

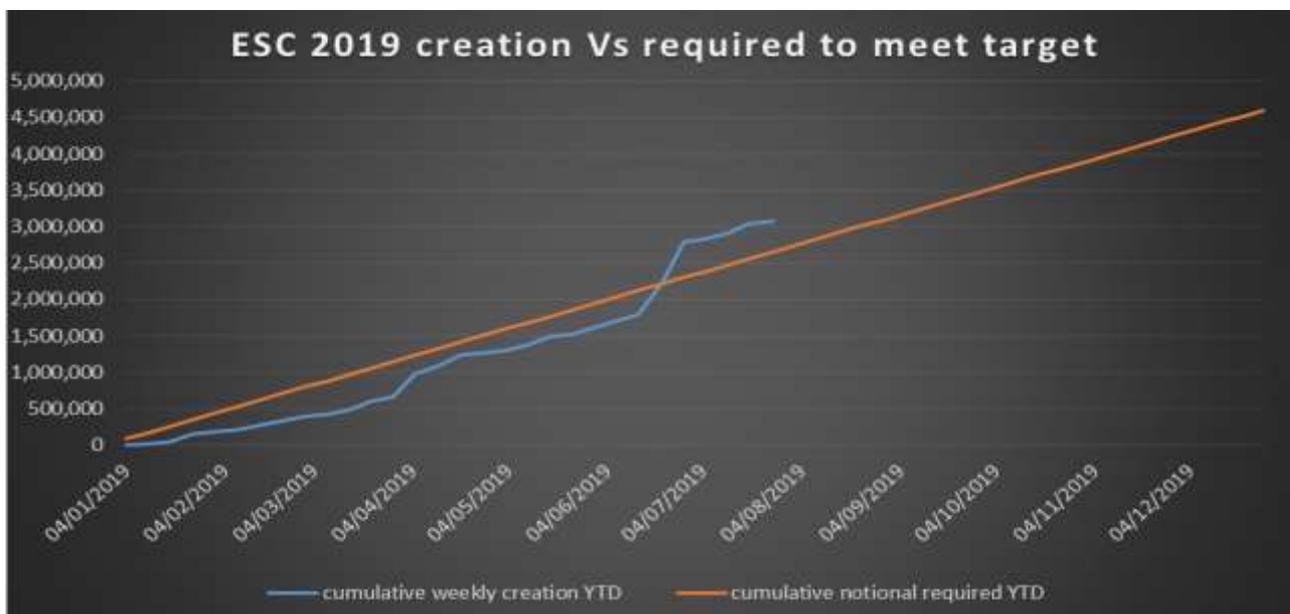
NSW ESCs

ESC creation dropped while market prices were little moved.

