



energy**4**business

# National Electricity Market Wholesale Price Update

July 2016



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# Snapshot

## Wholesale Market Forward Prices (30 June 2016)

**Financial year** base load wholesale futures prices have continued to rise in all regions across all financial years over the past month.

Increases have been very significant for all periods across all NEM regions, particularly NSW & VIC for FY17 & FY18.

	Since 31-May-16				30 days ago											
	QLD FY16	NSW FY16	VIC FY16	SA FY16	QLD FY17	NSW FY17	VIC FY17	SA FY17	QLD FY18	NSW FY18	VIC FY18	SA FY18	QLD FY19	NSW FY19	VIC FY19	SA FY19
Change (\$)	\$1.74	\$2.46	\$3.17	\$3.33	\$5.07	\$8.19	\$8.03	\$7.14	\$3.01	\$5.08	\$6.26	\$5.66	\$1.38	\$2.21	\$4.29	\$9.85
Change (%)	3%	5%	7%	6%	8%	16%	18%	8%	5%	10%	14%	7%	2%	4%	10%	12%

**Calendar year** base load wholesale futures prices show a similar pattern to financial year prices with sharper rises in the current calendar year for all NEM regions.

	Since 31-May-16				30 days ago											
	QLD CY16	NSW CY16	VIC CY16	SA CY16	QLD CY17	NSW CY17	VIC CY17	SA CY17	QLD CY18	NSW CY18	VIC CY18	SA CY18	QLD CY19	NSW CY19	VIC CY19	SA CY19
Change (\$)	\$5.66	\$8.05	\$8.02	\$8.41	\$2.82	\$5.29	\$6.36	\$4.54	\$2.09	\$3.95	\$5.24	\$3.95	\$0.61	\$1.11	\$2.46	\$12.00
Change (%)	9%	15%	18%	12%	5%	11%	14%	5%	3%	8%	12%	4%	1%	2%	6%	17%

# Snapshot

## Wholesale Market Spot Prices (30 June 2016)

MMM-YY	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Region	QLD	NSW	VIC	SA	TAS
Month	Flat	Flat	Flat	Flat	Flat
Jun-15	31.51	36.09	34.41	58.61	32.25
Jul-15	46.66	39.15	34.75	73.51	34.90
Aug-15	40.29	36.75	35.04	60.70	31.89
Sep-15	44.79	58.00	44.55	59.07	46.02
Oct-15	36.49	36.74	35.63	41.10	59.22
Nov-15	45.30	45.92	34.92	48.88	83.73
Dec-15	43.08	44.56	48.01	66.83	96.10
Jan-16	51.55	45.21	46.95	50.26	112.73
Feb-16	121.31	38.81	35.42	40.72	165.67
Mar-16	71.03	44.66	45.89	55.33	252.37
Apr-16	66.49	66.03	45.88	49.57	236.85
May-16	69.40	66.85	54.24	70.70	45.45
Jun-16	87.53	97.69	92.77	123.10	72.50
Monthly change	18.13	30.84	38.53	52.40	27.05
% change	26%	46%	71%	74%	60%
<b>Average Rolling 12 months</b>	<b>60.33</b>	<b>51.70</b>	<b>46.17</b>	<b>61.65</b>	<b>103.12</b>

Year on Year change - June	56.02	61.60	58.36	64.49	40.25
Year on Year change - June %	178%	171%	170%	110%	125%

Time weighted average ("flat") electricity wholesale spot market prices in June 2016 were significantly higher than May 2016 prices across all regions, and up over 70% in VIC and SA. Average June 2016 prices in all regions were also significantly above the previous corresponding month last year, all over double with VIC, NSW & QLD almost triple average spot prices from June 2015.

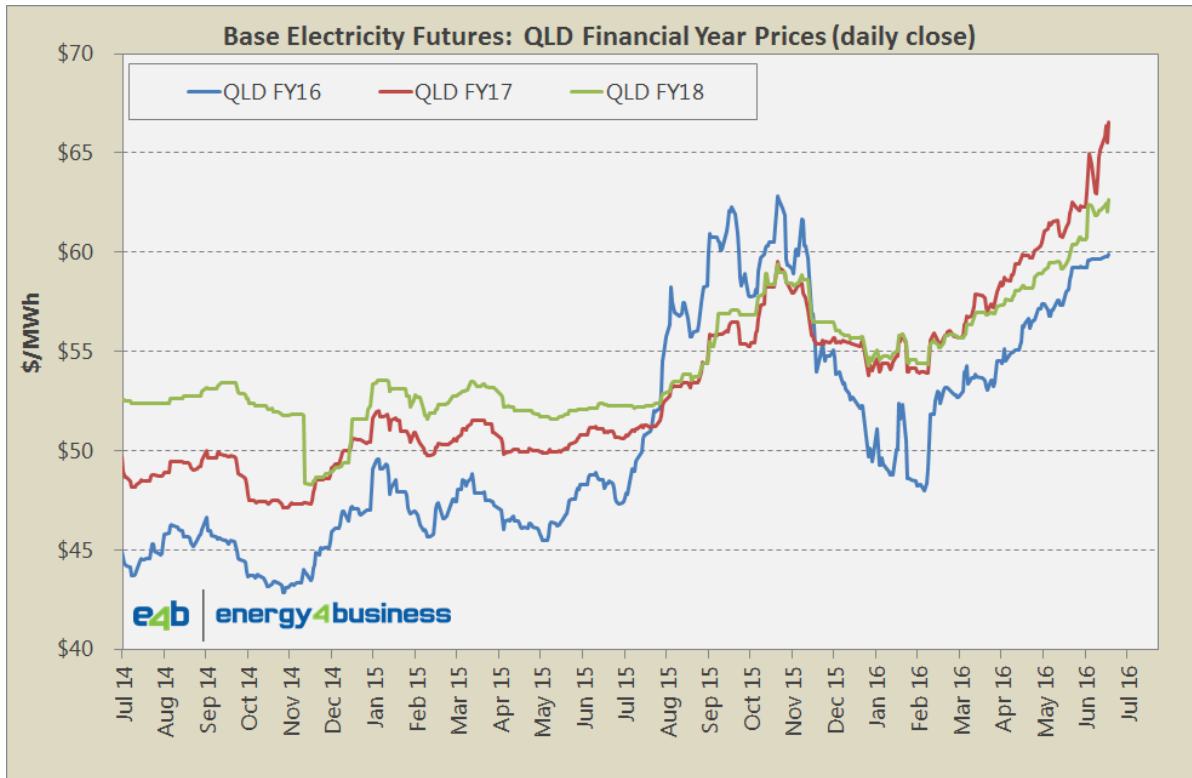
All NEM states experienced continued high spot price volatility through June 2016. During June the Basslink sub-sea interconnect cable between VIC & TAS (that failed in December 2015) was returned to service; and it was also the first full month that the SA market has been without any locally based coal-fired power generation after the retirement of Augusta Power Stations (Northern & Playford) in May 2016.

