

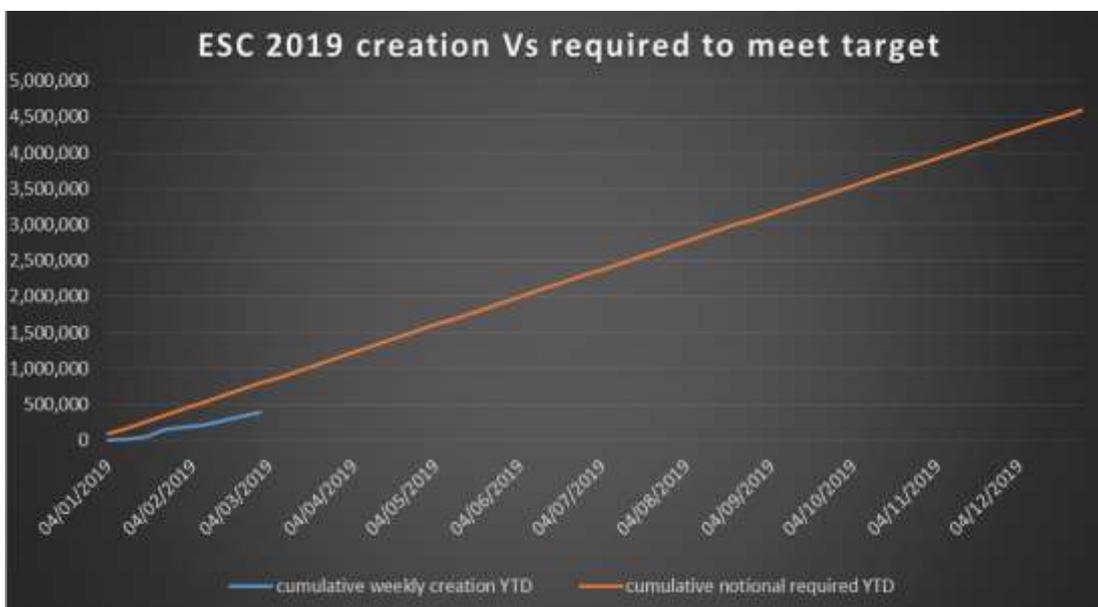
NSW ESCs

ESC creation remains steady while market prices declined in volatile trading.

