

CERTIFICATE REPORT

December 2023

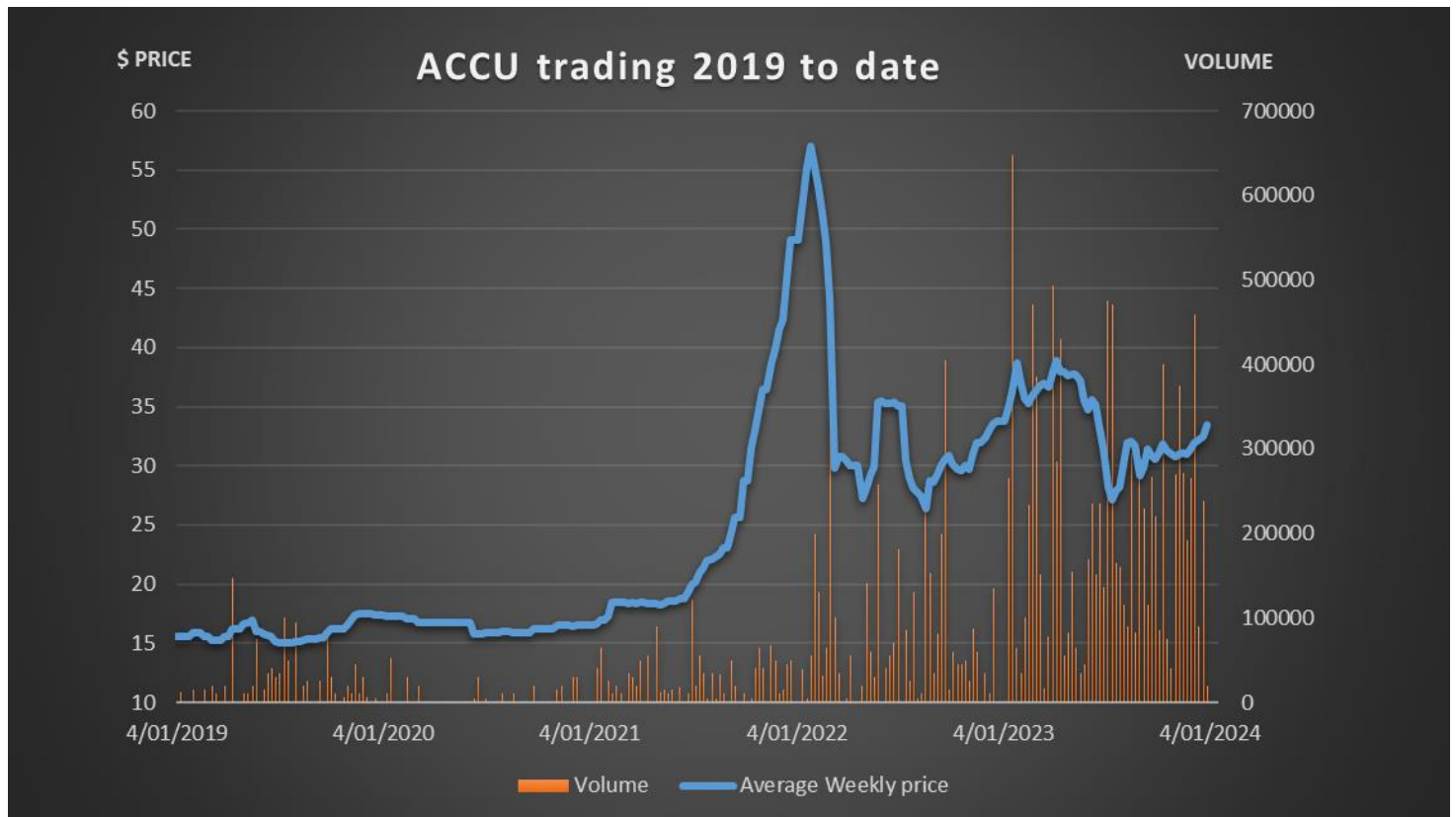
ACCU

ACCU prices continued to rise during December.

The spot market opened at \$31.75, a rise of 25 cents from November's close. The market continued to grind higher all month, finally closing on the high of \$33.50. Trading volume was reported as 807,000 ACCUs.

There were no forward trades reported.

The spread between generic certificates and Human Induced Regeneration ACCUs continued to narrow, closing out the month at \$2.75.



