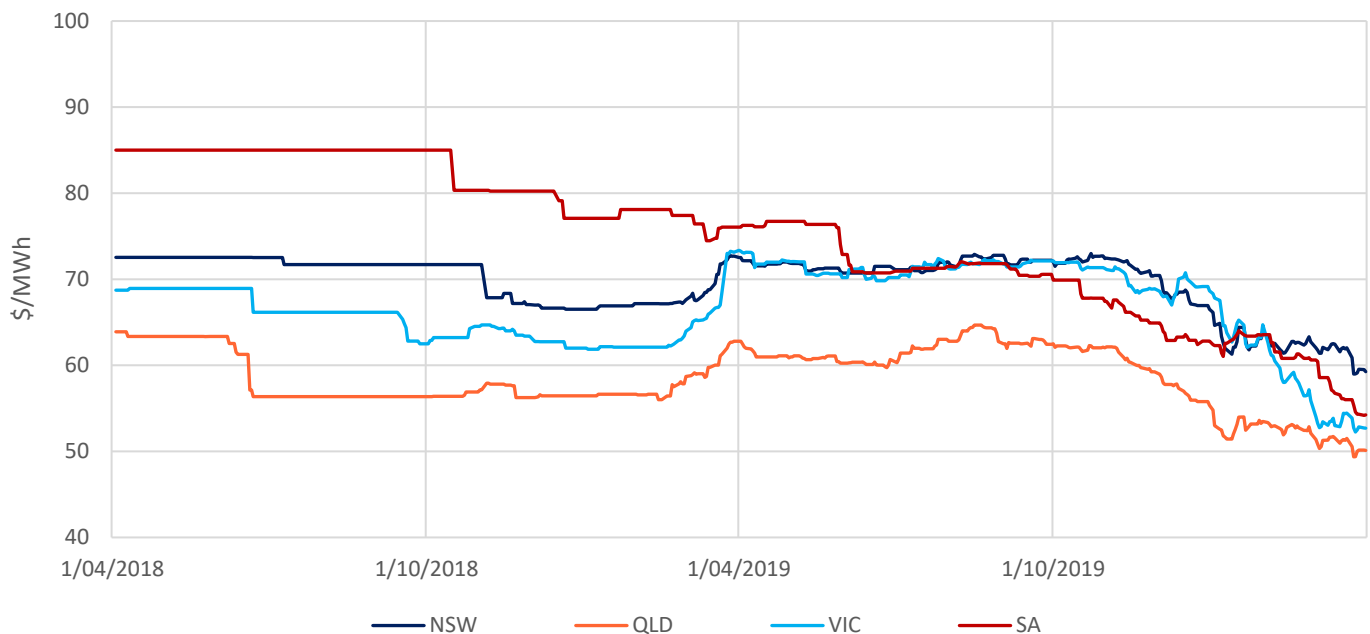
Financial Year 2022 (FY22)

The FY22 contracts closed lower in all states, with many contracts breaching price levels not seen for some time. Many participants point towards the significantly lower spot prices outcomes that have been witnessed since late last year as the primary driver for these lower contract prices.

