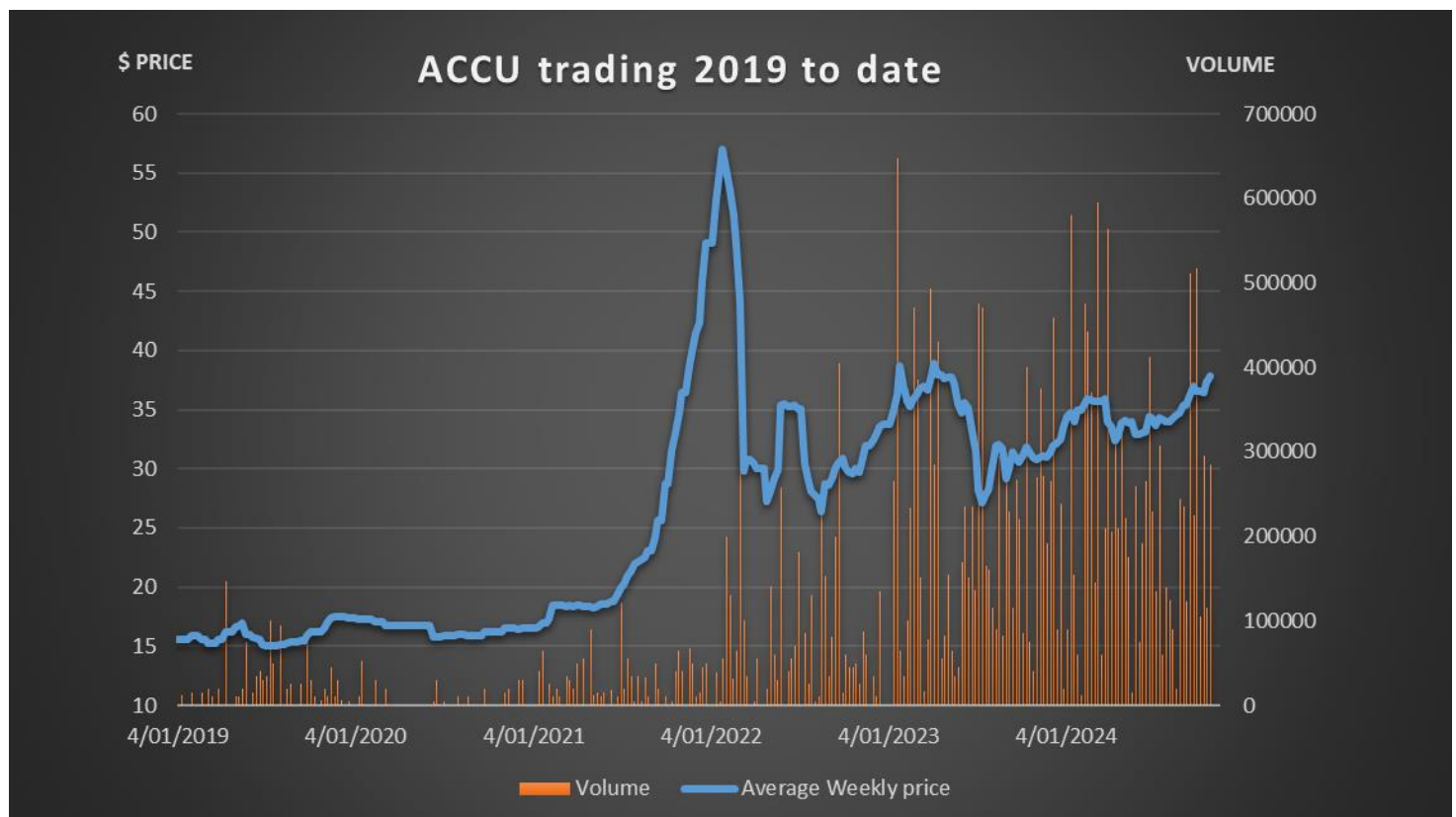


**CERTIFICATE REPORT****October 2024****ACCU****ACCU prices continued to rise this month**

Spot trading opened 25 cents higher than September's close, at \$36.50. The upward momentum kept going all month leading to a close on the high of \$38.50 on turnover of 854,000 ACCUs.

The forward market saw 506,000 certificates trade for delivery from December 2024 to February 2026. These trades were struck at a cost of carry of around 6%.

The spread between Human Induced Regeneration (HIR) ACCUs and generic (no Avoided Deforestation) certificates narrowed further in October, closing at just a 10 cent premium for HIR.



