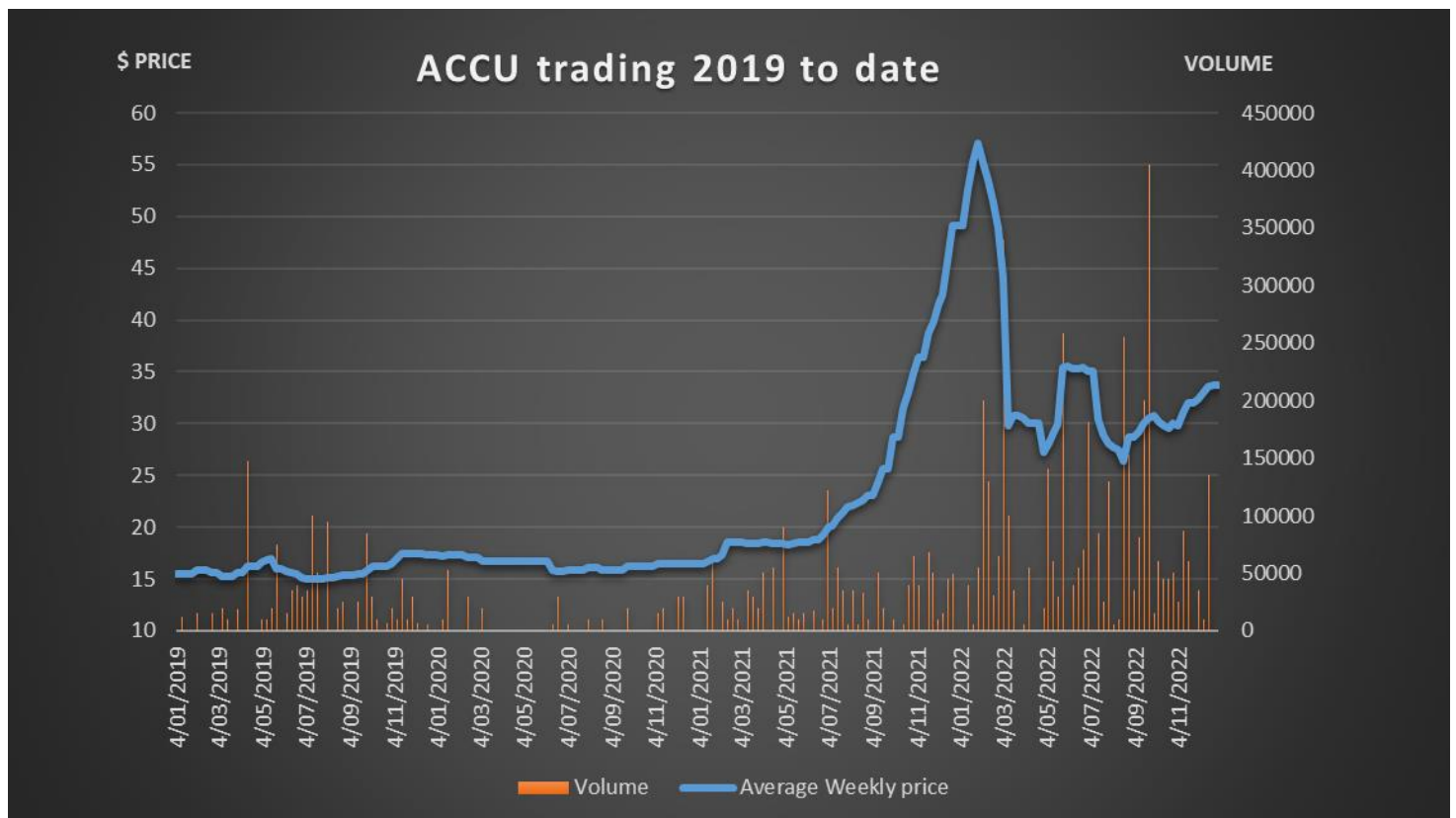


**ACCU**

**ACCU** prices continued to climb this month on optimism that the certificates will have a big part to play in emission reduction efforts in the future.

