

CERTIFICATE REPORT

January 2024

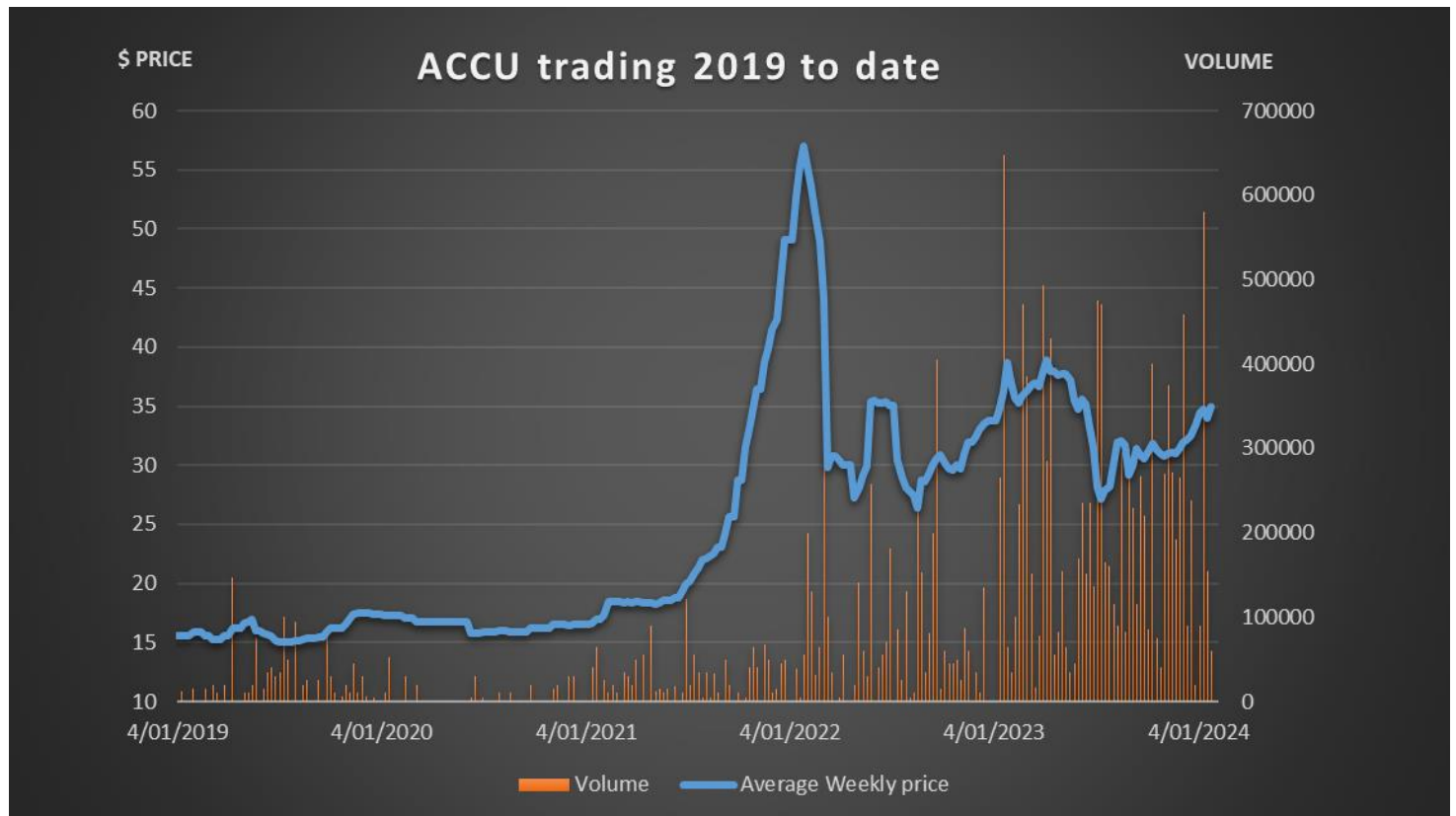
ACCU

The recent ACCU rally kept going this month.

The spot market opened 25 cents higher at \$33.75 and the price continued to grind higher to close at the month's high of \$35.00. Volume was reported as a healthy 885,000 certificates.

There were no forward trades reported.

The spread between generic certificates and Human Induced Regeneration ACCUs was stable, closing out the month at an unchanged \$2.75.