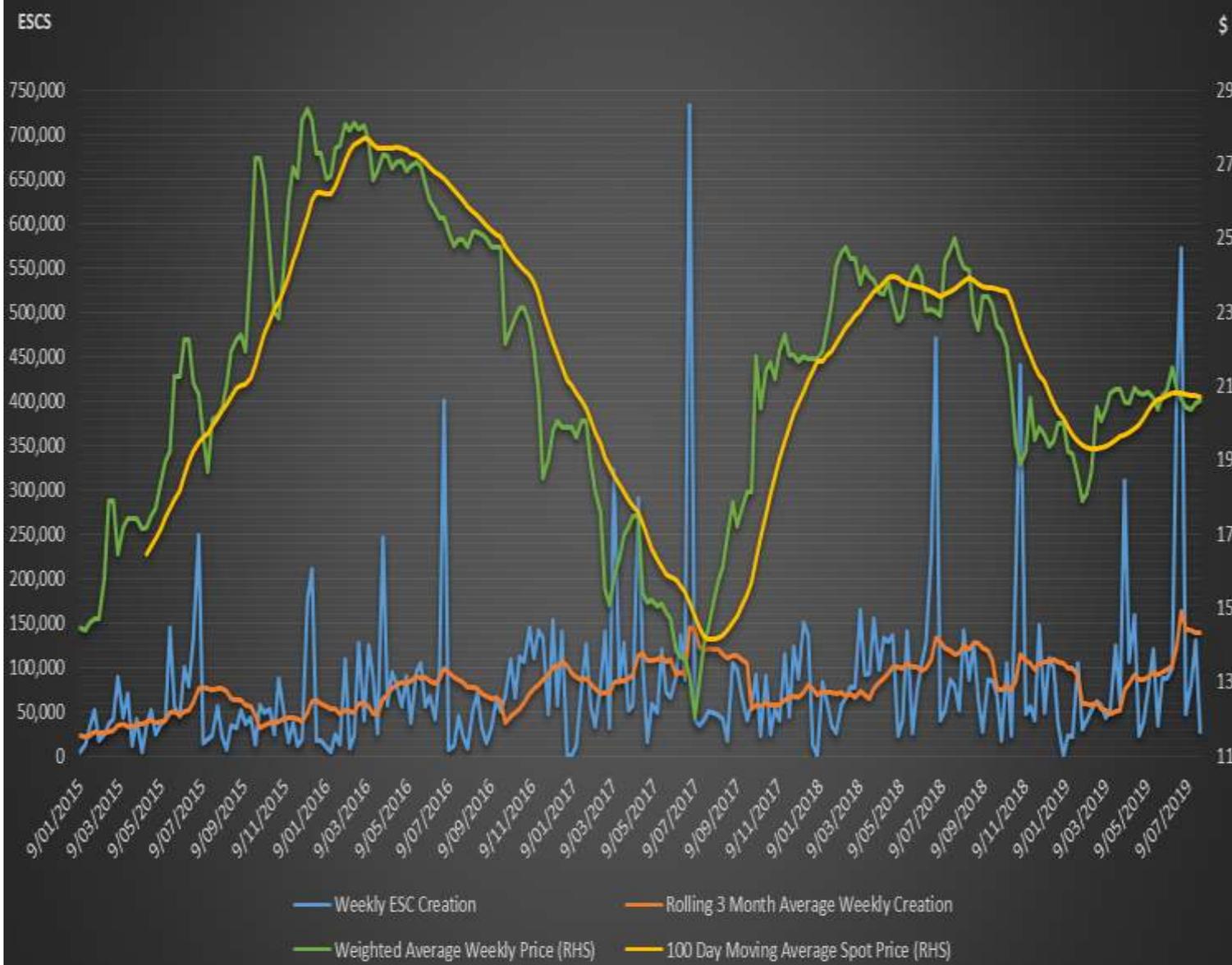
New ESC registration fell this week to only 27,400.

The spot market opened 10 cents lower than last week, at \$20.60, and traded in a very narrow range, rising to \$20.65 mid-week and dropping to the week's close at \$20.55 on volume of 28,000 certificates..

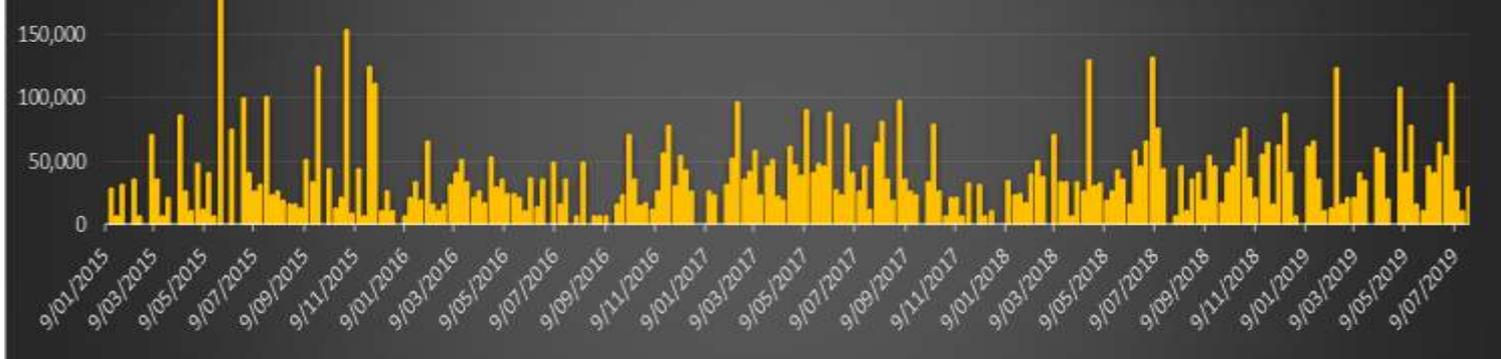
The forward market saw 25,000 ESCs trade for delivery between August and December this year. Deals settling in August and September traded flat to the prevailing spot price while December added a premium of 10 cents.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume