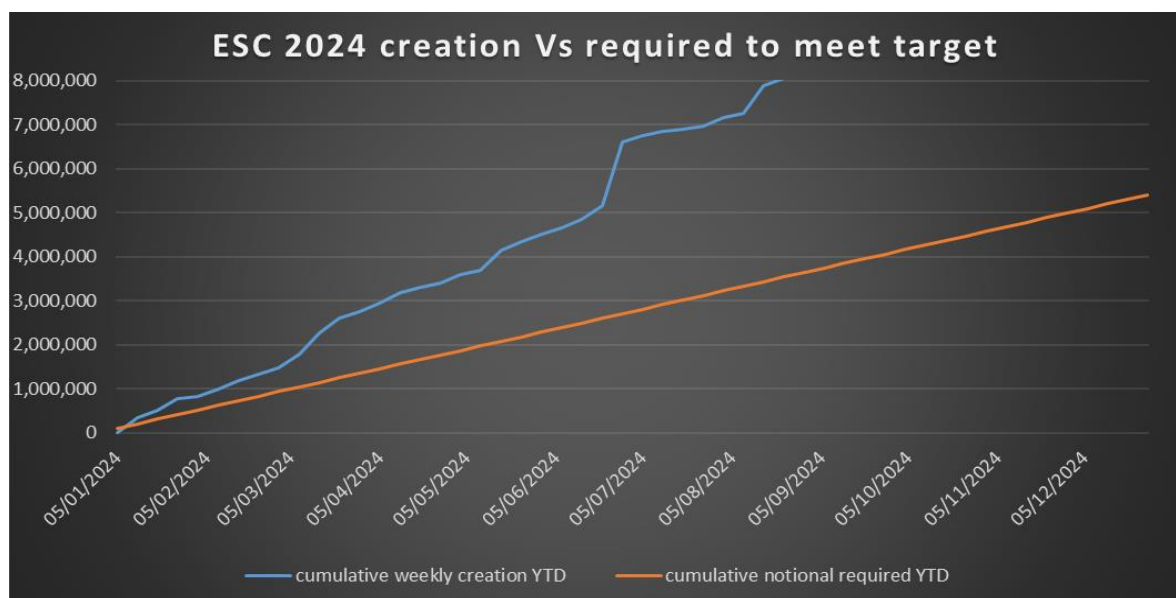
## NSW ESCs

**ESC prices rallied in October as the slow down in certificate creation continued.**

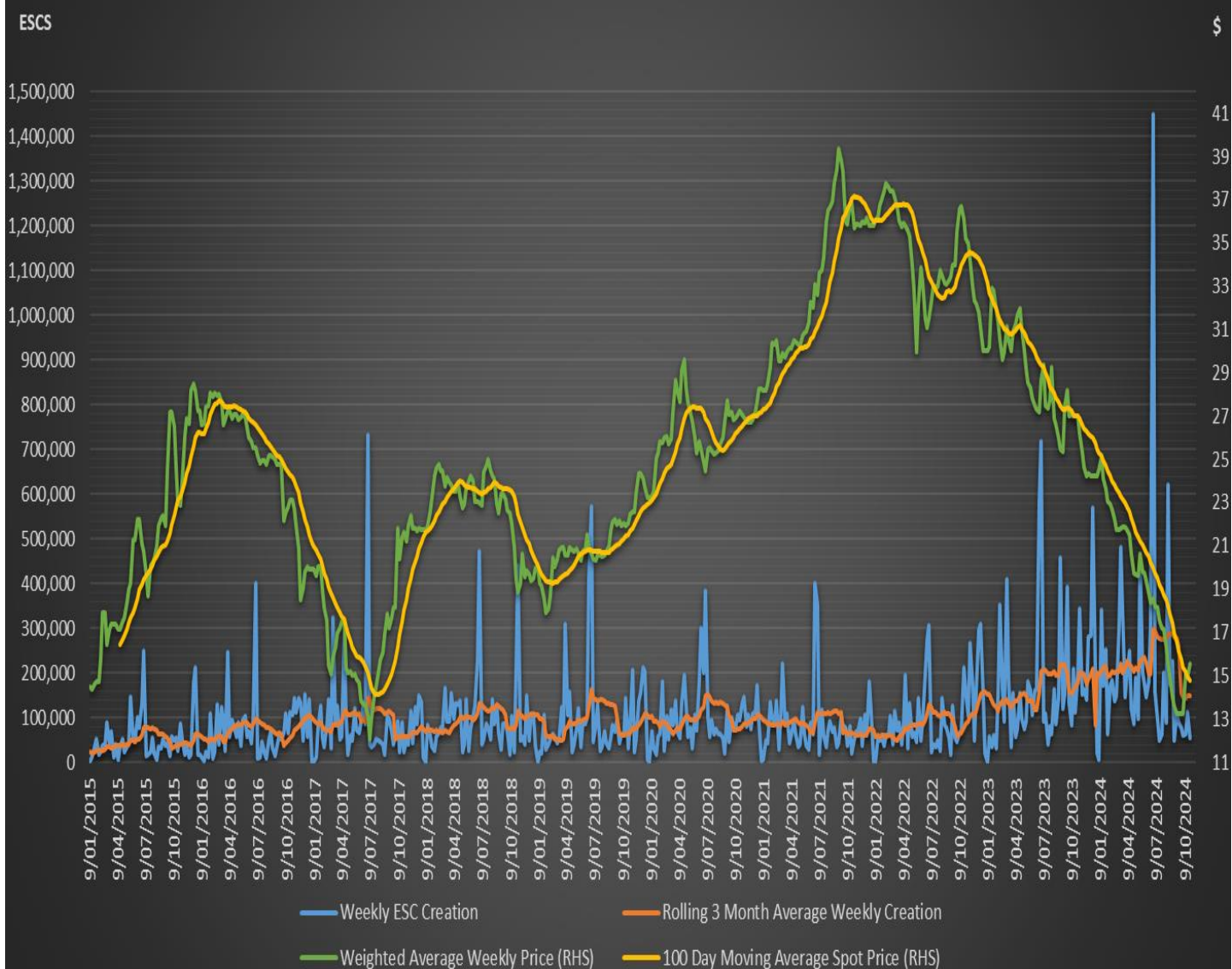
Following last month's lower creation figures October saw just a slight increase to 404,000 new ESCs minted. The drop off in creation is caused by a marked decrease in the number of Hot Water System installations following changes to the scheme that disallowed the concurrent granting of PRCs along with ESCs for commercial jobs. The low ESC price means that these jobs are no longer profitable and hence the onslaught of new ESCs has dwindled, causing the sliding price to stabilise and even increase.