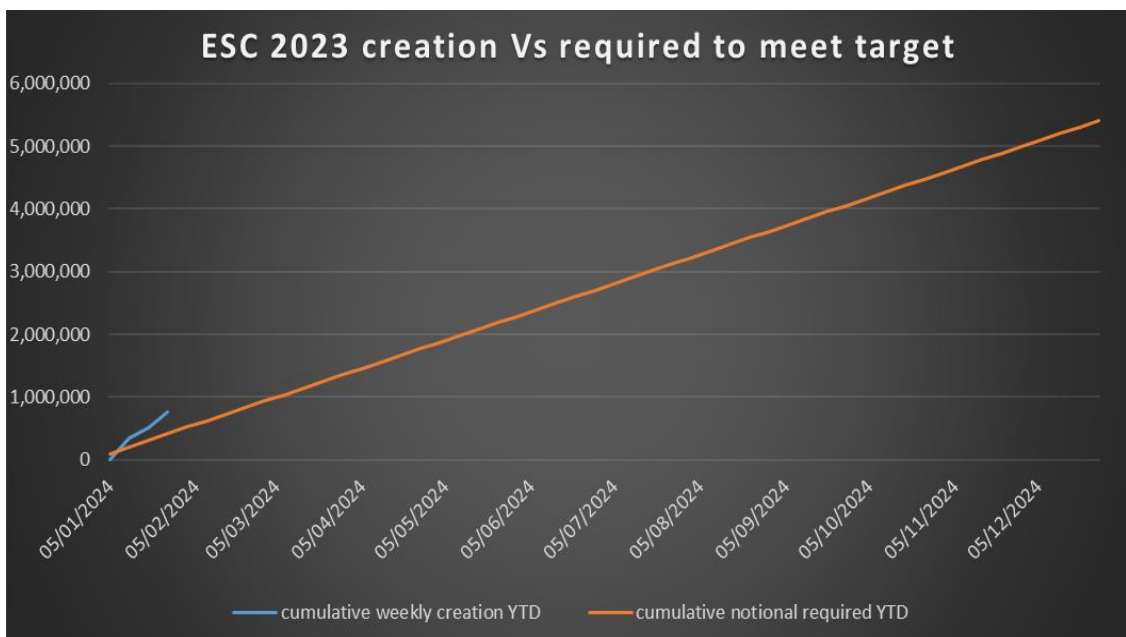
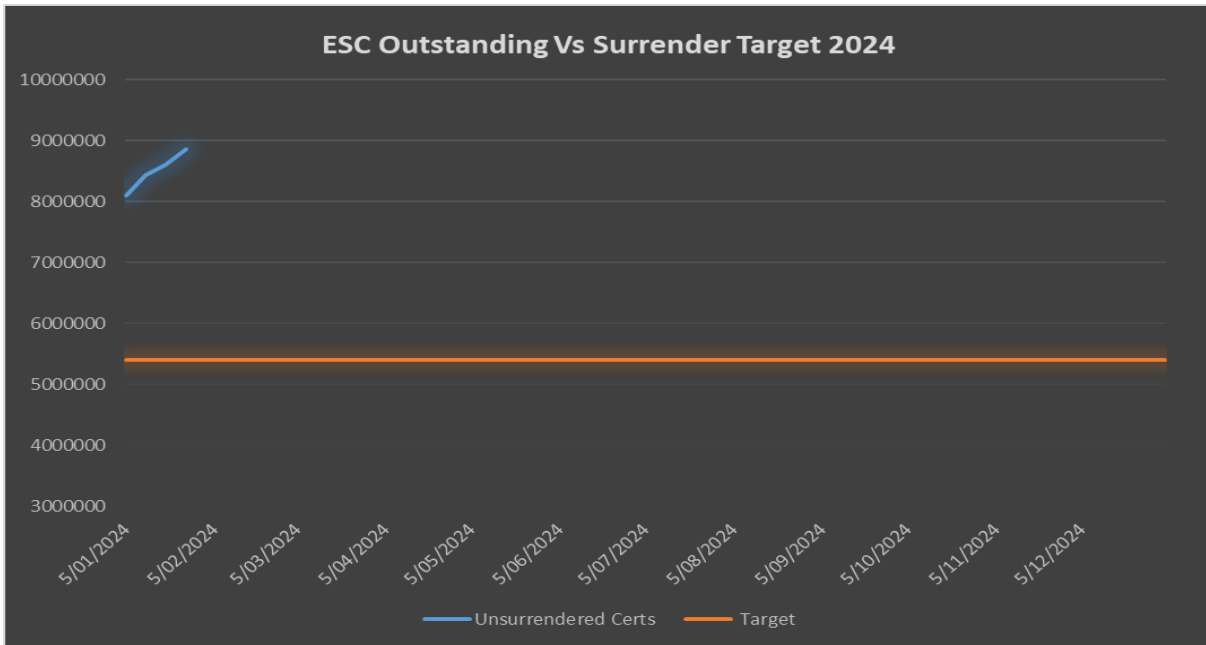
NSW ESCs

ESC prices fell this month, despite an initial rally.