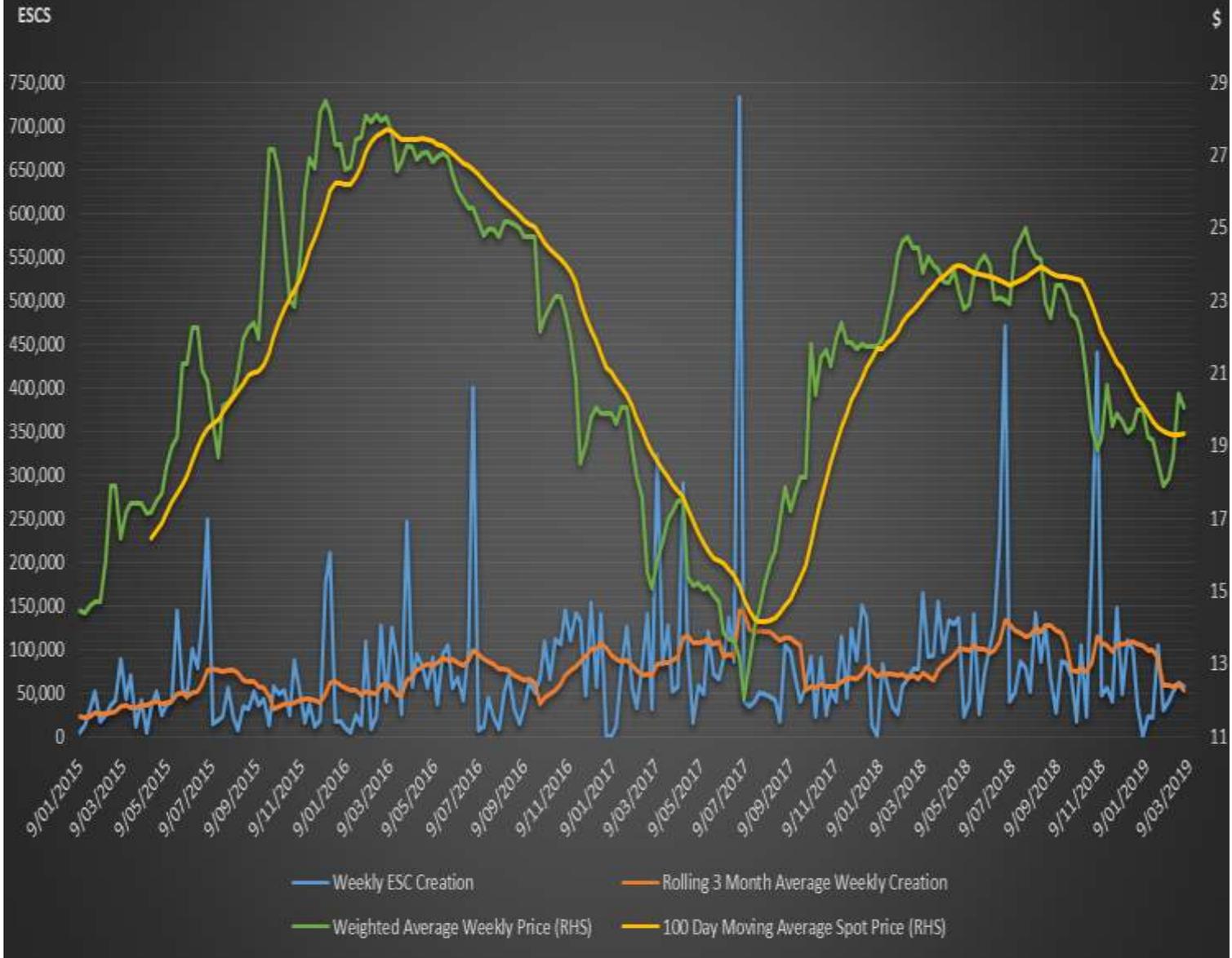
New ESC registrations came to just under 57,000 this week, continuing the lower pace that has marked the year so far. However, with the surplus carried over from last year the surrender target for 2019 will still be met effortlessly.

Spot trading was again sparse with only three trades reported. The opening price of \$19.85 was 55 cents lower than last week’s close but the market rebounded somewhat by week’s end to close at \$20.20 on volume of 20,000 ESCs.

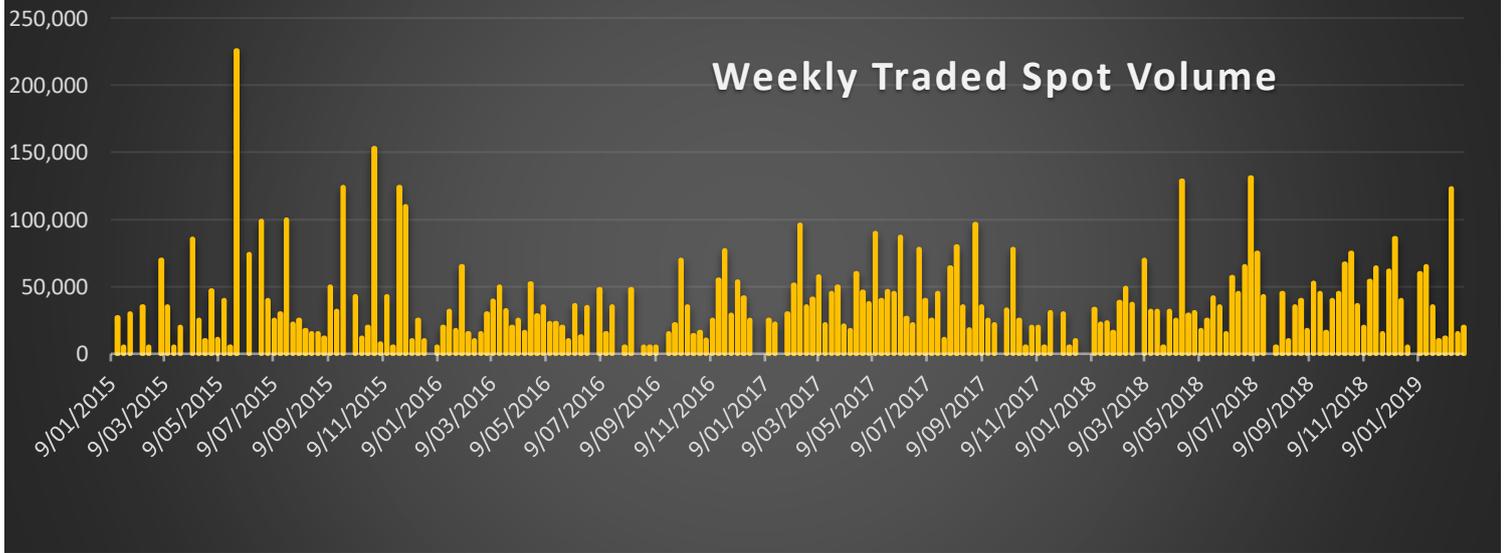
The forward market was much busier with 225,000 certificates trading for delivery between March this year and July 2020. Prices initially traded higher with all the trades on Monday being struck around the \$21.25 mark but declined afterwards to deal in the low \$20s up to \$20.50 for the longer dated maturities.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume



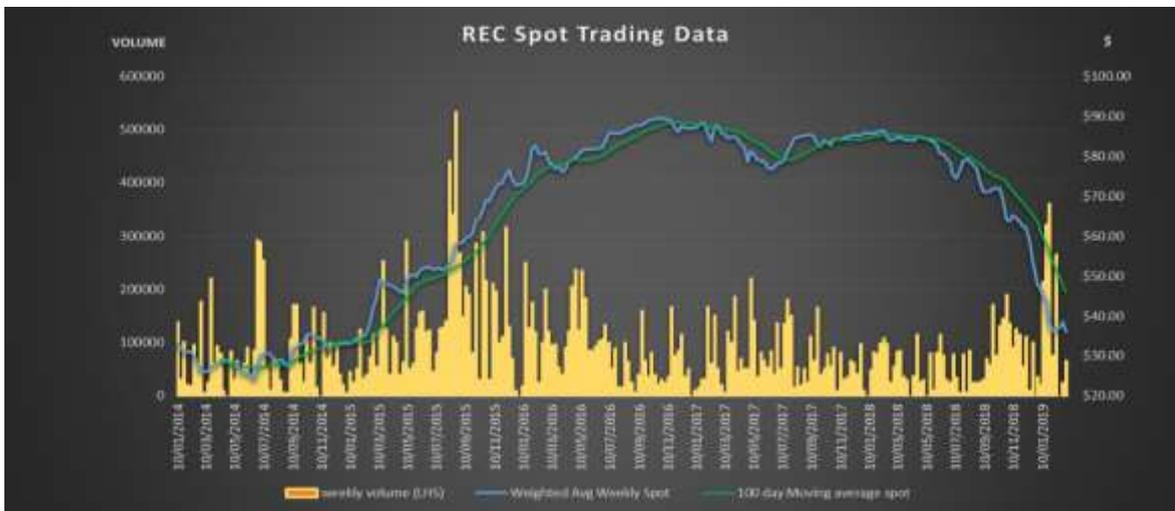
Renewable Energy Certificates

Market prices declined in a week that saw the first trades for Calendar 2022.

During the week the CER released a report detailing compliance with the 2018 surrender obligations. Many obligated parties took advantage of the ability to deliver 10% fewer certificates without penalty and others delivered far less and paid the penalty fee which they can recoup by delivering cheaper LGCs over the next three years. The total surrendered was only 86% of the amount required and resulted in a surplus of certificates carried forward to 2019 of 7 million. The CER also stated that the LGC supply for 2019 will match surrender requirements for this year. This should ensure continued price weakness.

Spot trading opened \$2.00 lower at \$36.50 and fell throughout the week to finish at \$35.50 on turnover of 65,000 LGCs.

Forward prices also fell with Calendar 2019 (February 2020 delivery) trading 35,000 certificates, initially at \$37.75 and shedding 75 cents to close at \$37.25. Calendar 2020 dropped \$2.90 to close at \$20.50 on turnover of 30,000 LGCs while Calendar 2021 dropped \$1.00 to finish at \$13.50 on volume of 25,000 certificates. The first trades for Calendar 2022 were reported this week – 25,000 traded at \$10.50.



