

CERTIFICATE REPORT

November 2023

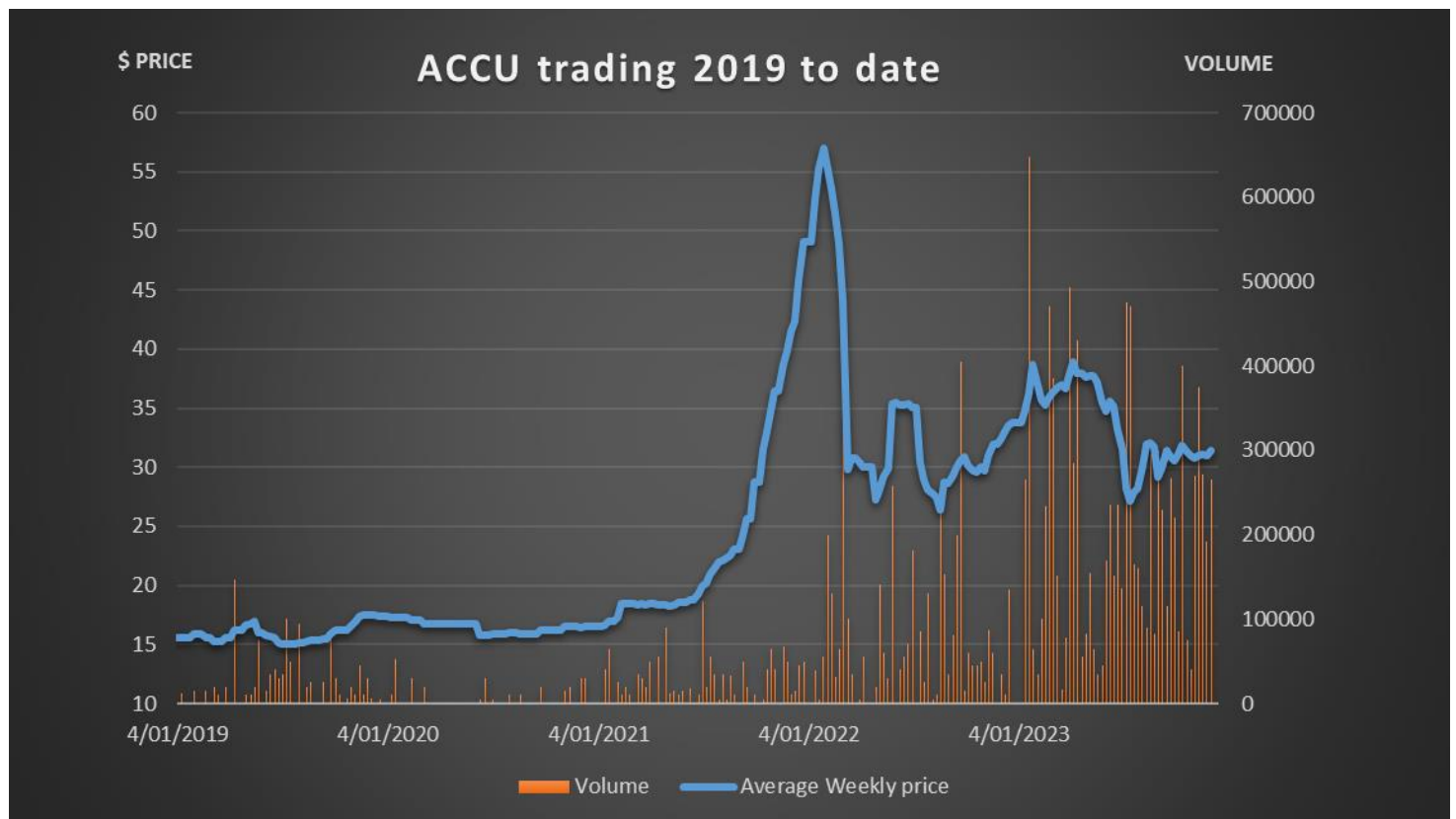
ACCU

ACCU prices rose modestly this month on substantial turnover.