# Wholesale Market Forward Prices



# Wholesale Market Forward Prices

## QLD Electricity Forward Prices by Financial Year



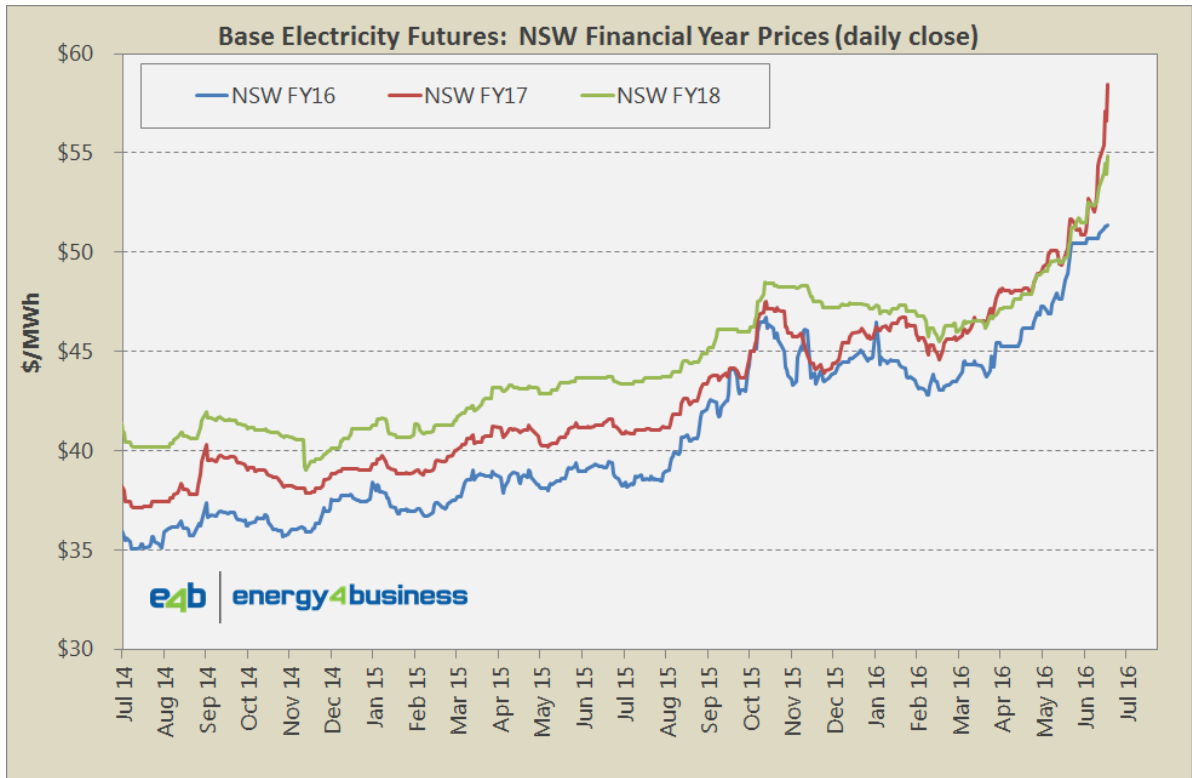
QLD Financial Year 2016 (FY16) base futures price closed at \$60/MWh at the end of June 2016, an increase of 3% on its May 2016 close and finishing the year 5% below the maximum price it reached in late Oct 2015 of \$63/MWh and 40% higher than its low of \$43/MWh in late October 2014.

FY17 base futures price has jumped another 8% over the past month to close at a new high above \$66/MWh for this contract.

FY18 base futures prices also increased by another 5% over the month closing at a new record high of almost \$63/MWh.

