

CERTIFICATE REPORT

October 2023

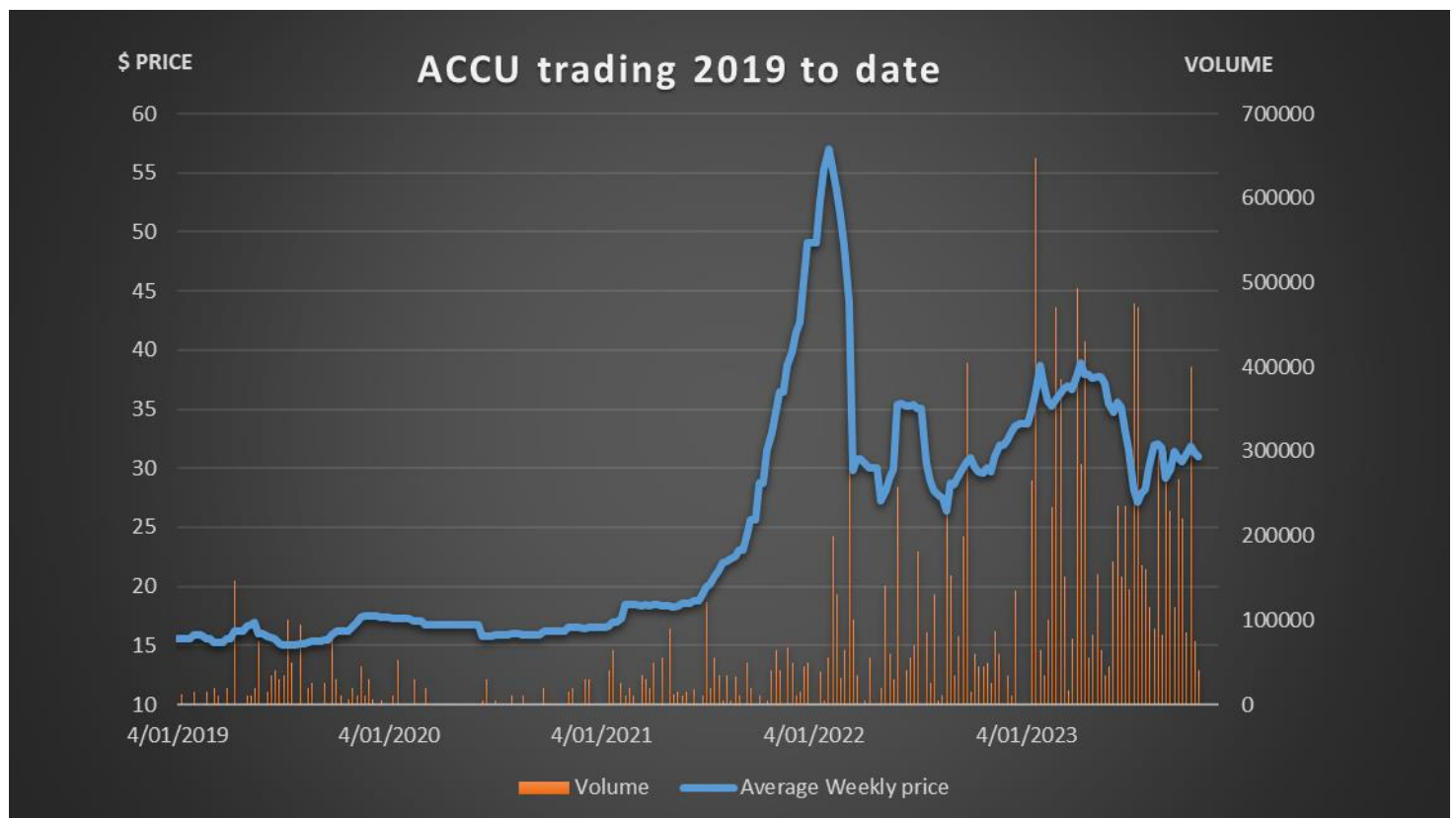
ACCU

ACCU prices rallied a little at the start of the month but gave up most of those gains in the final few days.

The spot market gained a dollar at the opening, at \$31.00, and continued to climb for the first half of the month to a high of \$32.25. Sellers jumped in at this point and the price fell continuously, closing at the month's low of \$30.25. Turnover was reported at 720,000 ACCUs.