The spot market opened at \$31.00, a rise of 75 cents from October's close. From there we traded to a mid-month high of \$32.00 before easing off somewhat to close at \$31.50 on volume of 1.25 million ACCUs.

The forward market saw only one trade – 150,000 certificates for settlement in April 2024 at \$31.35. This represented a cost of carry of around 5%.

The spread between generic certificates and Human Induced Regeneration ACCUs narrowed further to close the month at \$3.00, a 25 cent fall.



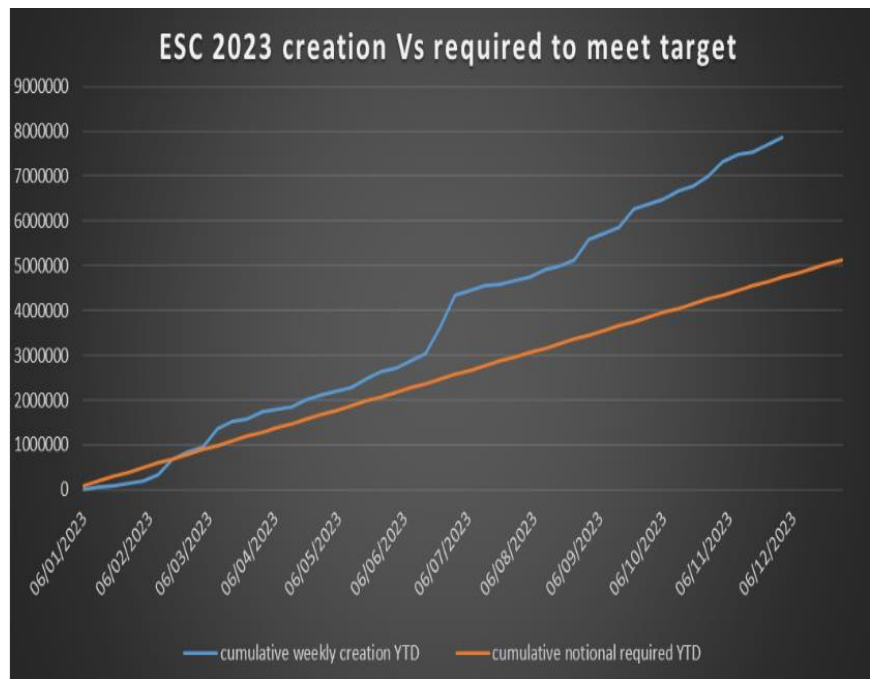
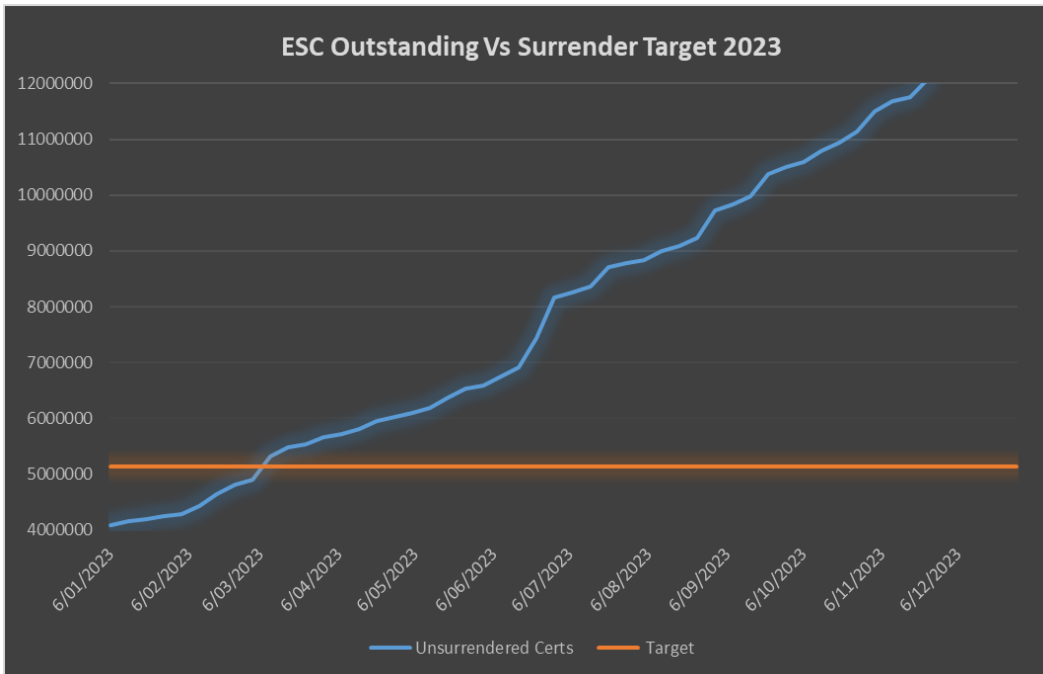
NSW ESCs