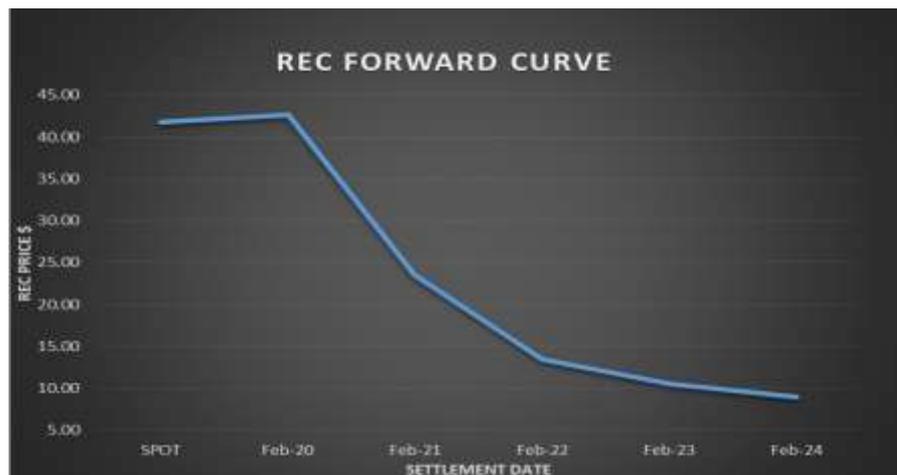
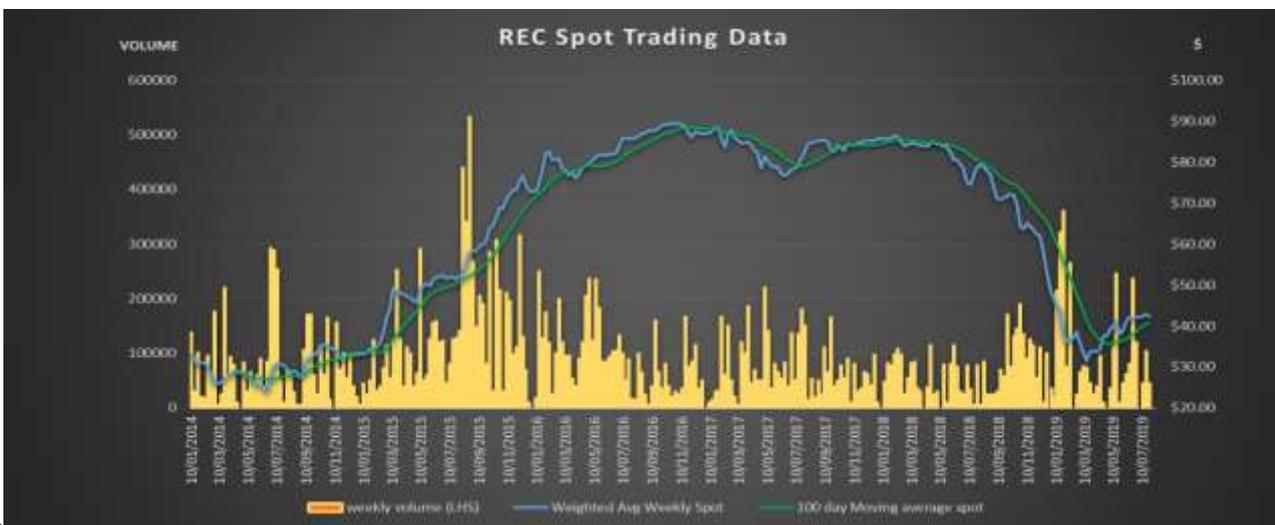
Renewable Energy Certificates

LGC prices fell on the back of a Clean Energy Regulator market update.

