

**NSW ESCs**

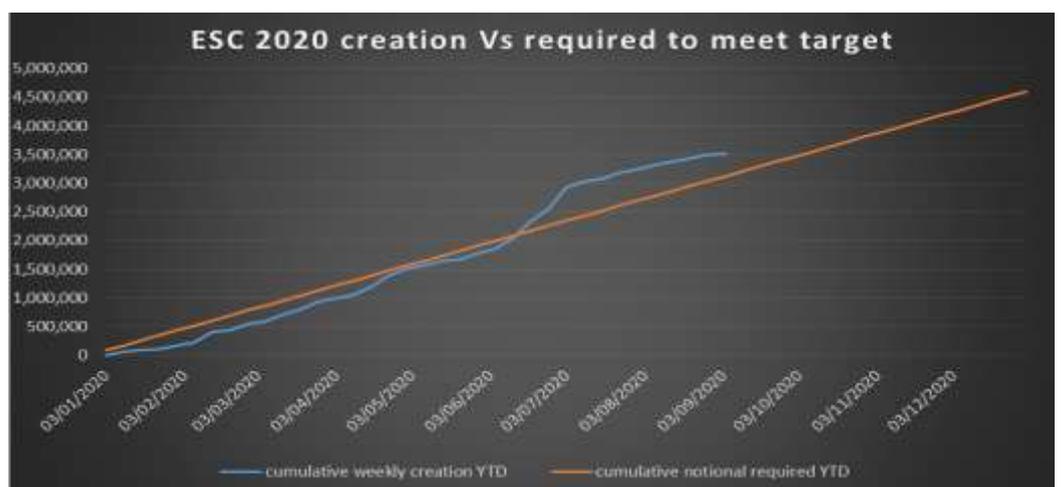
ESC creation plummeted while market prices continued the recent rally.

New certificate registrations fell to 19,200 this week.