The forward market was quieter this month with 170,000 certificates trading for delivery from February to June 2024. These deals were struck at a cost of carry of around 5%.

The spread between generic certificates and Human Induced Regeneration ACCUs narrowed further to close the month at \$3.25.



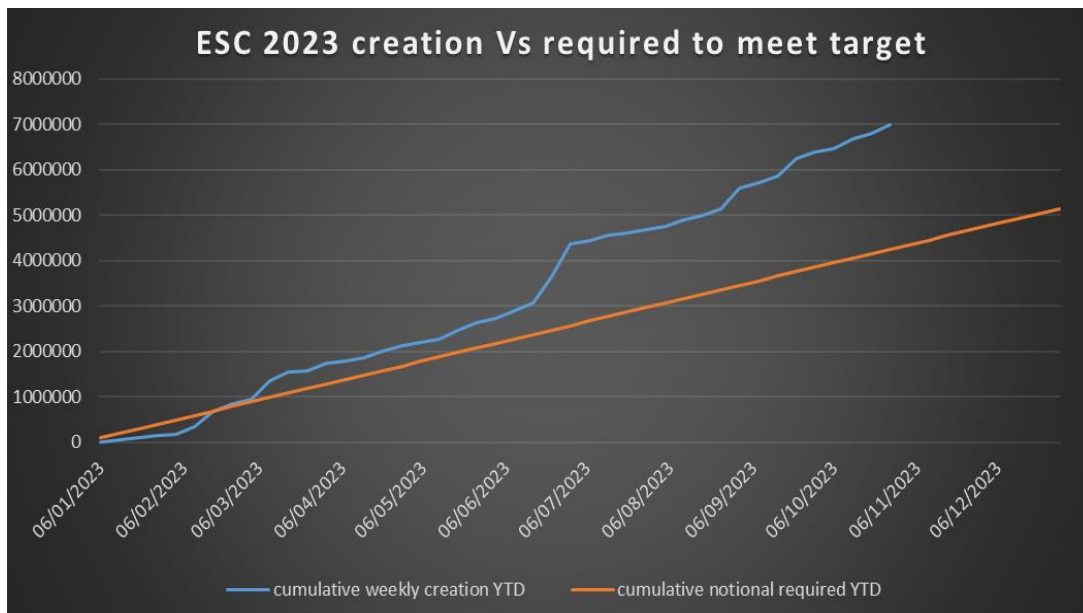
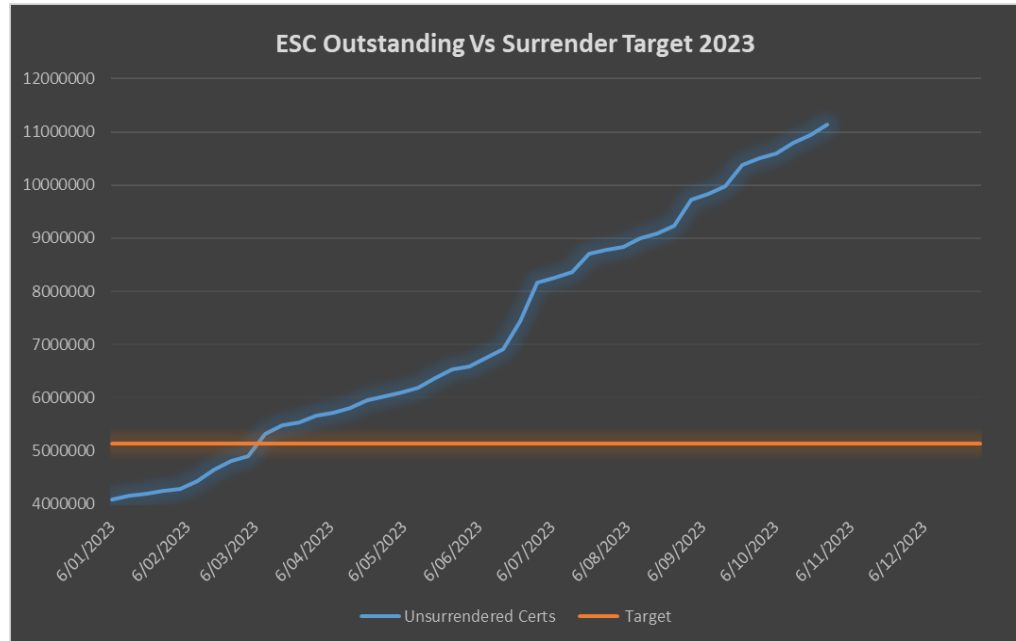
NSW ESCs

ESC prices were very steady this month, until the last few days.