The spot market opened unchanged at \$13.25 but buying interest popped up early and saw the recent falling trend reverse. The price rose steadily throughout the early part of the month to reach a high of \$16.00 before profit taking saw it drop back to \$15.00. However buyers stepped in again at that level bringing the price to a close at the month's high of \$16.50 on turnover of 508,000 certificates.

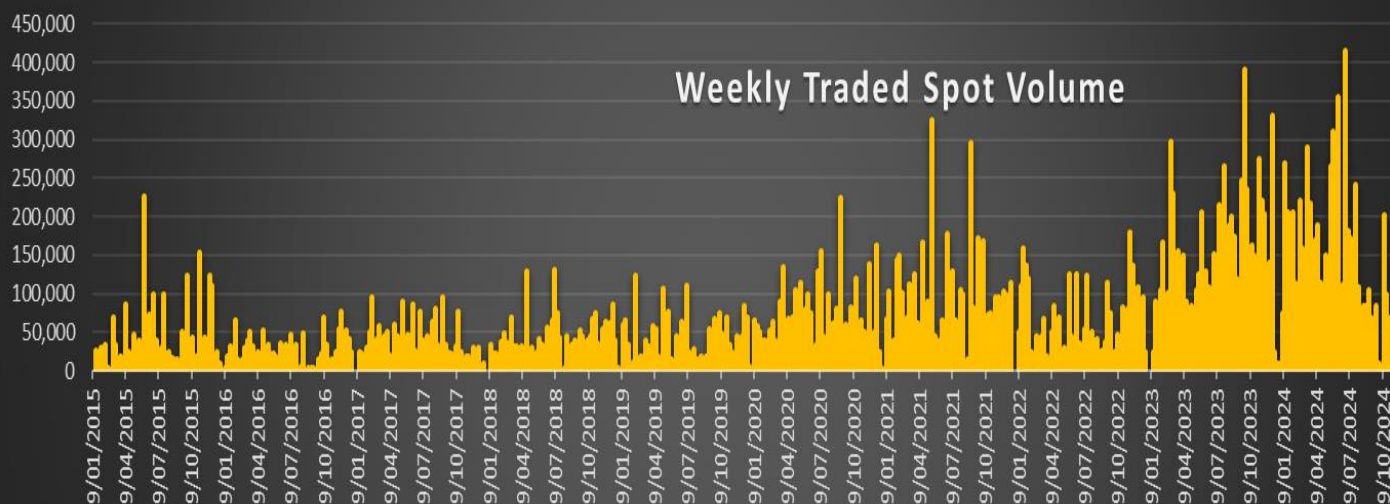
Forward trading was light with 105,000 ESCs dealing for delivery between November 2024 and December 2025. The implied cost of carry on these deals was around 6%.