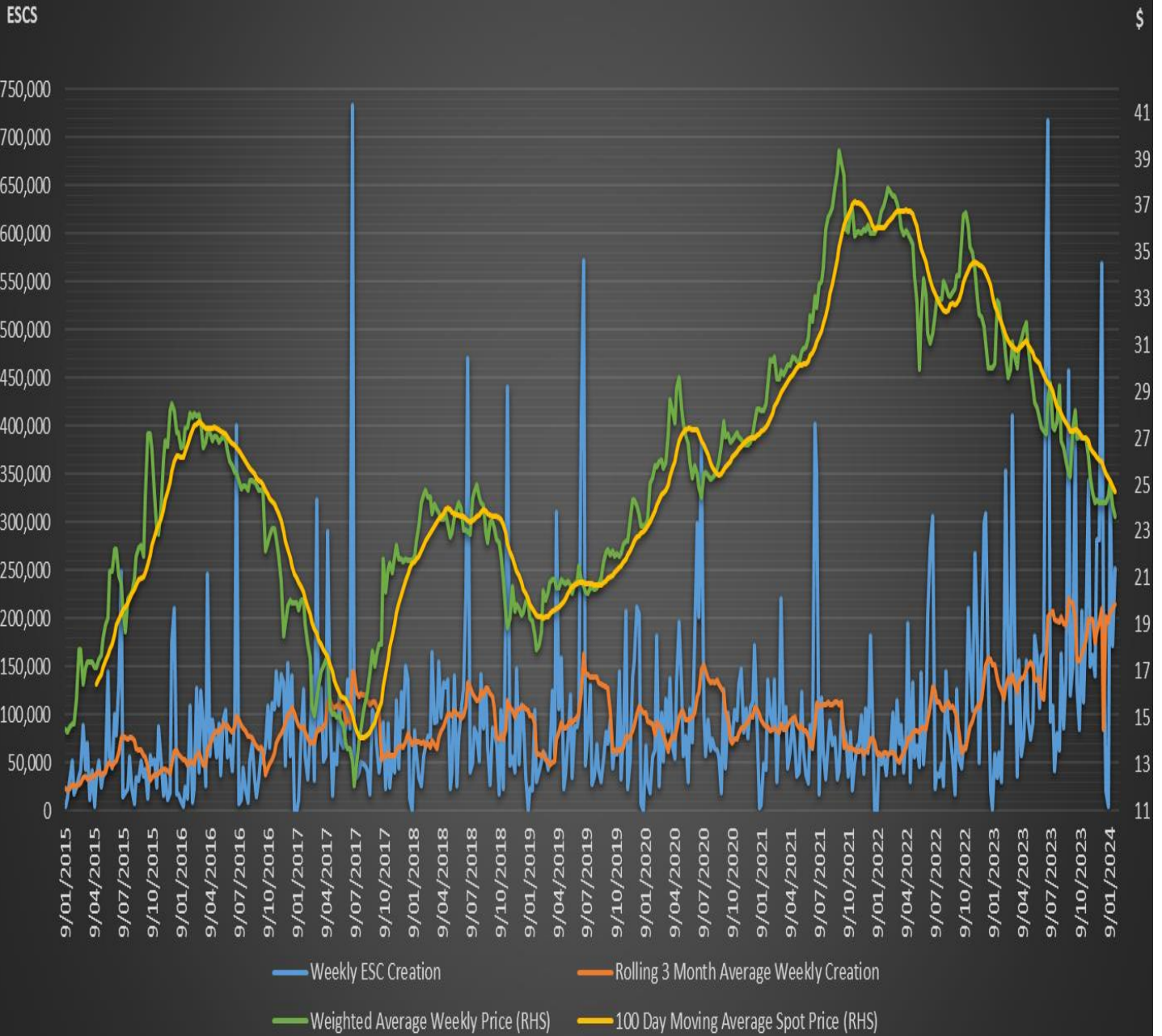
Certificate creation for the month was lower than in December, coming in at 815,000 ESCs. This brings the number in the registry to 8.9 million – 3.5 million more than is needed to meet 2024 surrender obligations.

On the back of the late December announcement that the Commercial Heat Pump method would be substantially curtailed, initially the spot market moved higher, opening at 24.40 for a gain of 15 cents and rising to \$25.50. However, market realisation that the end date of June 2024 allowed for a lot of creation in the meantime soon dampened enthusiasm and the price was falling again, closing at the low of \$23.25. Turnover was 754,000 ESCs.

