

ACCU

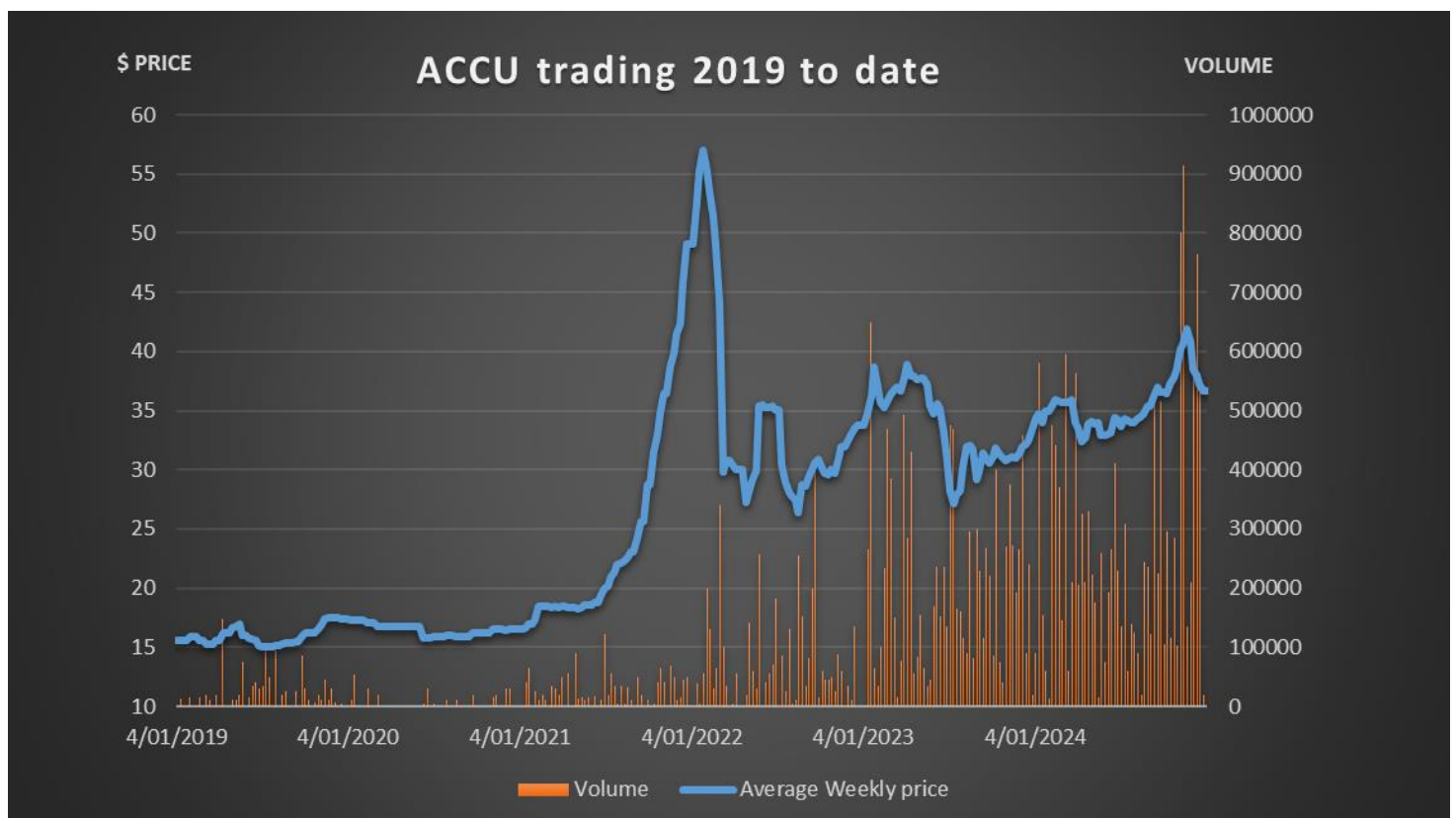
ACCU prices reversed course this month, giving up all November's gains

Despite ongoing discussion about the need for certificates under the safeguard mechanism and the lower than expected flow of ACCUs from the Emission Reduction Fund and into the open market, prices tumbled in December.

The spot market opened 60 cents lower, at \$40.10, and continued falling throughout the month, reaching a nadir at \$36.50 before closing at \$36.75 on volume of 1.96 million ACCUs.

The forward market saw 300,000 certificates trade for delivery in February and March 2025. 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 traded between par and a 5 cent premium for the HIR.