# Wholesale Market Forward Prices

## NSW Electricity Forward Prices by Financial Year



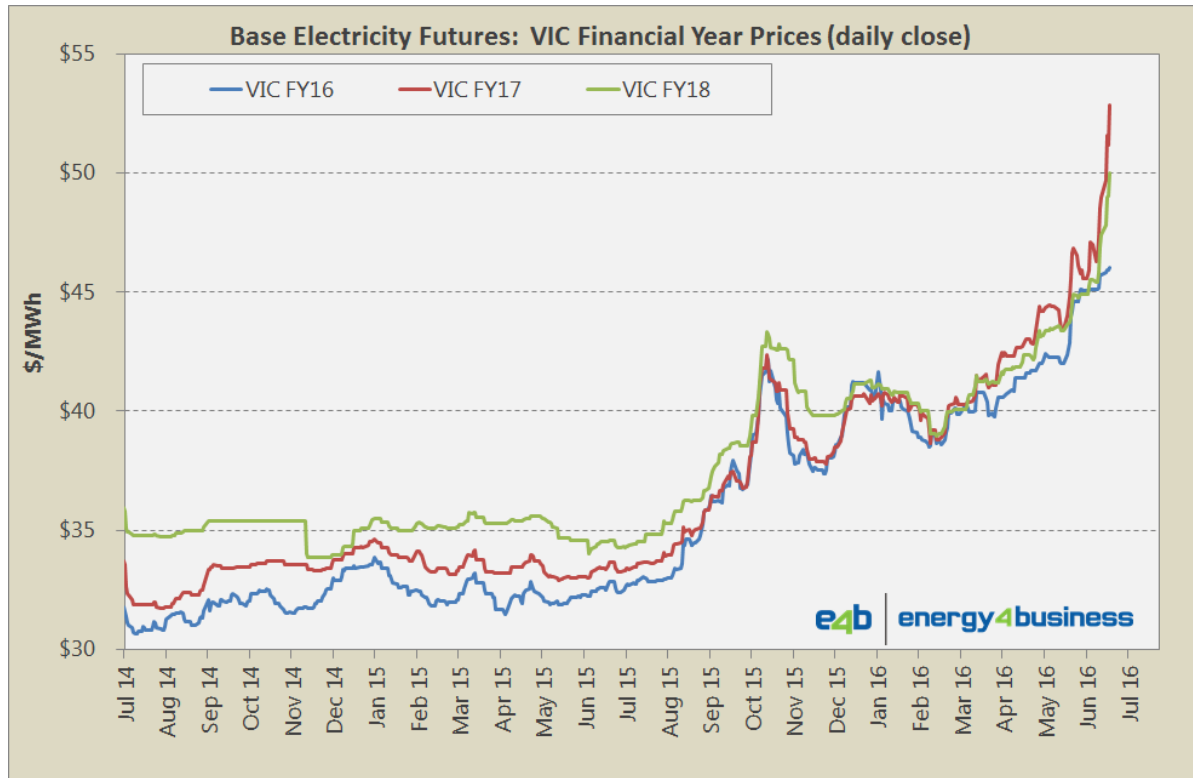
NSW again set new record high prices across FY16, FY17 & FY18 base futures contracts at the end of June 2016.

NSW FY16 base futures price at the end of June 2016 closed up 5% on the May 2016 close at \$51/MWh which was 47% above its low of \$35 in mid-July 2014.

FY17 & FY18 base futures price both increased by 16% and 10% respectively over the past month to close at a new high for both contracts of \$58/MWh & \$55/MWh.

# Wholesale Market Forward Prices

## VIC Electricity Forward Prices by Financial Year



VIC also set new record high prices across FY16, FY17 & FY18 base futures contracts at the end of June 2016.

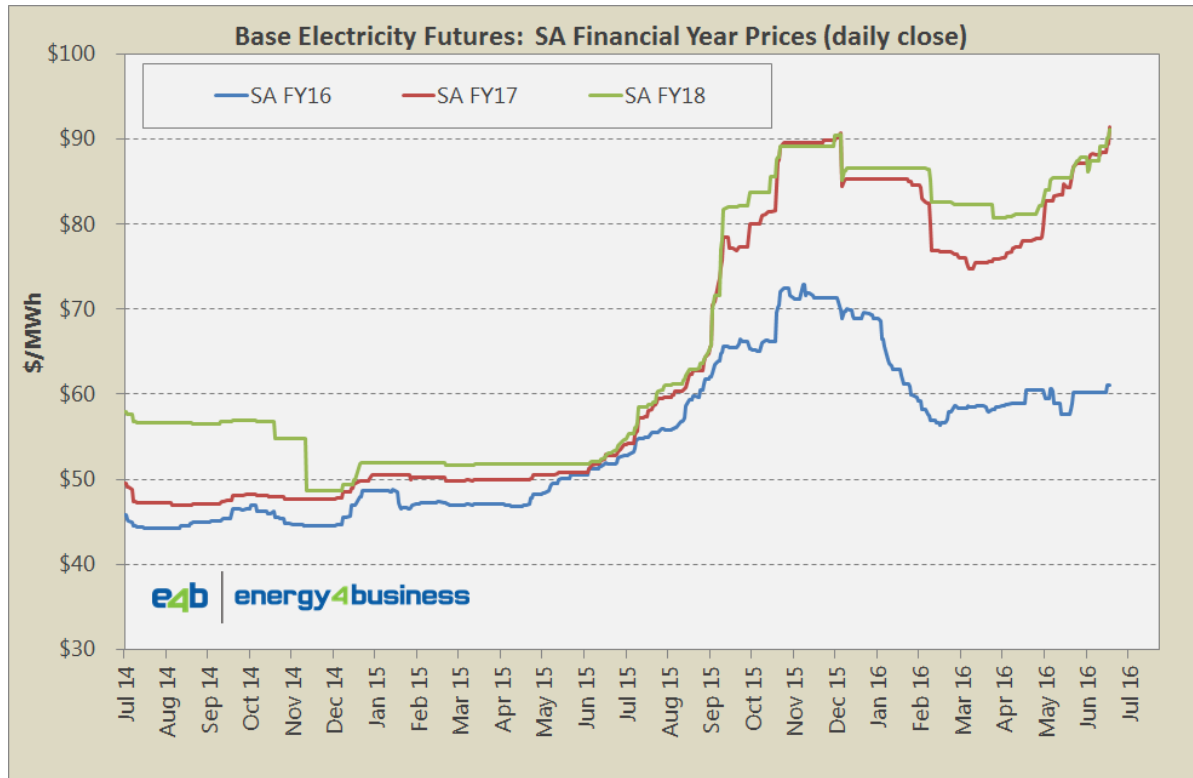
FY16 was up 7% on the previous month closing at \$46/MWh which was 50% above its low of \$31 in mid-July 2014.