## WEEKLY ESC CREATION - ALL SOURCES



## Weekly Traded Spot Volume



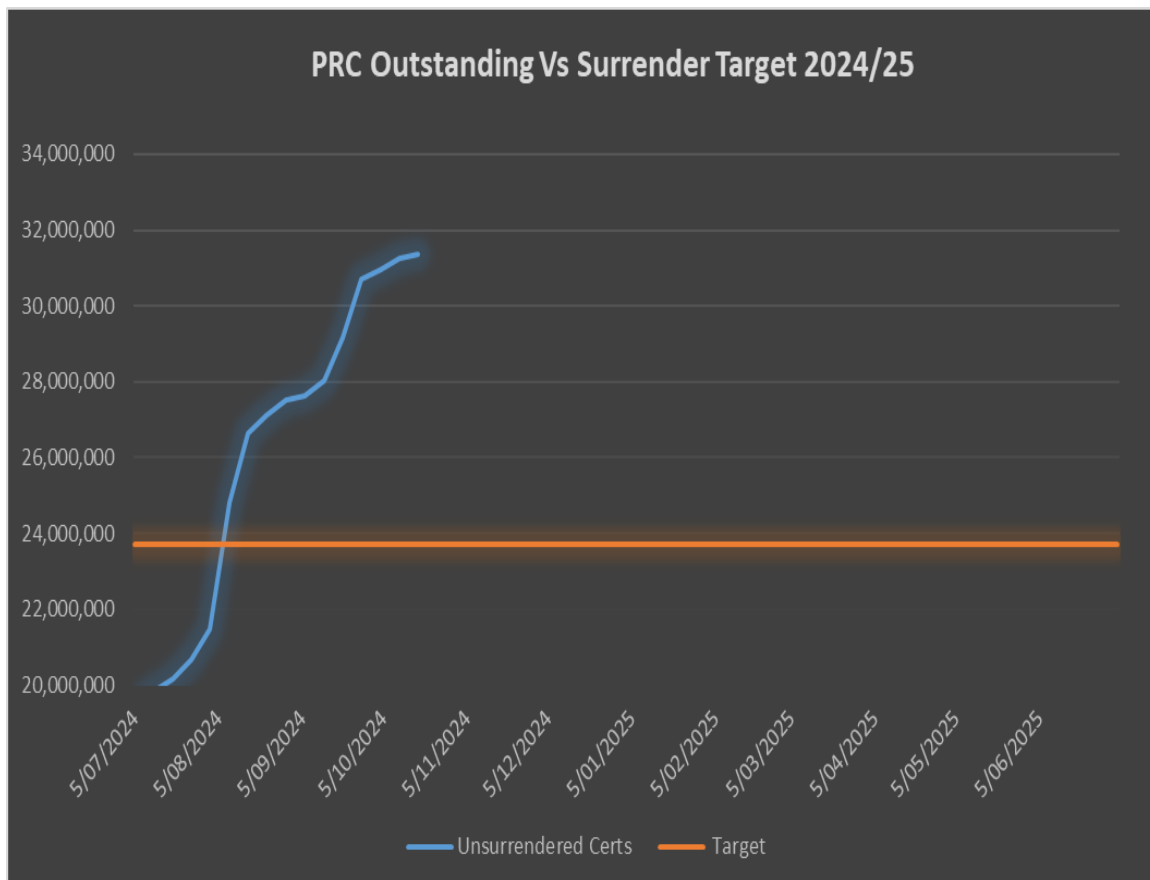
## NSW PRC

PRC prices rallied this month following a mid-month seminar on upcoming changes to the scheme.

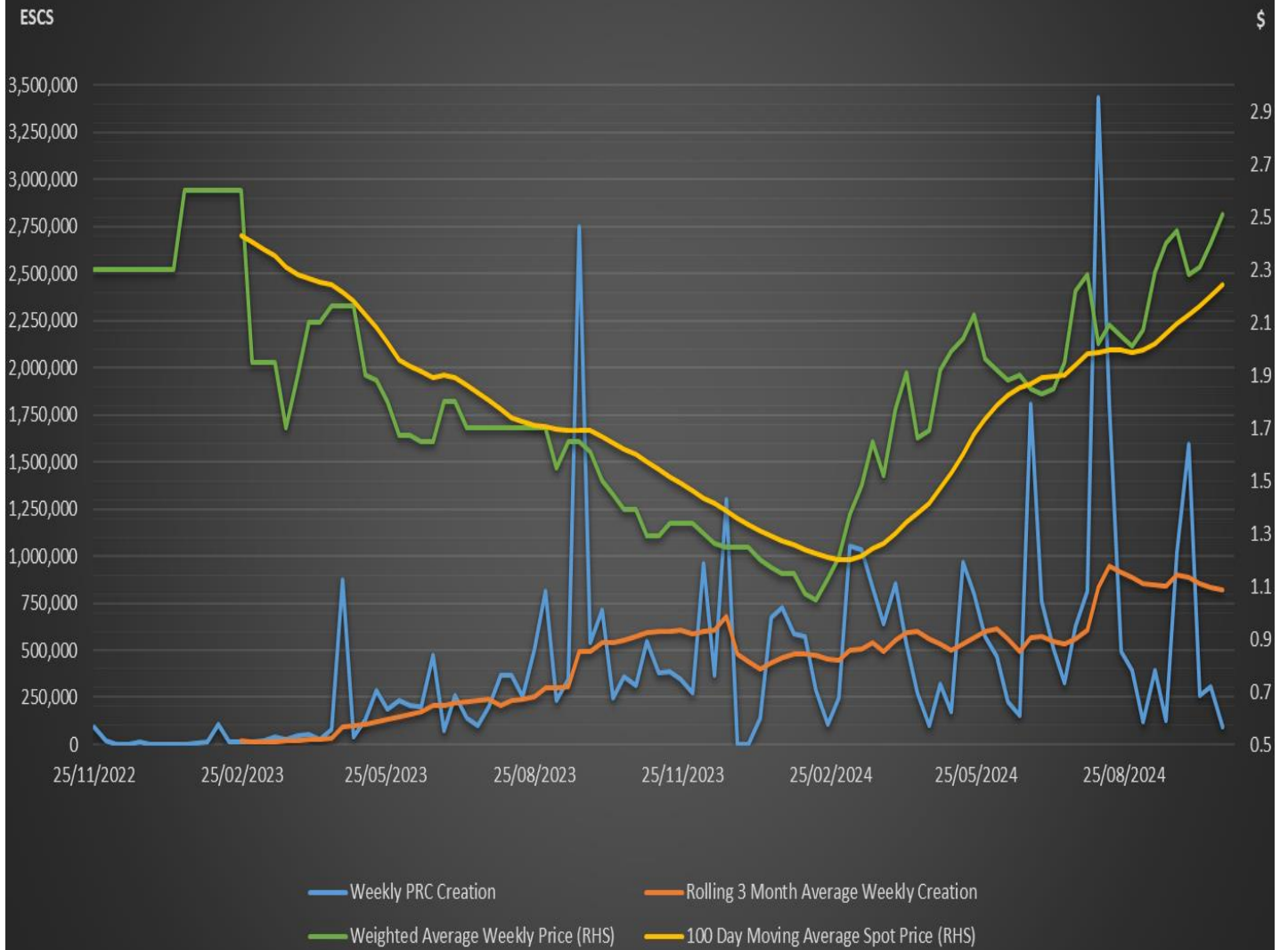
From November 1<sup>st</sup> PRCs will be awarded for residential battery installations, both for installing a battery and a top up number of certs for allowing that battery to be part of a Virtual Power Plant (VPP). This will become the principal means of creating PRCs following scheme changes that dramatically reduced the number of certificates that will come from Hot Water installations. So the challenge for the market is to estimate whether batteries will produce a sufficient volume of certificates to satisfy the growing surrender obligations of the scheme. A seminar conducted under the auspices of the ESIA during the month indicated that market participants are still undecided on that front.