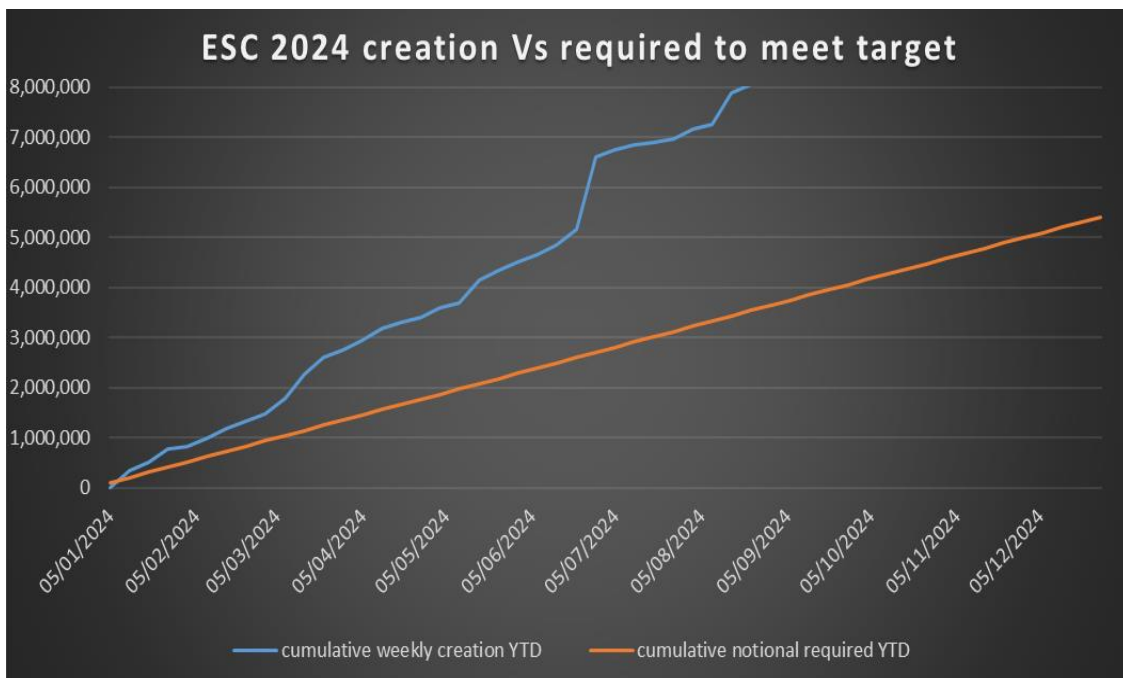
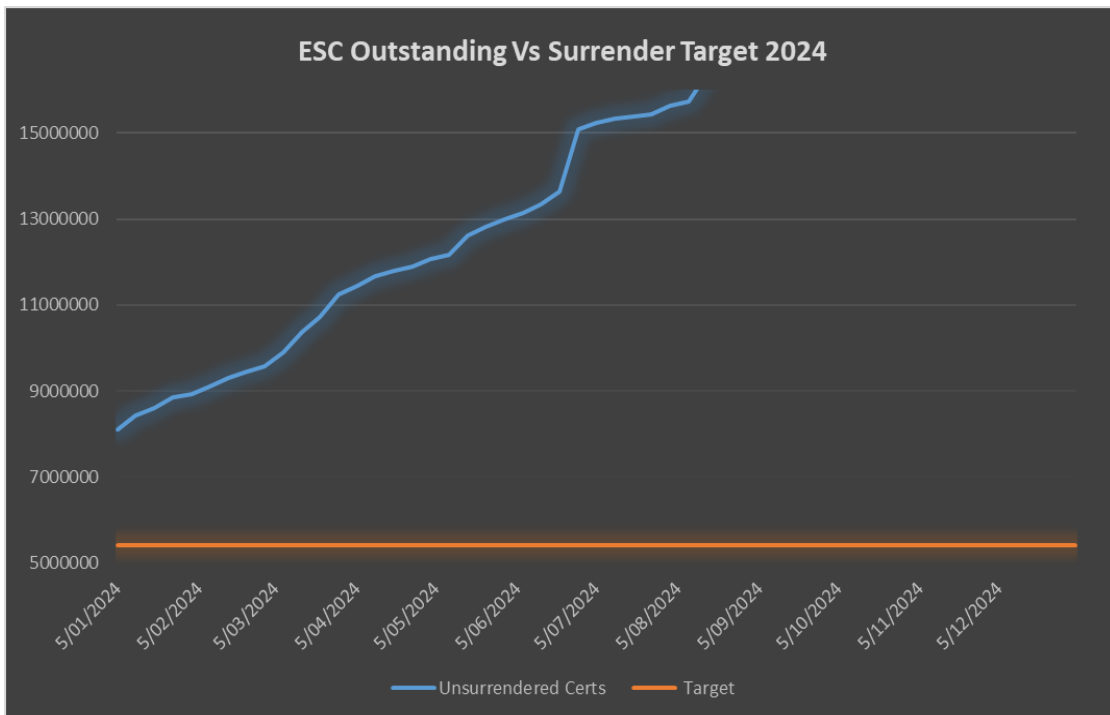
NSW ESCs

ESC prices held steady at the recent market lows.

