

CERTIFICATE REPORT

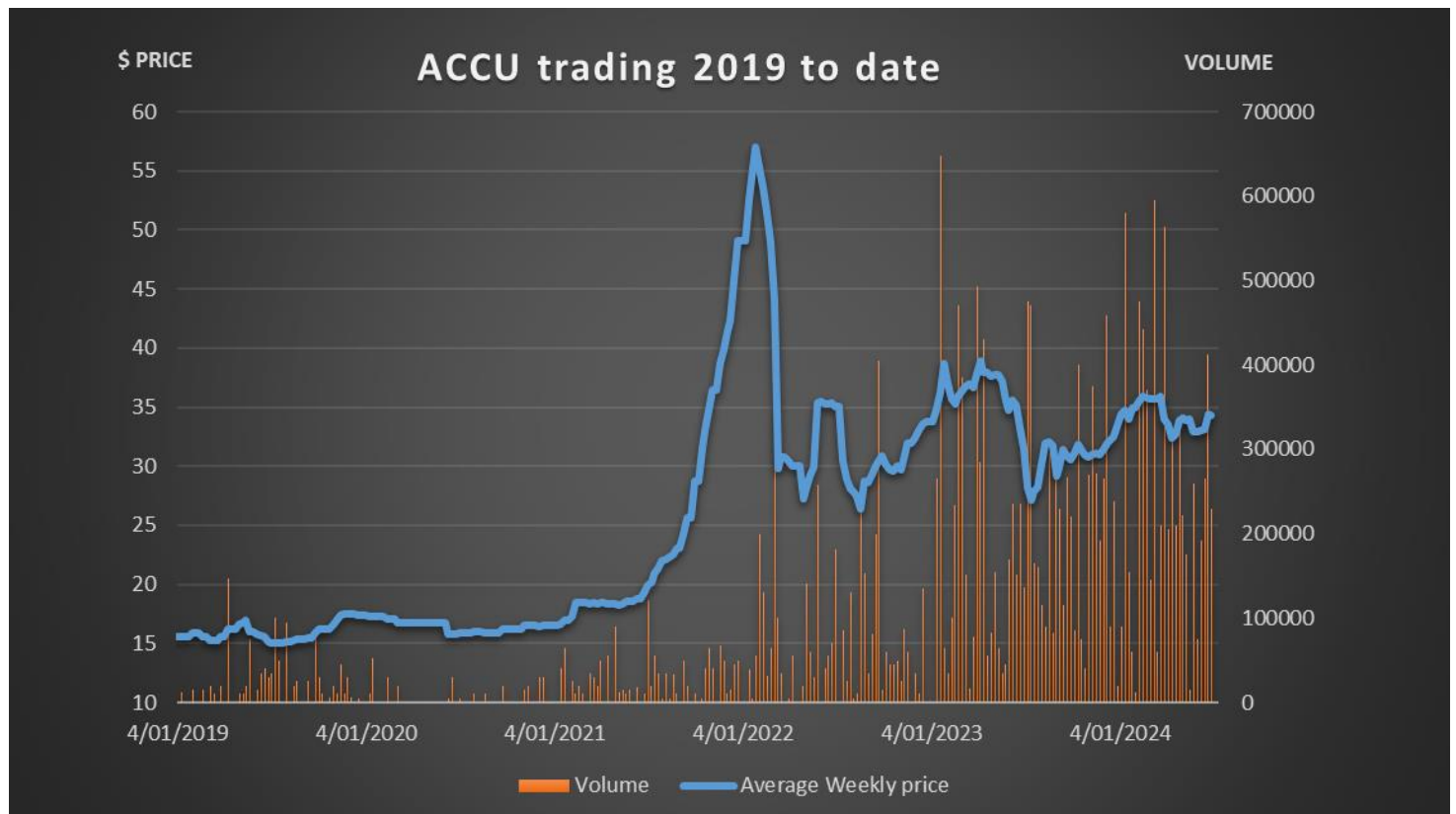
June 2024

ACCU

ACCU prices rose modestly this month.

The spot market opened 25 cents lower than May's close, at \$33.00, but began climbing back after that. In the middle of the month Santos announced that it had purchased 2.5 million certificates to offset the first five year's operations of their new Barossa gas project and this allowed the rally to continue. The price hit a high of \$34.75 before closing at \$34.50 on turnover of 1.1 million ACCUs.