March 2020

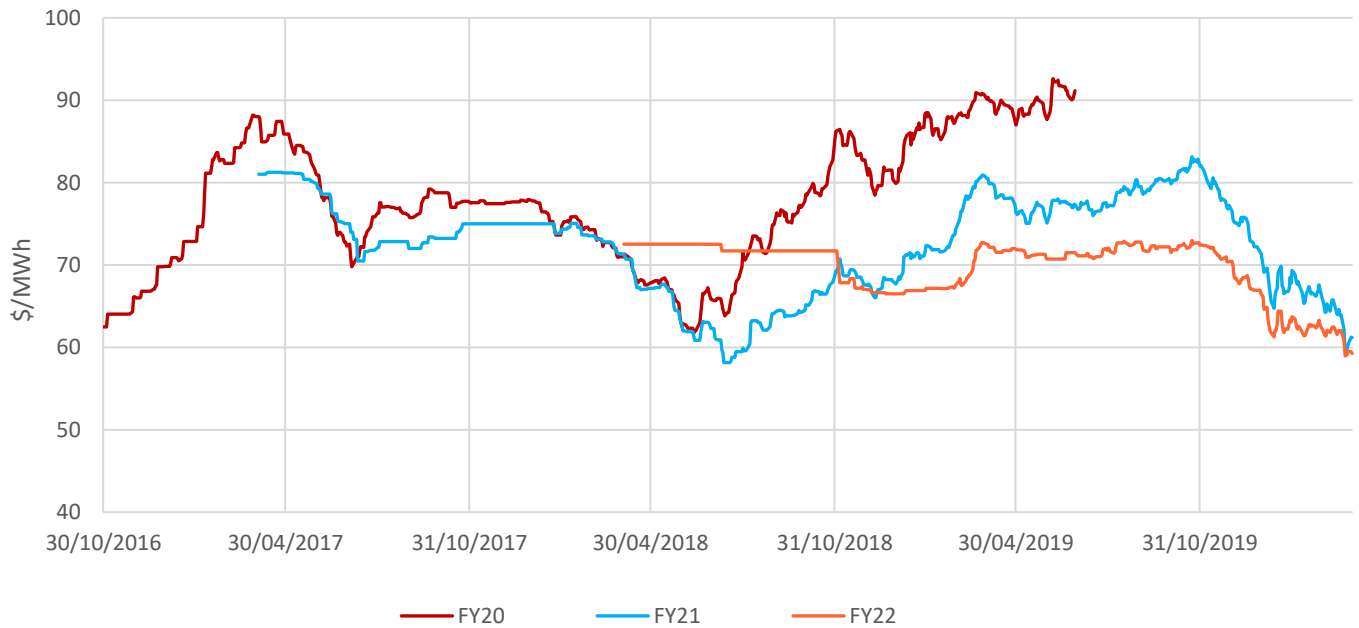
State	Previous Close	Period Low	Period High	Closing Price
QLD	52.10	49.36	51.73	50.11
NSW	62.72	58.99	62.51	59.26
VIC	55.90	52.25	54.44	52.70
SA	60.62	54.19	60.62	54.24
TAS	51.32	48.47	49.84	49.53