FY17 base futures price has increased 18% over the past month to close at \$53/MWh.

FY18 base futures prices also rose by 14% to close at \$50/MWh at the end of June 2016.

# Wholesale Market Forward Prices

## SA Electricity Forward Prices by Financial Year



SA's FY16 base futures price closed the financial year up 6% compared to May 2016 to finish at \$61/MWh which is 16% below its \$73/MWh high reached in mid Nov 2015 and 38% above its \$34 low in August 2014.

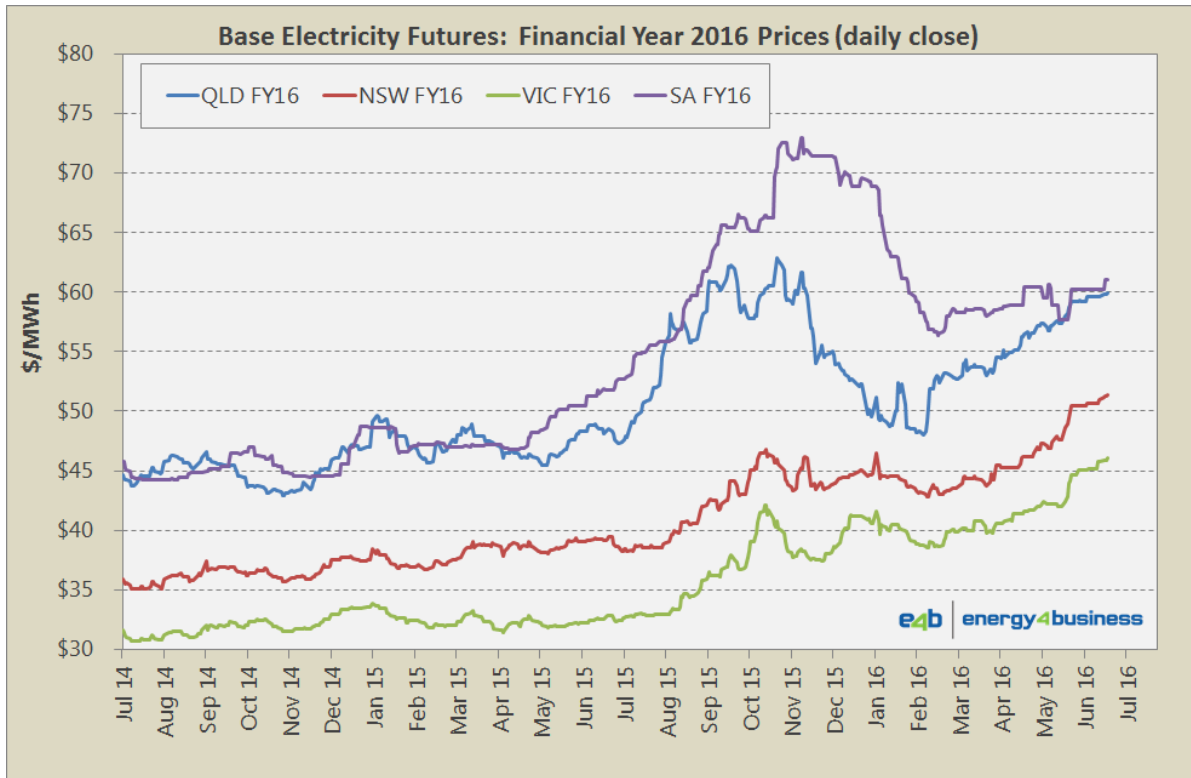
FY17 base futures price was up 8% over the past month to close at \$91, on a par with its previous mid-Dec 2015 peak of \$91/MWh.

FY18 base futures prices climbed 7% for the month to \$91/MWh at the end of June 2016 setting a new high price for this contract.