The spot market opened 50 cents higher, at \$32.50, and climbed throughout the month to close at the high of \$33.75 on turnover of 180,000 certificates. HIR ACCUs continued to trade throughout the month at a premium of around \$1.25.

The forward market was very active with 645,000 certificates trading for settlement between February and July 2023. These deals were struck at an implied cost of carry of a very high 15%.



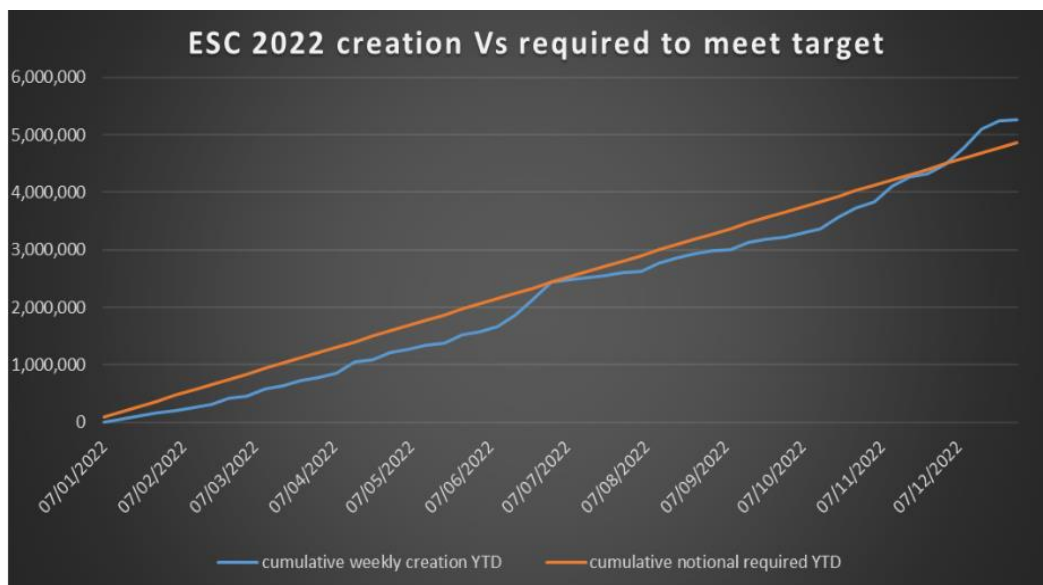
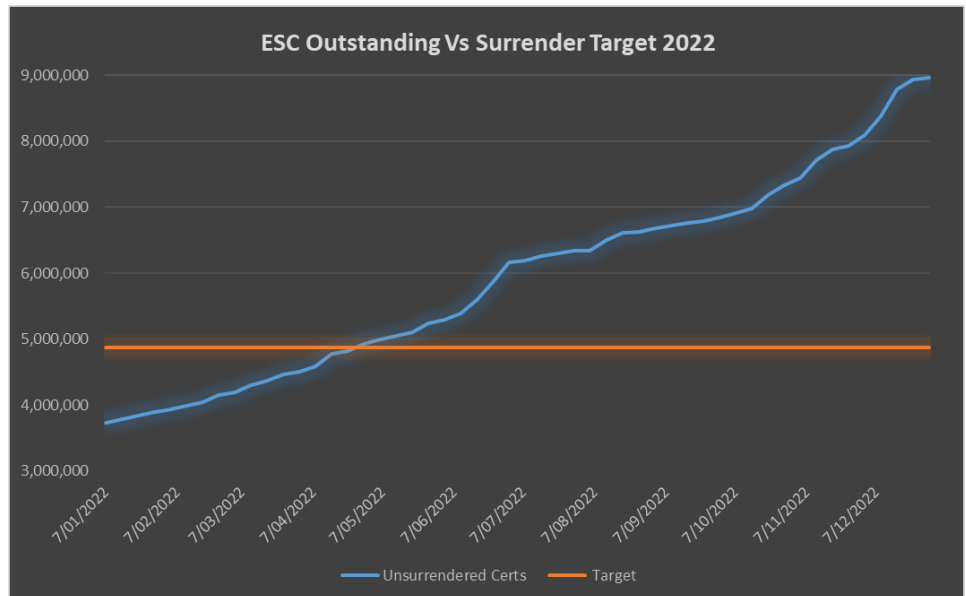
# NSW ESCs

