

CERTIFICATE REPORT

February 2023

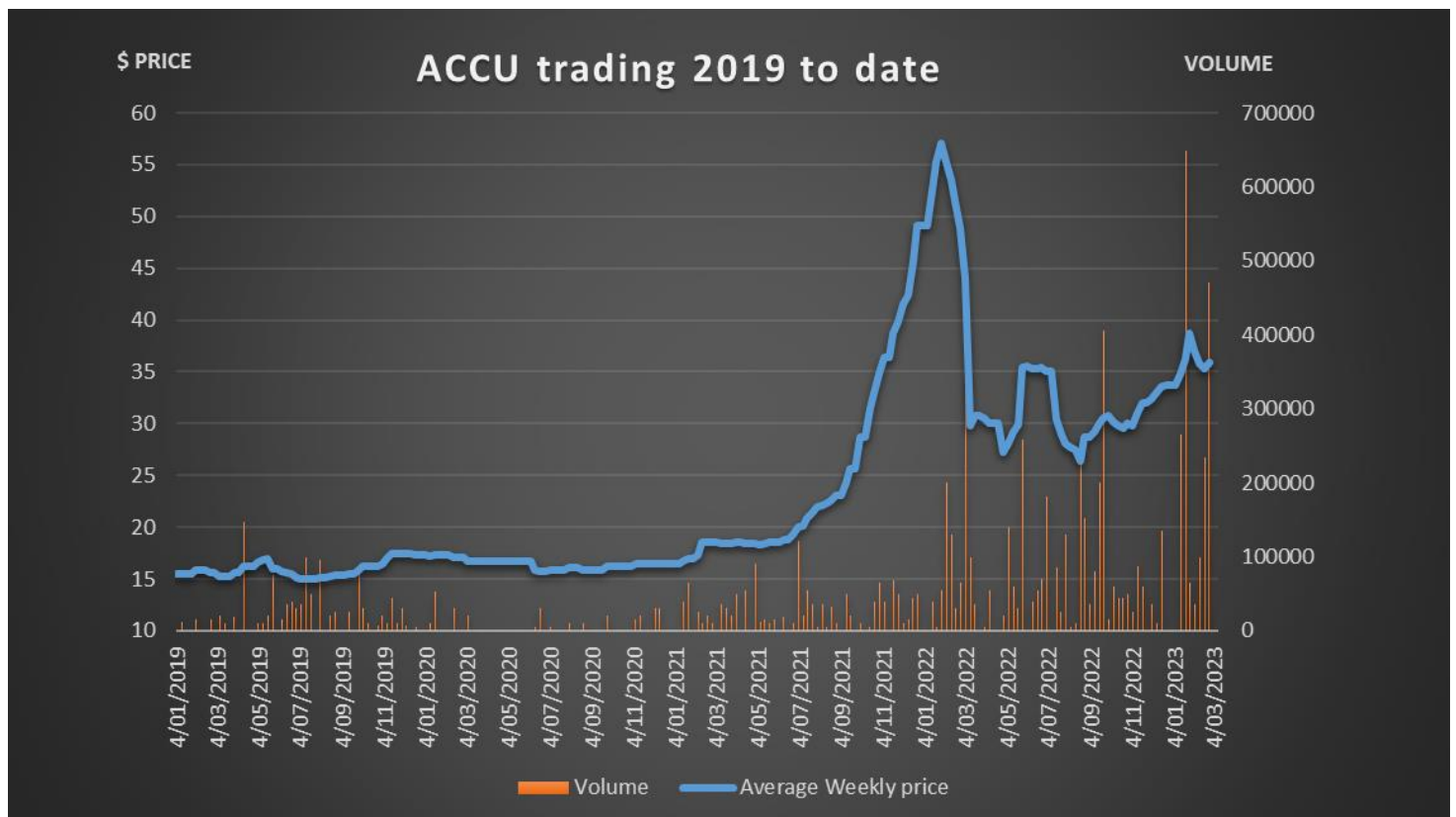
ACCU

ACCU prices eased as politicking over the safeguard method caused market participants to be cautious of the outcome.