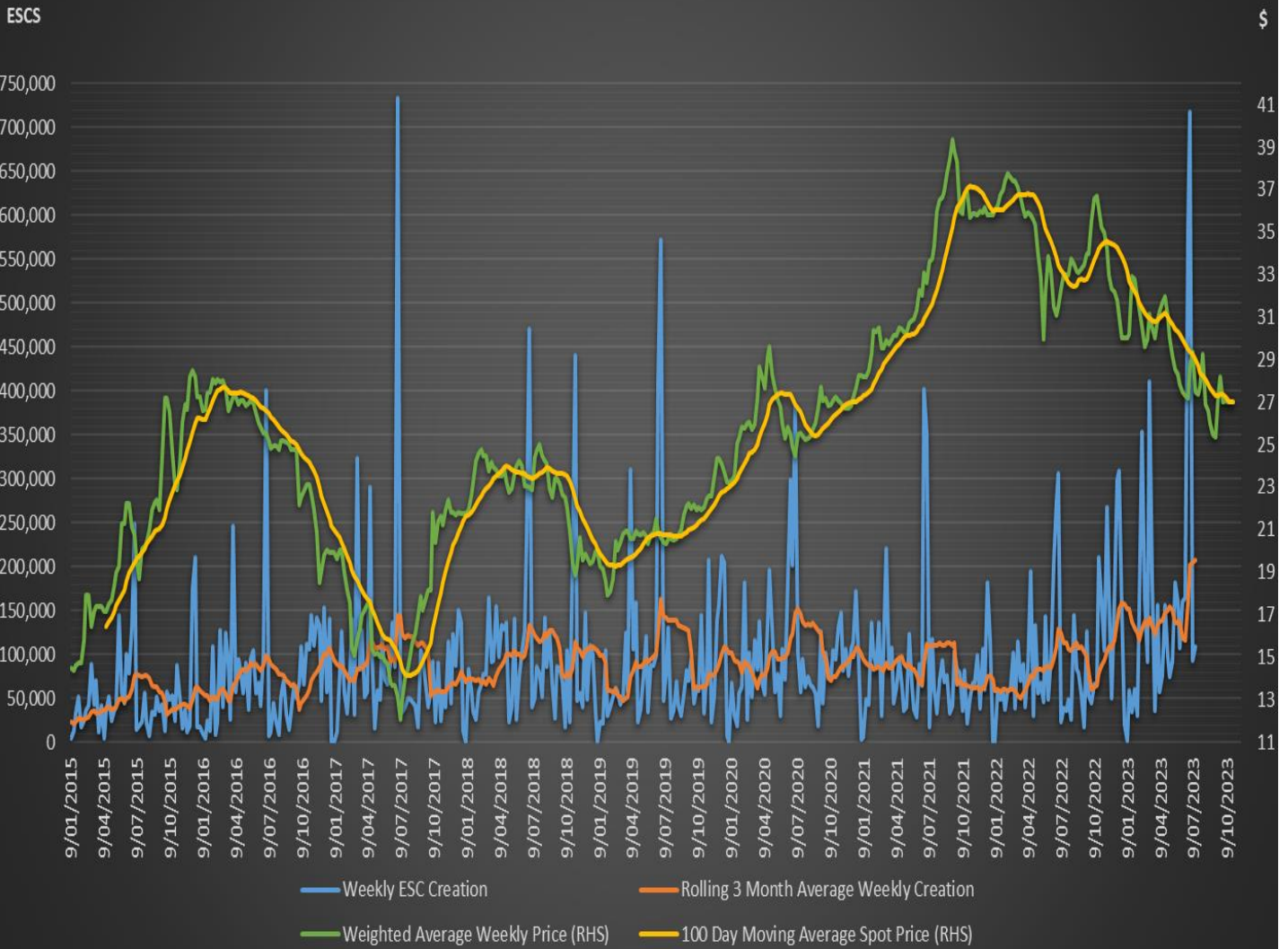
Certificate creation for October continued to be robust with 804,000 new certificates minted.