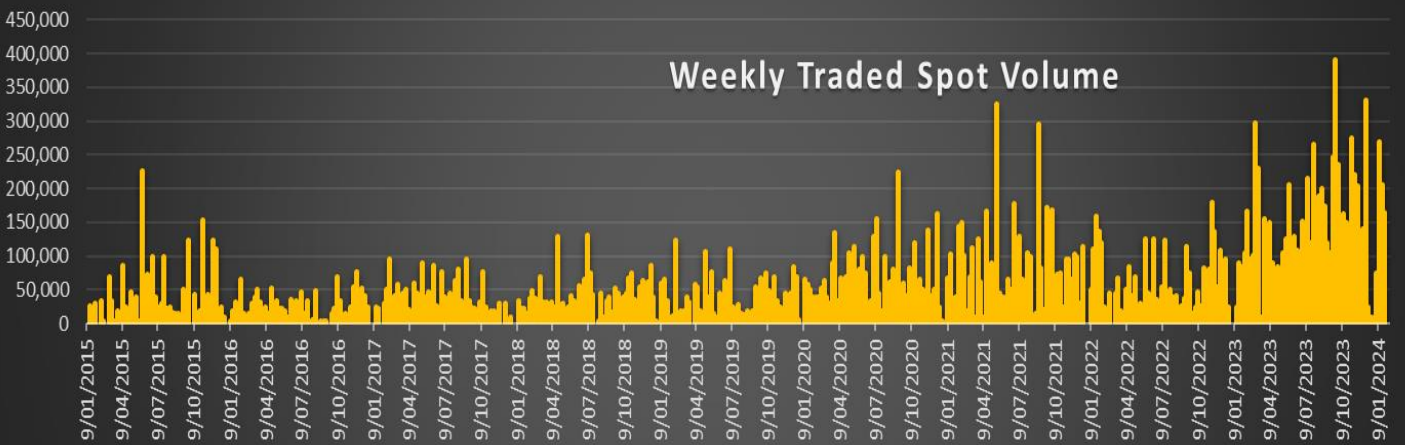
The forward market saw only 120,000 certificates trade for delivery from February to December this year at prices representing a cost of carry of around 5%.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume



Renewable Energy Certificates

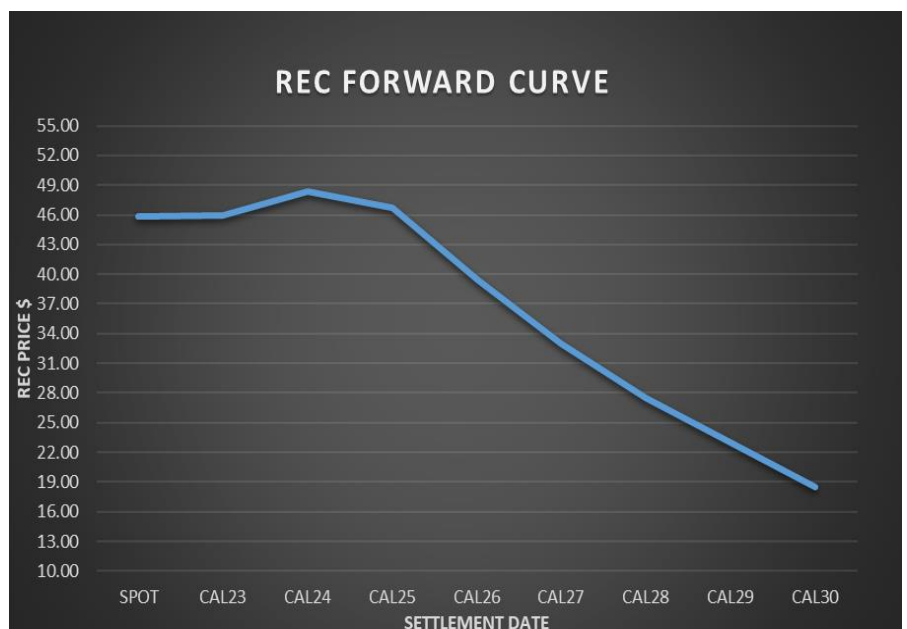
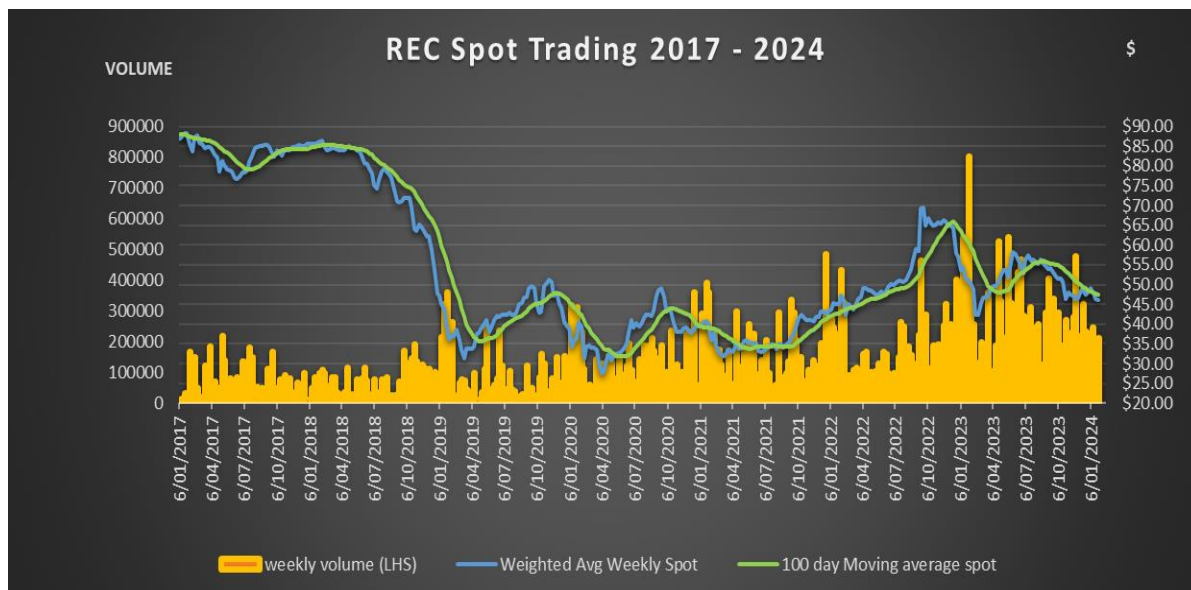
The LGC curve flattened in January with a fall in the near end while further out the curve was mostly a little higher