FY22 Flat

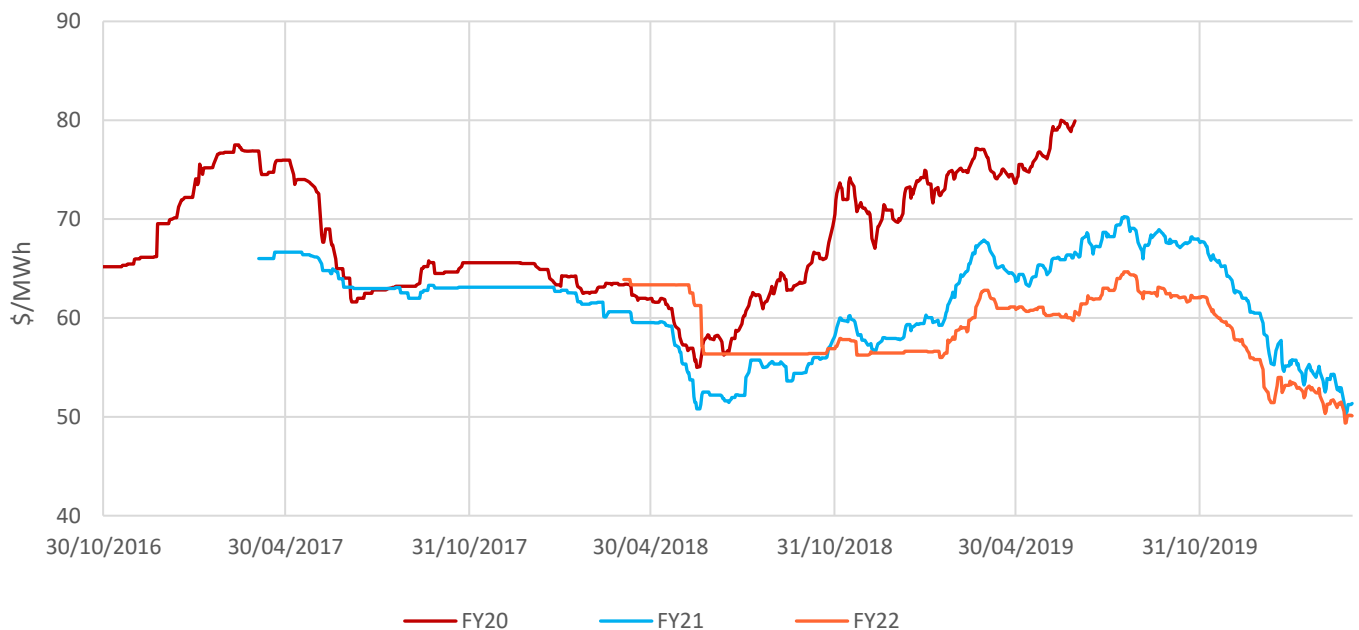


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Contract Market – NSW Financial Years Flat