The ongoing supply of ESCs didn't have much of an effect on the market for most of the month as we await IPART's decision on changes to the Heat Pump method of creation. Hence we opened at an unchanged \$27.00 and traded at that level all month – except for the 31st where the weight of selling finally saw the price drop to a close at \$26.00. Turnover was reported as 638,000 certificates.

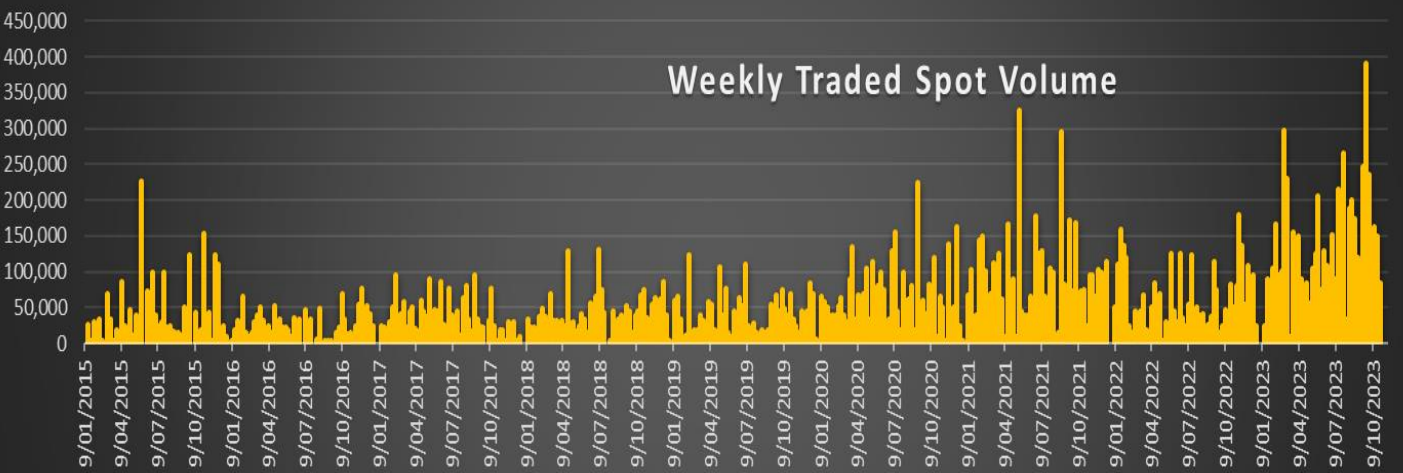
The forward market was quiet as various credit issues restrict trading. A total of 300,000 ESCs dealt for delivery from the end of October to December 2024. Due to the credit concerns the trades for 2024 were struck at a very high cost of carry – exceeding 10%.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume



Renewable Energy Certificates

The LGC curve continued to flatten as the near end of the market fell while the far end rose in price.

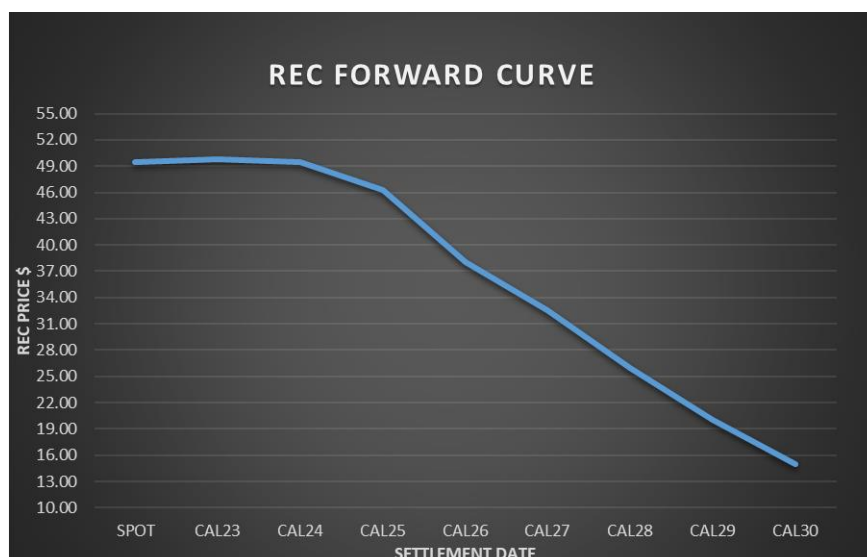
The number of registered LGCs went past 37 million by the end of the month – signalling that there should be plenty of supply to meet the 2023 surrender obligations, and any voluntary surrendering that may occur.