ESC prices continued to fall as creation figures remained robust.

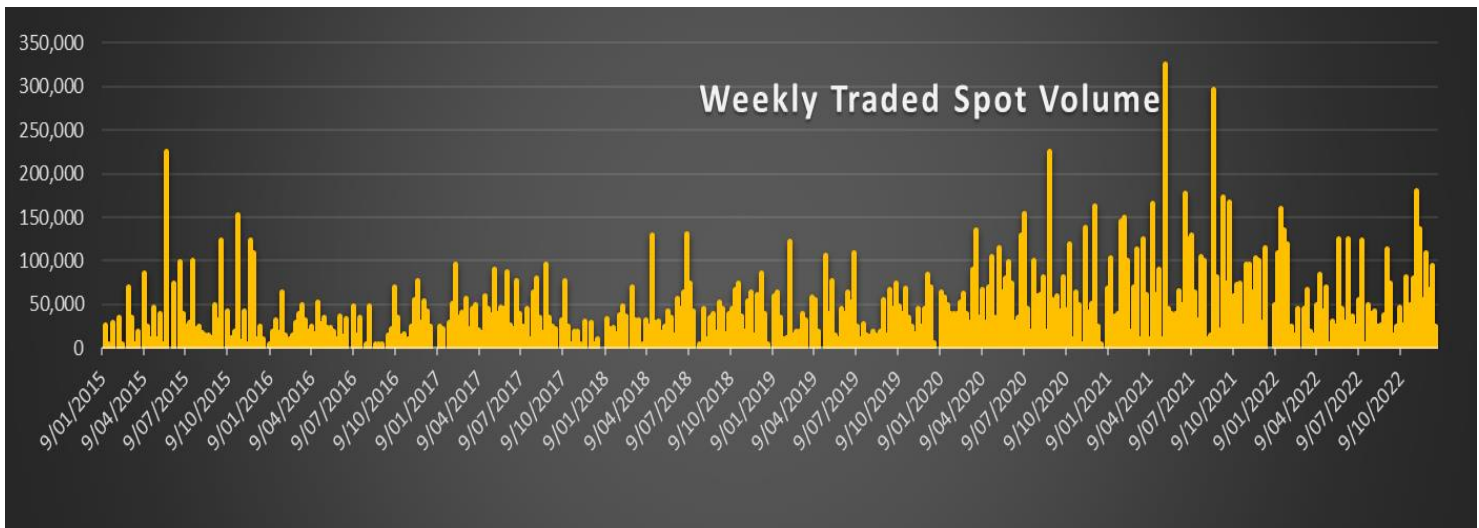
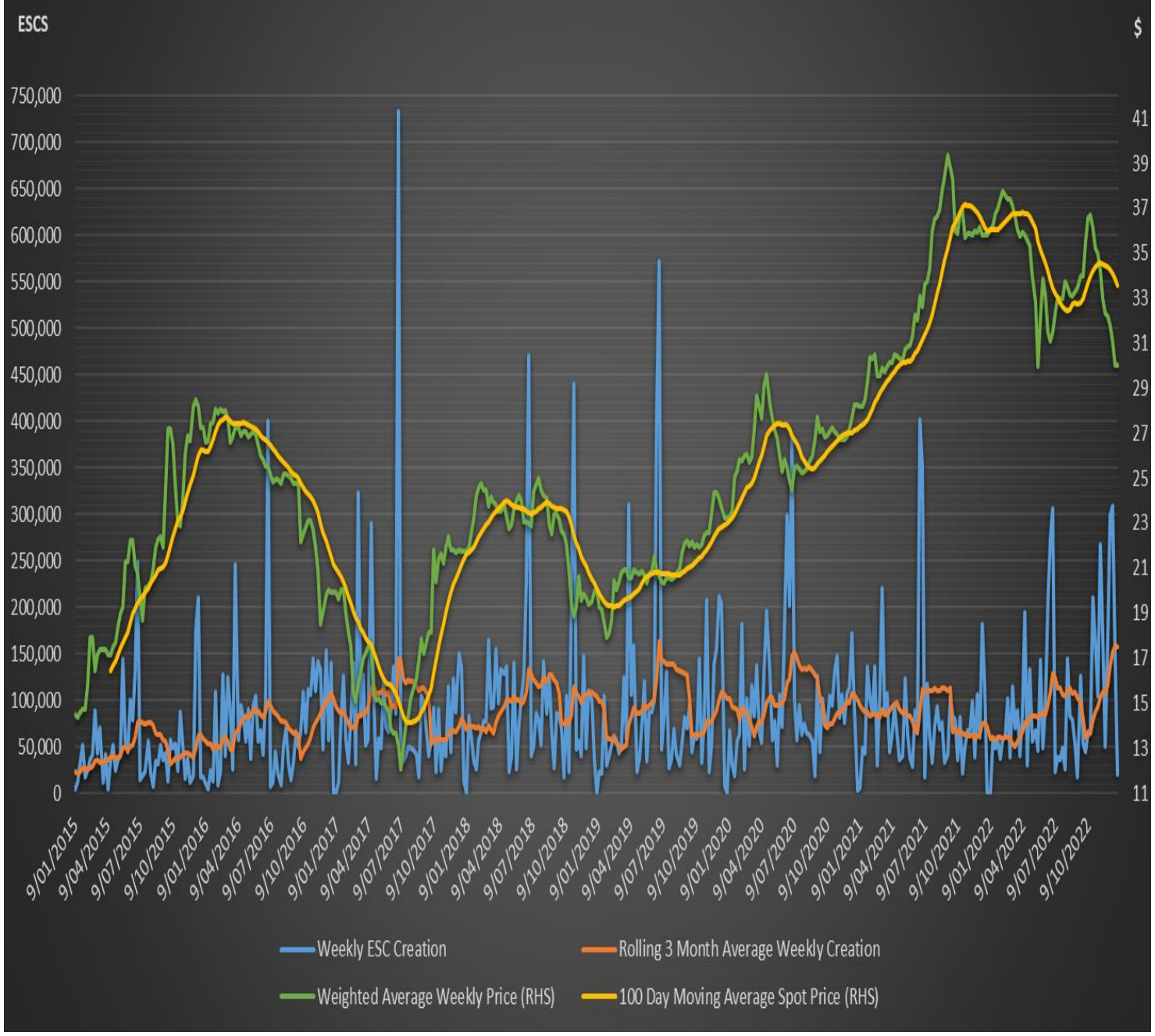
New certificate registrations jumped another thirty percent this month to come in at 865,000. This brought the total in the registry to just under nine million certificates, leaving just over one million certs needed to meet next year's surrender target. Total creation for the year was 5.27 million – 400,000 more than required for the year's obligations and further adding to the surplus carried forward from 2021.

This creation continued the downward pressure on the spot price with the market opening 25 cents lower, at \$32.25, and falling steadily from there. We closed at the month's low of \$30.00 on turnover of 212,000 ESCs.

The forward market saw 240,000 ESCs deal for delivery from January to December 2023. The curve had a very slight upward bias with the premium over spot gradually rising to 25 cents for trades settling in late 2023.