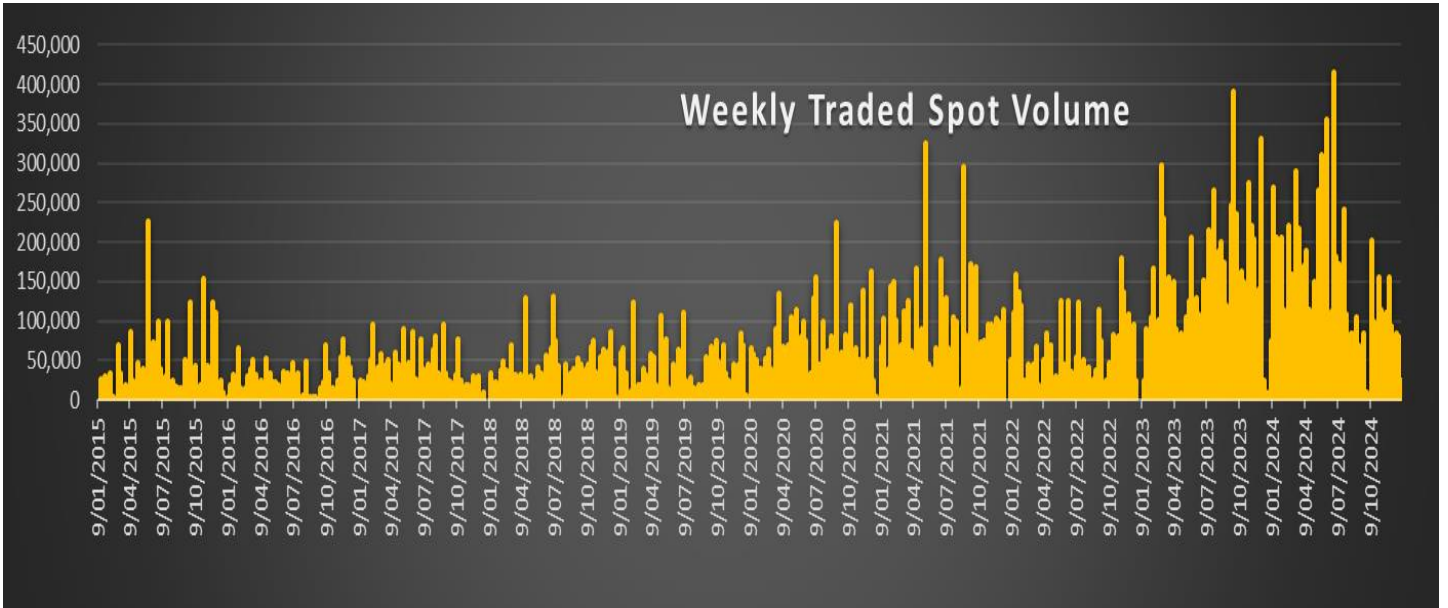
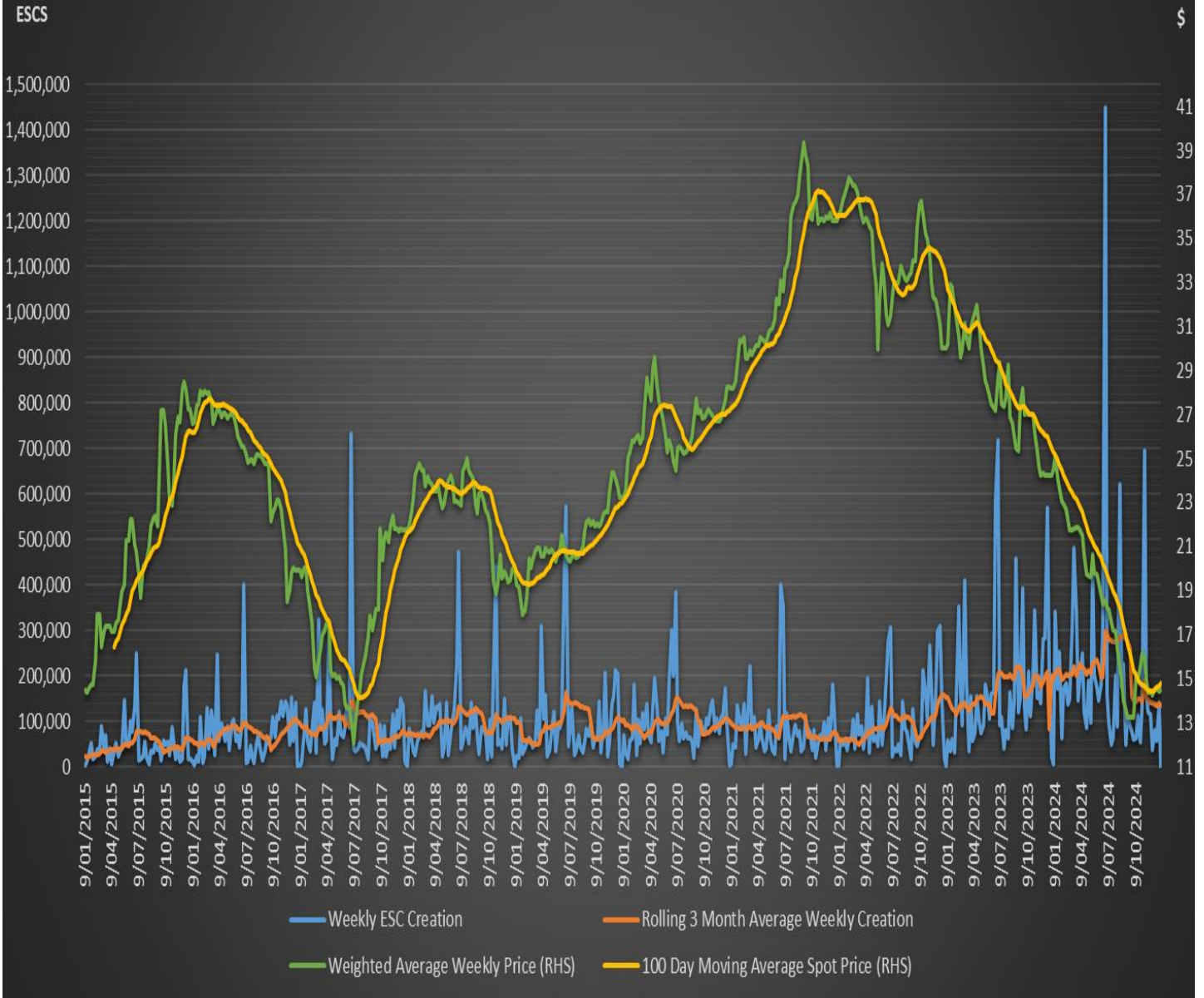
December ESC creation fell back to 324,000 this month following November's high creation due to some one off projects. In spite of the lower number prices remained subdued.

The spot market opened 20 cents lower at \$14.30 and trading was stuck in a narrow \$14.25-\$14.50 range all month, closing at \$14.50 on turnover of 353,000 certificates.

The forward market saw one trade of 100,000 ESCs for settlement in mid January 2025. This was struck at \$14.55.