ESC prices continued to decline in November as creation continues to flood the market.

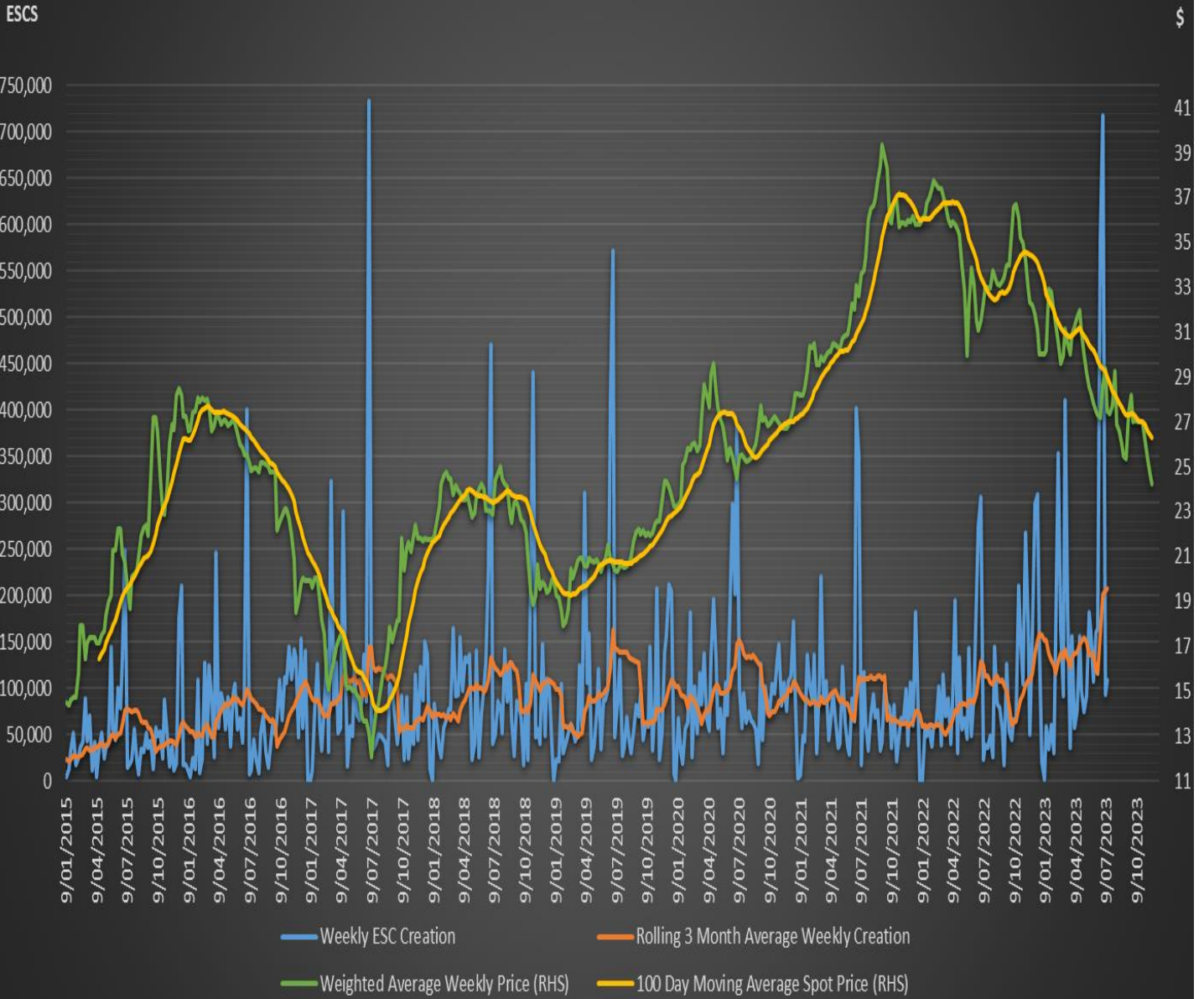
Certificate creation for the month was little changed at 779,000.