In forward trading 120,000 certificates dealt for delivery in September and December this year. These deals were struck at a cost of carry of around 6%.



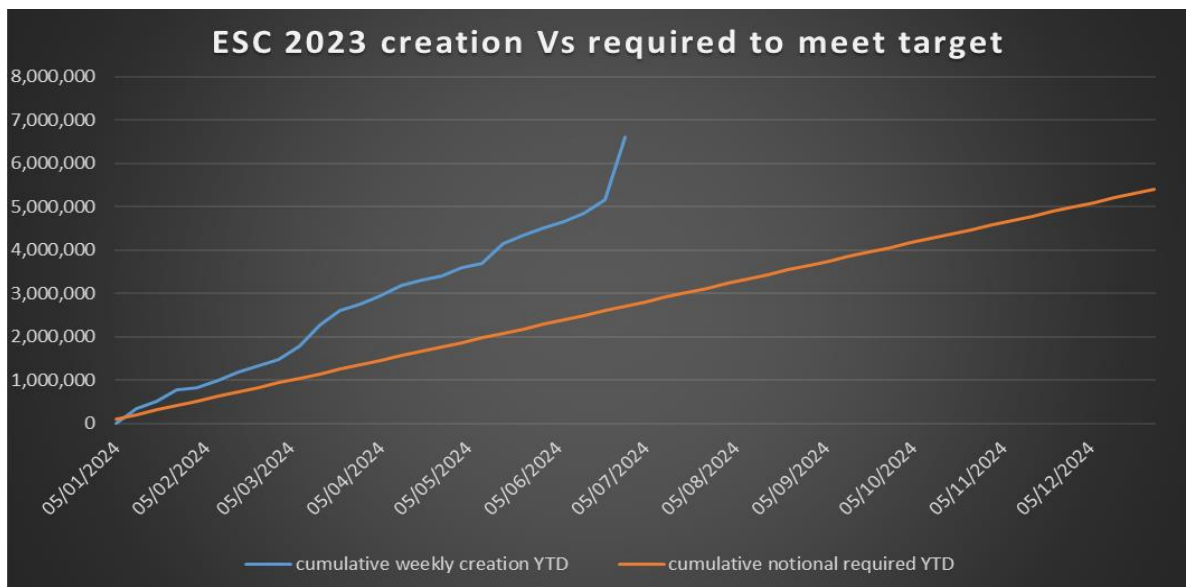
NSW ESCs

ESC prices closed lower on the back of a surge in creation, despite a last day ramp up.