WEEKLY ESC CREATION - ALL SOURCES



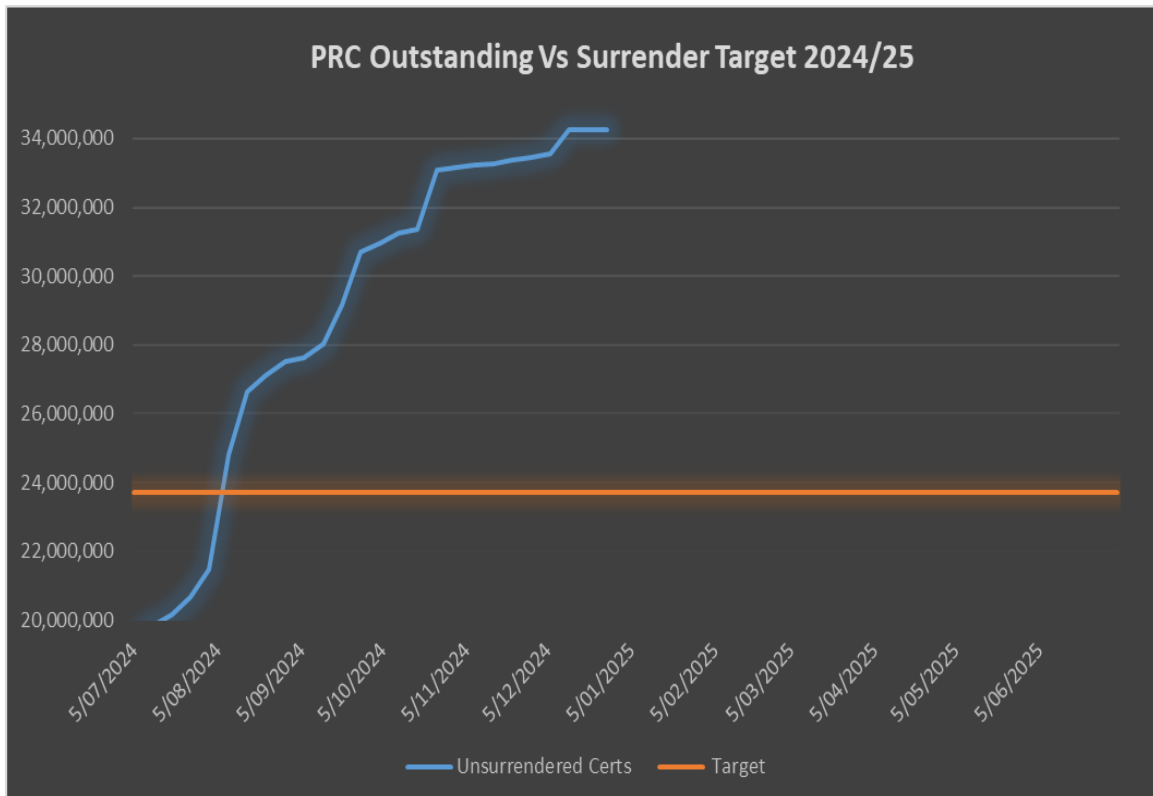
NSW PRC

PRC prices recovered November's losses as the market awaits clarity on batteries and the authorities make another abrupt change to the scheme.

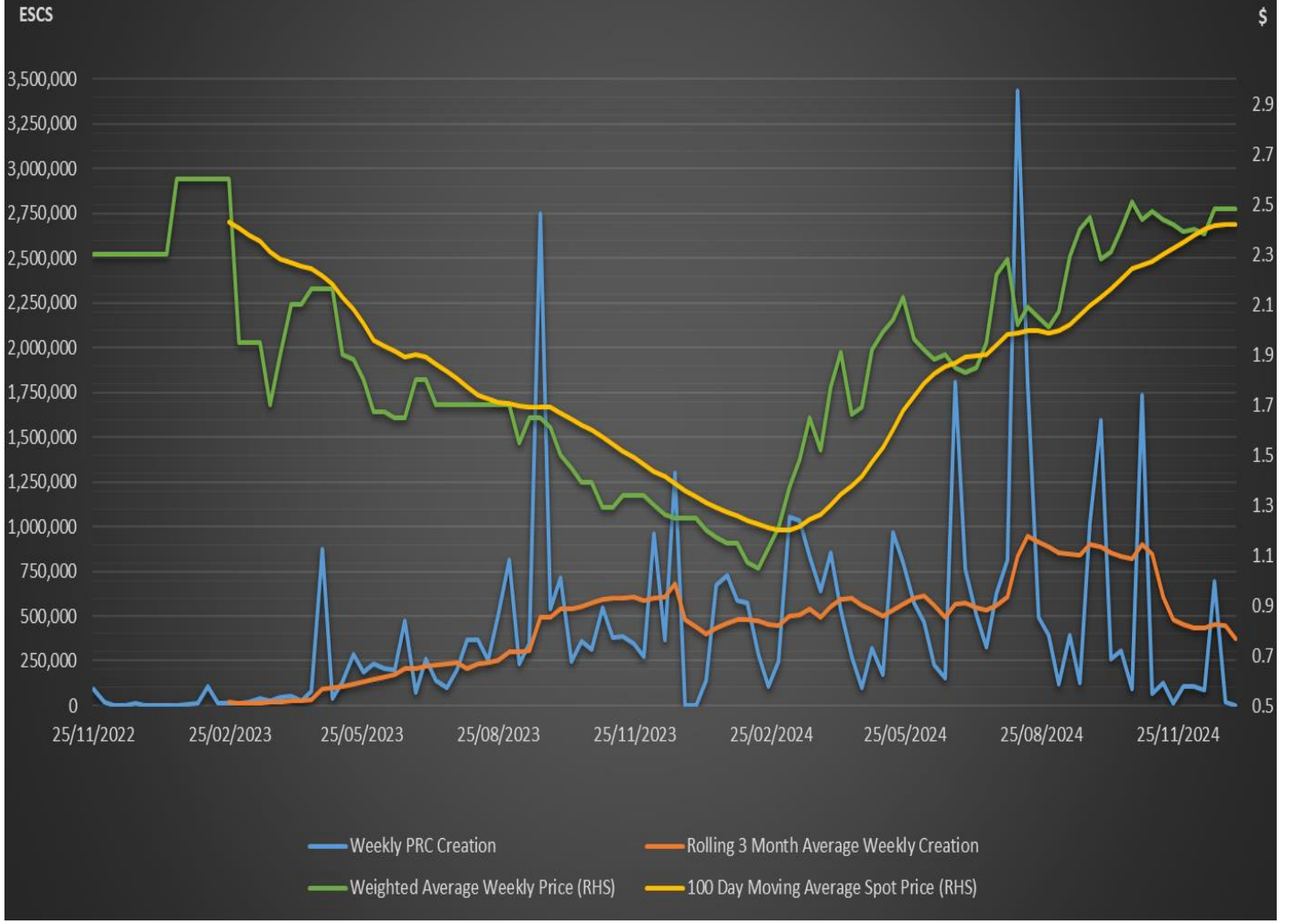
PRC creation for December was around half of November's figure at 905,000. This drop is to be expected as the number of heat pump jobs dwindles following the exclusion of PRC creation for all but large water tanks.