The spot market opened \$1.50 lower, at \$37.00, and dropped to a low of \$34.50 before some buying activity saw a rebound. The market closed at \$36.50 with 990,000 certificates changing hands throughout the month.

The forward market was quiet with only to trade on 10,000 ACCUs reported – for settlement in August and October this year. Both traded at a cost of carry of around 4% over the prevailing spot price.

Human Induced Regeneration (HIR) certificates continued to trade throughout the month at a premium of \$1.00 to generic certificates.



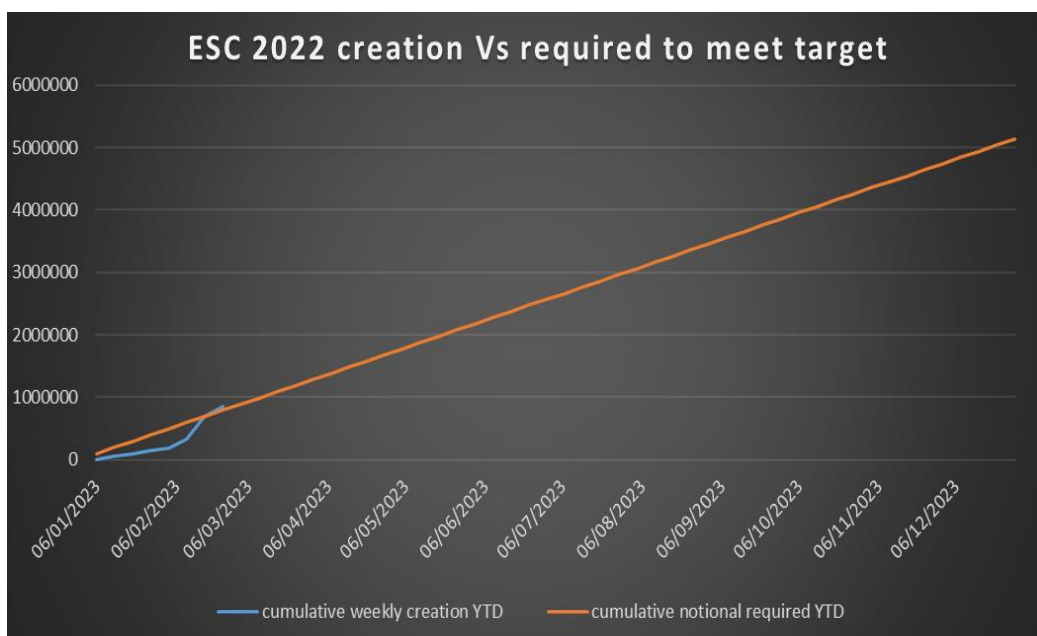
NSW ESCs

ESC prices fell on a surge in supply this month.