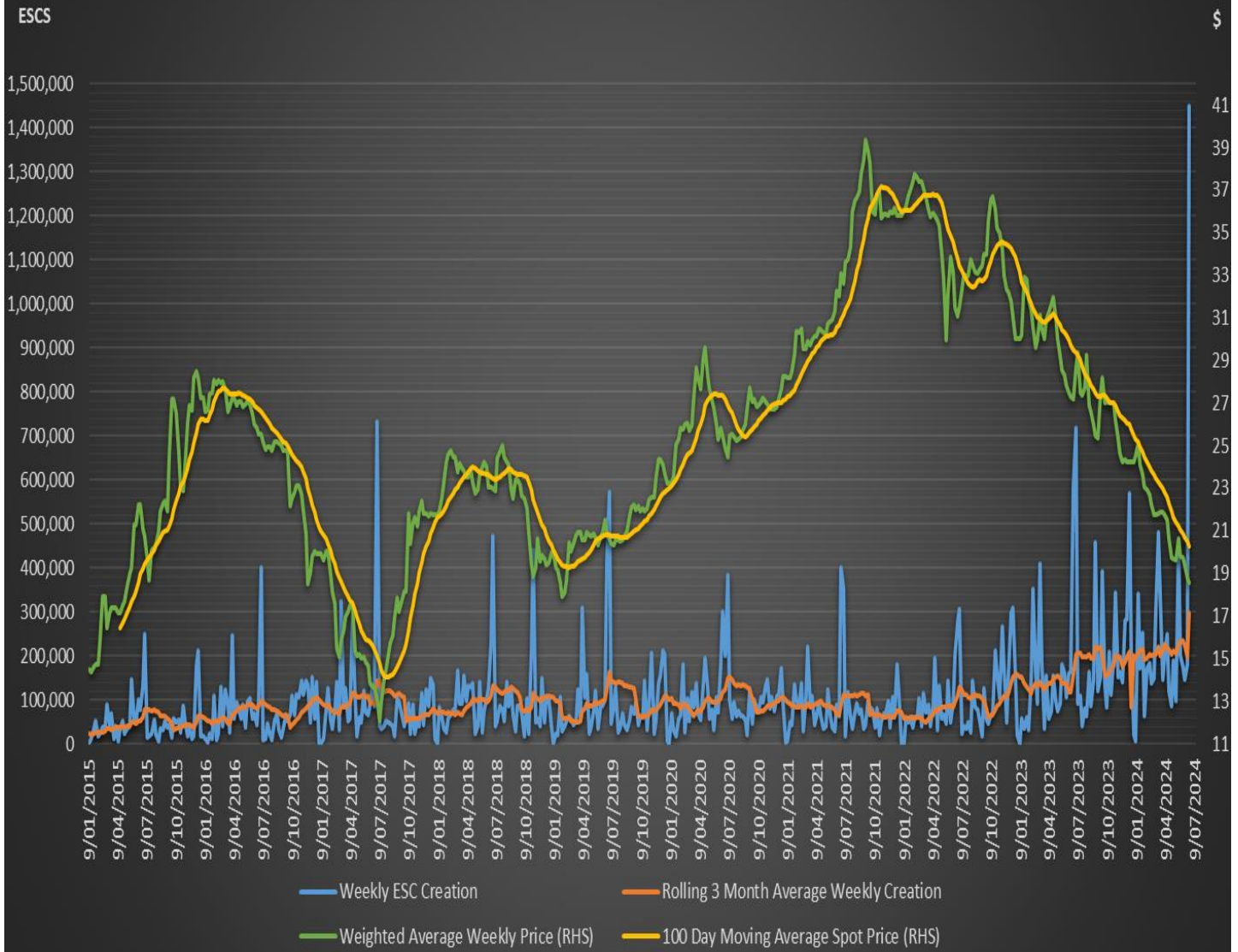
On foot of the June 30 deadline to create ESCs for jobs completed in 2023, certificate creation for the month totalled 2.09 million. This was a jump of 28% from June last year. The registry now contains 15 million ESCs, only a few million short of covering all the way out to 2026's surrender obligation.

Spot trading commenced at an unchanged \$19.75. The price declined steadily from there as the creation figures were published and we hit a low of \$18.25 with a few days left in the month. Despite having over 1.4 million ESCs newly minted for the last week the price shot up to \$19.00 on the back of some (presumed) Financial Year End book balancing. The last trade for the month was struck at \$18.85 and turnover was reported as 978,000 certificates.

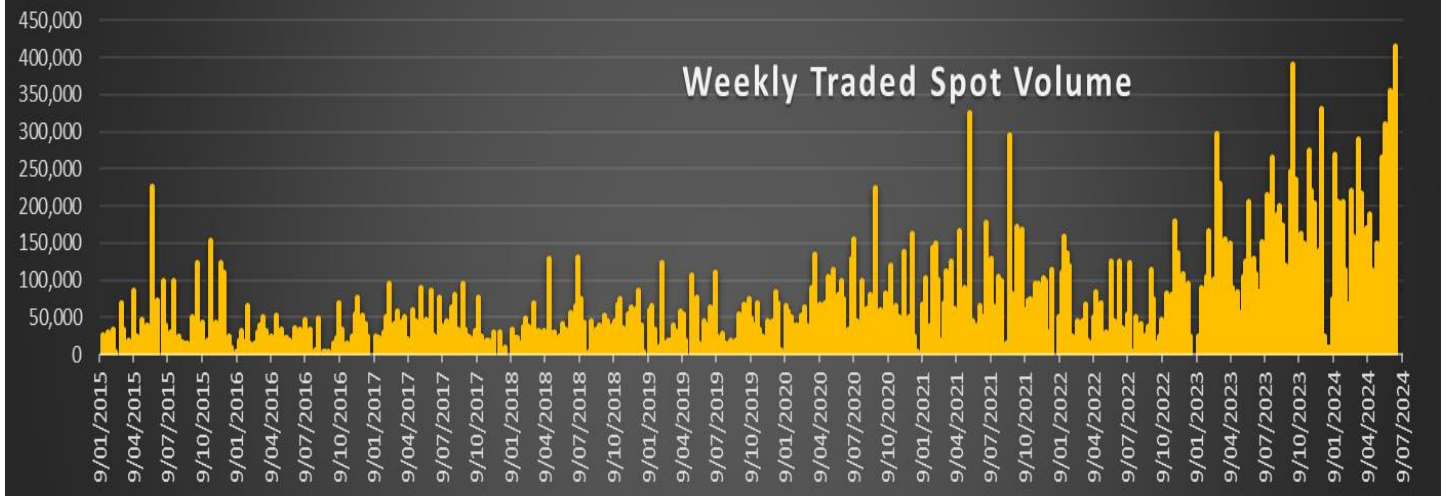
Credit conditions in the forward market remain non-existent following a series of defaults by large market participants with only one trade being reported – 80,000 certificates for settlement in early July that traded in line with the prevailing spot price.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume



Renewable Energy Certificates

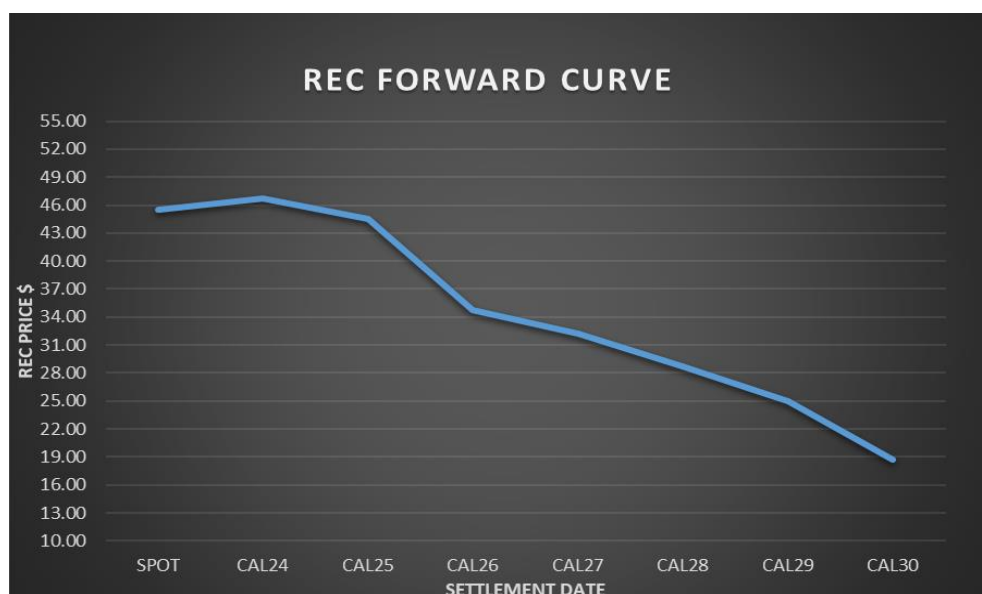
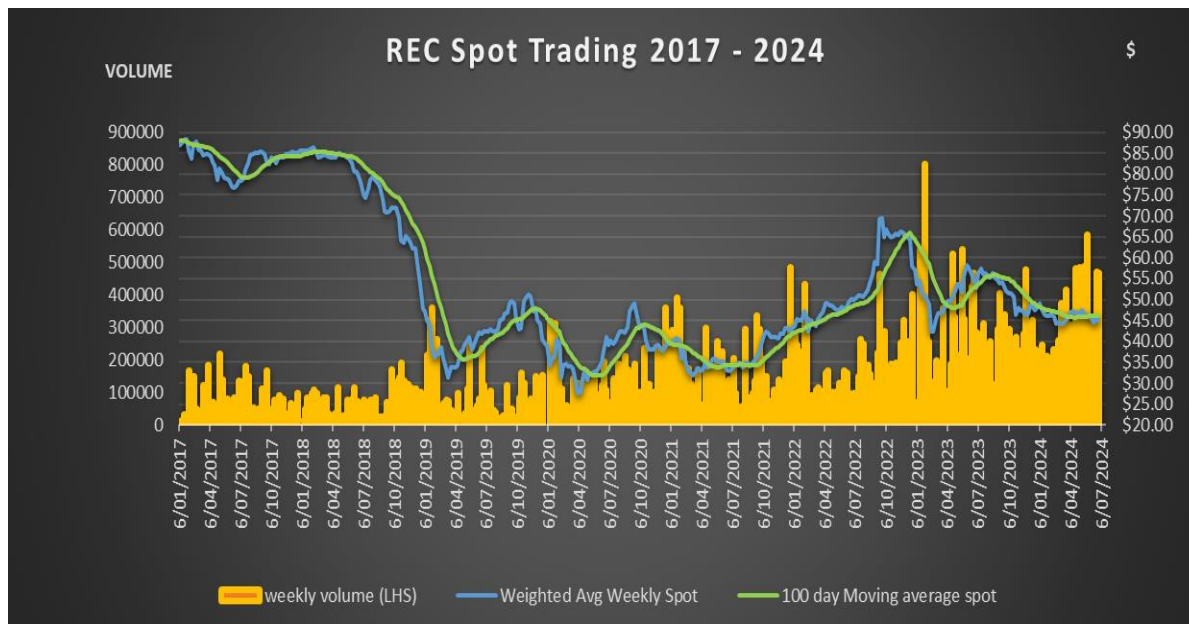
LGC prices continued to fall in June, especially in the 2025-26 part of the curve.