The spot market originally continued the prior month's fall, opening at \$2.40 and falling to \$2.35. However on the 19th the Department of Climate Change Environment and Water announced that they were suspending the ability to create PRCs for large hot water systems following the first such creation the day before. The cessation was with immediate effect and this caused the spot price to reverse course and finish the month at \$2.51 on turnover of 1.95 million PRCs.

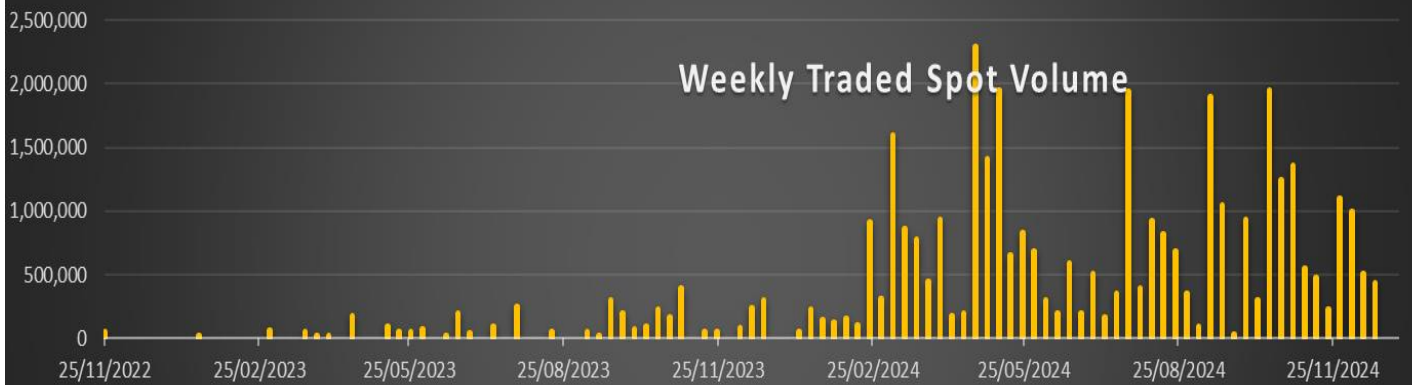
In forward trading 1.78 million certificates dealt for delivery from January to April 2025 at prices reflecting a cost of carry or around 6%.



WEEKLY PRC CREATION



Weekly Traded Spot Volume



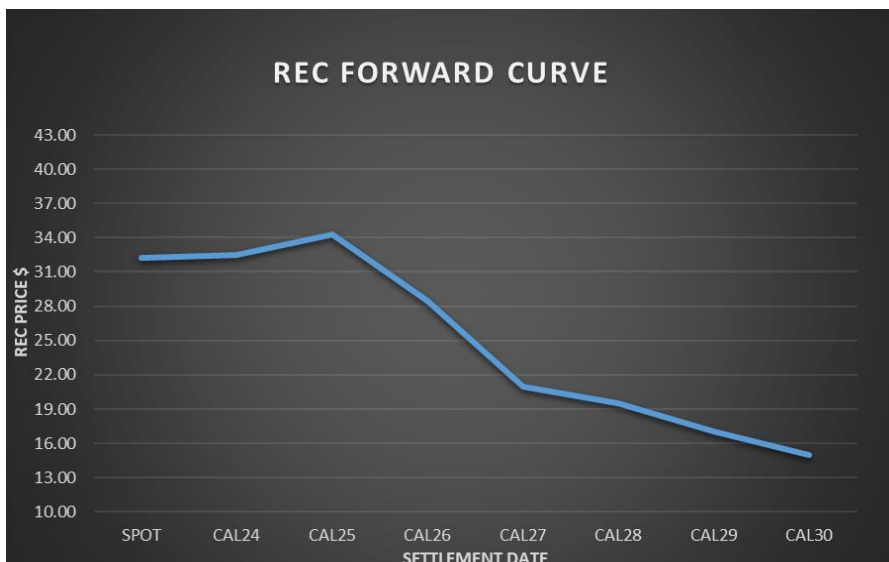
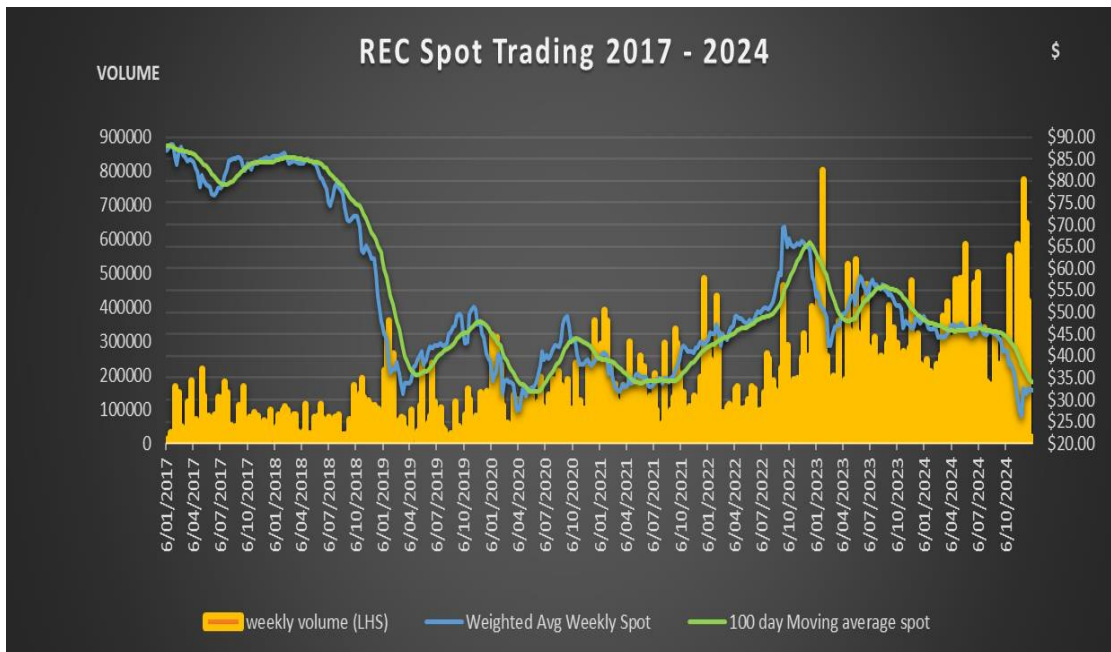
Renewable Energy Certificates