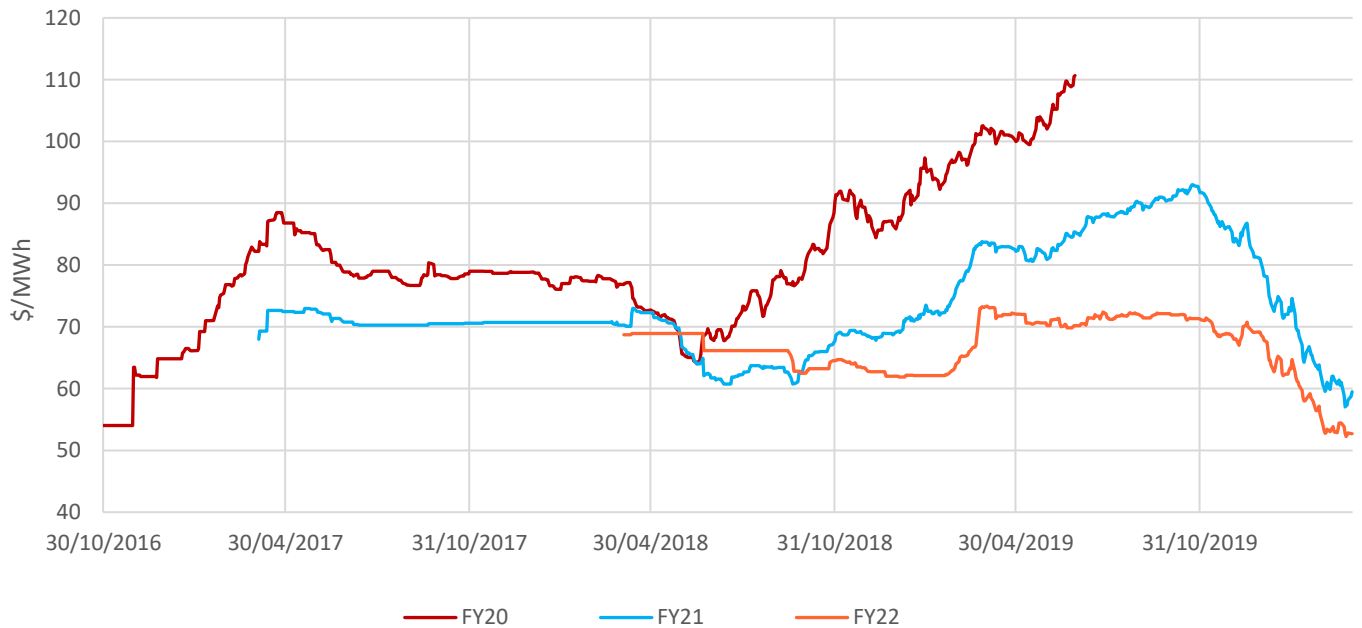


Contract Market – QLD Financial Years Flat

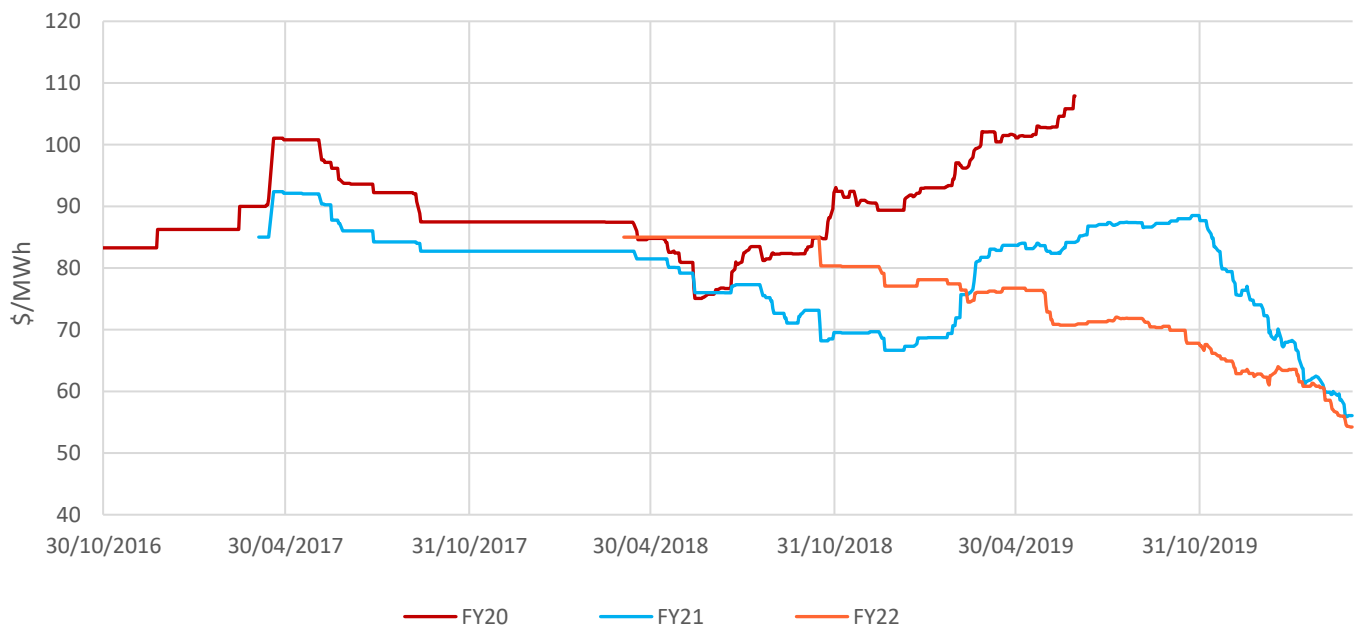


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Contract Market – VIC Financial Years Flat