The spot market opened at an unchanged \$46.00 and drifted lower for most of the month, reaching \$45.00, until the last few days saw a rebound to close at \$45.50 on turnover of 1.45 million LGCs.

Calendar 2024 repeated the pattern, opening at \$47.50 and falling to \$45.50 before settling at \$46.75, a fall of 80 cents. Turnover was reported as 822,000 LGCs.

June saw the response to the Federal Government's first contract for difference auction with the state receiving enough offers to fill the whole scheme in one go. The volume of projects depressed prices throughout the forward curve:

Calendar 2025, which had first traded at \$46.40, fell to \$43.75 before recovering to a close at \$44.50. This was a drop of \$2.10 on volume of 940,000 certificates. Calendar 2026 fell the furthest, shedding \$4.50 to close at \$34.75 on turnover of 445,000 LGCs. Calendar 2027 dropped \$1.25 to finish at \$32.25 on volume of 100,000 certificates.



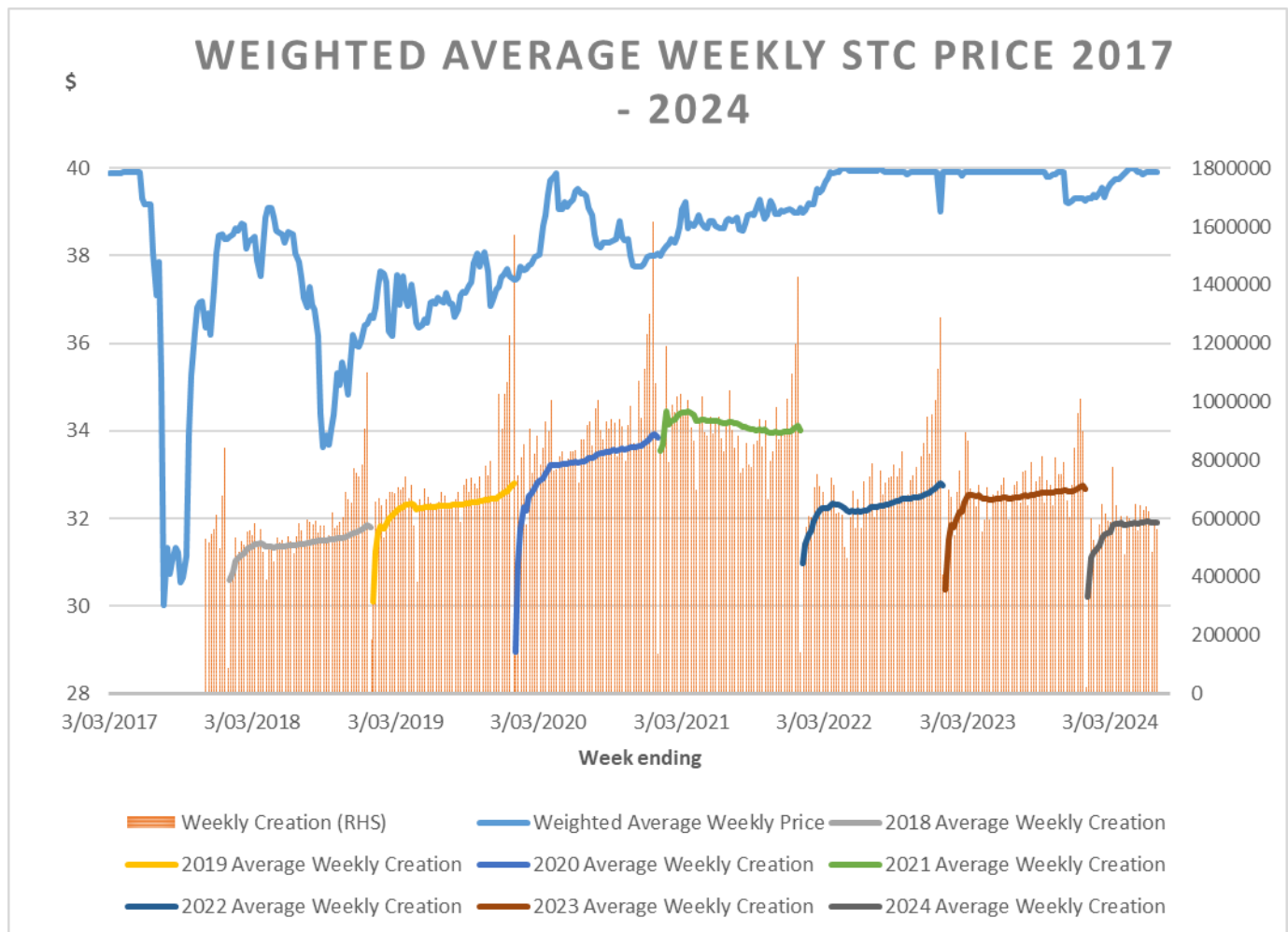
Small Technology Certificates (STC)