LGC prices recovered some of the ground lost last month.

The spot market was very volatile in December following last month's precipitous fall on the back of Federal Government legislation. We opened \$1.00 higher in the spot market, at \$30.00, and rallied to a high of \$33.75 before abruptly reversing course and falling back to \$30.00 again. From there the buyers regained their nerve and the market rose to a close at \$32.25. trading volume was reported as 1.84 million LGCs.

The forward market was on a similar roller coaster with Calendar 2024 eventually recovering \$3.50 of November's fall, closing at \$32.50 on turnover of 410,000 certificates. Calendar 2025 rose \$4.75, finishing at \$34.25 on volume of 1.1 million LGCs.

Calendar 2026 fell the most last month and saw the biggest recovery in December, opening at \$23.50 and rising all month to close at \$28.50, a gain of \$6.00 on turnover of 725,000 certificates. Calendar 2027 saw 117,000 LGCs trade to close \$2.00 higher at \$21.00.



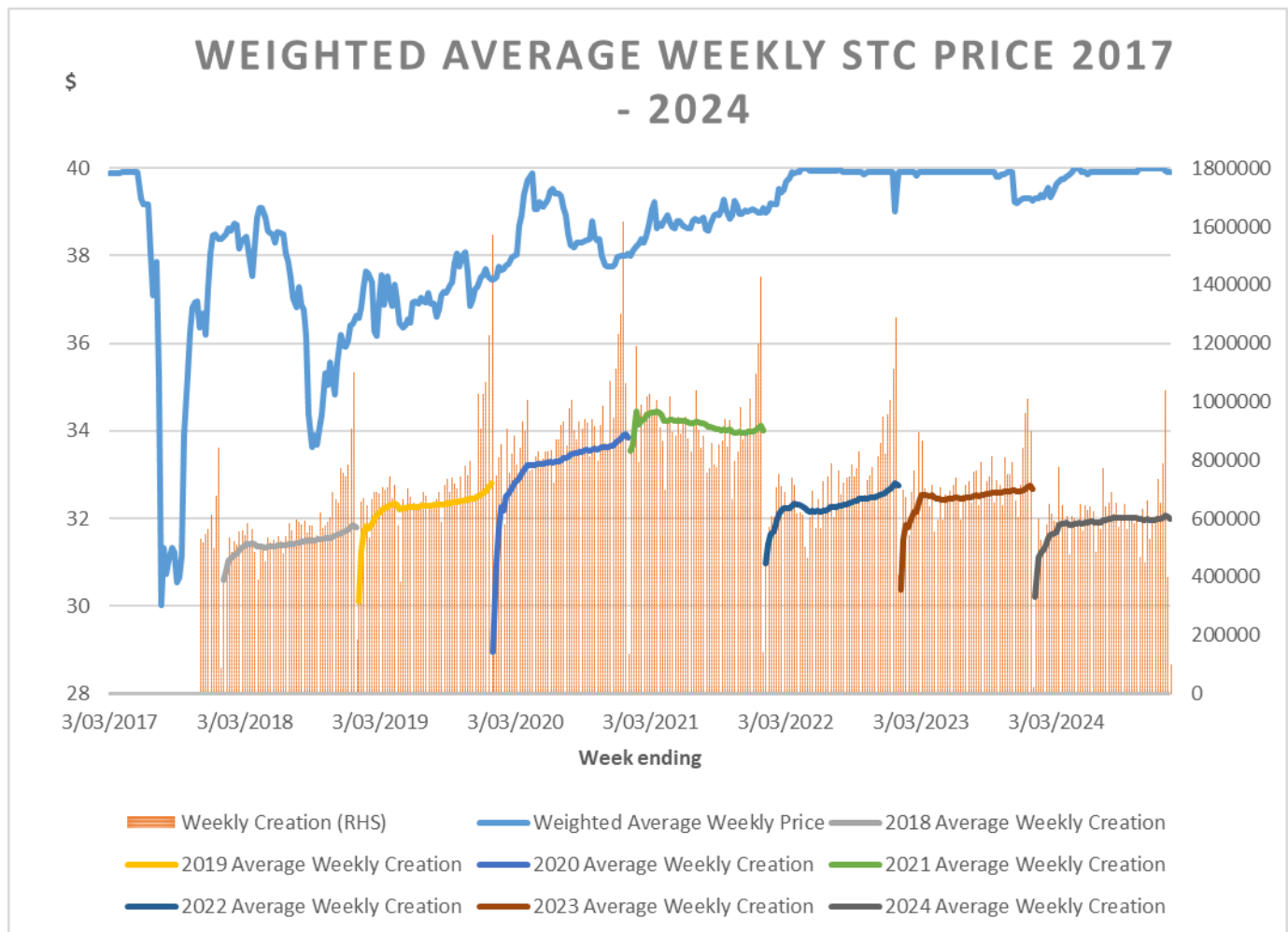
Small Technology Certificates (STC)

The Clearing House returned to surplus late this month allowing spot trading to recommence.