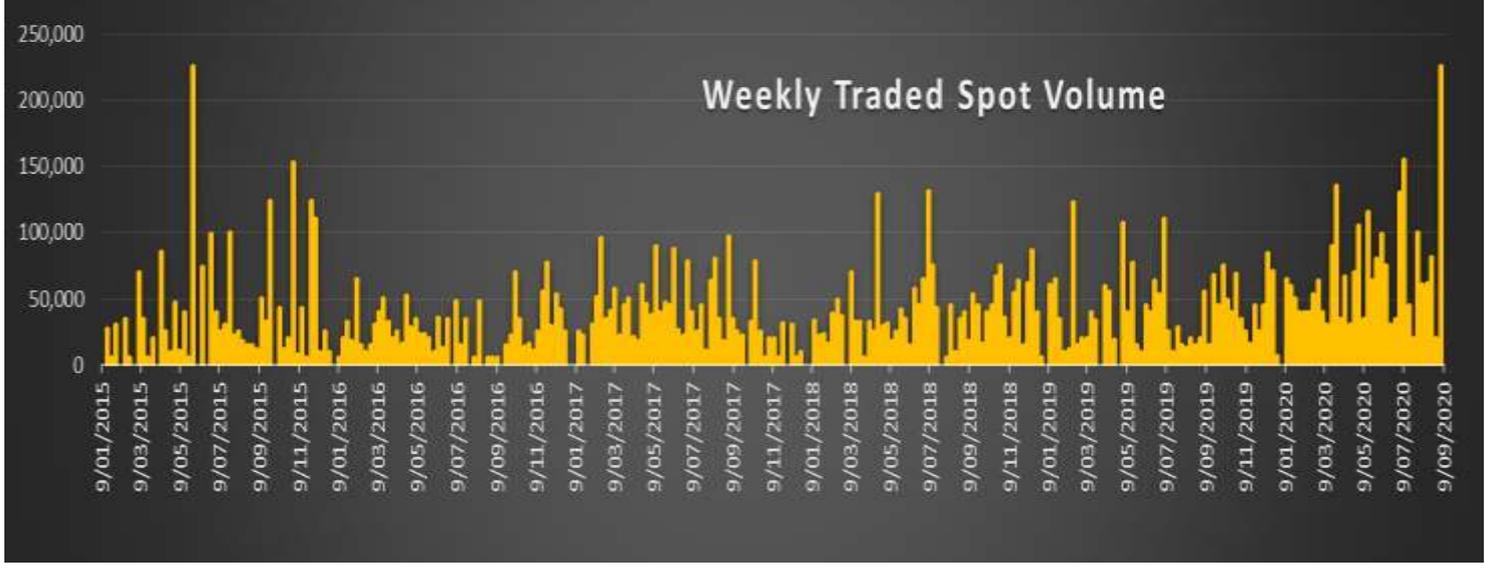
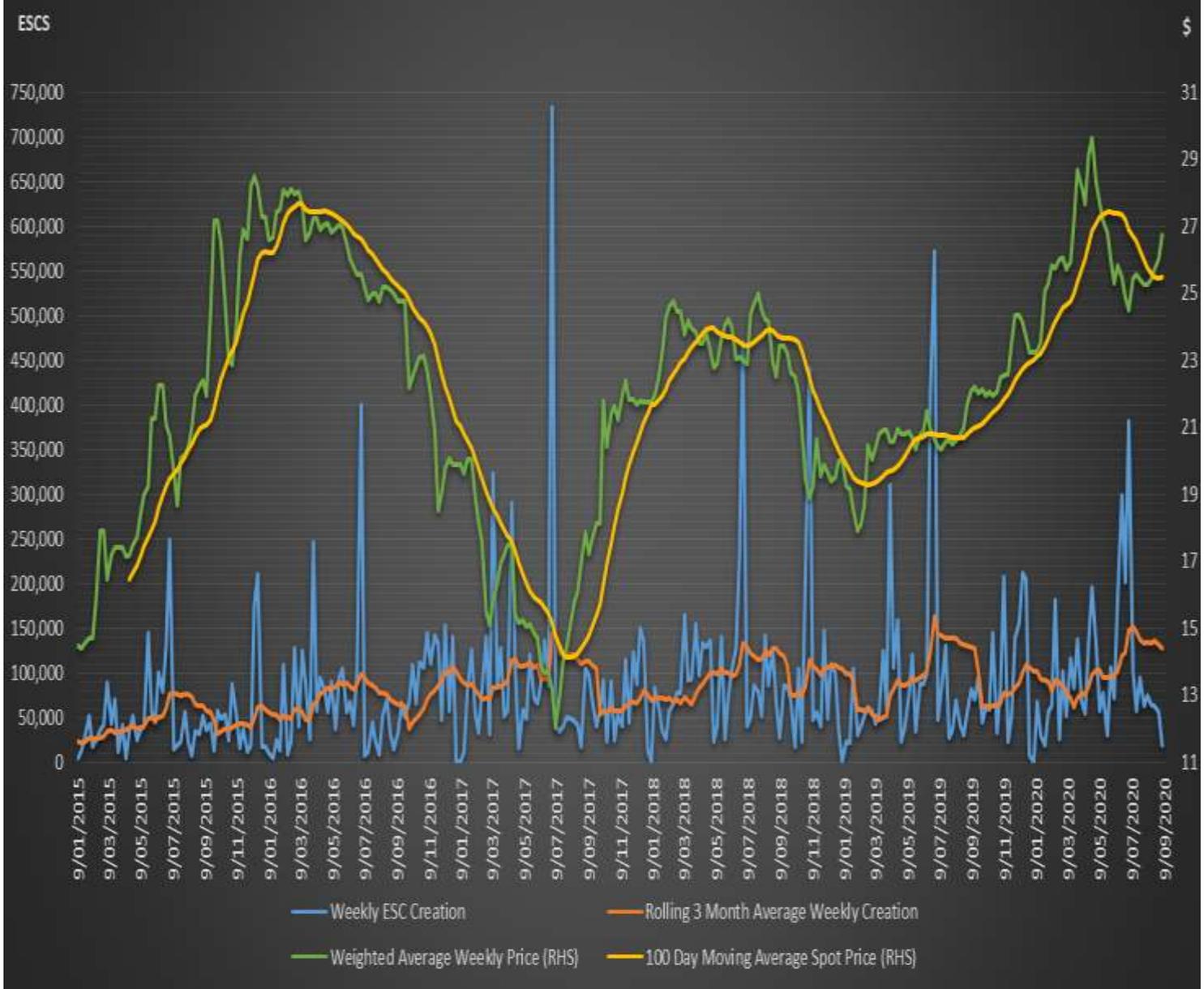
Next Wednesday the NSW Government is hosting a webinar to presents the findings of their consultant’s deliberations on the future of the Commercial Lighting Method of certificate creation. The Department of Planning Industry and Environment have long been of the opinion that LED lighting is now standard technology and support for its’ implementation should be reduced. As this is by far the biggest contributor to certificate creation any actions they take to lower the number of ESCs from this source will potentially see a big drop in new registrations, and a consequent increase in certificate prices. These thoughts were on the minds of market participants this week as we saw the recent price rise continue.