NSW ESCs

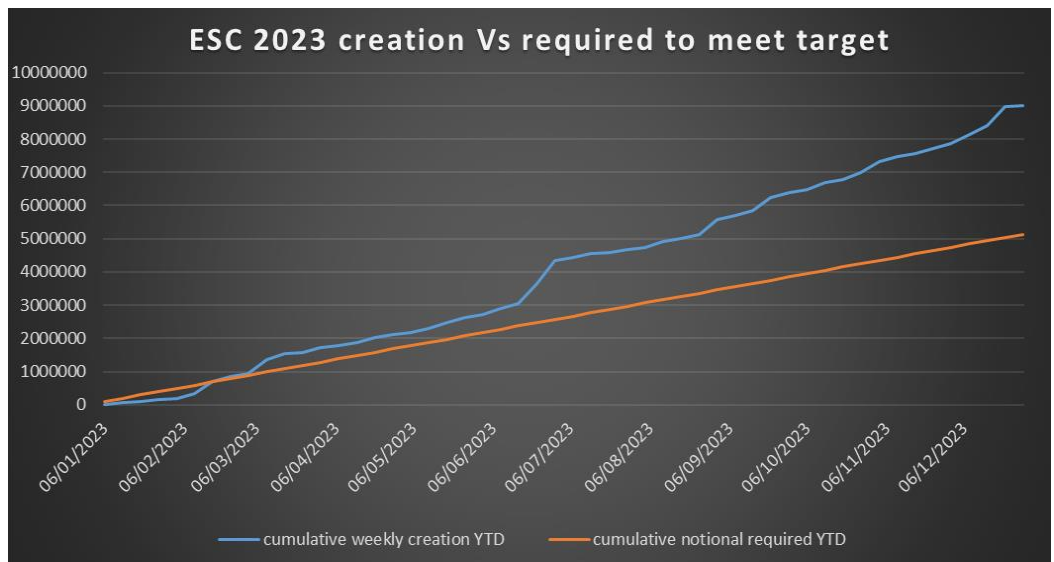
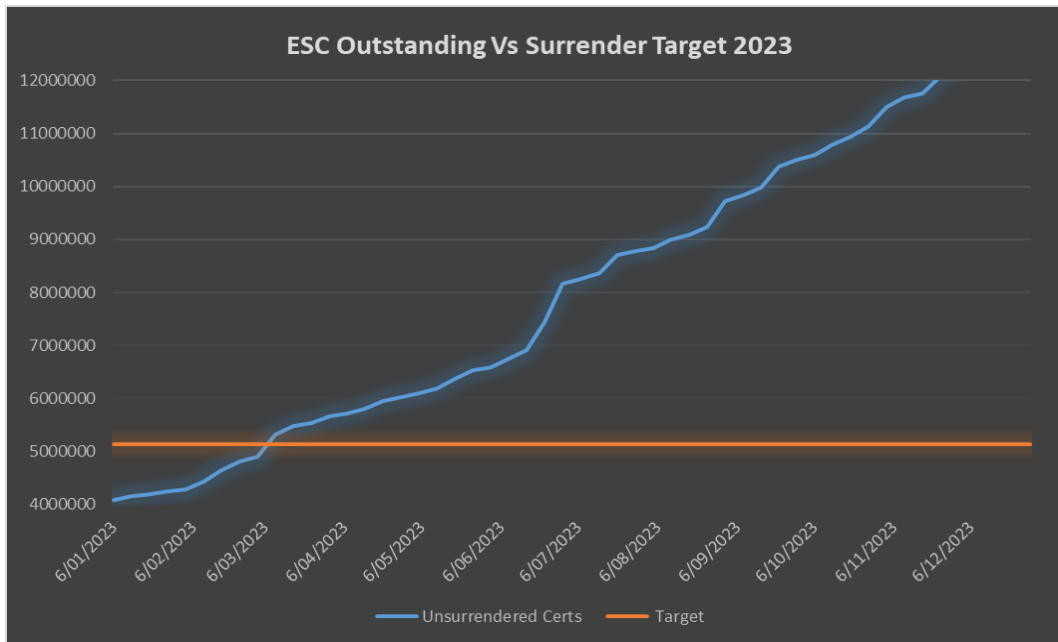
ESC prices were dead flat on the month, despite the long awaited announcement of changes to the Heat Pump creation method.

Certificate creation for the holiday shortened month came in around 400,000 higher than November, at 1.19 million. Total creation for the year reached a whopping 9 million ESCs, 3.9 million more than required to meet the 2023 surrender target. At year end the total in the Registry came to 13.232 million certificates – a surplus of 8.09 million. The 2024 surrender obligation is 5.41 million, so we already have 2.68 million of 2025's target created.