The spot market opened 25 cents lower at \$51.25 and fell constantly from there to reach a low of \$45.50 near month’s end. The last few days, however, saw a reversal as buyers snapped up certificates and brought the price back to close at \$49.50 on volume of 1.03 million certificates.

Calendar 2023 followed suit – opening at \$52.50 and falling to \$46.50 before closing \$3.00 lower at \$49.75 on turnover of 729,000 LGCs.

Calendar 2024 opened at \$53.00 and fell to \$48.50, closing at \$49.50 and a loss of \$3.50 on volume of 1.285 million certificates. Calendar 2025 had the same pattern – falling for most of the month but its turnaround saw it close 25 cents higher at \$46.25 on volume of 940,000 LGCs.

Calendar 2026 gave up some of its recent gains to close \$1.50 lower at \$38.00 on turnover of 860,000 certificates. Calendar 2027 jumped \$4.50, opening at \$28.50 and continuing to climb to a finish at \$32.50 on volume of 480,000 LGCs. The biggest gainer was Calendar 2028 which traded 10,000 certificates at \$26.00, a rise of \$5.50 from the last deal.



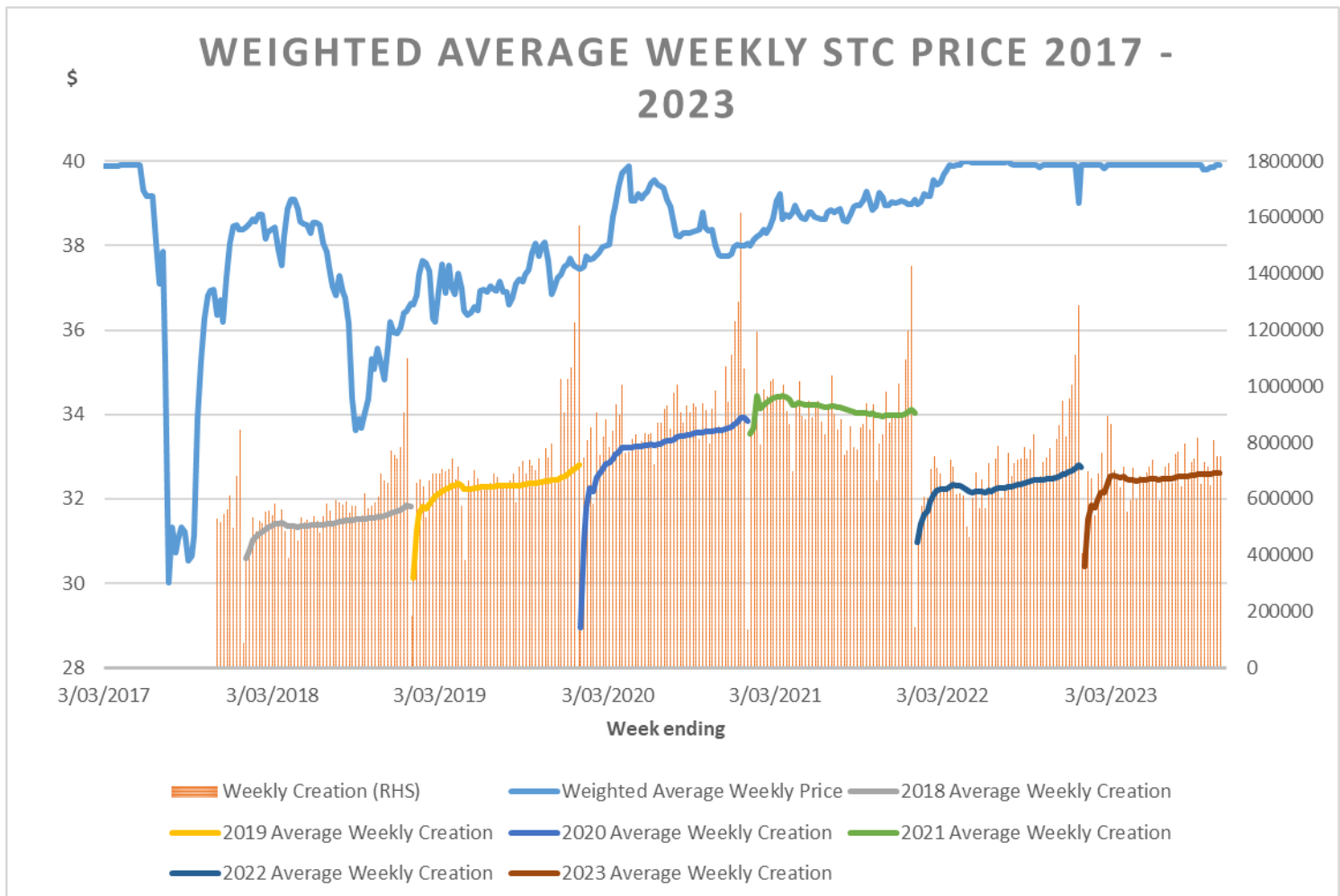
Small Technology Certificates (STC)