# WEEKLY ESC CREATION - ALL SOURCES



# Renewable Energy Certificates

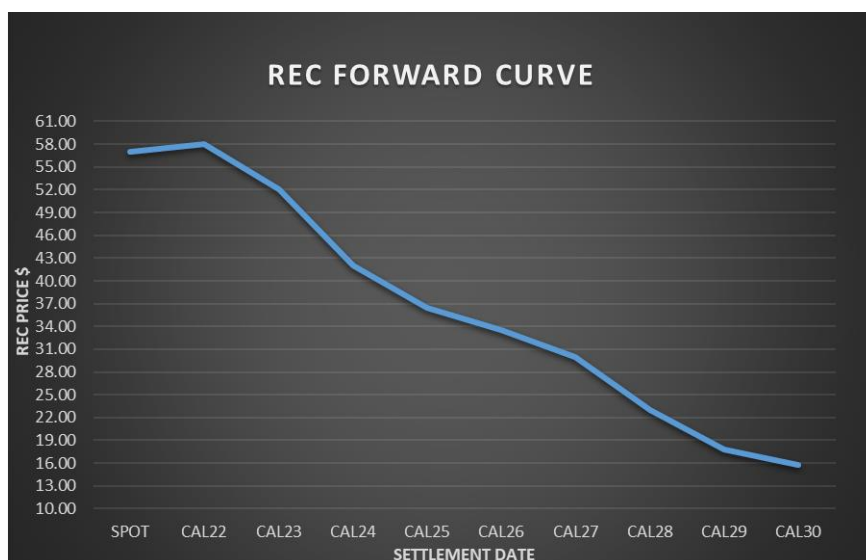
LGC prices tumbled, especially in the short end of the curve, as market participants expected a greater surplus of certificates for 2022 surrender than previously estimated.

2022 closed with just under 37 million LGCs in the registry. The surrender target for the year of 33 million was reduced to 30 million when Origin Energy announced earlier this year that they would not be delivering 3 million certs and instead would pay the penalty and roll the obligation forward to later, cheaper, years. It is to be expected that other market participants would act in a similar manner leaving plenty of certificates available to meet the remaining obligations, despite an uptick in voluntary surrender.

The spot price opened at \$65.00, a drop of 25 cents, and fell rapidly from there to a low of \$55.00 before a late resurgence to close at \$57.00 on turnover of 800,000 LGCs.

Calendar 2022 followed the spot pattern – opening at \$65.50 and falling to a low of \$55.50 before closing at \$58 on volume of 470,000 certificates – a drop of \$6.50.

Calendar 2023 fell \$6.60, opening at \$58.75 and falling to \$48.75 before closing at \$52.00. Turnover was 675,000 LGCs. Calendar 2024 closed \$4.75 lower at \$42.00 on 680,000 certificates while Calendar 2025 fell \$4.25 to \$36.50 on volume of 400,000 LGCs.