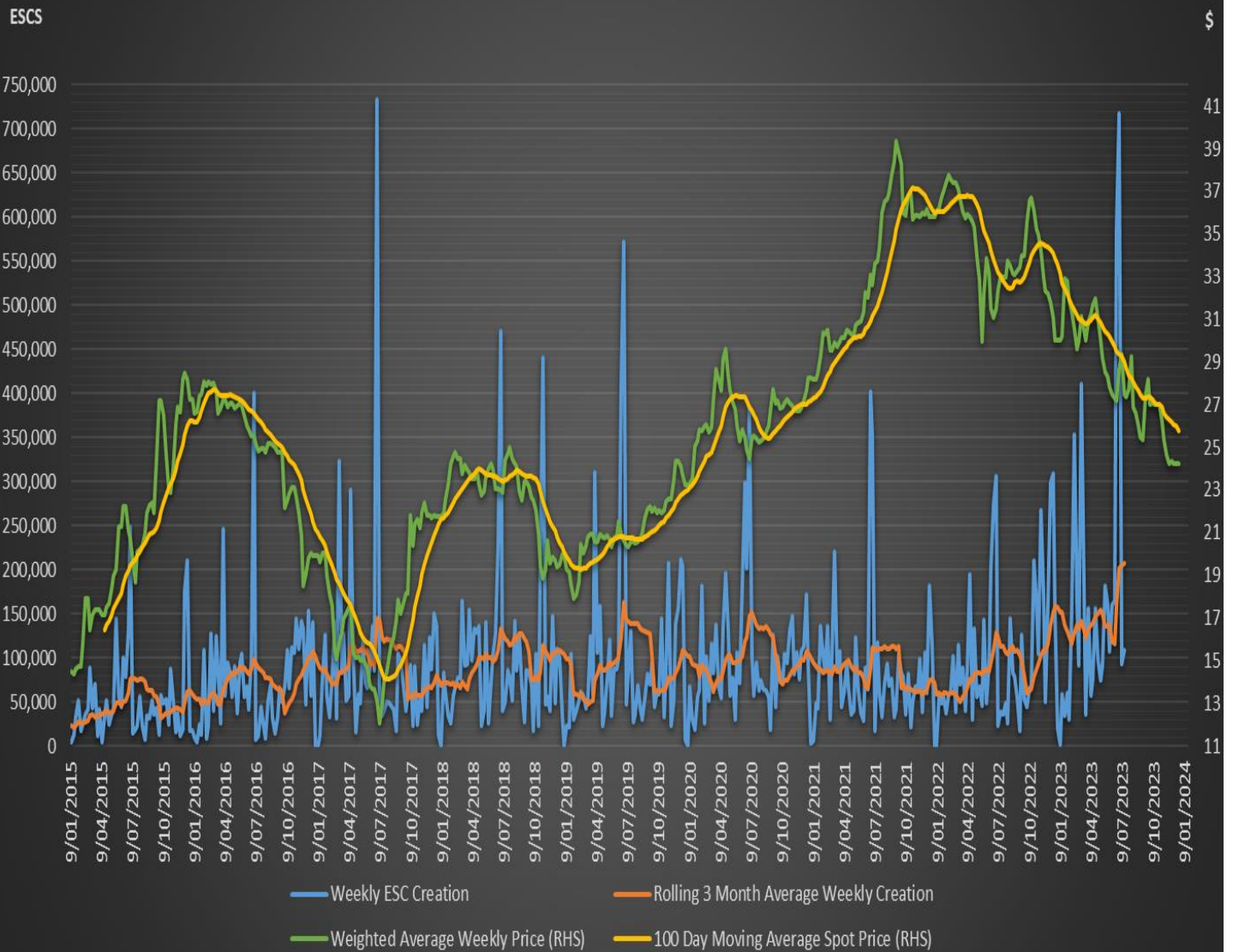
This surplus continues to weigh on the spot market despite the Government's announcement on December 19th that the changes to the Heat Pump methodology were confirmed. There will be a mandatory payment of \$200 ex GST from the end customer where commercial had previously been free, and the number of certificates awarded has been reduced by approximately one third. All this has been previously announced. However, the changes will only be introduced from June 19th 2024, a longer time period than anticipated and it is to be expected that creation under the old rules will ramp up until that time.

The spot market opened at an unchanged \$24.50 but quickly fell to \$24.25 where it spent the rest of the month. Turnover was 506,000 ESCs.