Contract Market – SA Financial Years Flat



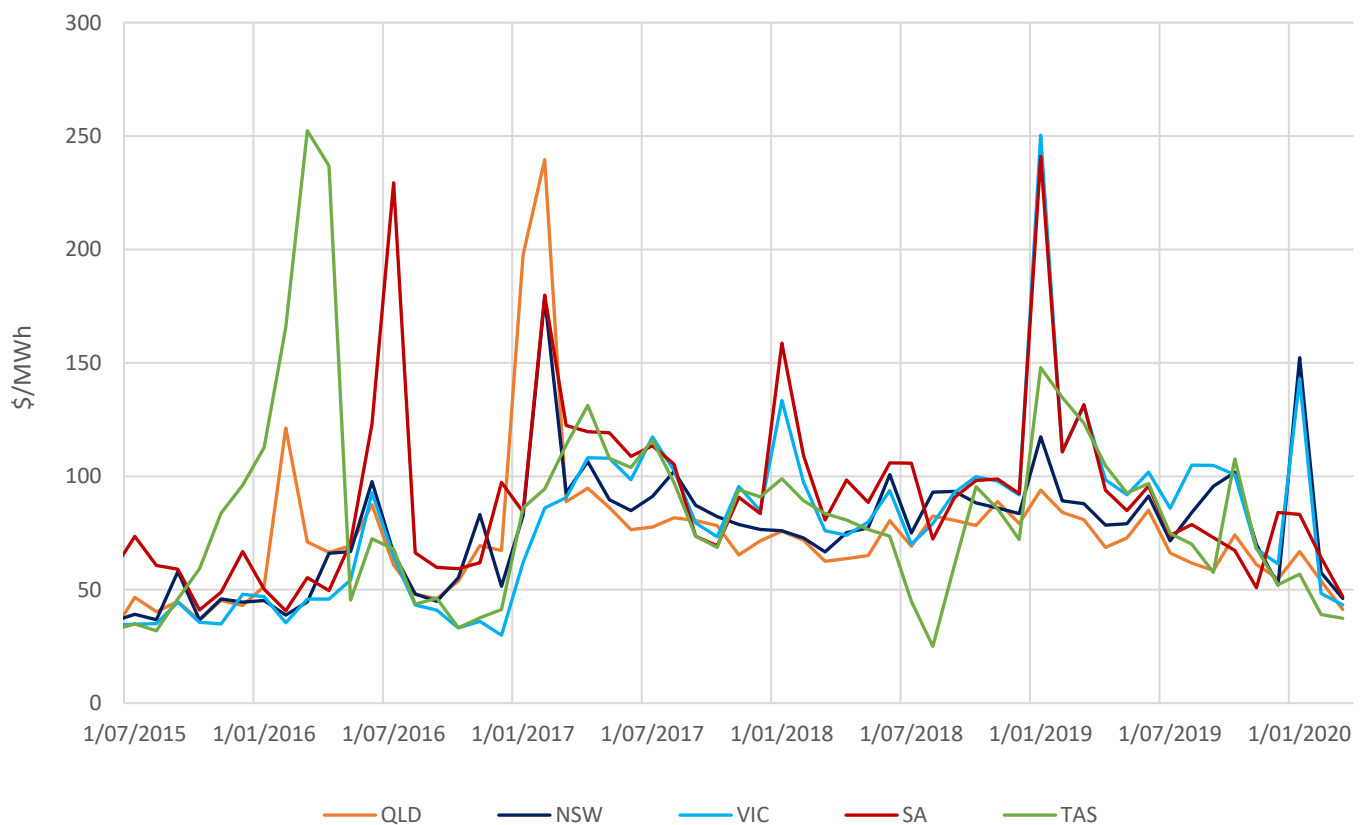
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Spot Prices: National Electricity Market

March continued the trend from the previous month of lower spot price outcomes, with the NEM not seeing any significant volatility this month. Demand was lower than the same period last year, the main drivers being unseasonably cool temperatures and the initial impacts from COVID-19.