Certificate creation was slightly higher at 2.98 million.

The spot market traded 81,000 STCs late in the month following the Clearing House's return to surplus. The first deal was struck at \$39.95 but all subsequent ones were at \$39.90.

In forward trading 50,000 STCs dealt for delivery in February and April 2025 at \$39.80.



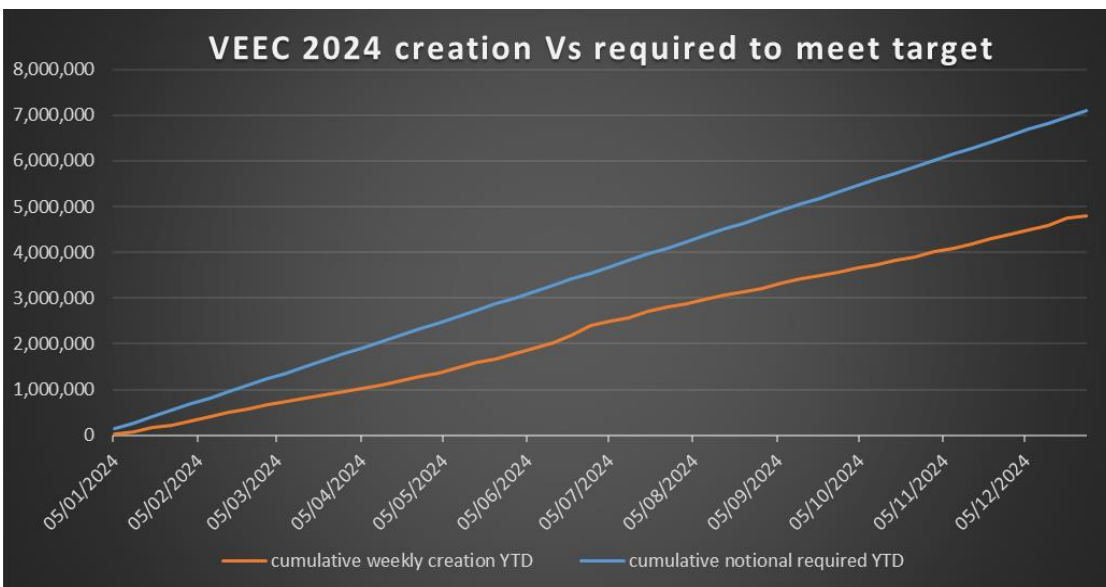
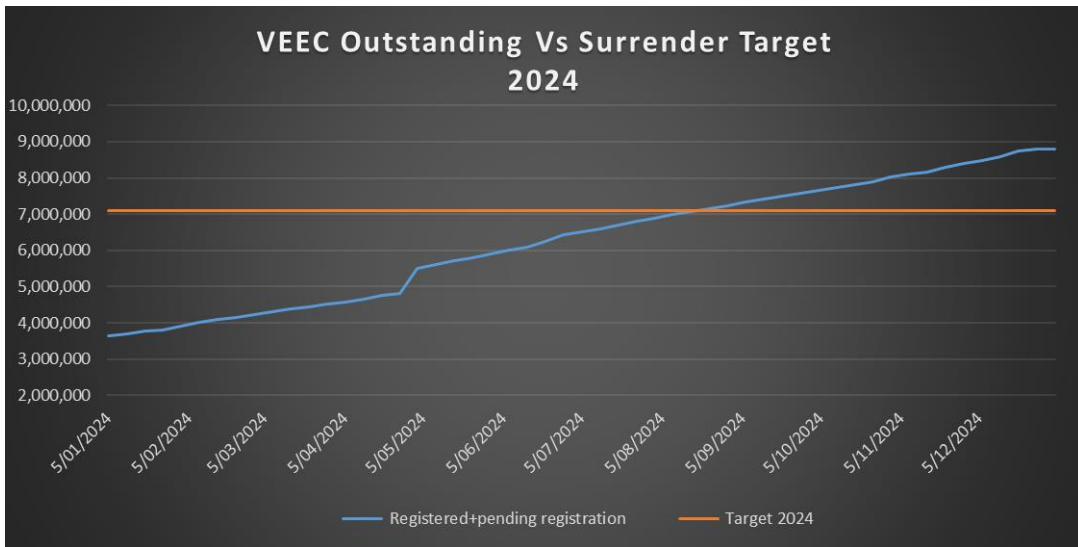
VIC VEECs

VEEC prices closed somewhat lower in December in rollercoaster trading..