Spot trading opened at \$2.26, a fall of 4 cents from September's close but recovered from there to reach a high of \$2.60 before late selling saw a close at \$2.50. Turnover was 4.43 million PRCs.

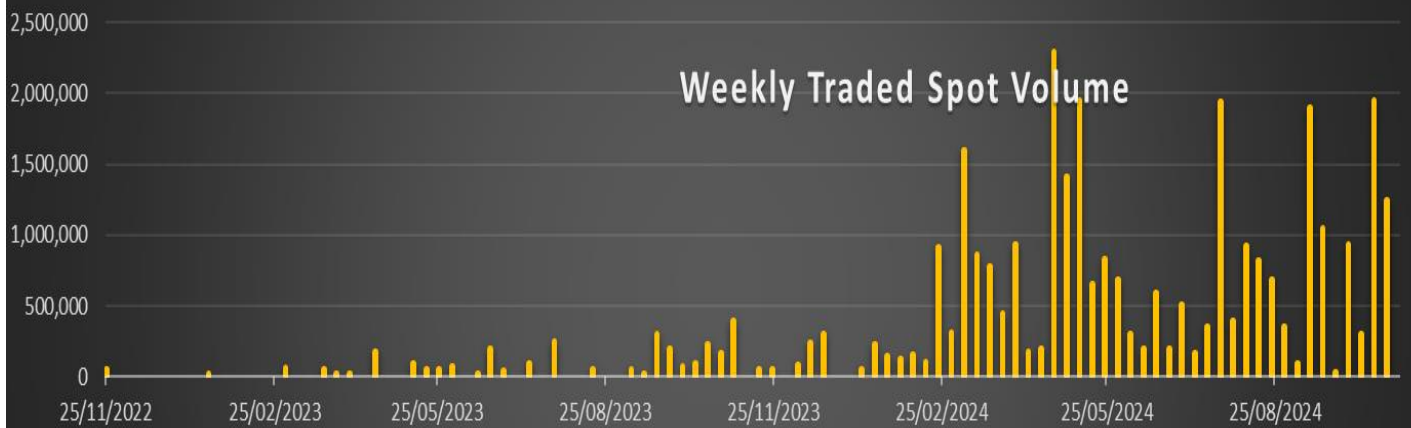
The forward market saw 2.18 million certificates trade for delivery from November 2024 to June 2025, at a cost of carry of around 6%.



## WEEKLY PRC CREATION



## Weekly Traded Spot Volume





# Renewable Energy Certificates

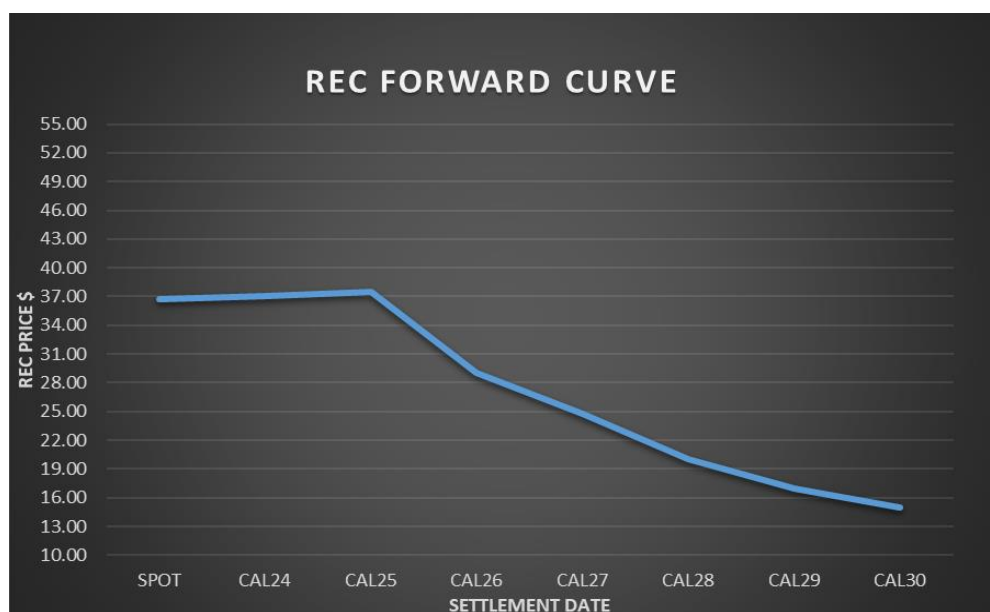
LGC prices continued to fall in the face of adequate supply for this year's surrender target. It appears the market also saw surpluses continue throughout the curve.

The spot market opened 15 cents lower at \$41.35 and kept on falling throughout the month to reach a low of \$36.50 before closing barely above that at \$36.75 on volume of 1.36 million LGCs.

Calendar 2024 followed suit, opening at \$42.25 and falling to the last trade at \$37.00. This was a drop of \$5.50 on turnover of 660,000 certificates. Calendar 2025 traded 740,000 LGCs for a \$2.50 fall to \$37.50.