In the middle of the week the CER issued one of its regular updates on the pace of renewable energy installations and the progress towards meeting the RET target. It stated that at the end of 2018 there was sufficient generation either already producing or under construction to meet the target and that a further 3000 MW of generation had been committed on top of that. They forecast that LGC production in 2020 would be 40 million certificates. On this announcement market prices for LGCs across the curve fell, even though there was nothing really new in the report.

The spot market had opened 25 cents stronger, at \$43.00, but then fell to close at \$41.80 on turnover of 45,000 LGCs.

Calendar 2019 (February 2020 delivery) gave up 60 cents to close at \$42.60 on volume of 25,000 certificates. Calendar 2020 was the most actively traded contract, shedding 45 cents to close at \$23.50 on turnover of 155,000 certificates. Calendar 2021 dropped \$1.00 to \$13.50 on volume of 15,000 LGCs while the rest of the curve went untraded.



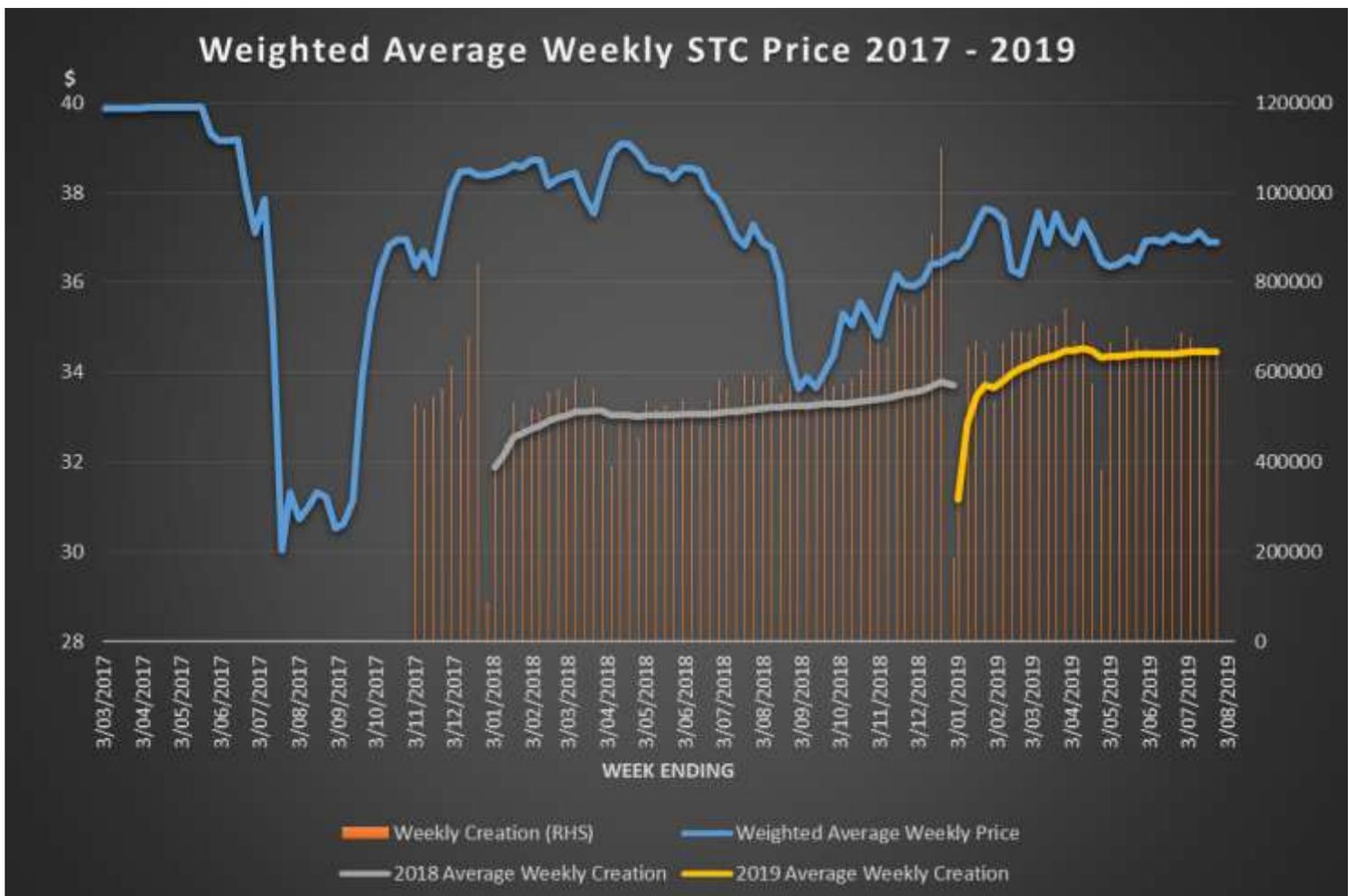
Small Technology Certificates (STC)