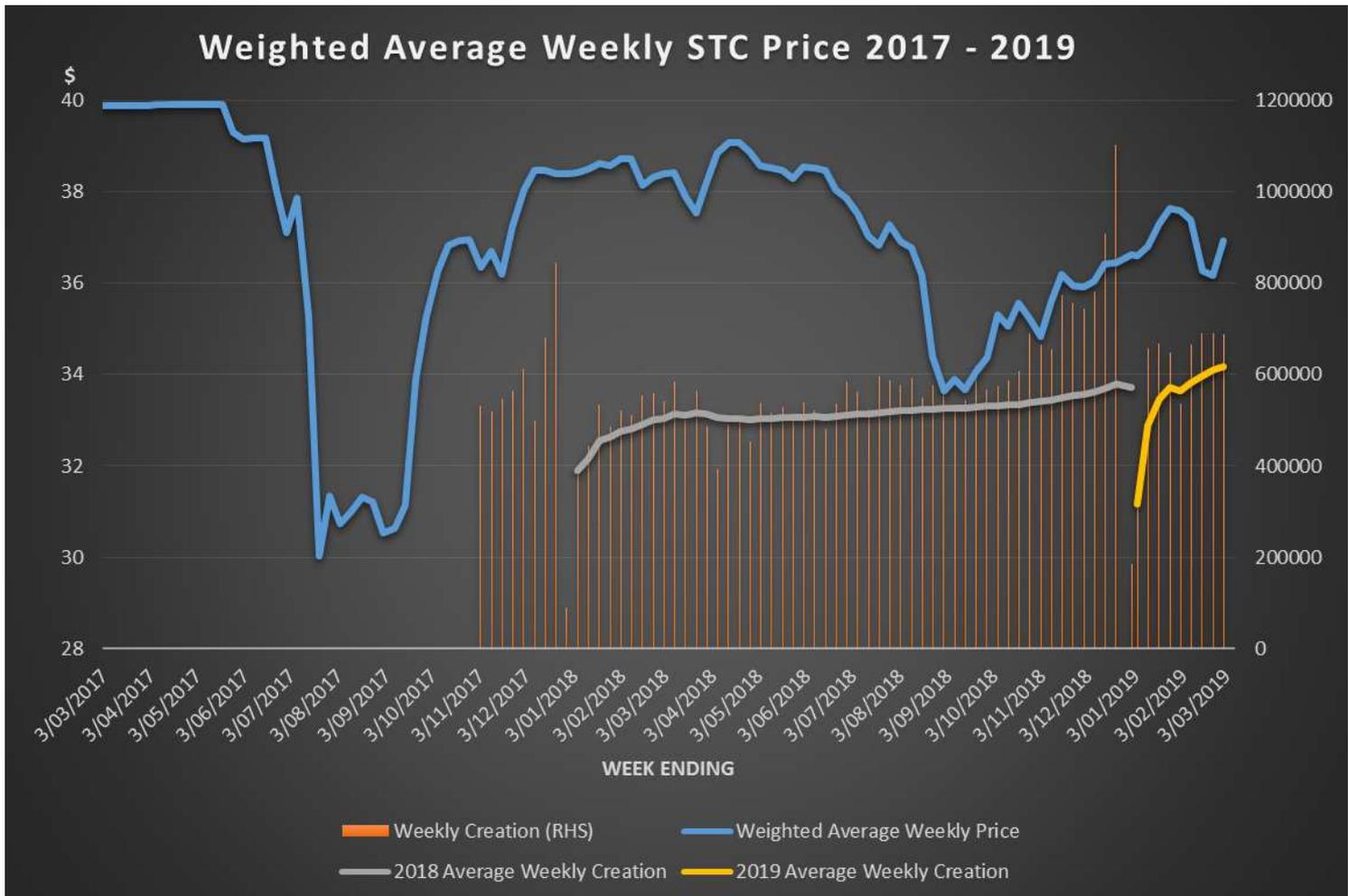
Small Technology Certificates (STC)

Creation numbers continue to be stable while market prices rose.

New submissions to the CER were only a few thousand lower than last week, at 688,000.

Spot trading opened higher by 15 cents, at \$36.50, and continued climbing all week to close at \$37.30 on turnover of 129,000 STCs. Ultimately the future of market prices for the year will be determined by the end of the month when the deadline to announce the surrender target for this year runs out.

The forward market also traded higher with 253,000 STCs dealing for delivery between March this year and January 2020. The curve sloped upwards from March which traded in line with the prevailing spot price to a 65 cents premium for the January 2020 trades.