The STC market was steady this month as the Clearing House once more went into deficit due to the Quarter 3 surrender event occurring on the 28th.

Certificate creation was similar to September at 3.1 million.

The spot market opened the month at \$39.80, a rise of 5 cents, and traded at that level until the approaching surrender deadline saw the last trade struck at \$39.90. After that the fact that the clearing house was once more paying \$40.00 saw no more spot dealing. Turnover was reported as 255,000 certificates.

In the forward market 780,000 STCs traded for delivery in December this year to December 2024. Deals settling this year were struck at \$39.80 while all the 2024s dealt at \$39.75.



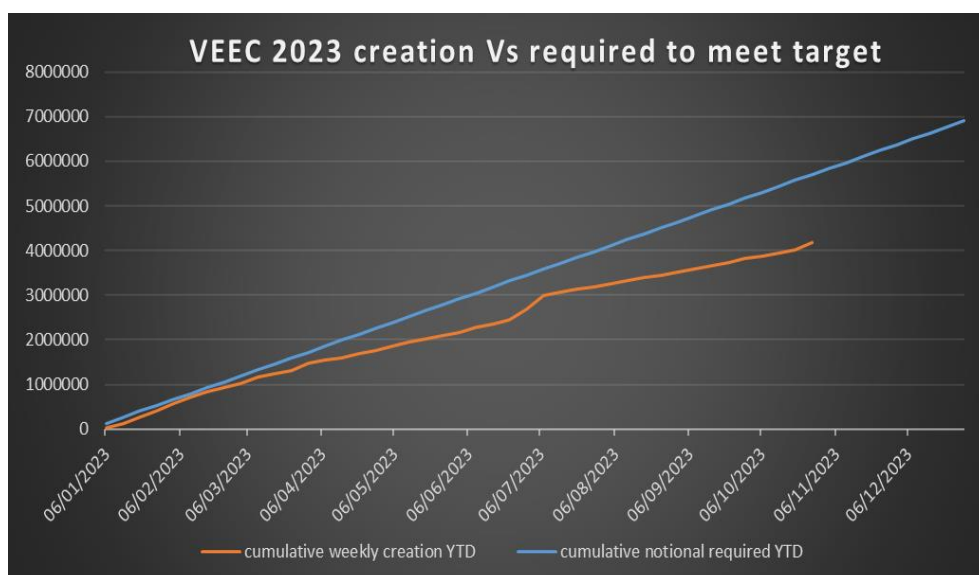
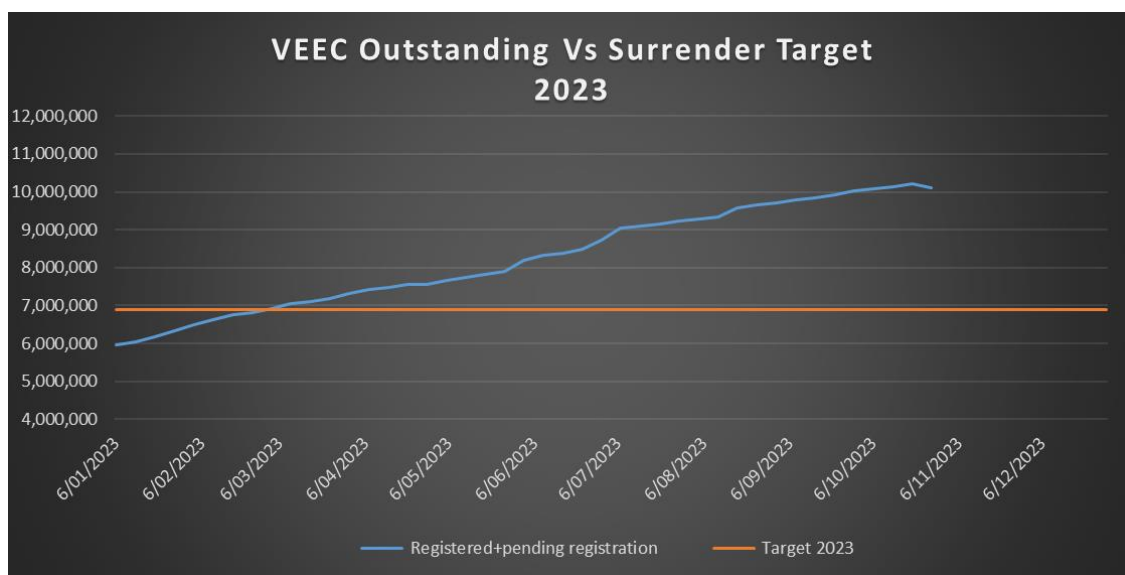
VIC VEECs