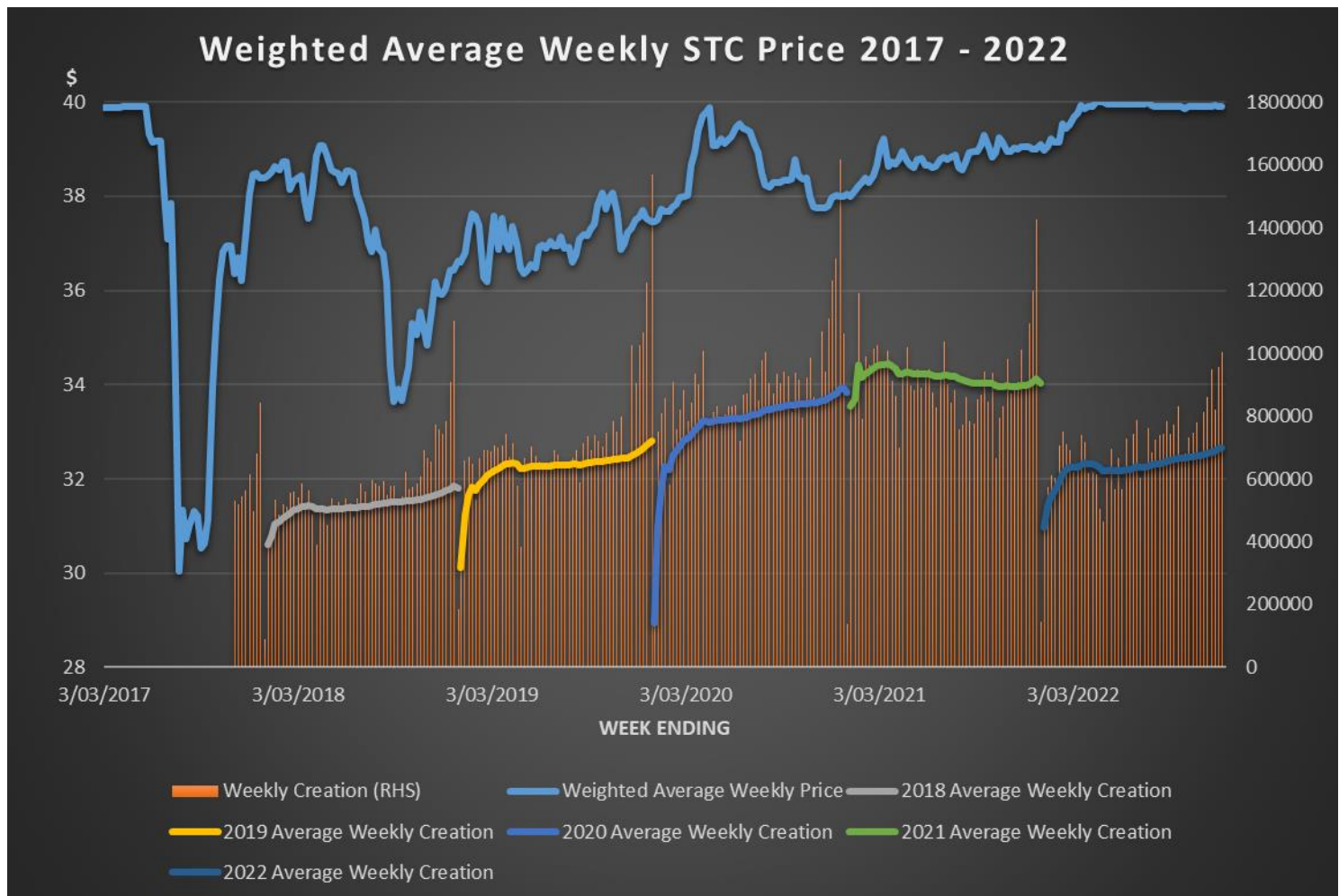
## Small Technology Certificates (STC)

STC creation rose slightly while certificate prices were again unchanged.

New certificate registration came in at 4.2 million.

The spot market traded 217,000 certificates, all at \$39.90.

The forward market saw 450,000 STCs trade for delivery from January to December 2023. The last price for the year was struck at \$39.75.



# VIC VEECs

VEEC prices fell this month in the face of continuous high creation figures.

New registrations for December fell slightly to 460,000 in the holiday shortened month. In total 8.63 million were created in 2022, nearly two million more than required to meet the year's surrender target. Only 984,000 more VEECs are required to meet 2023's requirements with new creation methods due to come on stream in the first half of the year.

The spot market actually opened 75 cents higher, at \$74.00, but eventually the weight of supply started to bear and the price began to decline steadily. The selling accelerated on the 22<sup>nd</sup> when an email from the VEU announced that the new creation methods for Water Heating and Space Heating and Cooling would be active by the end of June. The market closed at \$69.50 on turnover of 229,000 VEECs.

In forward trading 210,000 VEECs traded for delivery from January to December 2023. The curve was upward sloping with trades for the first quarter of the year attracting a premium of 50 cents, rising to around 75 cents by year's end.