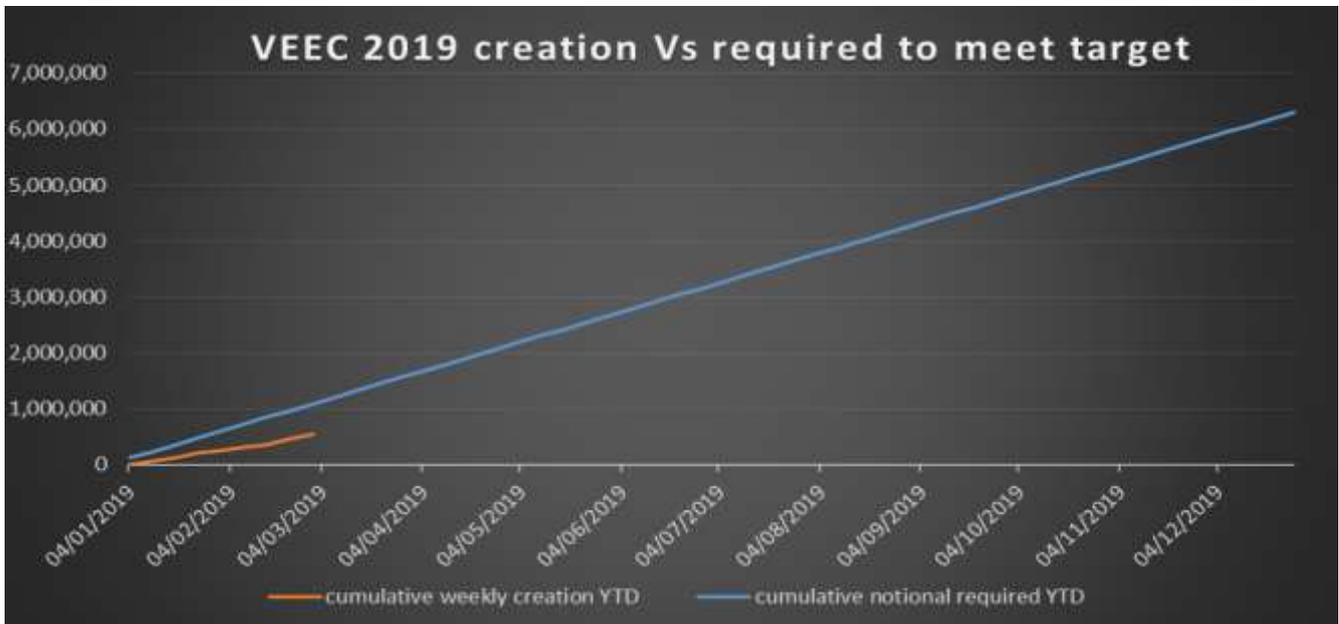
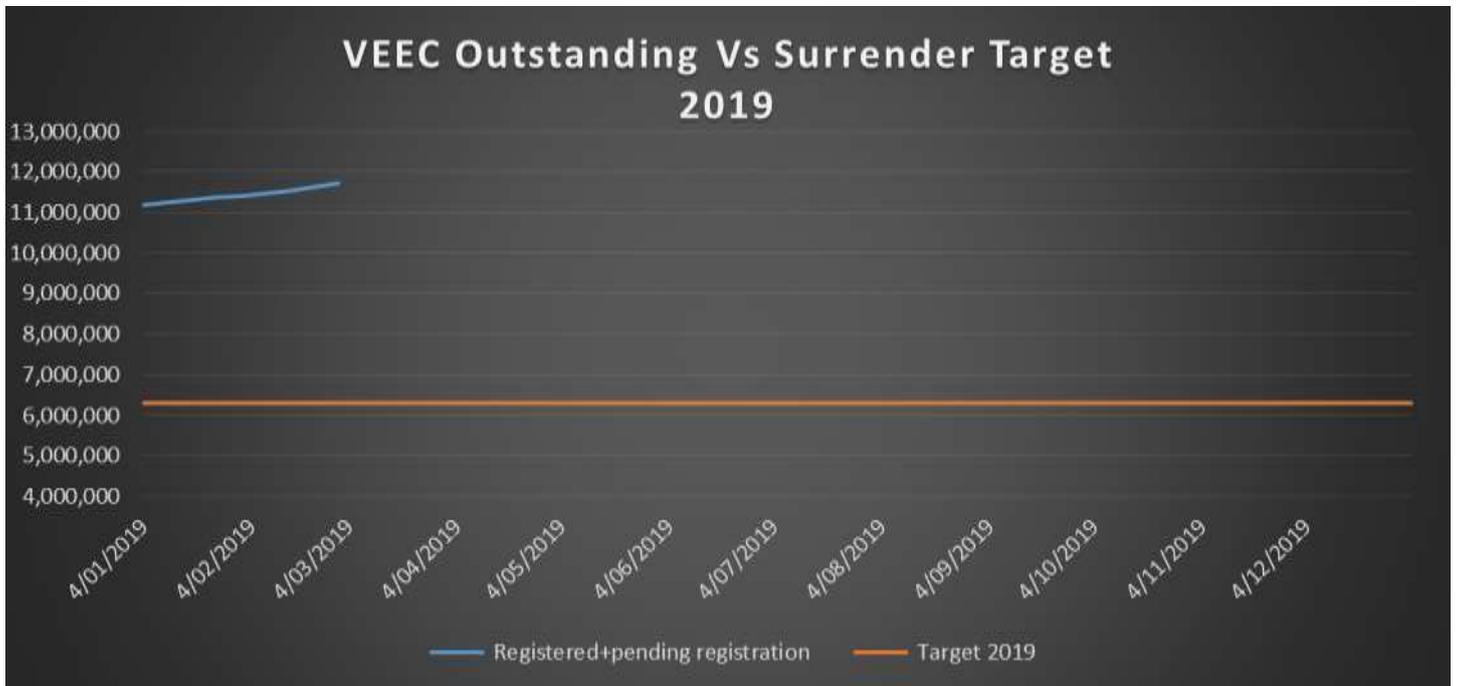
VIC VEECs