STC prices were unchanged this month.

Certificate creation fell to 2.3 million for June, causing the market price to remain very close to the \$40.00 Clearing House cap limit.

The month saw 476,000 STCs trade at an unchanged \$39.90.

No forward trades were reported.



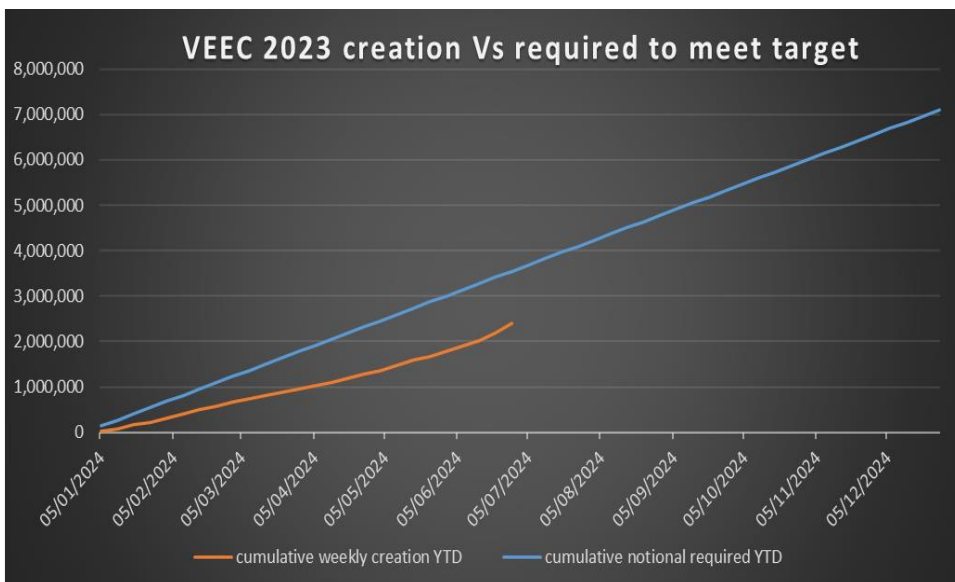
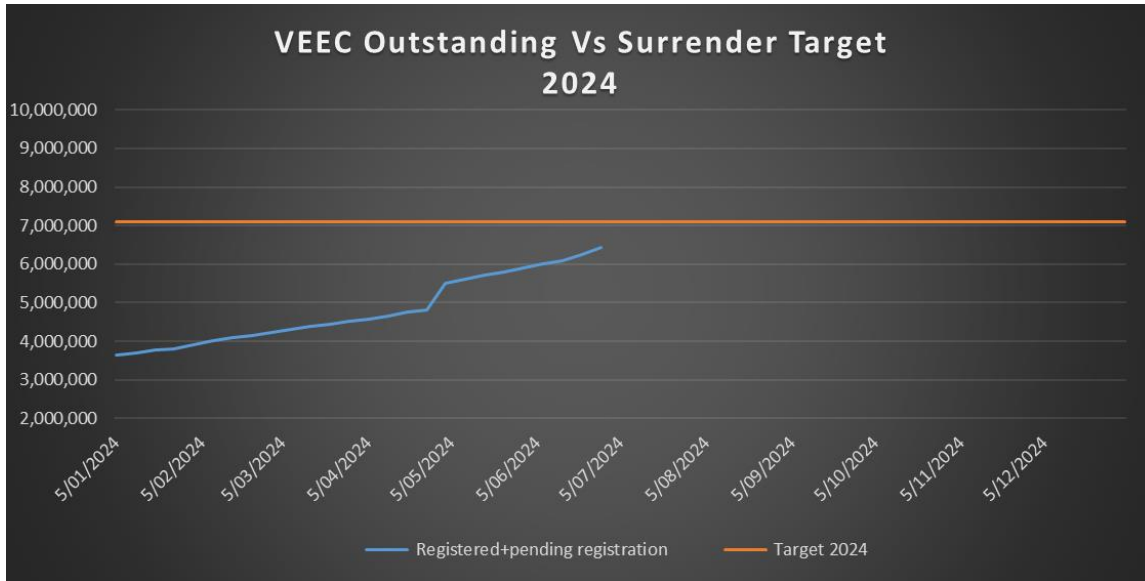
VIC VEECs