Spot trading was extremely active with 225,000 certificates reported changing hands, the largest weekly trading volume since July 2018. The market opened unchanged at \$26.20 and the price increased steadily throughout the week to close at \$27.00.

The forward market also shook off its’ recent lethargy with 145,000 ESCs trading for delivery between mid September and November 2021. Trades settling in the rest of this year gained a premium of 10 cents over the prevailing spot level while those for 2021 added around 15 cents.



# WEEKLY ESC CREATION - ALL SOURCES

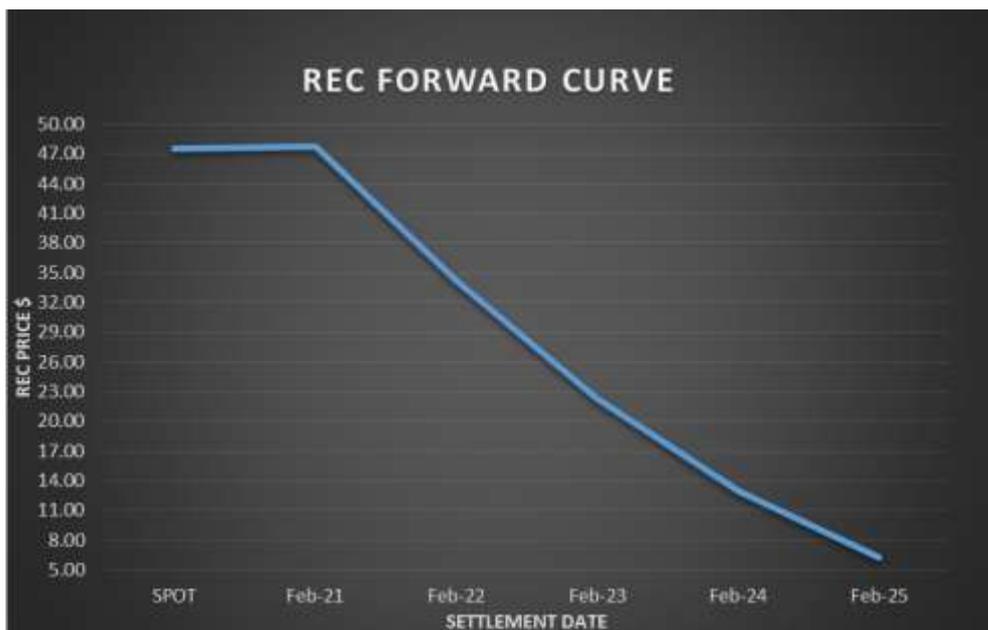


# Renewable Energy Certificates

LGC markets were volatile again this week, ending slightly higher.

Spot trading opened proceedings at an unchanged \$46.75 before the buyers gained the ascendancy again, bringing the price to the week's high of \$48.00 on Thursday. There were no more spot trades for the week but subsequent action in the Calendar 2020 contract would imply a closing level of \$47.50. Turnover was reported as 147,000 LGCs.

Calendar 2020 (February 2021 delivery) traded to a mid-week high of \$48.50 before falling back somewhat to close at \$47.75 on volume of 255,000 certificates. This represented a gain of \$1.25 for the week. Calendar 2021 added \$1.00 to close at \$34.25 on turnover of 130,000 LGCs. That contract had earlier seen a high of \$34.50. Calendar 2022 bucked the trend, dropping 25 cents, trading 20,000 certificates at \$22.25.