The spot market opened \$1.00 higher, at \$49.00 but fell steadily from there as it became clear that there was an adequate supply of LGCs to meet the 2023 surrender obligation. The market closed on the low of \$45.80 on volume of 833,000 certificates.

Calendar 2023 followed the same pattern as the contract approached settlement, opening at \$49.50 and trading last at \$46.00, a drop of \$2.50 on turnover of 260,000 LGCs.

Calendar 2024, now being the forward contract first in line, also fell in a similar manner – opening at \$51.00 and closing at the low of \$48.35 for a drop of \$2.65 on volume of 995,000 certificates. Calendar 2025 traded in a very tight \$46.00 - \$47.00 band before settling 25 cents higher at \$46.75 on turnover of 662,000 LGCs.

Calendar 2026 dropped 50 cents to close at \$39.50 on volume of 105,000 certificates while Calendar 2027 bucked the trend – rising \$1.50 to finish at \$33.00 on turnover of 370,000. Calendar 2028 added 25 cents to close at \$27.50 while Calendar 2029 shed 25 cents, closing at \$23.00 reported turnover was 200,000 and 75,000 respectively. Calendar 2030 traded 25,000 LGCs at \$18.50, 50 cents lower than the last trade.



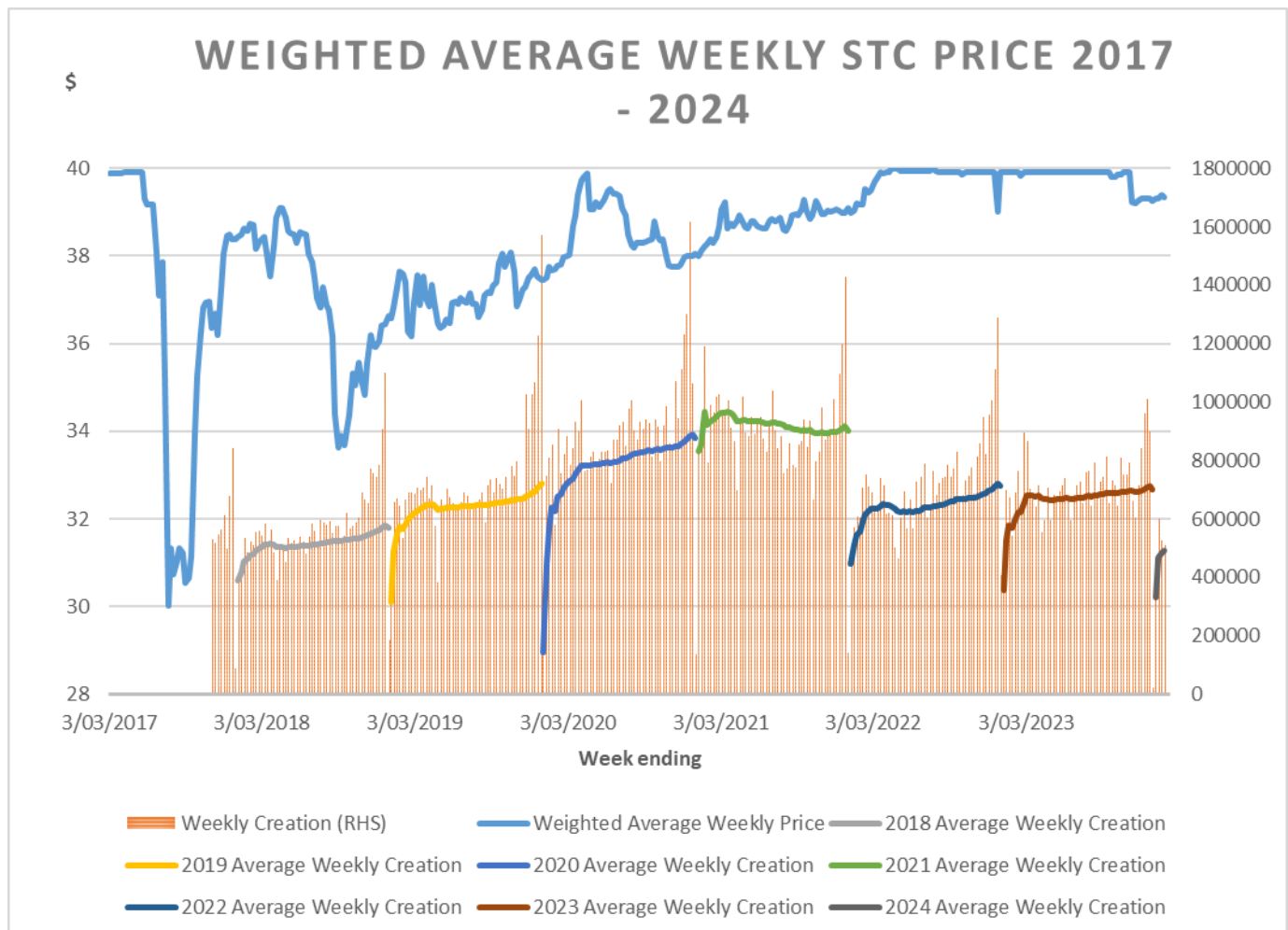
Small Technology Certificates (STC)