# Wholesale Market Forward Prices

## NEM Electricity Forward Prices for Financial Year 2016



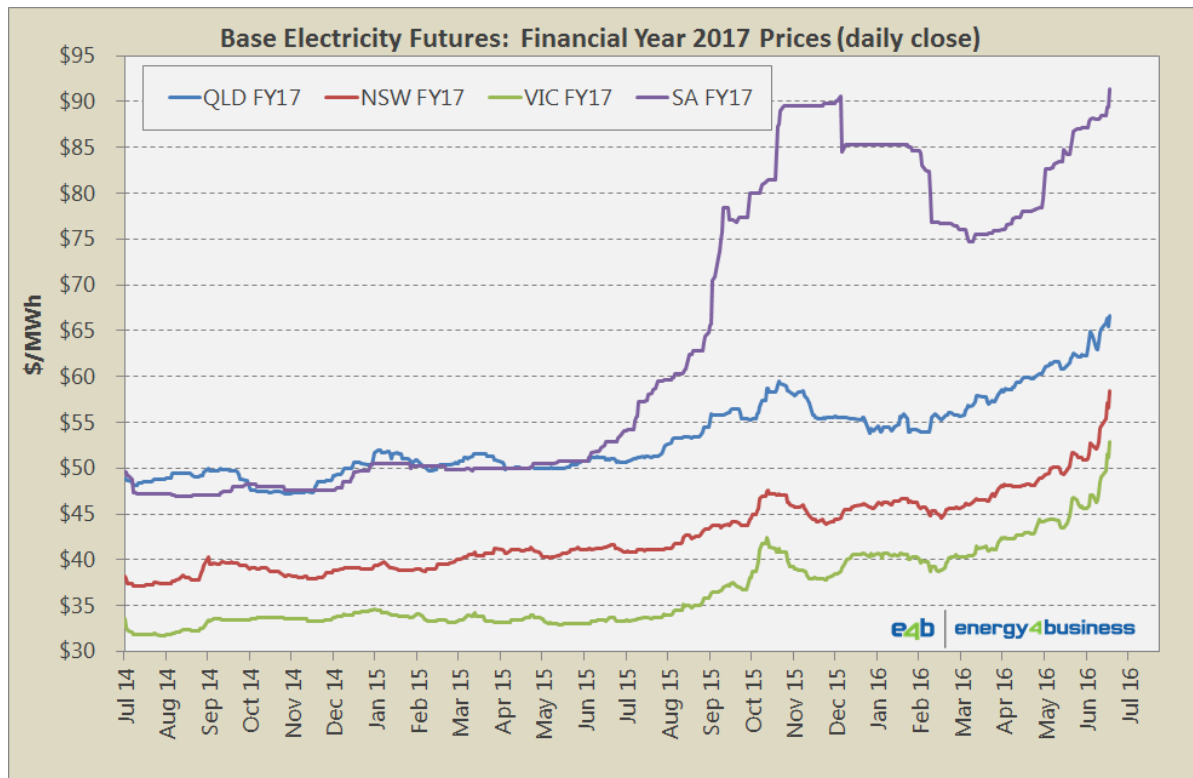
The above chart shows the relative base futures price movements for the FY2016 contracts from July 2014 across the 4 regions of QLD, NSW, VIC & SA.

FY16 prices increased in all regions across June 2016 with the contracts closing the year at their highs in both NSW & VIC, 5% below its Oct 2015 maximum in QLD, and 16% below its Nov 2015 maximum in SA.

VIC remained the lowest priced region with NSW closing at a 12% premium to VIC and QLD & SA at a 30% & 33% premium respectively.

# Wholesale Market Forward Prices

## NEM Electricity Forward Prices for Financial Year 2017



The above chart shows the relative base futures price movements for the FY2017 contracts since Jul 2014 across the 4 regions of QLD, NSW, VIC & SA.

All regions experienced a price increase over the past month, and all finished June 2016 at a new price high for this contract.

SA prices still significantly exceed those in the other regions for FY17. SA finished Jun 2016 at a \$39/MWh or 73% premium to the lowest priced region, VIC for the FY17 contract. NSW is at a 11% premium to VIC and QLD is 26% above VIC.