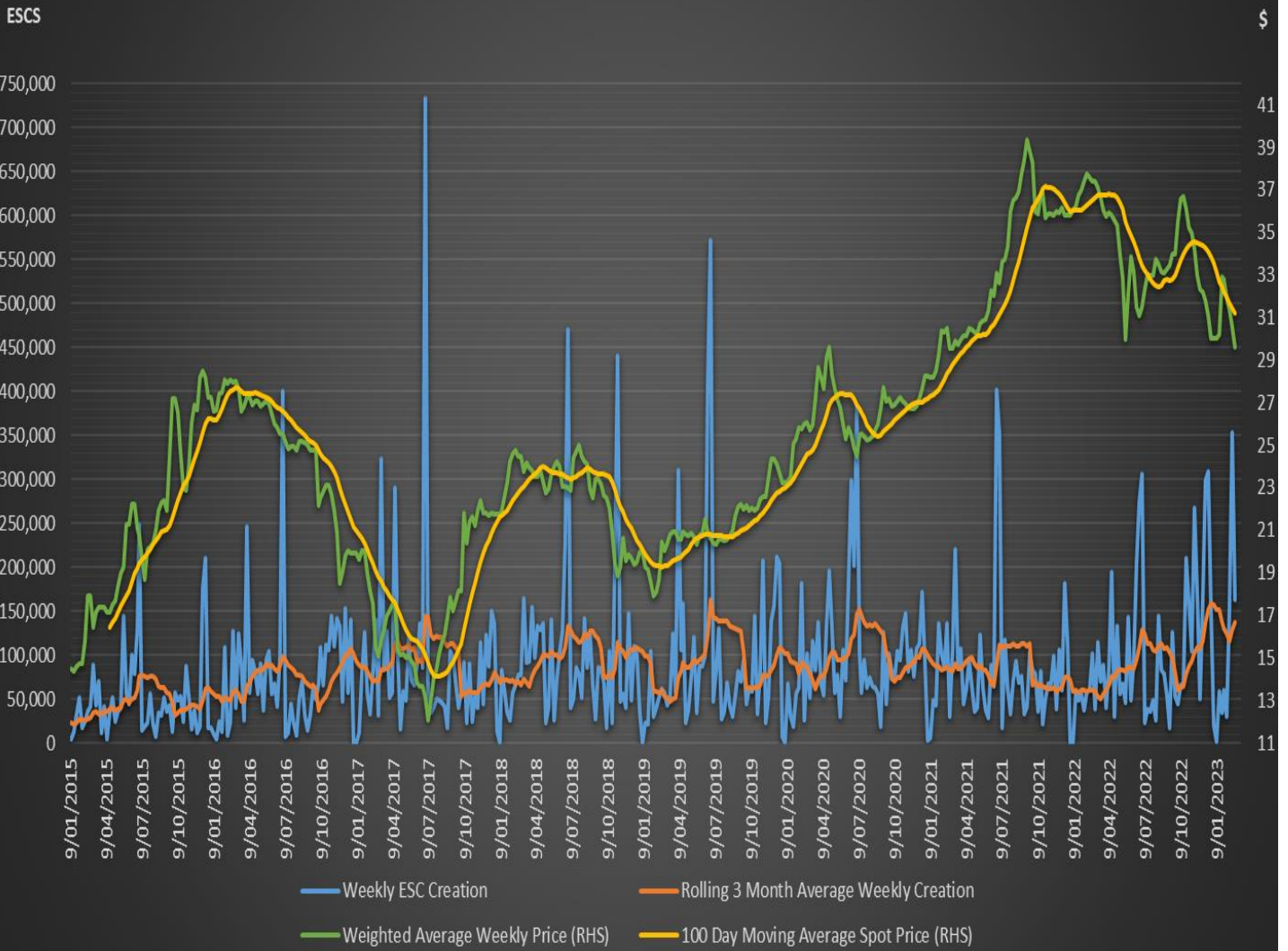
New certificate registrations came to 697,000 this month, over six times the creation figure for January. This brings us only 300,000 shy of meeting this year's surrender target.

On the back of this deluge of new certificates the spot market opened 50 cents lower, at \$32.00. The price continued to fall until we hit a low of \$29.50 late in the month. The 28th saw renewed buying pressure, however, leading to a close at \$30.50 on turnover of 669,000 ESCs.