STC prices rose this month as the Q4 2023 surrender obligation came into focus.

Certificate creation was lower in the holiday shortened month, coming in just over 2 million certificates. This leaves the number of certificates available for the Q4 2023 surrender at just about enough to cover it.

The spot market began January 5 cents higher, at \$39.30, and traded there for the first half of the month until demand for 2023 vintage certificates saw the price for them gradually increase to eventually reach \$39.65 while 2024 STCs closed the month at \$39.30. total STC trading came to 908,000.

The forward market saw 225,000 certificates trade for delivery from April to December this year. April was struck at \$39.40 while the rest of the year dealt at \$39.60.



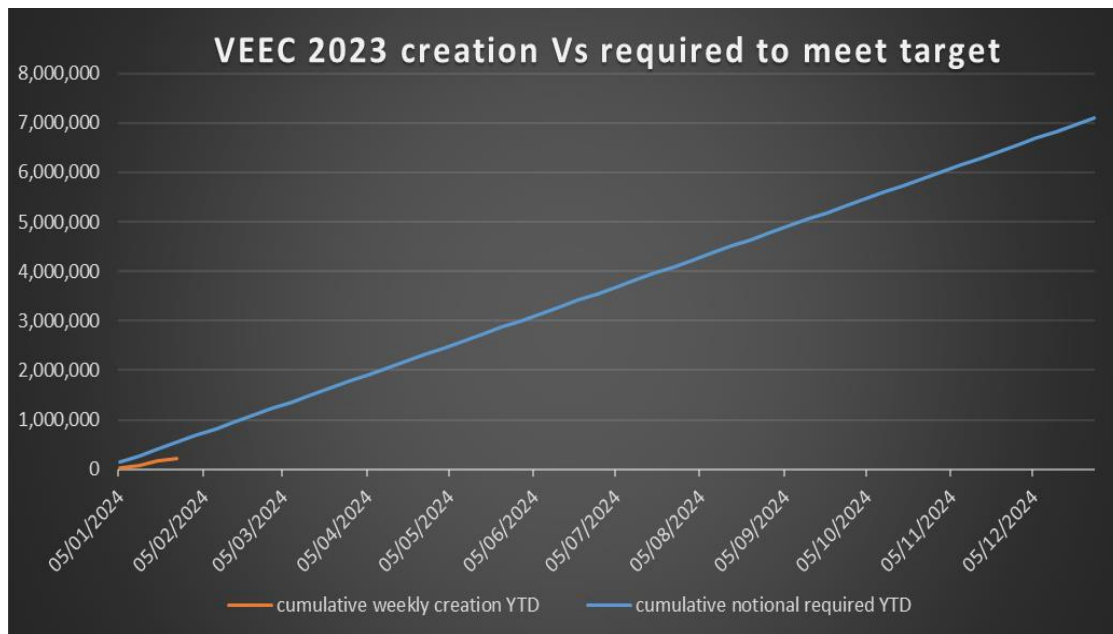
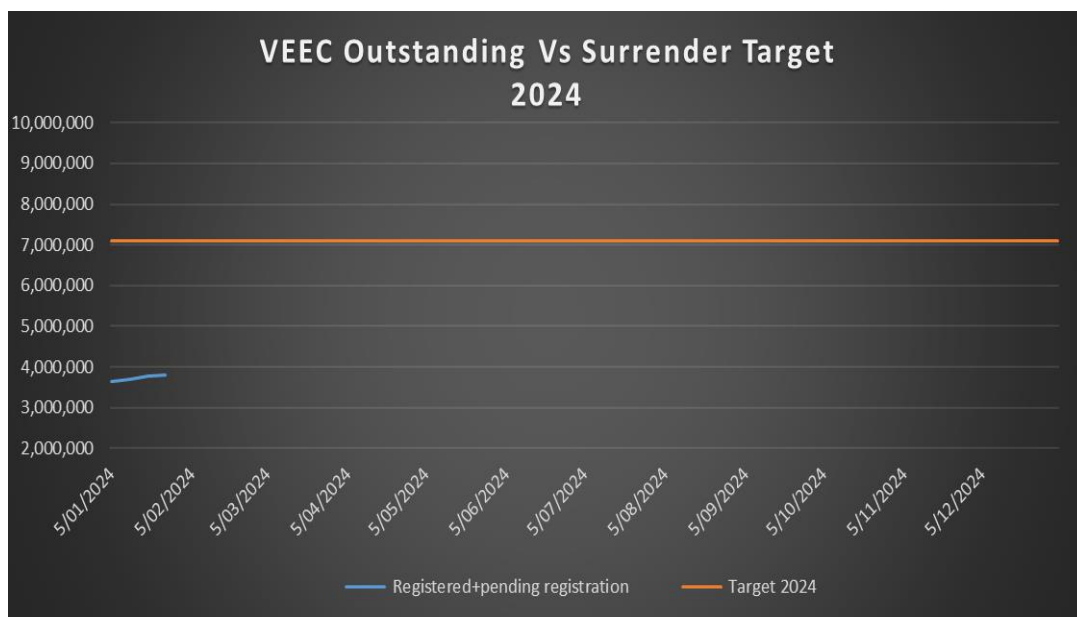
VIC VEECs

VEEC prices continued to rally as the market looks for signs of new supply.

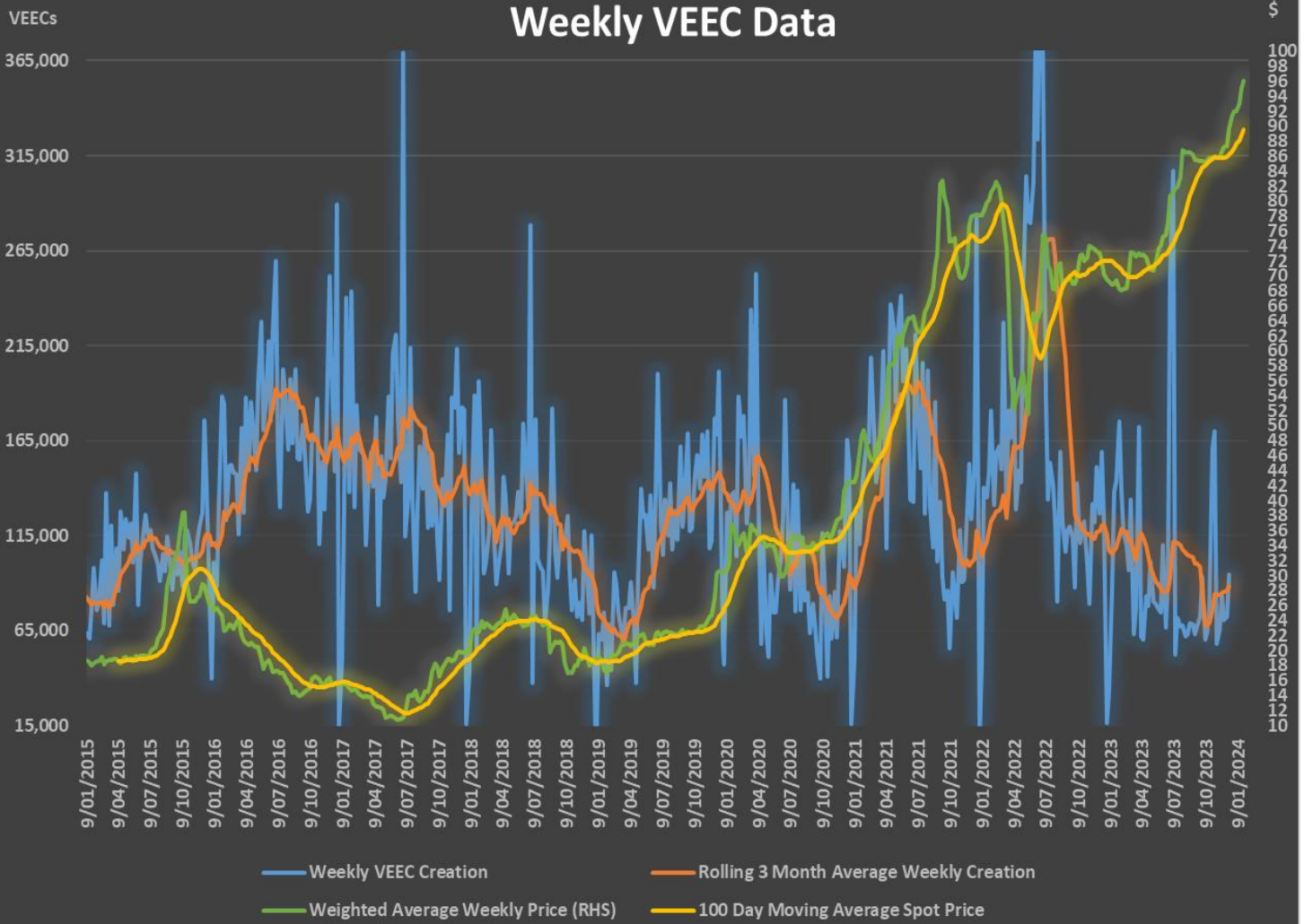
Certificate creation was only slightly lower than December, coming in at 276,000 VEECs. This brings the registry total to 3.8 million, still 3.3million shy of the surrender target for the year. To make up the balance will require creation of around 300,000 VEECs per month for the rest of the year, a total that the market is just about seeing at the moment. Even if we see that number eeked out it will mean no surplus being carried forward to 2025 when the surrender target rises yet again.