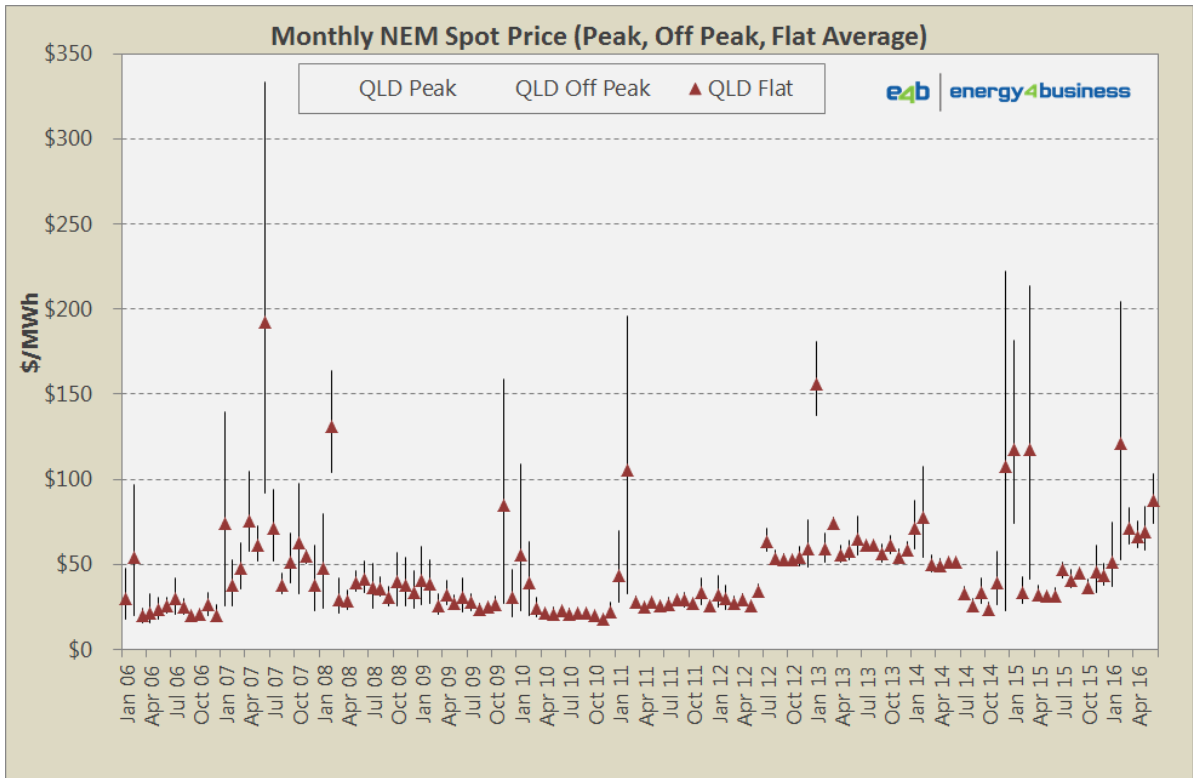
# Wholesale Market Spot Prices

(by month from Jan 2006 to May 2016)



# Wholesale Market Spot Prices

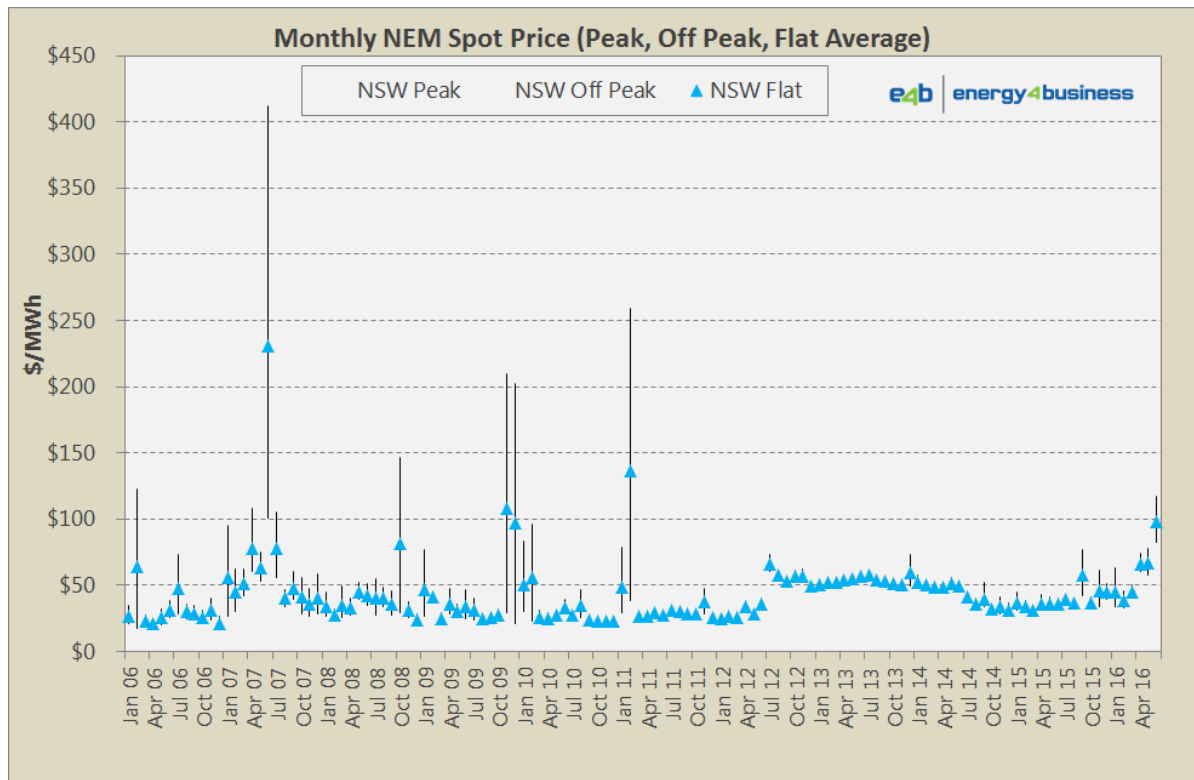
## QLD Monthly Spot Prices (Peak, Off, Flat)



Jan 2006 - June 2016	QLD	QLD	QLD
	NEM Peak	NEM Off-Peak	NEM Flat
Maximum Monthly Price	333.43	137.37	192.45
Average Monthly Price	60.95	35.20	46.22
Median Monthly Price	47.36	26.69	37.64
Minimum Monthly Price	20.01	15.64	17.64