Calendar 2026 shed \$3.00, closing at \$29.00 on turnover of 795,000 certificates while Calendar 2027 fell \$1.25 to finish at \$24.75 on trading volume of 110,000 LGCs.

Calendar 2028 dropped \$5.00 on 125,000 certificates to close at \$20.00.

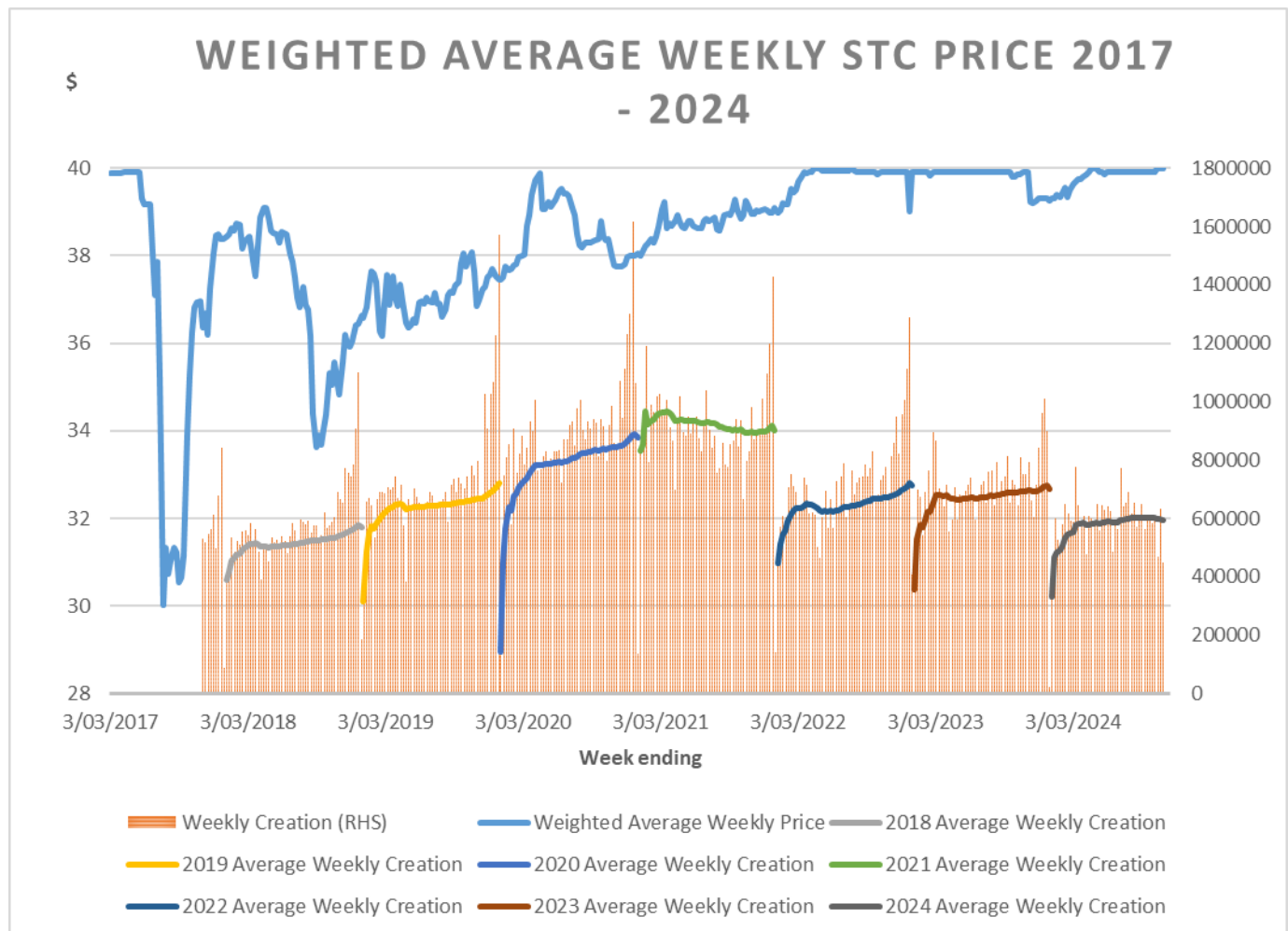


## Small Technology Certificates (STC)

The Clearing House went into deficit again this month on the heels of the third quarter surrender.

Certificate creation came in once again at around 2.5 million for the month. This remains insufficient to provide enough certificates for the surrender obligations so once again the Clearing House had to meet the shortfall at \$40.00 per STC.

On the back of this there were no spot market trades. No forward trades were reported for the month either.