STC creation was steady, as were market prices.

New STC submissions to the CER came in at 653,000 this week, a rise of 9,000 from last week. The expected surge in new solar installations in Victoria, following the re-opening of the extra subsidies there, has so far failed to materialise due to the structure of the scheme. Instead of 40,000 houses being approved for the year, the amount is being doled out on a monthly basis leading to July's largess being used up in three days and effectively putting the brakes on further solar takeup until next month, which will also probably be used up in a similar time frame. Victorian solar developers protested in front of the parliament during the week to highlight the fact that the extra government help has actually hindered the up-take of rooftop solar in the state and is threatening the viability of their businesses.

In the spot market prices opened unchanged at \$36.90 and dropped to a low of \$36.80 before strengthening back to close at \$37.00 on turnover of 137,000 certificates.

The forward market saw 448,000 STCs reported trading for delivery from August this year to July 2020. Trades settling in August dealt in line with the prevailing spot price while those for the rest of the year attracted a premium of around 10 cents. The deals for 2020 were struck at \$37.20 and \$37.25.



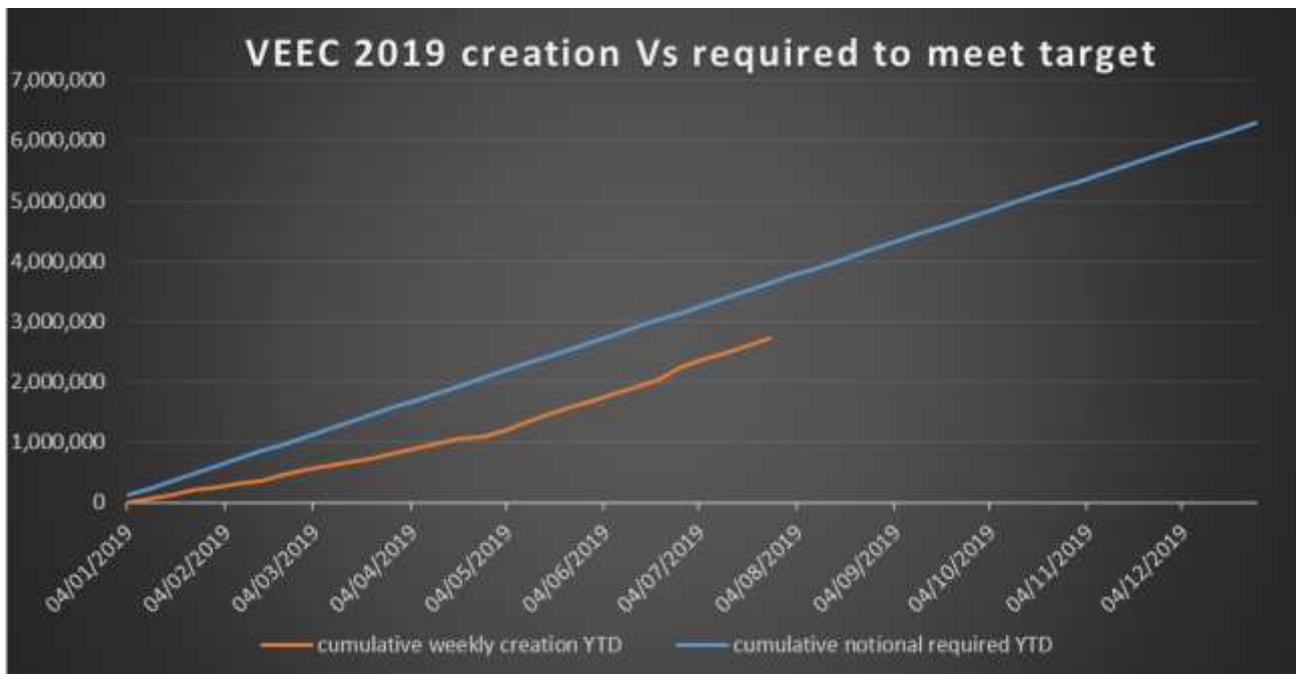
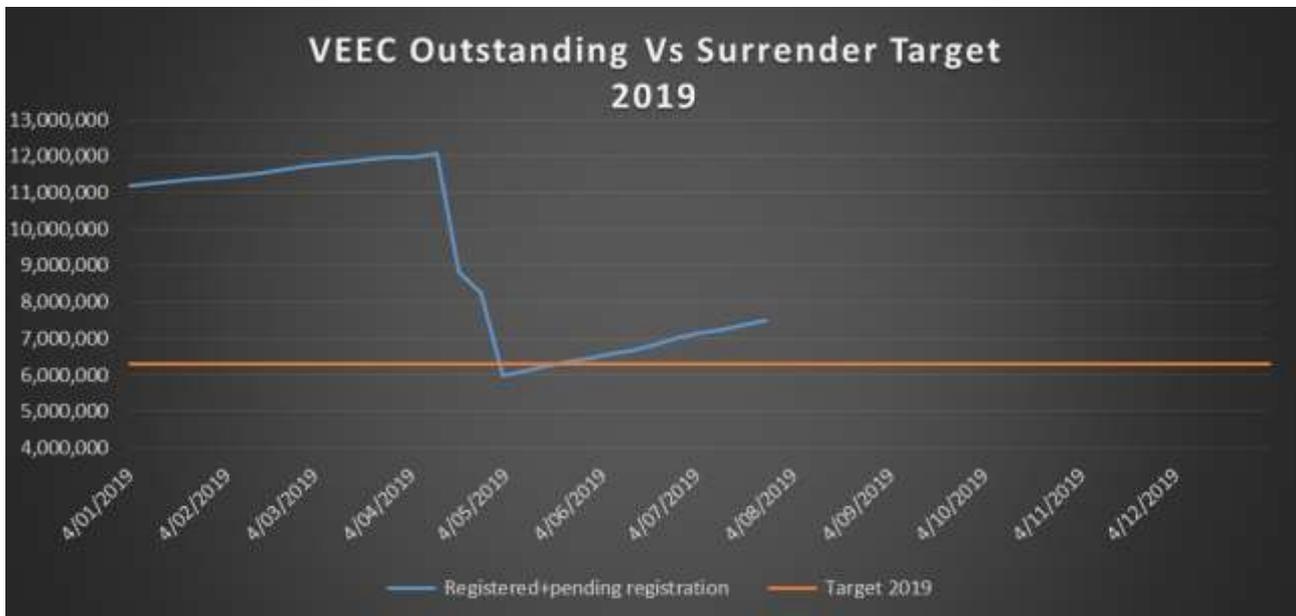
VIC VEECs

VEEC creation continues strongly while prices were unchanged.