# Wholesale Market Spot Prices

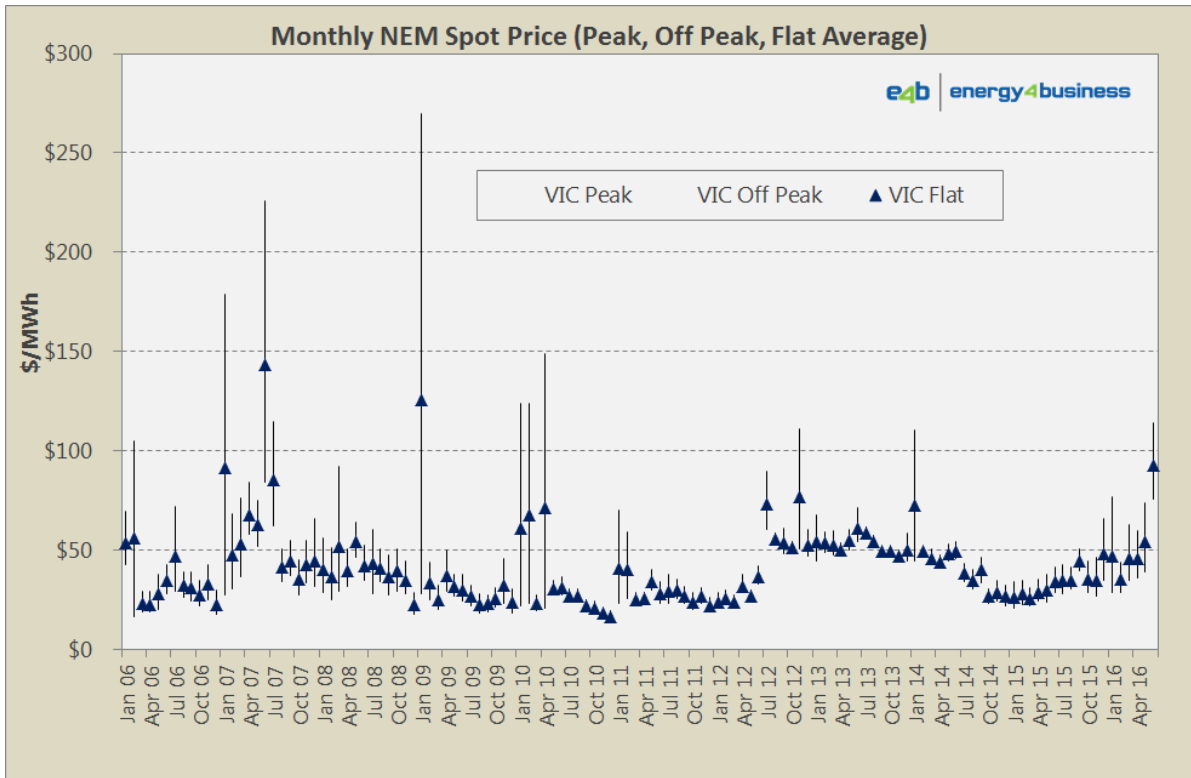
## NSW Monthly Spot Prices (Peak, Off, Flat)



Jan 2006 - June 2016	NSW	NSW	NSW
	NEM Peak	NEM Off-Peak	NEM Flat
Maximum Monthly Price	412.47	100.80	230.66
Average Monthly Price	56.29	34.60	43.89
Median Monthly Price	46.64	29.11	37.04
Minimum Monthly Price	23.99	17.63	20.61

# Wholesale Market Spot Prices

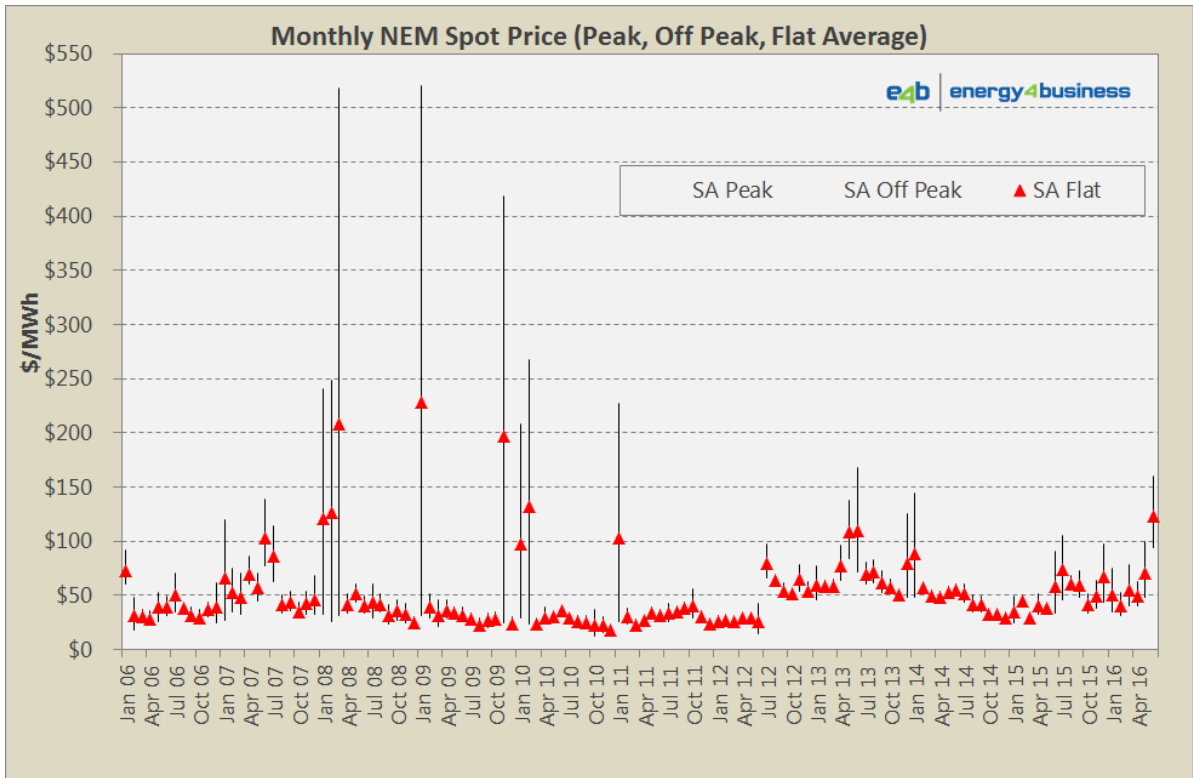
## VIC Monthly Spot Prices (Peak, Off, Flat)