The VEEC market was stable again this month.

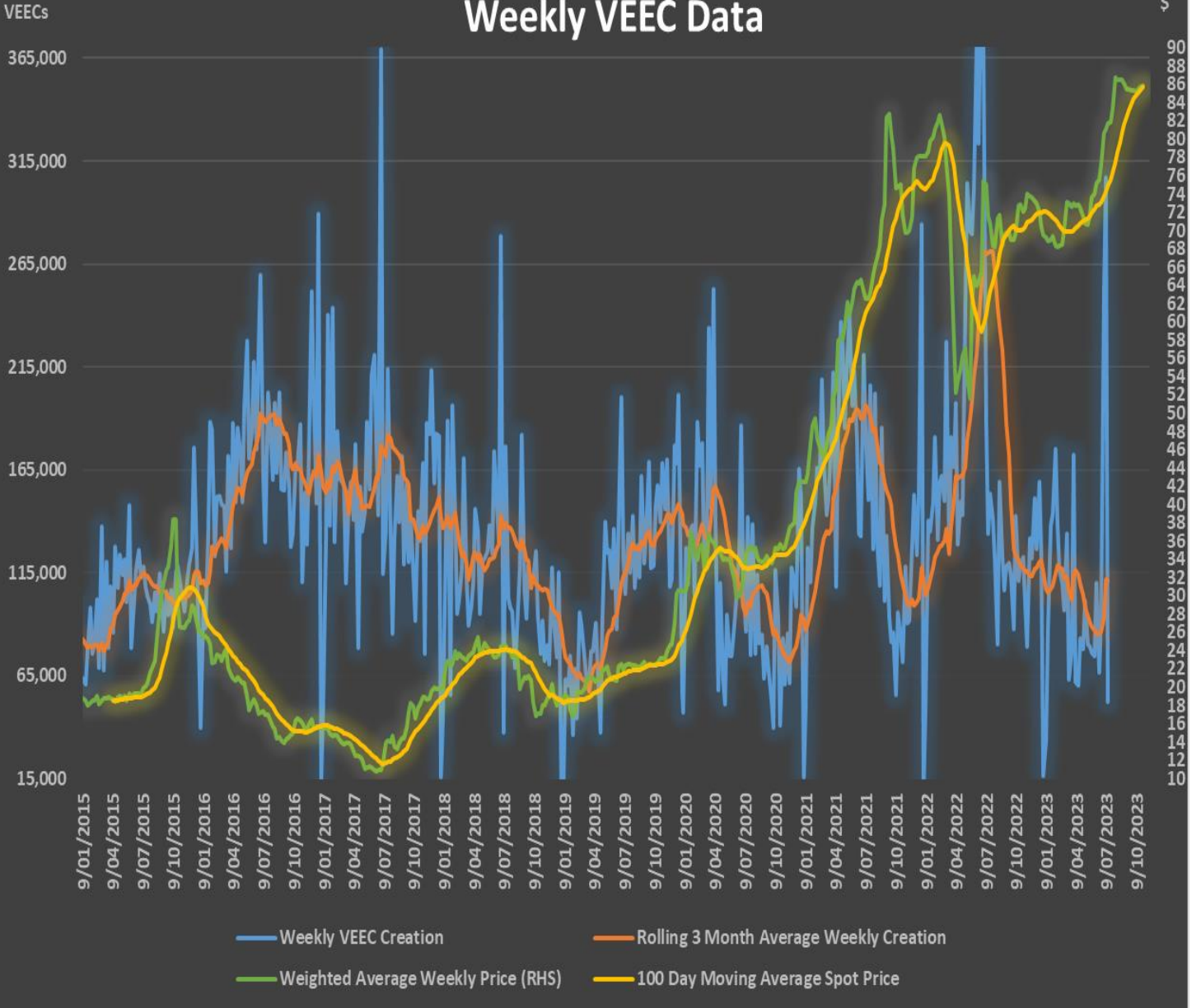
New certificate registration was considerably higher at 501,000 in October. The total in the Registry was little changed, at just over 10 million, however as erroneous creation from a few months ago was reversed. This total represents almost a year and a half of surrender obligations so although the current creation rate is slow the amount of certificates available is restraining the market from trading higher.