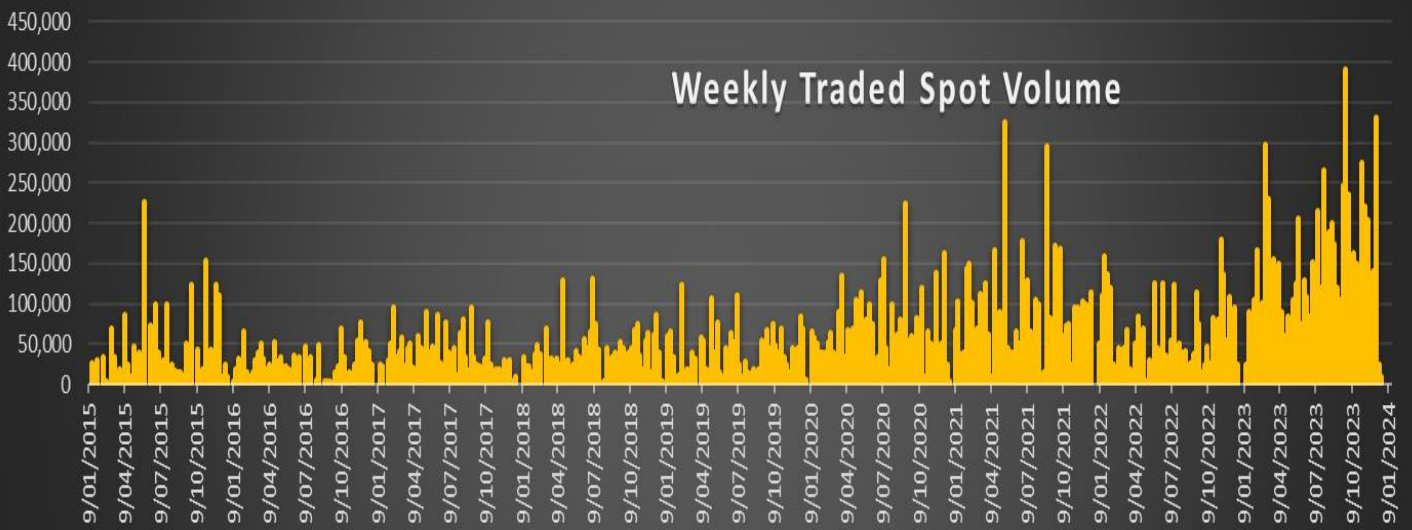
The forward market saw 175,000 certificates trade from January to June 2024 at a cost of carry or around 5%.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume



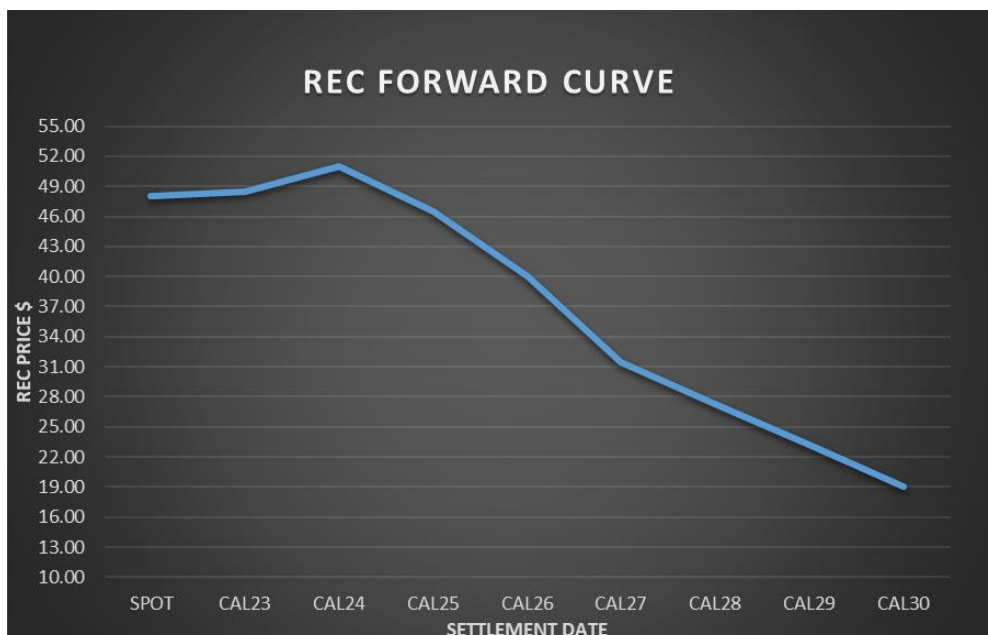
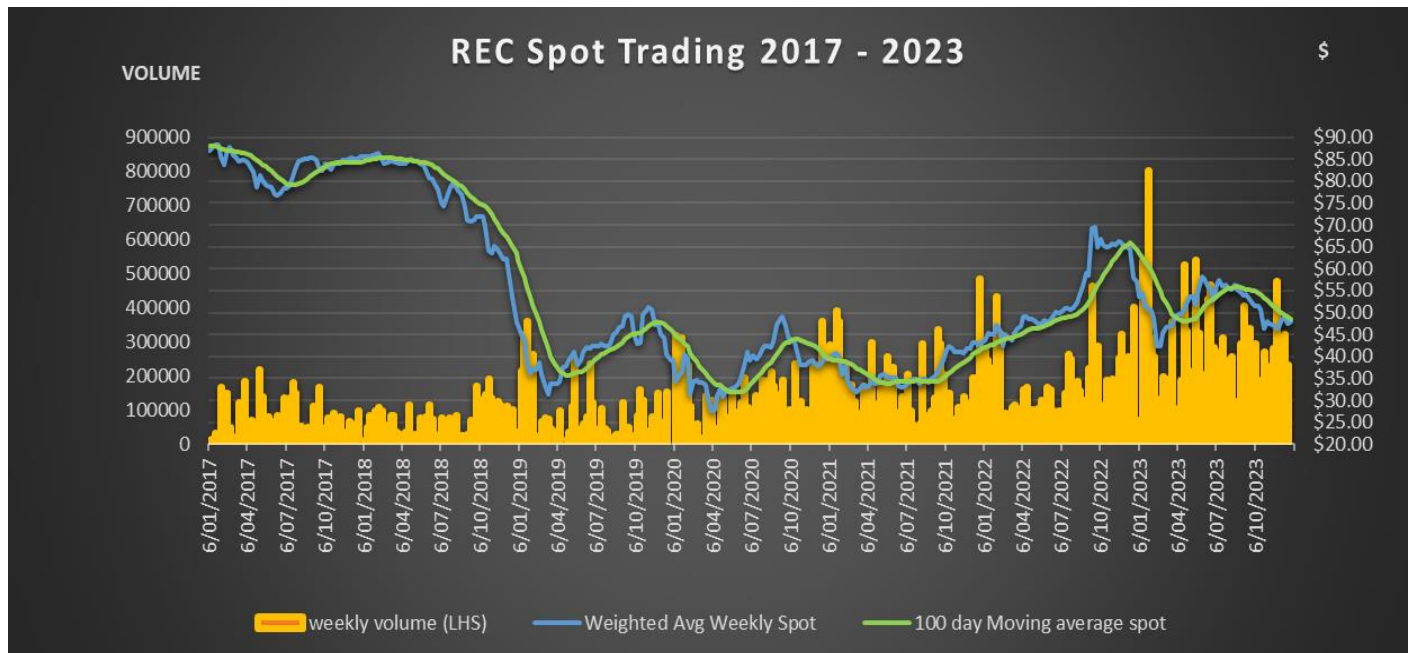
Renewable Energy Certificates