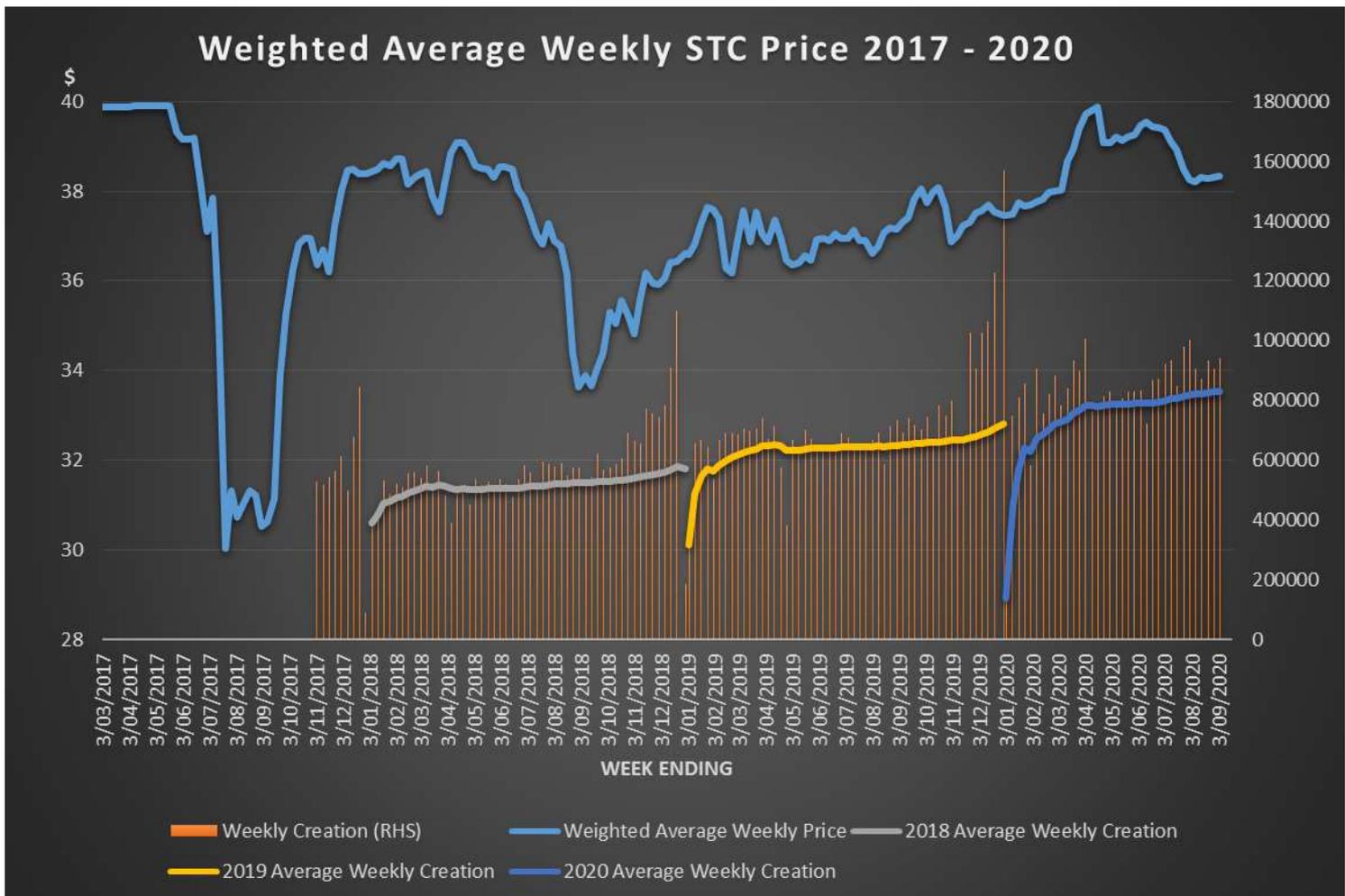
# Small Technology Certificates (STC)

STC creation jumped again this week, maintaining the recent strong performance while prices were again little changed.