The spot market opened 25 cents lower, at \$85.25, but then rallied to \$85.80 and dealt in a very tight \$85.80-\$85.75 range until finally closing at \$85.75 on volume of 211,000 VEECs.

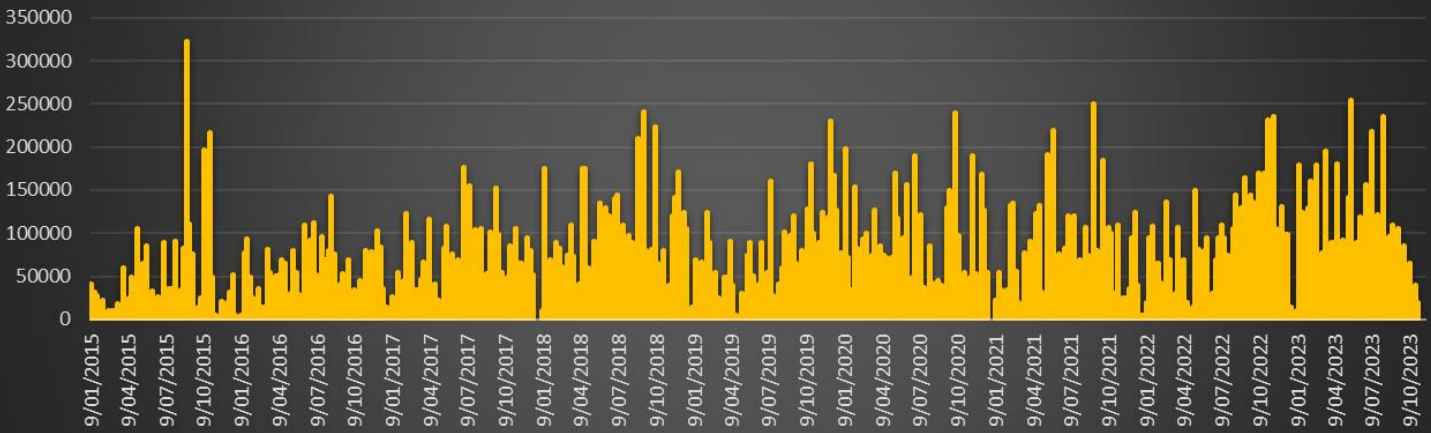
The forward market saw 555,000 certificates trade for delivery from late October to January 2025. Trades settling in 2023 were struck in line with the prevailing spot price while credit quality saw a bifurcation of pricing for 2024. Quality credit counterparties were buying at the same level as the spot price while lesser names were paying \$1.00 higher than that.



Weekly VEEC Data



Weekly Traded Spot Volume



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