Jan 2006 - June 2016	VIC	VIC	VIC
	NEM Peak	NEM Off-Peak	NEM Flat
Maximum Monthly Price	269.93	84.43	143.28
Average Monthly Price	55.11	31.95	41.73
Median Monthly Price	46.32	28.12	36.82
Minimum Monthly Price	19.32	14.46	16.52

# Wholesale Market Spot Prices

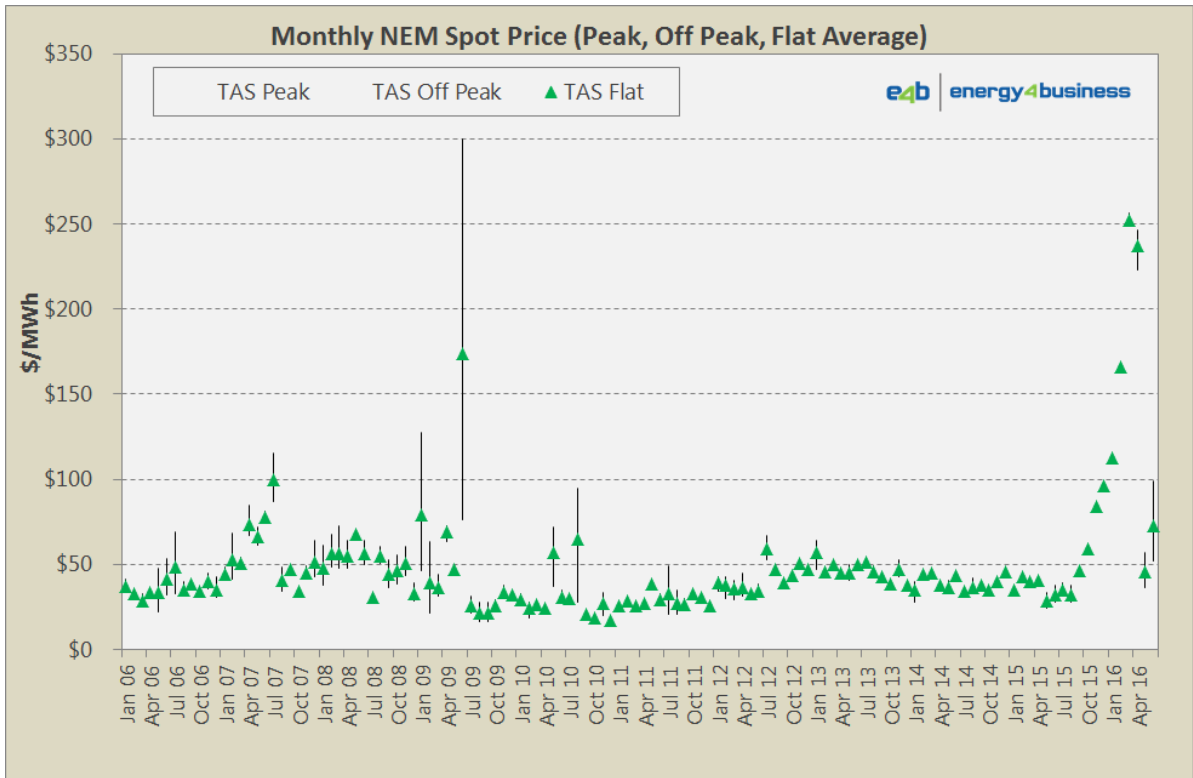
## SA Monthly Spot Prices (Peak, Off, Flat)



Jan 2006 - June 2016	SA	SA	SA
	NEM Peak	NEM Off-Peak	NEM Flat
Maximum Monthly Price	520.08	94.05	228.65
Average Monthly Price	75.07	35.57	52.10
Median Monthly Price	51.69	31.69	41.18
Minimum Monthly Price	22.08	12.26	17.59

# Wholesale Market Spot Prices

## TAS Monthly Spot Prices (Peak, Off, Flat)



Jan 2006 - June 2016	TAS	TAS	TAS
	NEM Peak	NEM Off-Peak	NEM Flat
Maximum Monthly Price	299.67	249.68	252.37
Average Monthly Price	52.18	44.54	47.81
Median Monthly Price	42.08	37.30	39.62
Minimum Monthly Price	18.19	15.59	16.70



# Contact

## Dean WILLIS

Executive Director Operations  
e4b Pty Ltd

M +61 (0) 407 945 547  
E [dean.willis@energy4b.com.au](mailto:dean.willis@energy4b.com.au)  
W [www.energy4b.com.au](http://www.energy4b.com.au)

## e4b Pty Ltd

ABN: 67 166 086 586  
Auth Rep: 448316 / AFSL: 426565

Phone: **1300 781 791**

### Brisbane

Level 3, 349 Coronation Drive, Milton QLD 4064

### Sydney

65 York Street, Sydney NSW 2000

### Melbourne

530 Little Collins Street, Melbourne VIC 3000

### Adelaide

22 Greenhill Road, Wayville SA 5034