New STC submissions to the Clean Energy Regulator leapt to 940,800.

Spot trading opened unchanged at \$38.30 and traded in a very narrow \$38.30 - \$38.35 range, closing at \$38.35 on turnover of 331,000 STCs.

Forward trading was sparse with only 68,000 certificates reported dealing for delivery between November this year and September 2021. All these deals were struck at \$38.50, a premium of 15 – 20 cents over the prevailing spot level.



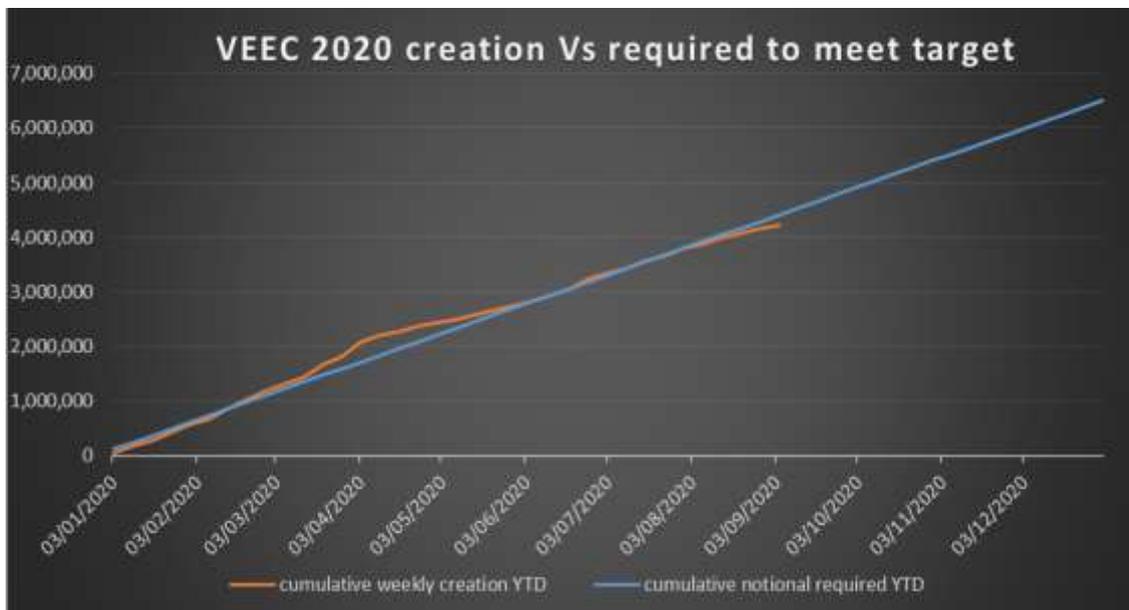
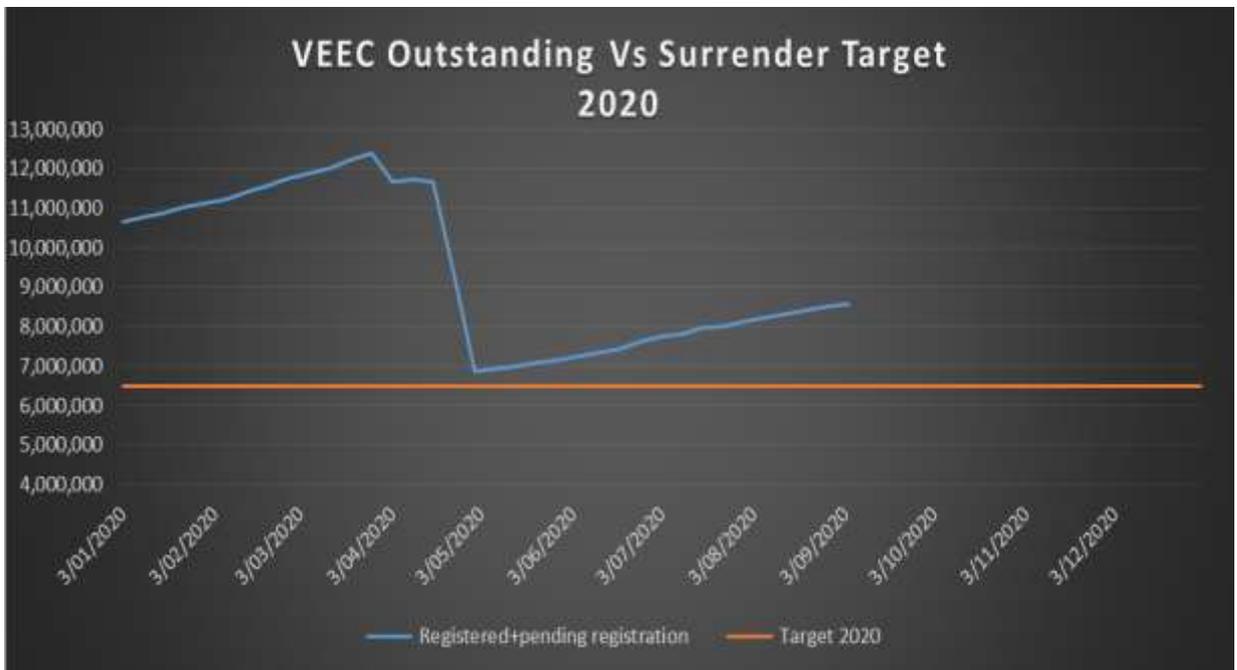
# VIC VEECs