The LGC curve recovered most of the ground it lost last month with trading all the way out to the Calendar 2029 contract reported.

The spot market was choppy in December opening \$1.00 lower, at \$47.50, but quickly regaining ground to climb to \$49.00 before slumping again to \$46.85 and then jumping up to close at \$48.00 on volume of 785,000 certificates.

Calendar 2023 followed the same pattern – opening at \$48.00 and climbing to \$49.50 before falling to \$47.50 and then leaping to \$50.00 before the spot settled back down bringing the 2023 to a close at \$48.50, a rise on the month of \$1.25 on turnover of 395,000 LGCs.

Calendar 2024 added 75 cents to close at \$51.00 on volume of 822,000 certificates. Calendar 2025 gained \$1.25 to finish at \$46.50 on turnover of 585,000 LGCs while Calendar 2026 jumped \$3.00, closing at \$40 on volume of 411,000 certificates. Calendar 2027 closed at \$31.50 for a \$2.50 rise on 290,000 LGCs. Calendar 2028 added \$2.25 to close at \$27.25 on volume of 175,000 certificates and Calendar 2029 traded 185,000 LGCs, closing \$3.25 higher at \$23.25.



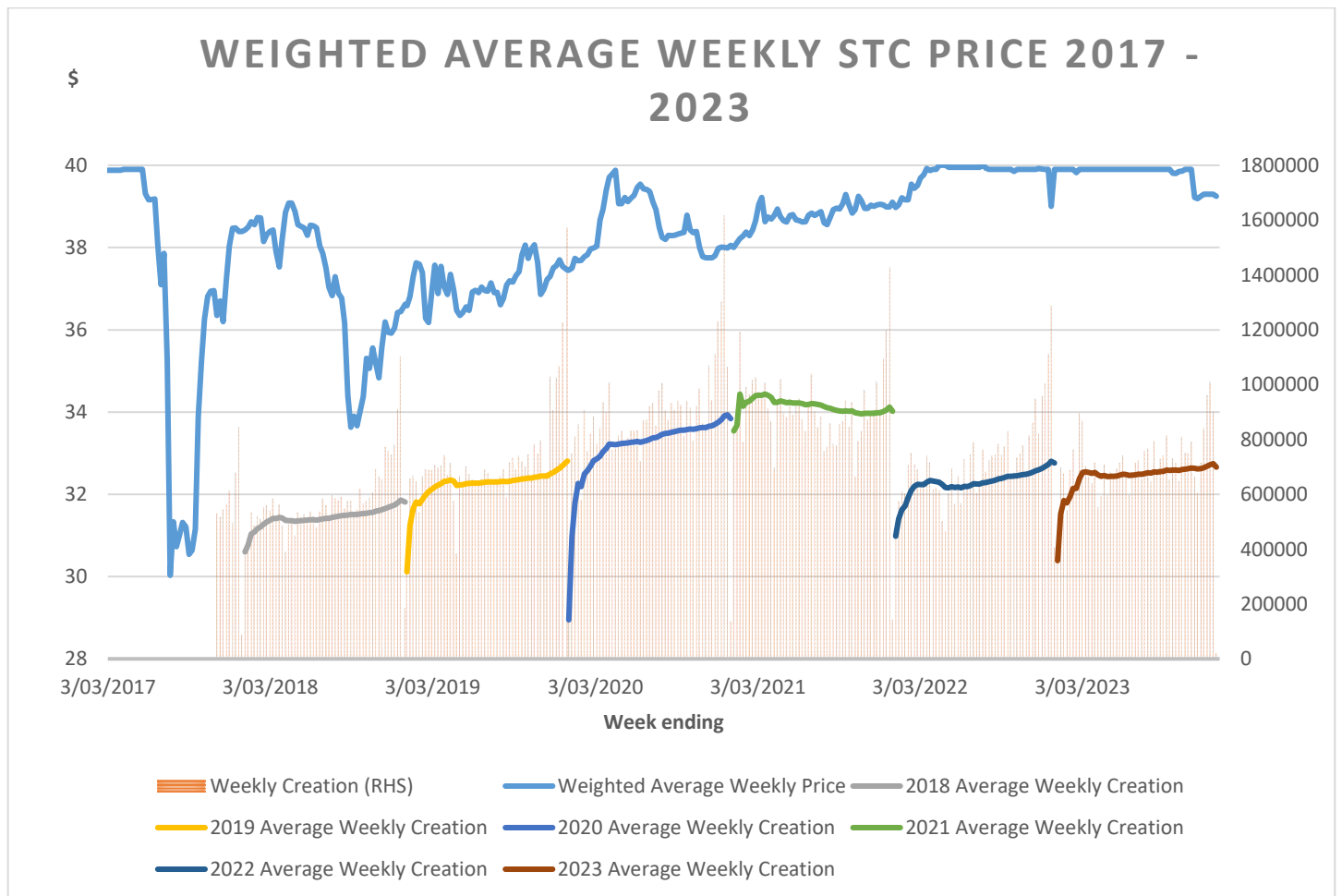
Small Technology Certificates (STC)

The STC market was steady this month as the Clearing House remains in surplus.

Certificate creation was steady at around 2.9 million certificates.

The spot market traded all month at \$39.30 until a final trade at \$39.25 in the liquidity-less few days following Christmas. Volume was reported as 490,000 STCs.

In the forward market 260,000 STCs traded for delivery between January and July 2024. Trades settling before April were struck at \$39.50 while those for later in the year dealt at \$39.60.