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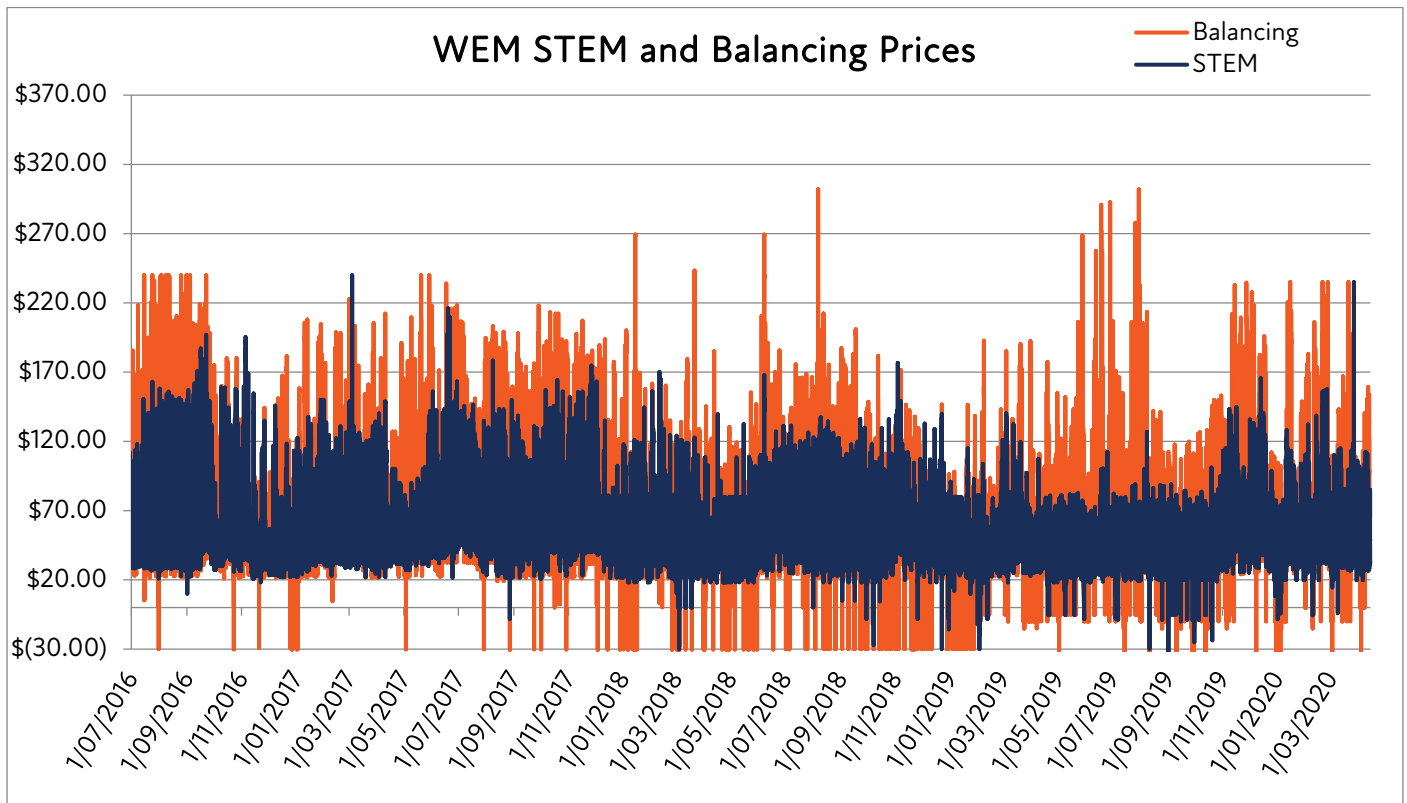
State	Monthly Average	Max Half Hour Spot Price
QLD	41.27	669.17
NSW	46.16	200.64
VIC	43.30	191.17
SA	46.95	7,026.84
TAS	37.37	339.37



Western Australian Energy Market

STEM prices in Western Australia during March were back down again after a strong February. The average flat prices decreased \$10.36 to \$51.33 while the peak decreased \$9.50 to \$58.94. Balancing prices also decreased month on month, with flat down \$15.37 to \$47.50 and peak down \$14.69 to \$53.01.

We saw lower price volatility in both the STEM and Balancing markets, with 69 intervals above \$100 (and 7 intervals below \$0) in the STEM and 68 intervals above \$100 (with 47 intervals below \$0) in the Balancing market.



Emission Schemes

After a very volatile period going into the CY19 certificate surrender, spot and CY20 LGCs trended down in March, with CY20 certificates closing the month at \$28.25, down \$6.00. CY21 certificates did not see such an extreme move, closing down \$0.55 to \$25.20. The CY22 certificates bucked this trend and closed at \$16.50, up \$0.50.

VEECs once again traded up in March, closing at \$36.50, up \$0.75. At the end of the month the regulator announced that high volume activities would be suspended due to the state of emergency that has been declared in Victoria in response to COVID-19. This suspension may reduce creation levels.

ESCs closed the month at \$28.30, up \$2.30. Spot market liquidity was adequate. The regulator has not made any recent announcements.

STCs traded up \$1.75 over the month, closing at \$39.75, only 25c lower than the penalty price. The certificates traded consistently up over the month, with liquidity reducing in forward certificates. Whilst creation levels still remain strong significant uncertainty exists around any impacts COVID-19 may have on creation throughout the rest of 2020.



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