VEEC creation dropped while market prices were unchanged.

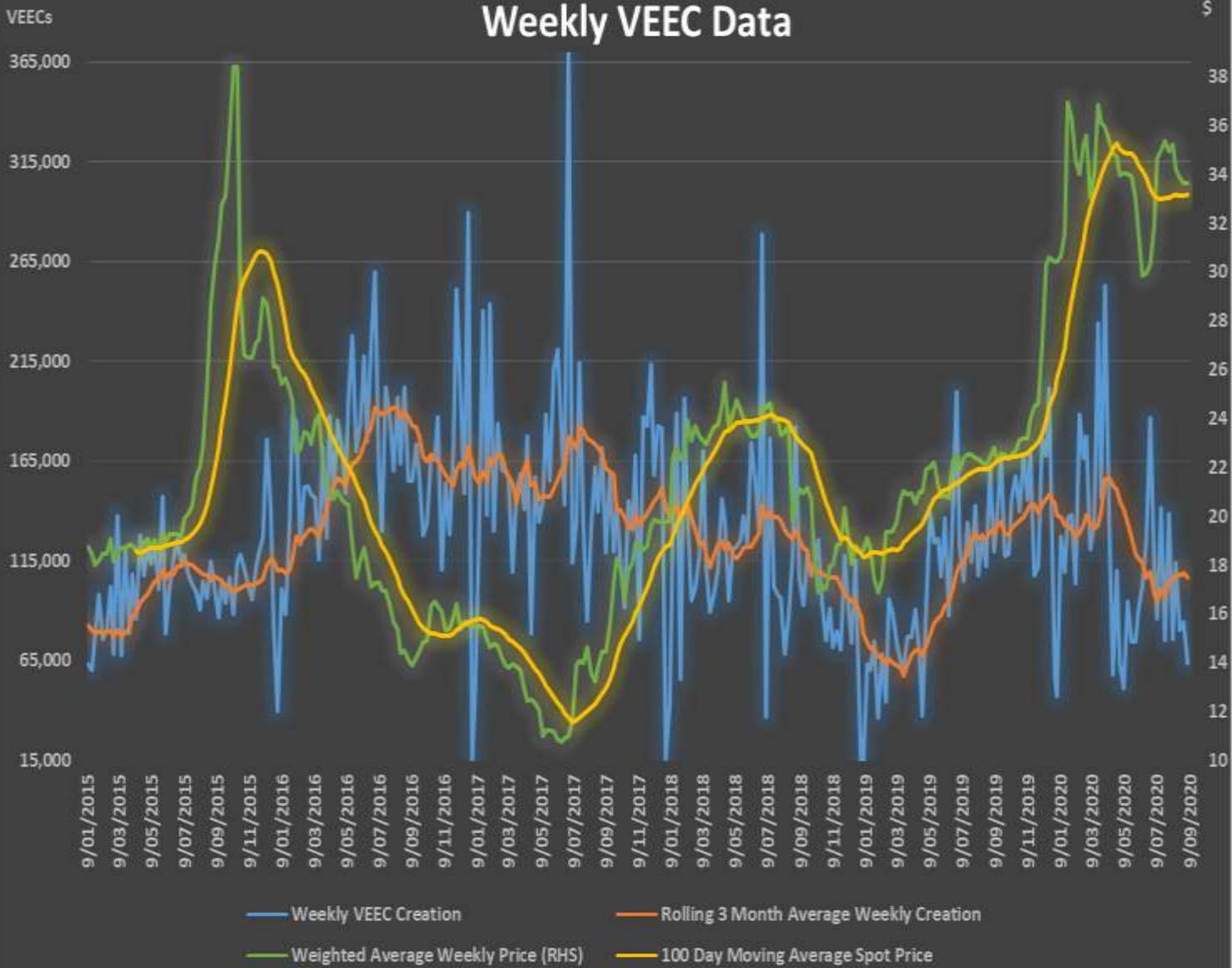
New certificate registrations fell to 63,600 this week.