Creation numbers continue at the recent pace while market prices rose modestly.

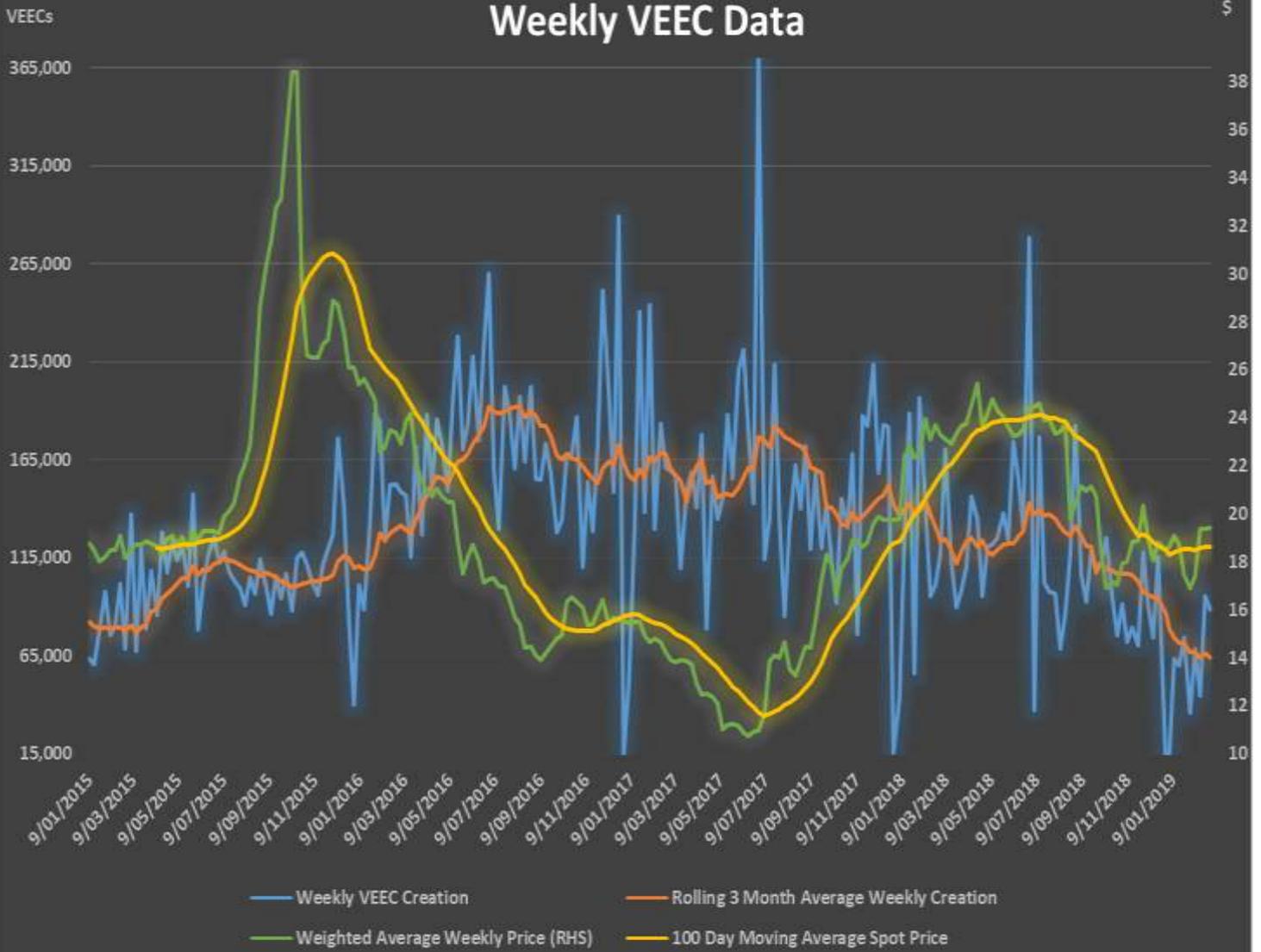
New VEEC registrations came in just a little lower than last week, at 88,500.