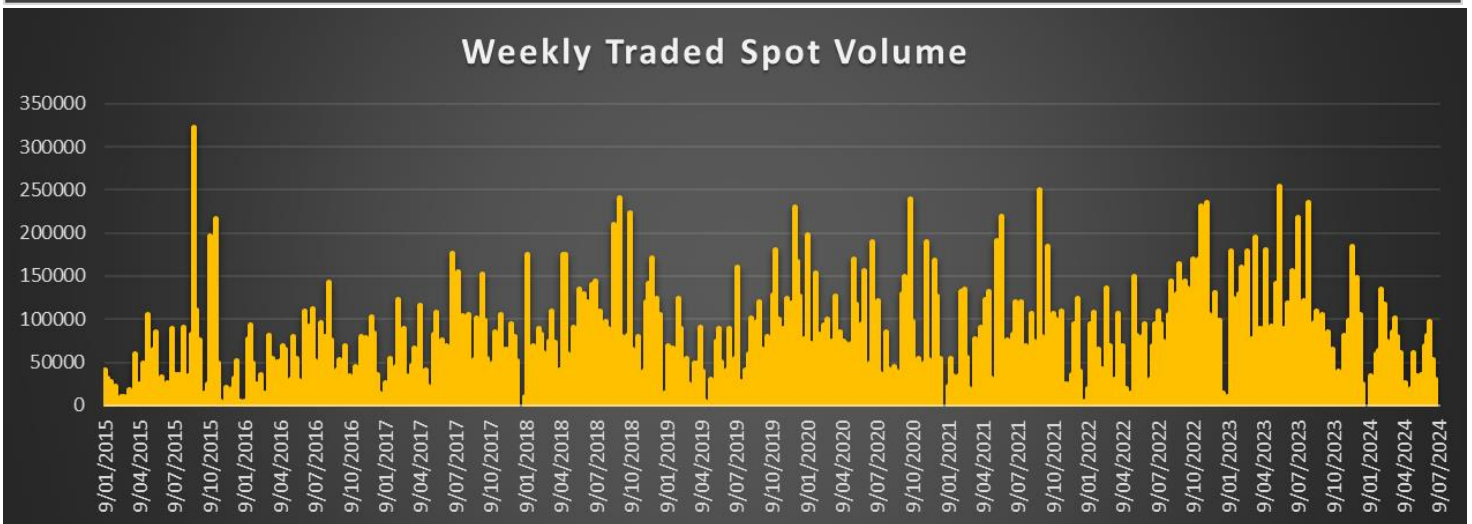
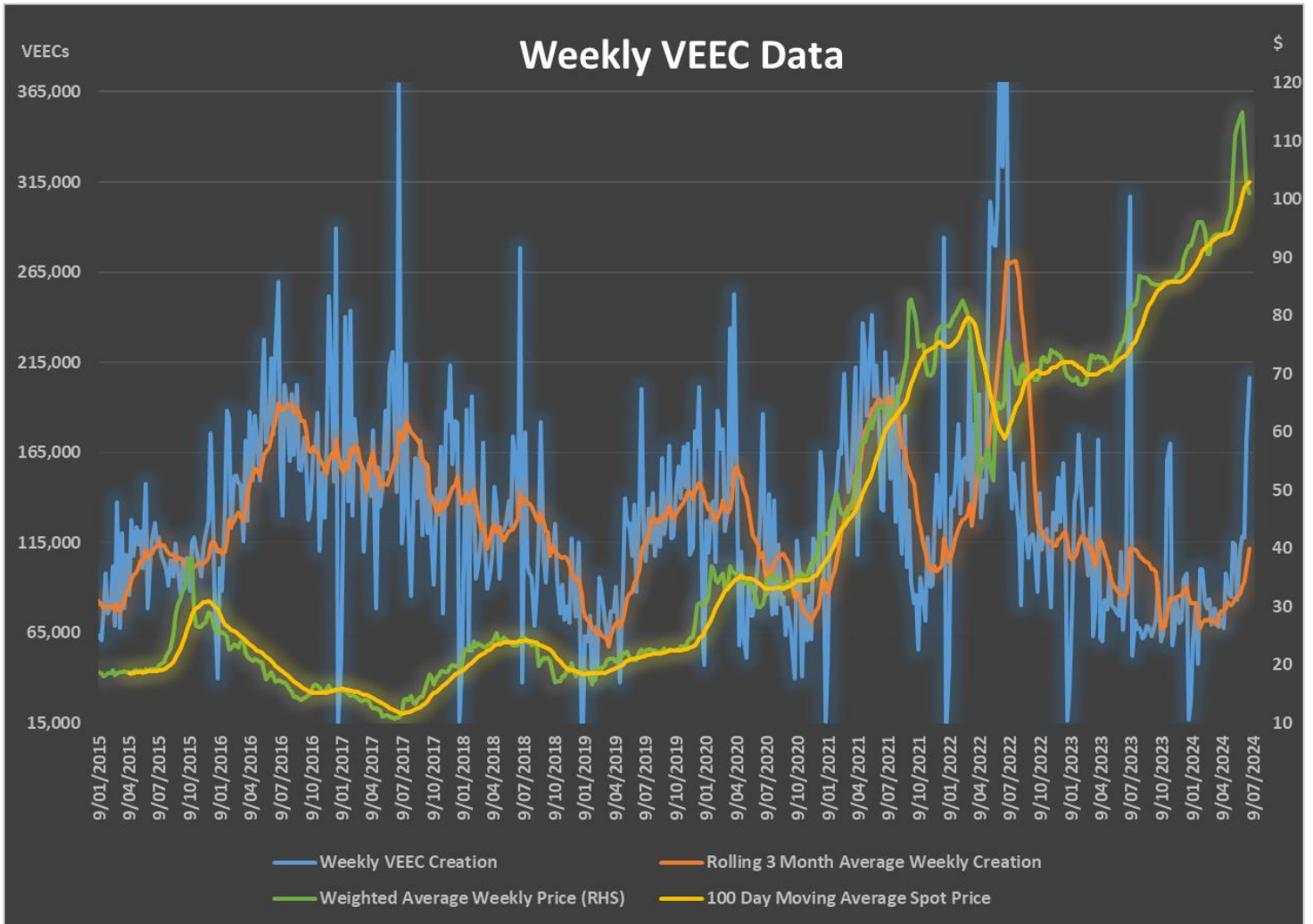
VEEC prices reversed course this month and retreated.

Certificate creation for June came in at 617,500, a fall of 25% from June 2023.

The spot market opened at \$116.00, a rise of \$1.00 from May's close. A strange market dynamic then saw the price decline from there. The ongoing credit woes has seen good name retailers and banks pull back from entering into forward transactions leaving certificate creators keen to hedge their future creation chasing the few decent name credits who will look to lock in prices. These forward trades get struck at a discount to the spot price to allow for the credit exposure. This discounted price then feeds into lower spot pricing as buyers there pull back their bids, causing the next forward price to be at a discount to the falling spot price. This cycle saw the spot price fall to a low of \$100.50 before recovering only slightly to close at \$100.75 on turnover of 262,000 VEECs.

Forward trading saw 195,000 certificates trade for delivery from July 2024 to April 2025. These trades were struck at a discount ranging from \$1.00 to \$2.00 under the prevailing spot price.





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