Spot trading opened 15 cents lower, at \$33.60, and the price quickly fell to the weeks' low of \$33.50 before regaining ground to close at \$33.80. Trading was thin on the ground with only 35,000 VEECs reported dealing.

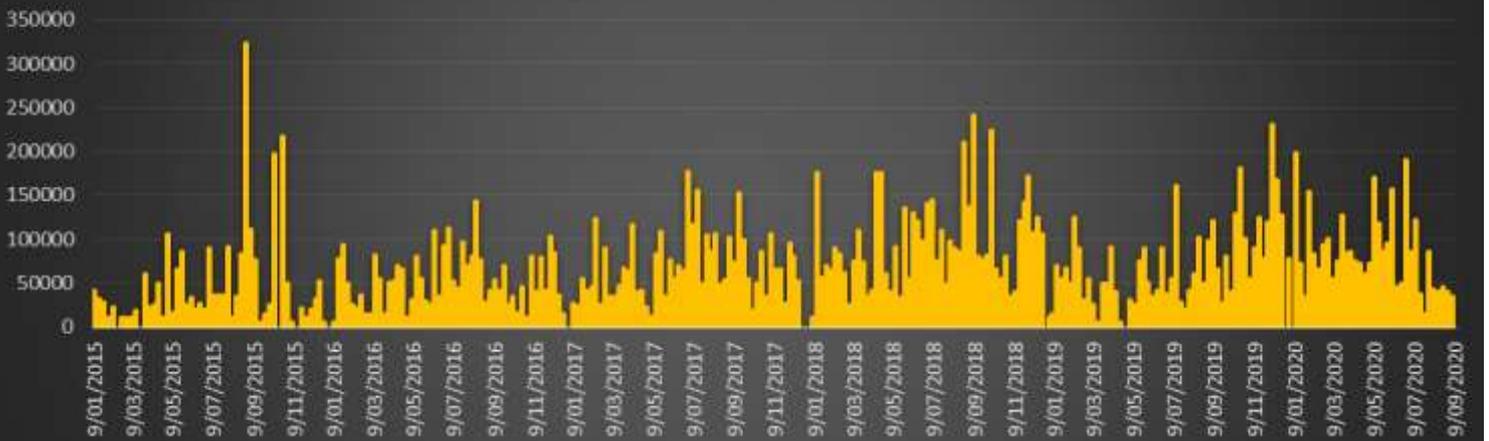
The forward market was a little more active, seeing 120,000 certificates trade for settlement between mid-September this year and December 2021. Deals for delivery in the rest of 2020 traded in line with the prevailing spot price while the forward curve regained a slight upward slope for 2021 with deals here adding a 30 cents premium.



## Weekly VEEC Data



## Weekly Traded Spot Volume



PO Box Q1251 QVB Post Office NSW 1230

Suite 506, 66 Hunter Street, Sydney, NSW 2000

Phone +61292794704 [www.demandmanager.com.au](http://www.demandmanager.com.au)