The spot market opened unchanged at \$19.35 and rose throughout the week to hit a high of \$19.80 before closing at \$19.70 on turnover of 55,000 VEECs.

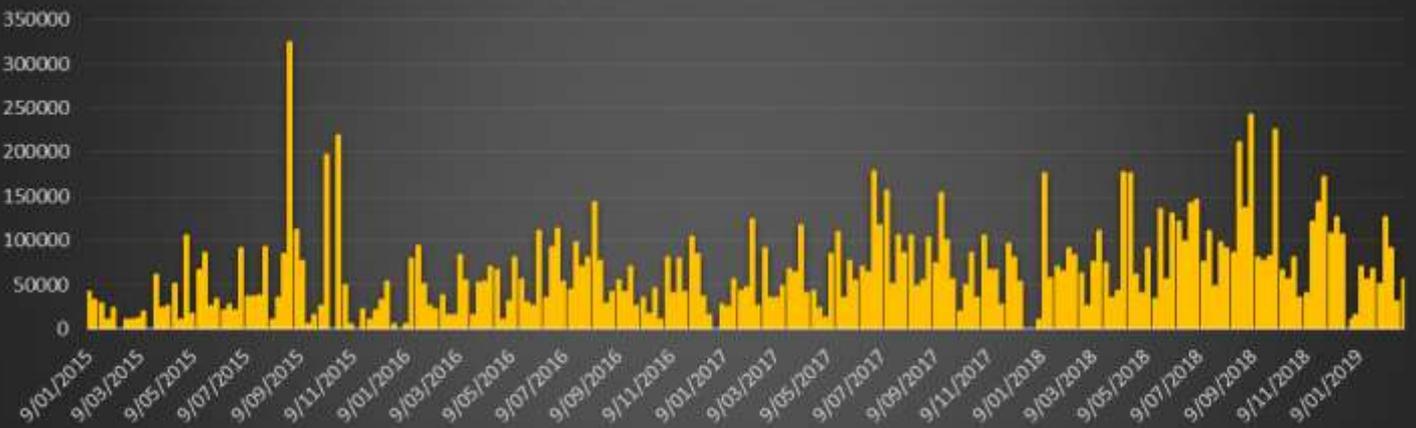
In the forward market 102,000 certificates traded for delivery between March this year and December 2020. Trades settling in March and April this year dealt in line with the prevailing spot price while May to September attracted a 20 cent premium. Trades for Quarter 4 this year gained 40 cents and those settling in 2020 added 50 cents.



Weekly VEEC Data



Weekly Traded Spot Volume



PO Box Q1251 QVB Post Office NSW 1230

Suite 606, 65 York Street, Sydney, NSW 2000

Phone + 61 2 9279 4704 www.demandmanager.com.au