The spot market opened at an unchanged \$26.00 but declined steadily from there, closing at the low of \$24.25. Turnover was reported at 650,000 ESCs.

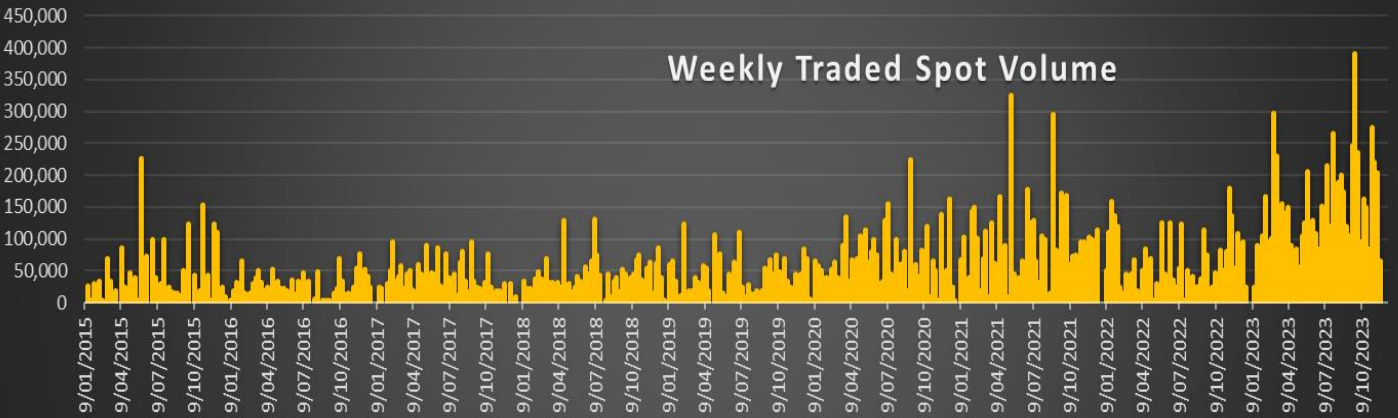
The forward market saw 495,000 certificates trade for delivery from the end of November to June 2025. Due to continuing credit constraints trades settling in the first half of next year dealt at a cost of carry exceeding 10% while the 2025 trades were struck around 5%.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume



Renewable Energy Certificates

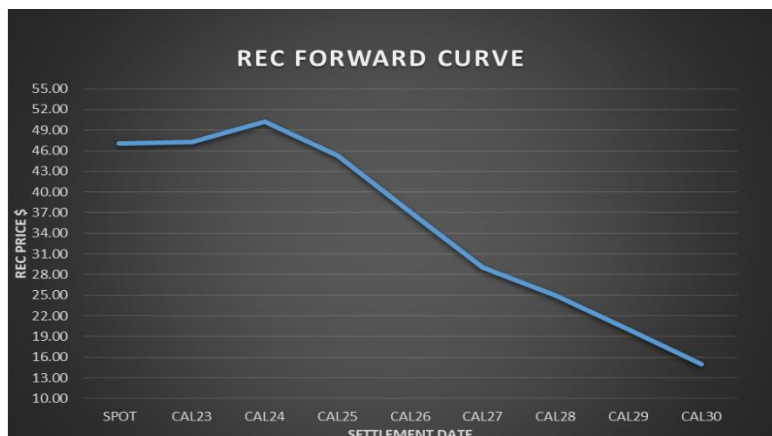
The LGC curve was rolled by a Federal Government announcement this month and closed mostly lower as a result.

The spot market opened 90 cents lower at \$48.60 as the supply of certificates seems adequate to meet the 2023 surrender with 40 million LGCs in the Registry at month end compared to the approximately 33 million required. The price action saw a drop to \$46.25 before some aggressive buying saw us back up to \$48.50 mid-month. On the 22nd the Minister for Climate Change announced a bombshell new policy of subsidising over 30 Gigawatts of new renewable capacity to the end of 2030 under the auspices of the Capacity Guarantee Mechanism, compared to the originally planned 9 GW. This saw an immediate drop in prices across the curve on expectations of a flood of new certificate creation. The first auctions for the new scheme are supposedly planned for early in the second quarter of 2024. When no further details were announced prices recovered some of the lost ground with the spot price initially falling to \$45.00 but closing at \$46.90. Turnover was reported as 1.22 million LGCs.

Calendar 2023 followed the same pattern – opening at \$49.50 and falling to \$45.50 before closing \$2.50 lower on the month at \$47.25. Volume was reported as just over one million certificates.

Calendar 2024 had the biggest rollercoaster. It opened at \$49.25 and initially rose to \$50.50 before falling to \$43.75 on the announcement. The market then began to think about the implications for this period – with the first auctions not scheduled until April 2024 there would be no likelihood of any extra generation happening that year and perhaps some already planned installations will get delayed as owners see if they can win contracts, which could then see a fewer amount than previously expected of certificates created. Thus, the price rallied into month end, closing 75 cents higher at \$50.25 on volume of 1.18 LGCs.

Calendar 2025 saw the largest volume – 1.345 million certificates traded with the price closing \$1.00 lower at \$45.25. Calendar 2026 shed \$1.00 also to finish at \$37.00 on turnover of 520,000 LGCs while Calendar 2027 saw the largest loss. It closed \$3.50 lower at \$29.00 on volume of 185,000 certificates. Calendar 2028 dropped \$1.00, closing at \$25.00 on turnover of 175,000 LGCs.