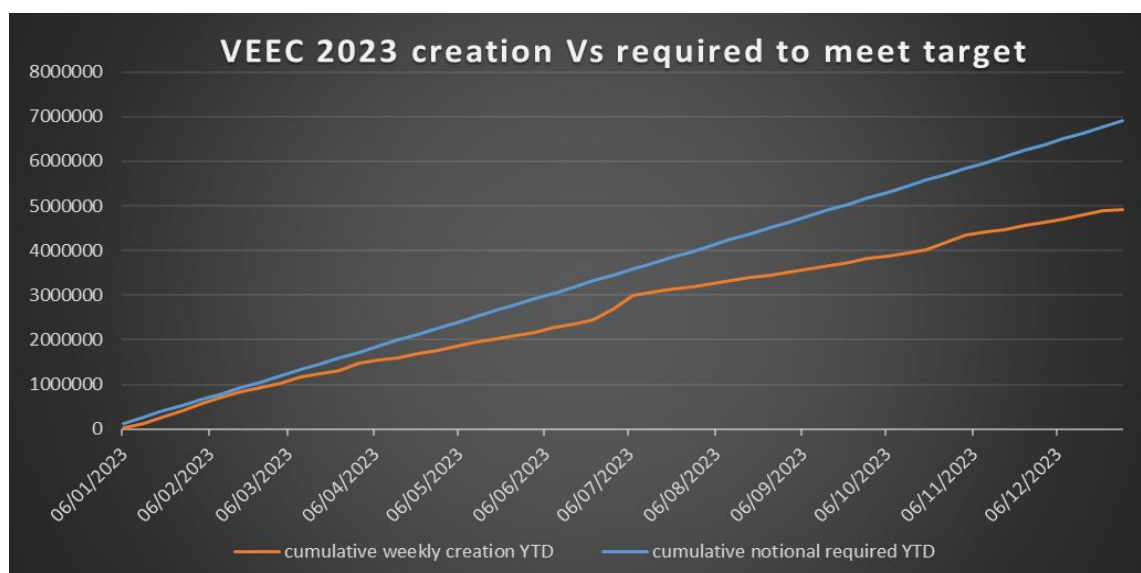
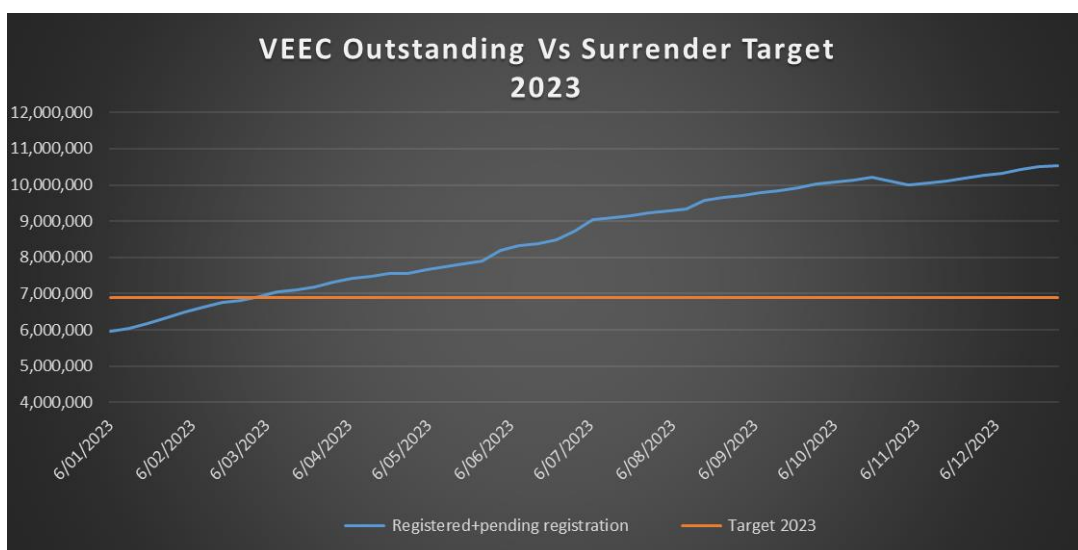
VIC VEECs

VEEC prices continued their recent rise as creation numbers remain low.

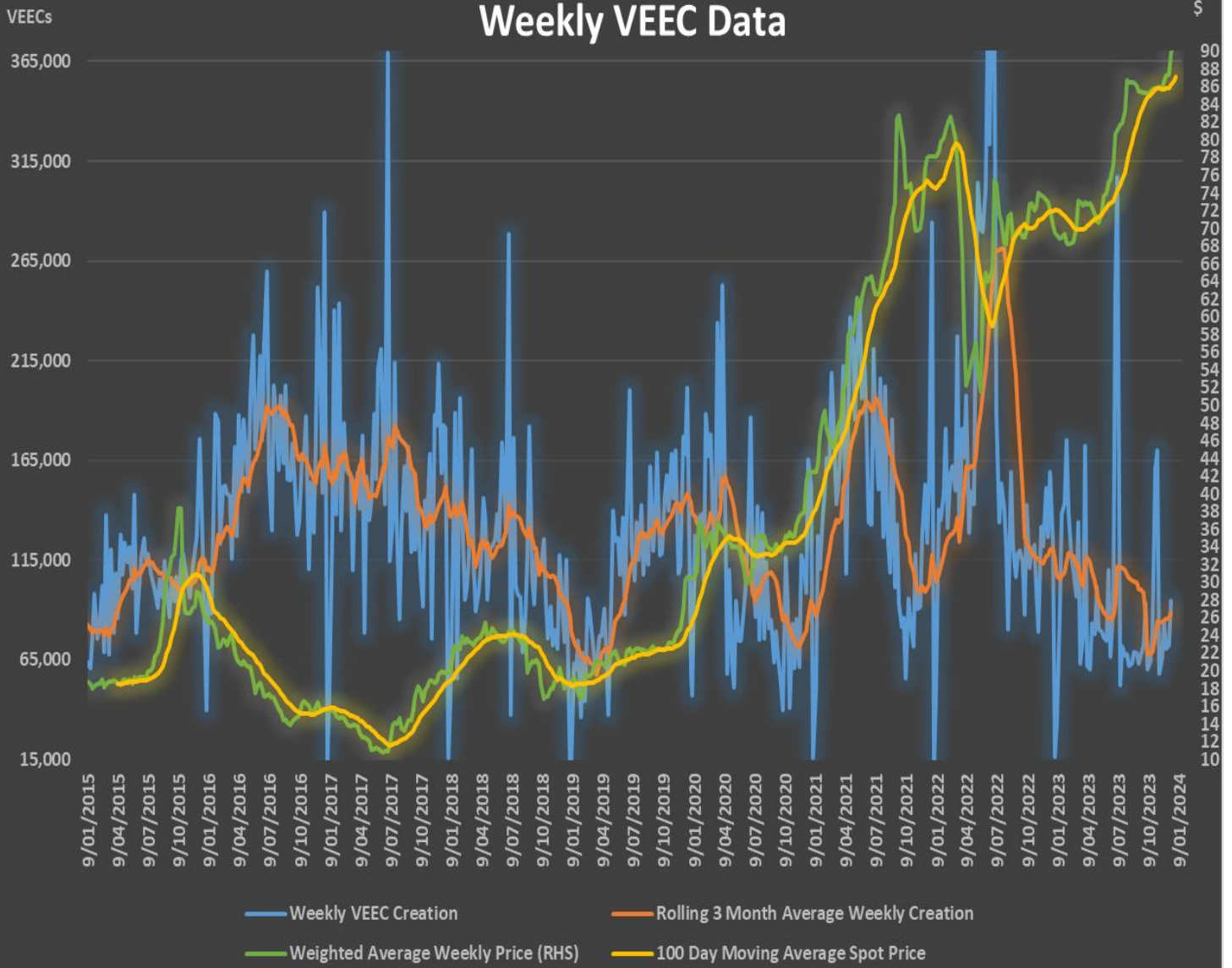
New certificate registration was on par with last month, coming in just under 300,000 certificates. Total creation for 2023 was 4.914 million, almost 2 million lower than the 2023 surrender target thereby eating into the surplus carried forward from 2022. This brings the total in the Registry to 10.5 million, covering the 2023 surrender and approximately half of 2024. The market seems to be anticipating that the other half may be difficult to obtain, hence the continued creeping upward of the market price.