On the back of these fears the spot market opened 25 cents higher, at \$92.25 and rallied right through the month to close at the high of \$96.00 on turnover of 102,000 certificates.

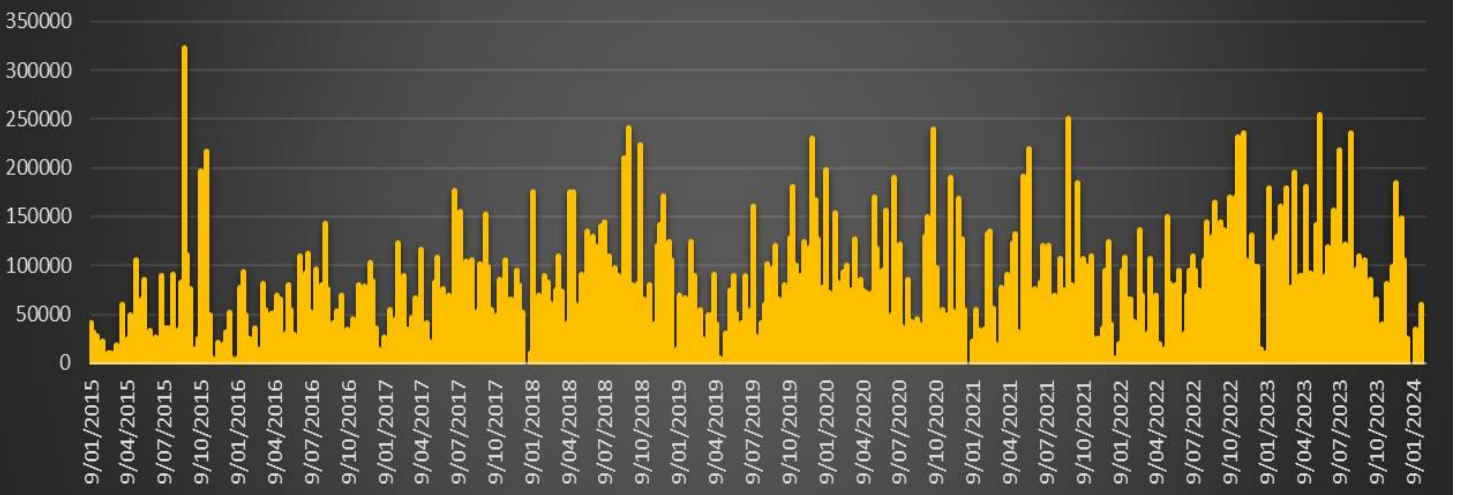
The forward market saw 110,000 VEECs deal for settlement from March to December 2024. Yet again counterparty credit issues saw a bifurcation in the market with good credit retailers buying certificates around \$2.00 below the spot market while other trades were struck at up to a 50 cent premium.



Weekly VEEC Data



Weekly Traded Spot Volume



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