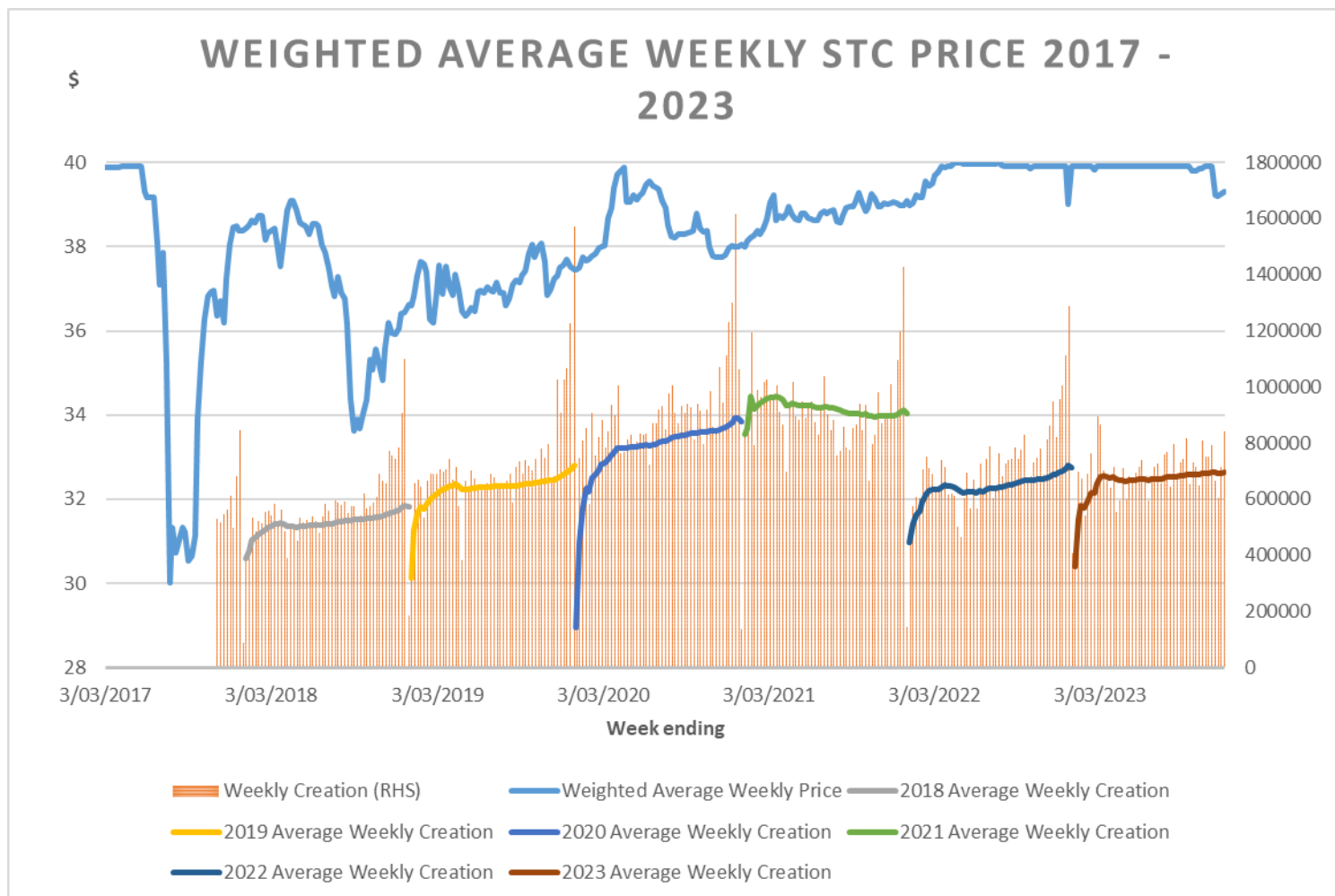
Small Technology Certificates (STC)

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

Certificate creation was again just over 3 million STCs.

The spot market traded all month at \$39.30 with turnover reported as 837,000 certificates.

In the forward market 517,000 STCs traded for delivery in December this year to December 2024. Deals settling this year were struck at \$39.40 while 2024 closed proceedings dealing at \$39.40 also.



VIC VEECs

VEEC prices recommenced rising this month as creation continues to underwhelm.

New certificate registration was a lot lower in November coming in at just over 300,000 VEECs. This brings the total in the Registry to 10.244 million, covering the 2023 surrender and half of next year's target. Despite the abundance of registered certificates the pace of creation is placing ongoing upward pressure on prices.

The spot market opened at an unchanged \$85.75 and traded at that level for the first half of the month. Retail buying in the second half saw the price rise steadily to close at the high of \$87.50 on turnover of 403,000 certificates.

The forward market saw 427,000 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, and occasionally just below, the prevailing spot price.