The spot market opened 25 cents lower at \$87.25 and continued around that \$87 - \$88 range for the first half of the month. After mid-month buyers started to be more aggressive and the price steadily increased to close at the high of \$92.00 on reported trading volume of 299,000 VEECs.

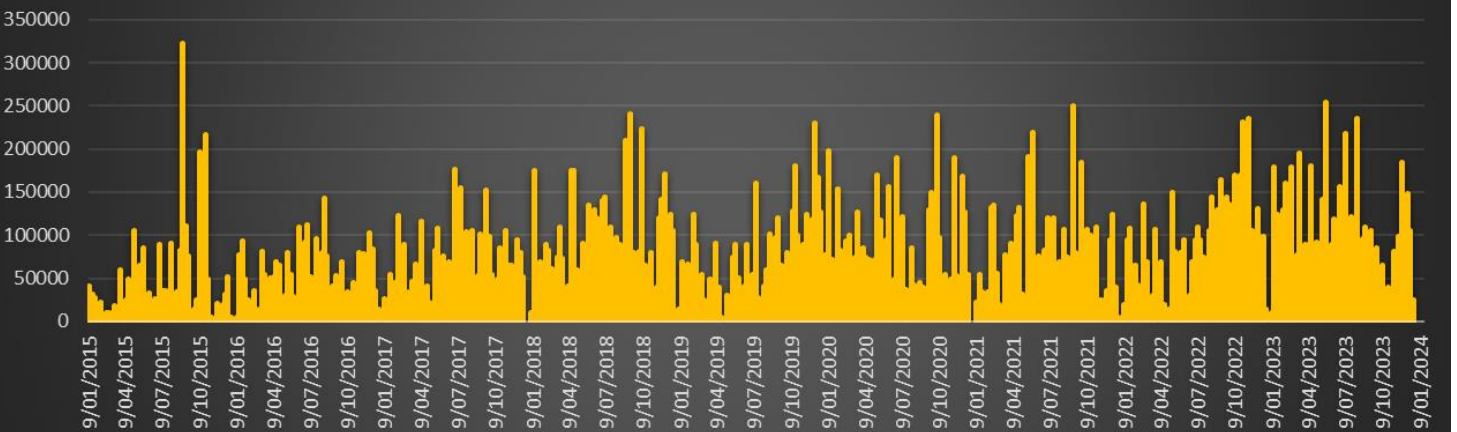
The forward market saw 175,000 VEECs trade for delivery from January to December 2024. The ongoing issue of credit saw these deals trade with good name buyers in line with the prevailing spot price.



Weekly VEEC Data



Weekly Traded Spot Volume



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