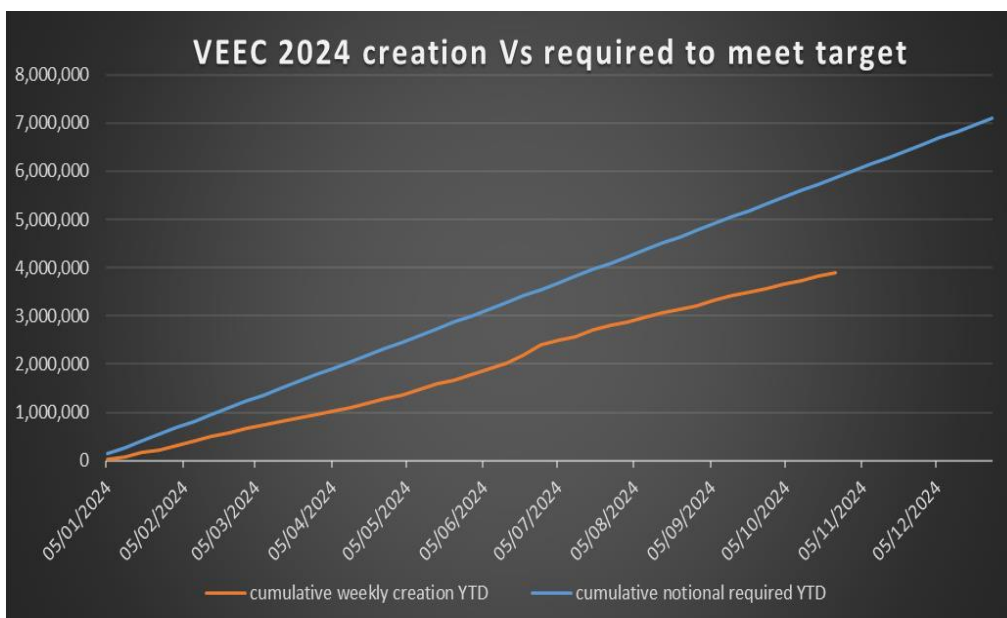
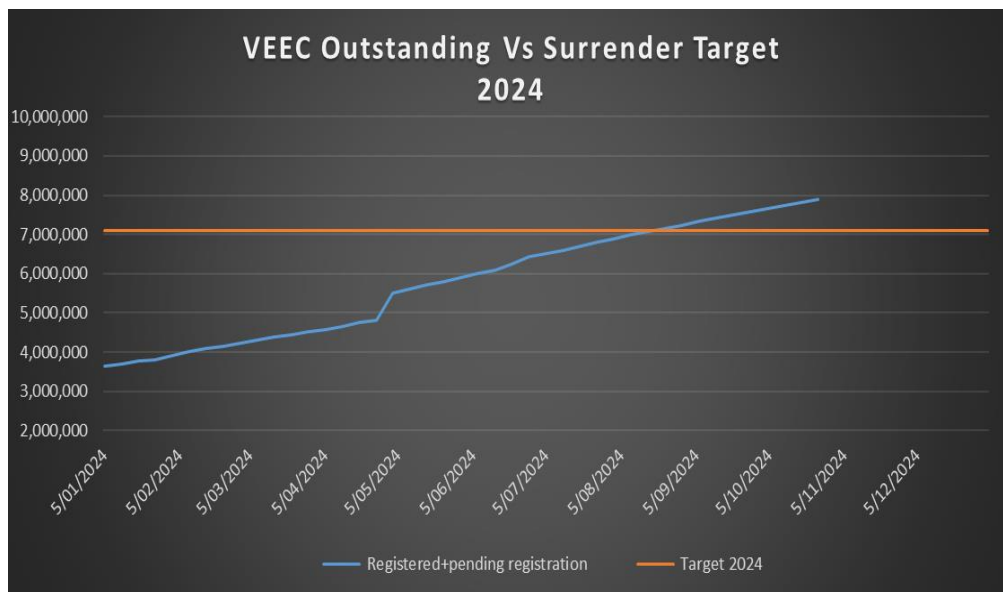
## VIC VEECs

VEEC prices fell this month following a newspaper article and the VEU's response to it.

Certificate creation was steady again in October coming in at 404,000 VEECs.