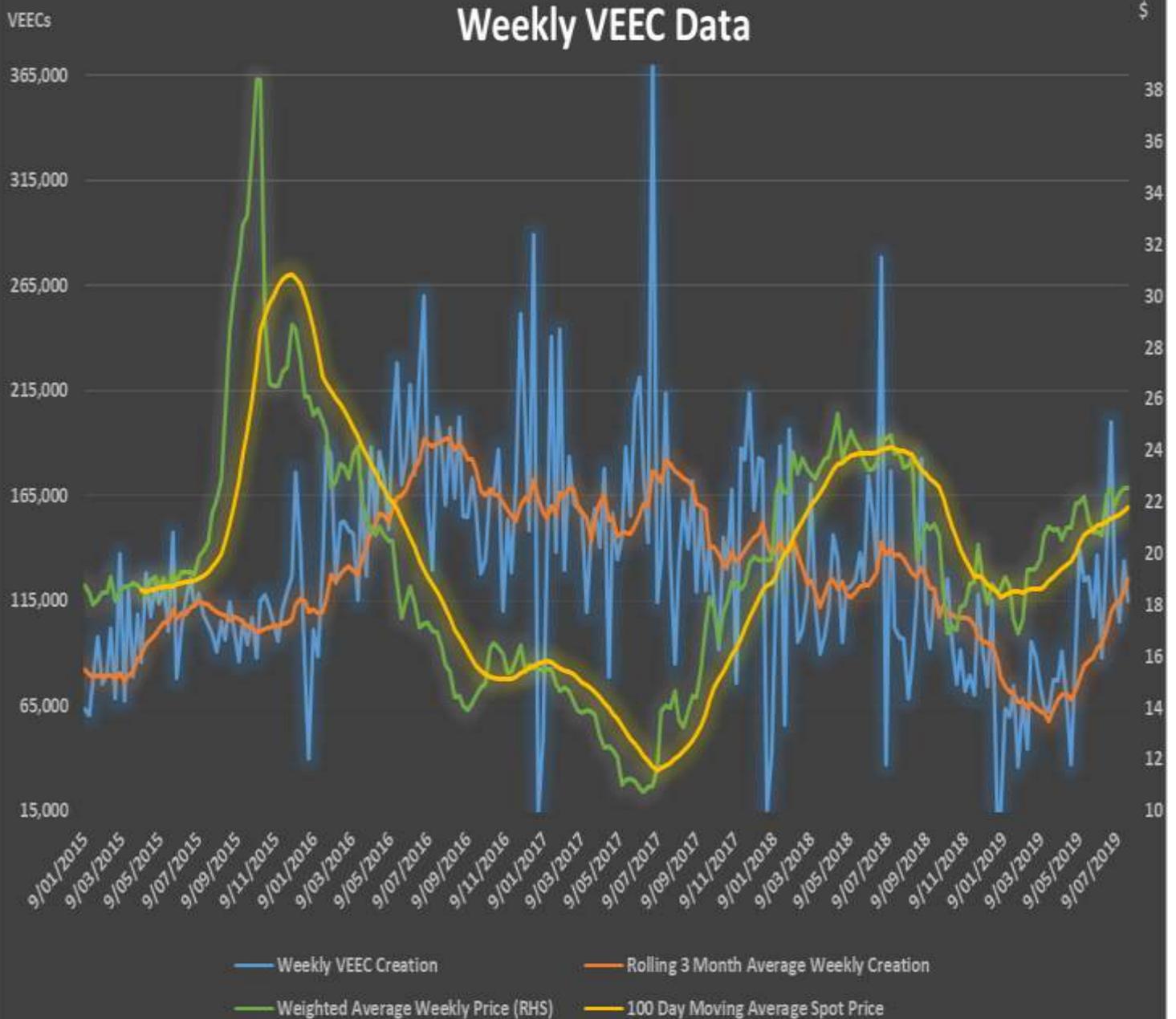
New VEEC registrations came to just under 115,000 this week.

Spot trading opened 5 cents lower, at \$22.55, and fell to \$22.50 before recovering to close unchanged at \$22.60 on turnover of 20,000 certificates.

The forward market saw 97,000 VEECs trade for delivery between August 2019 and May 2020. Trades settling in August traded in line with the prevailing spot price while those settling in the rest of the year gained around 15 cents. Deals for 2020 added 50 cents.



Weekly VEEC Data



Weekly Traded Spot Volume



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