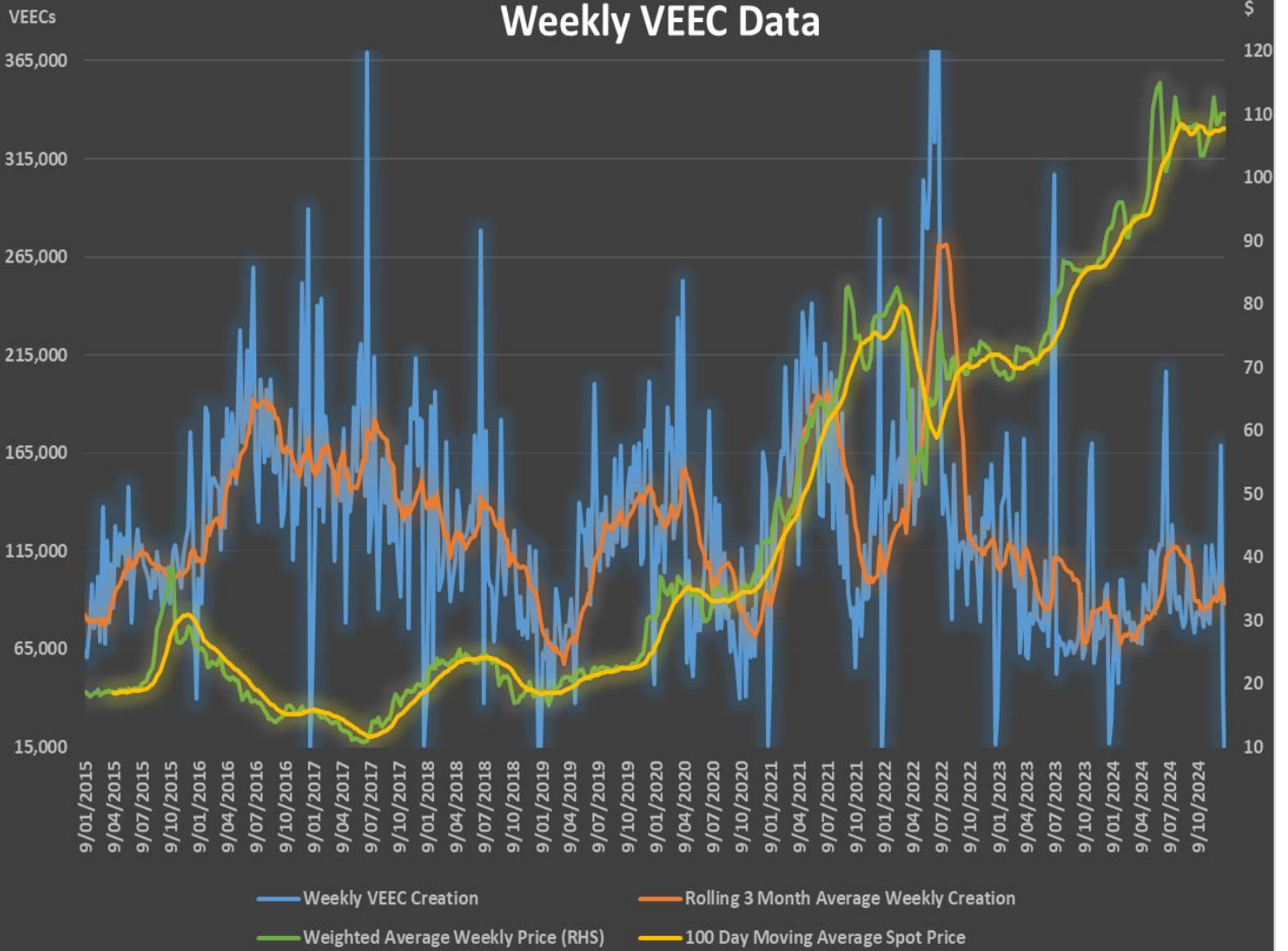
Certificate creation came in at 407,000, roughly bthe same as November's tally.

The spot market opened 50 cents lower, at \$112.50. The VEU then announced that they were looking at lower surrender targets for 2026 and 2027 prompting a sell off that saw the spot price fall to a low of \$104.00. However at that point market participants realised that this would make little difference to the fact that VEECs for the 2025 surrender would be scarce and so the market rose again to finish the month at \$110.75 on turnover of 207,000 certificates.

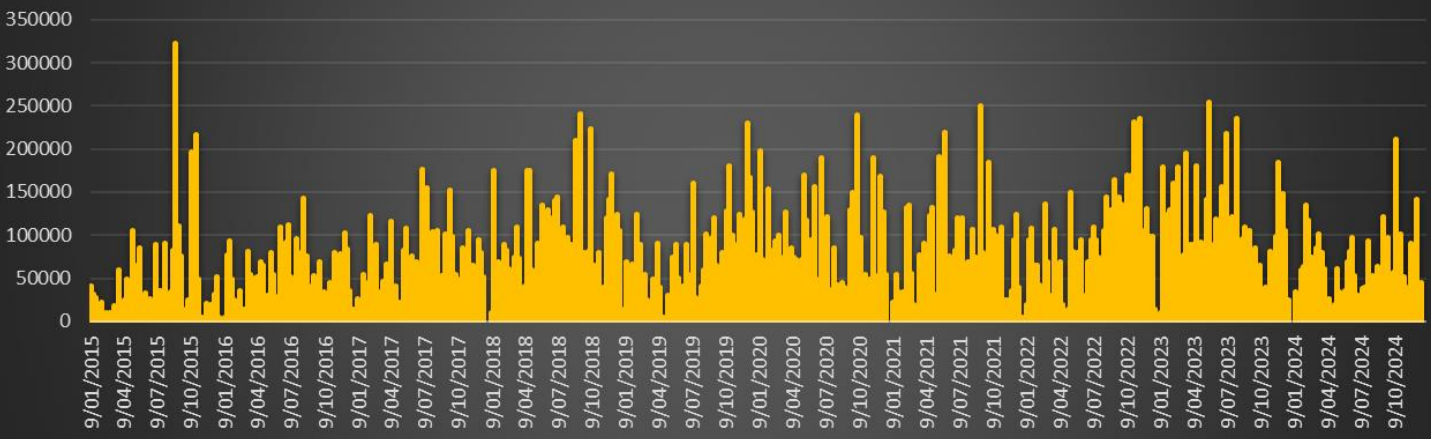
The forward market continued to trade at a deep discount to the spot market as buyers remained wary while so much uncertainty swirls and the authorities making announcemnets seemingly at random. A total of 177,000 VEECs traded for delivery from December 2024 to March 2026. The discount to spot got wider as the time to maturity lengthened with near term forwards trading about \$2.00 under the spot price and those late 2025/early 2026 deals being at a discount of around \$4.00.



Weekly VEEC Data



Weekly Traded Spot Volume



Demand Manager Pty Ltd

PO Box Q1251

QVB Post Office NSW 1230

Phone: 02 9279 4704

ABN: 64 115 850 729

www.demandmanager.com.au