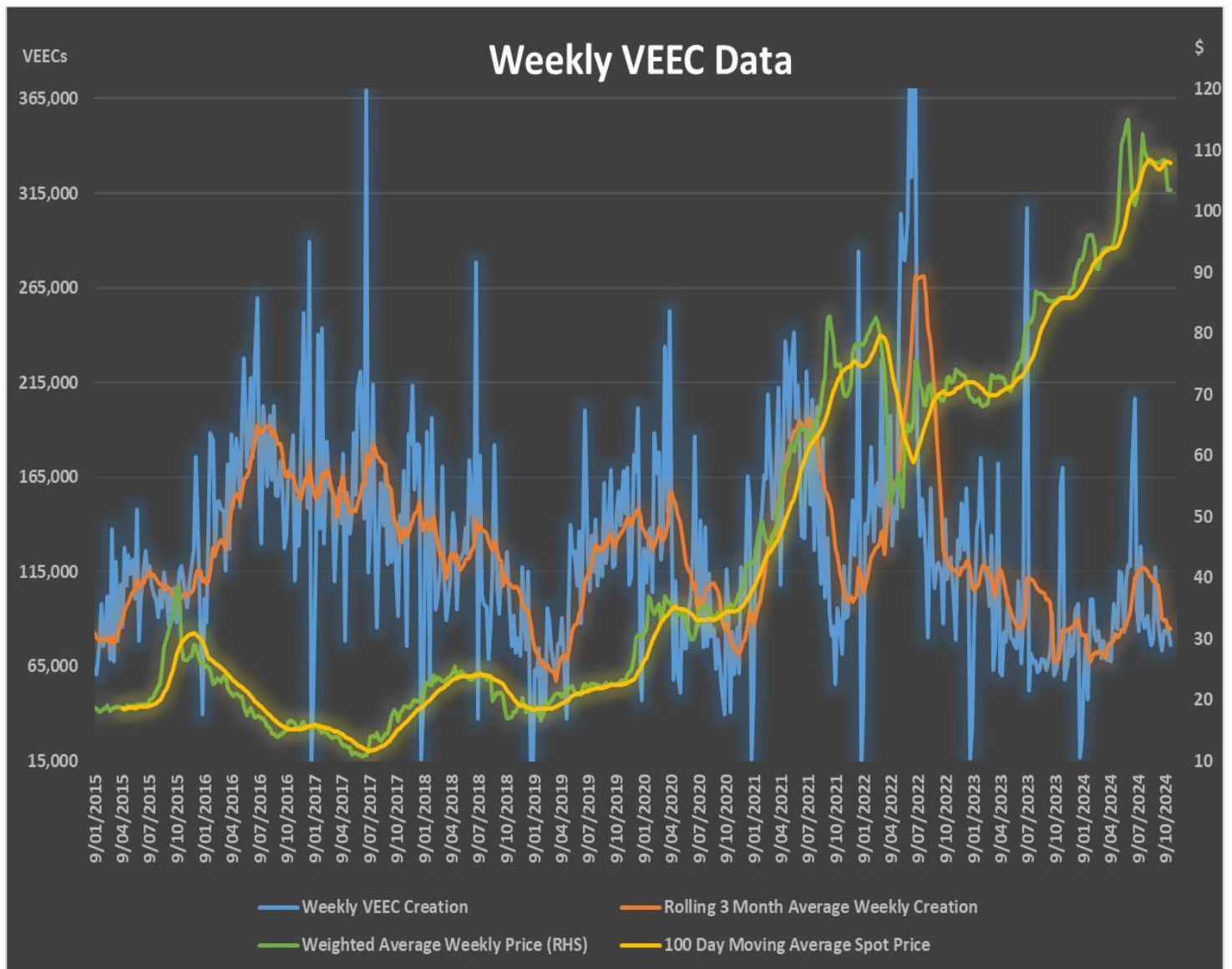
The spot market opened at an unchanged \$108.25 and was trading steadily at that price until the middle of the month. At that point an article in the Sun Herald querying why Victoria had the highest carbon price in Australia prompted a response from the authorities that saw them alter the vintage arrangements for the 2024 surrender, allowing certificates created in 2025 to be used, thereby creating more headroom in the number of certificates available. They also announced that they would announce further changes and new creation methods in early 2025. Despite the vagueness of the pronouncement the market reaction was to sell off immediately. The spot price fell to \$103.00 before some retail buying saw it recover to close at \$104.75 on turnover of 440,000 VEECs.

The most pronounced reaction was seen in the forward market where prices fell considerably lower than the spot market as sellers rushed to lock in hedges in case the to be announced changes would depress prices substantially. The lack of liquidity due to ongoing credit concerns didn't help either as 706,000 certificates traded for delivery between November 2024 and February 2026. By the end of the month the forward price was \$2.00 below the prevailing spot price.

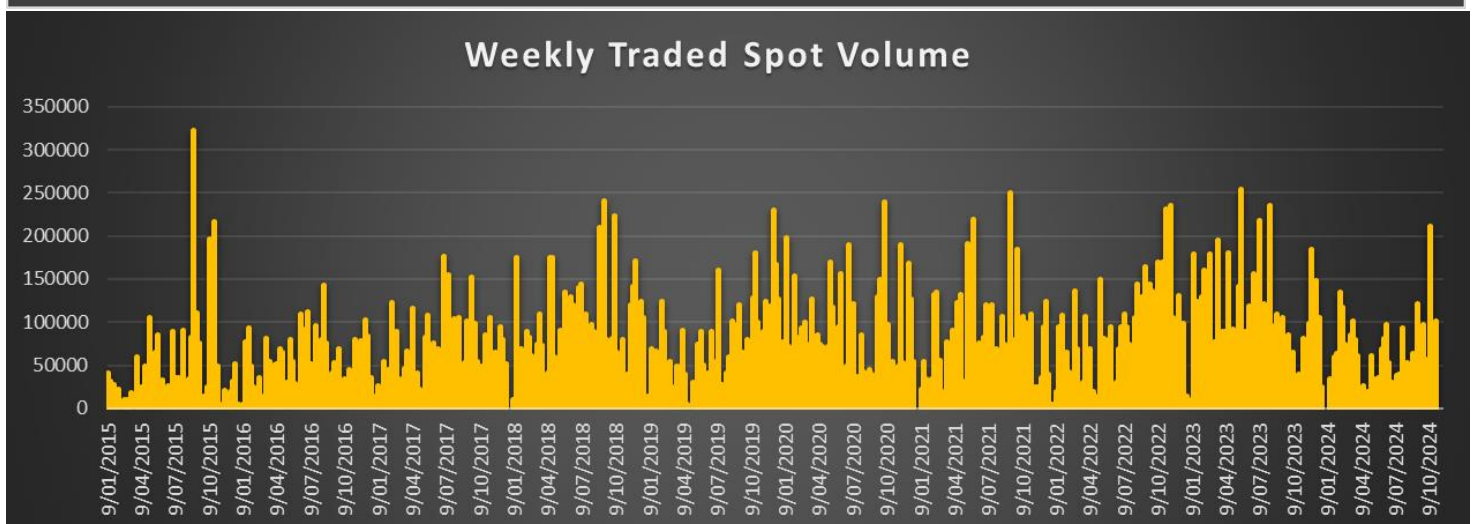




## Weekly VEEC Data



## Weekly Traded Spot Volume



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