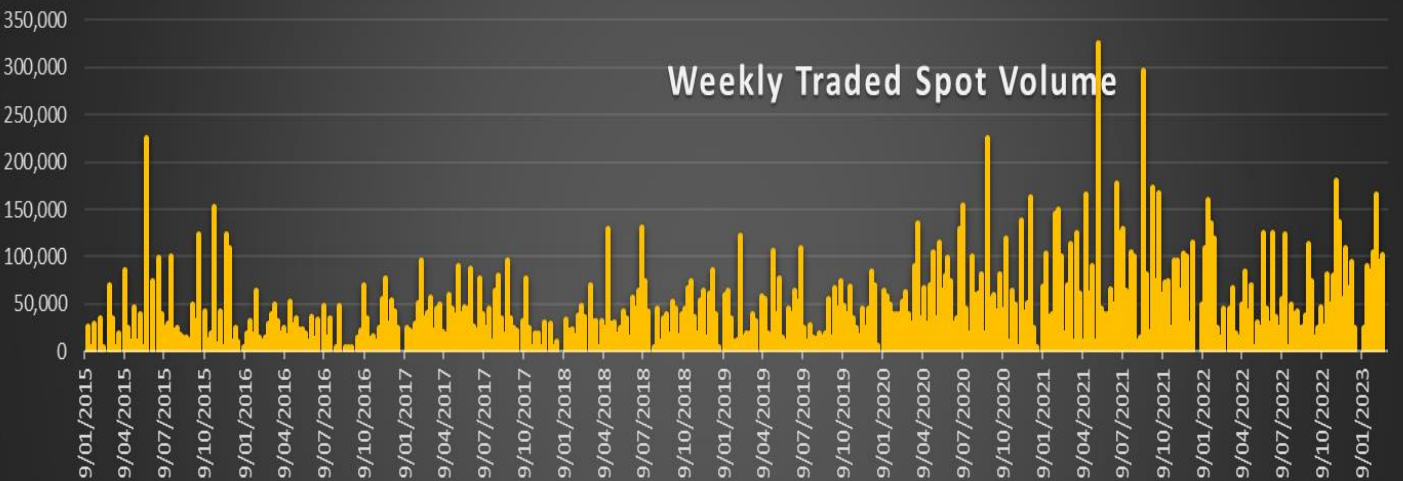
The forward market exploded with activity in the latter part of the month leading to a total of 1.55 million certificates trading for delivery between the end of February this year and December 2024. There was a sharp upward tilt to the forward curve with trades settling in the second half of this year trading at \$32.00 and Calendar 2024 deals being struck at \$33.00.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume



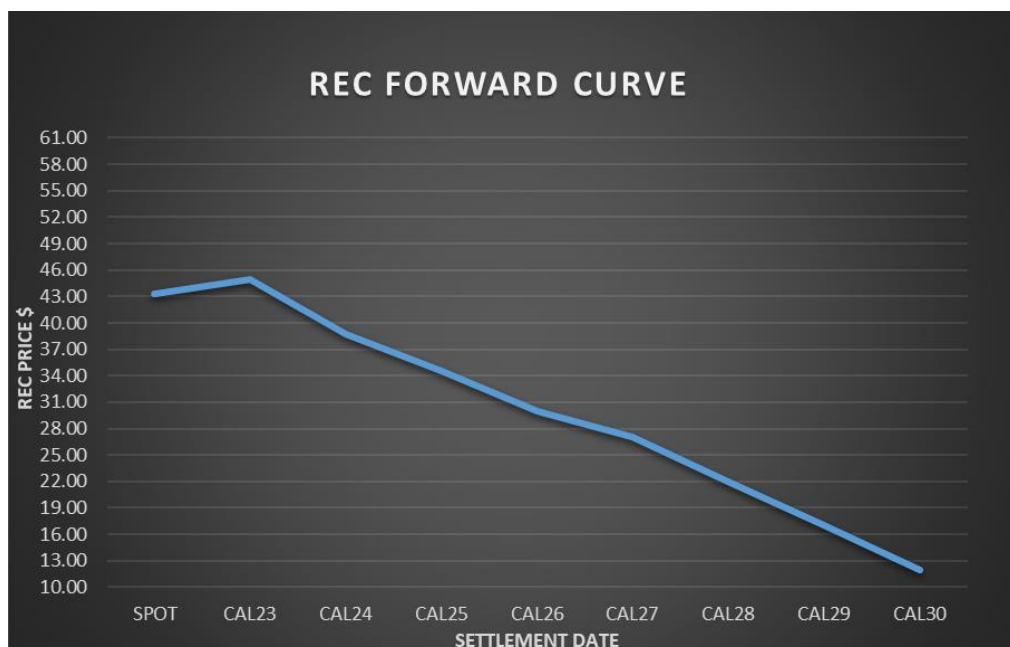
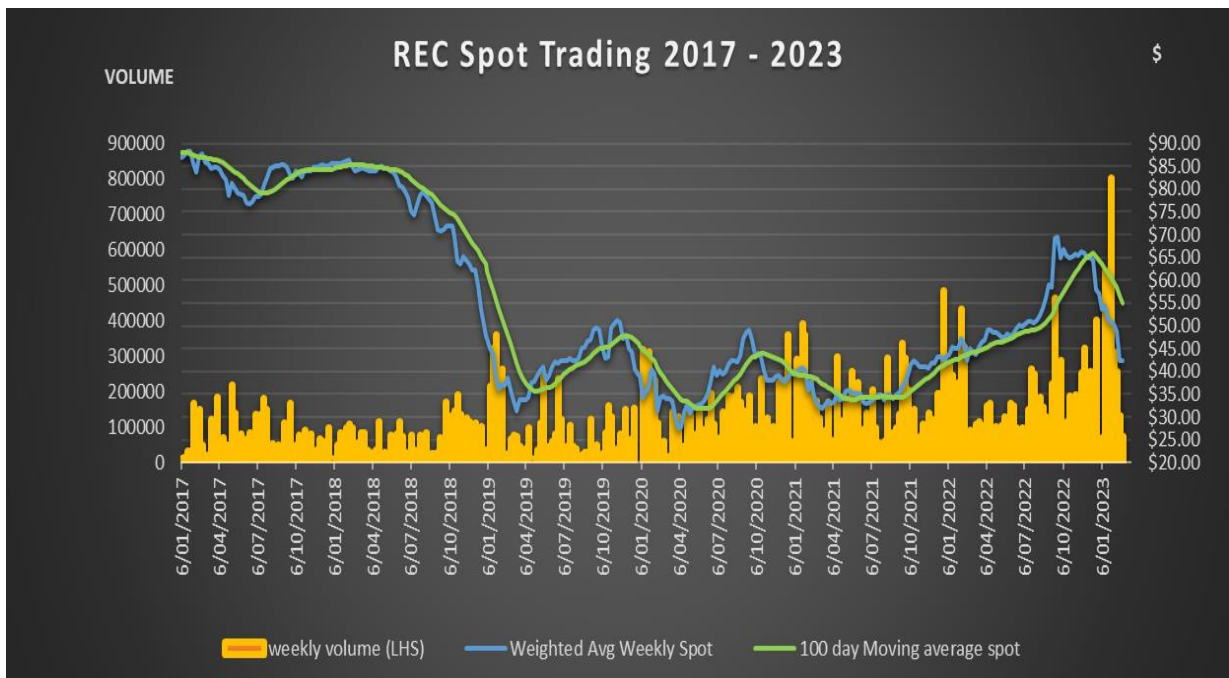
Renewable Energy Certificates

LGC prices fell throughout the curve following the settlement of the 2022 contract and the surrender date for fulfilling 2022 obligations.

The spot market opened at \$49.50, a fall of 25 cents, and rose to \$50.00 as market participants tidied up their 2022 requirements. After the 17th of the month the pot contract became based on the 202 certificate and prices dropped to a low of \$39.75. The market recovered slowly from there but the rebound gathered pace on the last day of the month and we closed at \$43.25 on turnover of 613,000 certificates.

Calendar 2023 opened at an unchanged \$50.00 but followed the spot market trajectory – falling to a low of \$41.00 before recovering to close at \$45.00, a fall of \$5.00 for the month on volume of 1.07 million LGCs. Calendar 2024 opened at \$43.75 and fell to \$38.00 before a close at \$38.75. This represented a loss of \$6.00 for the month on volume of 1.255 million certificates. Calendar 2025 shed \$3.25 to close at \$34.50 on turnover of 782,000 certificates.

Calendar 2026 dropped \$2.00 to close at \$30.00 on turnover of 70,000 LGCs.



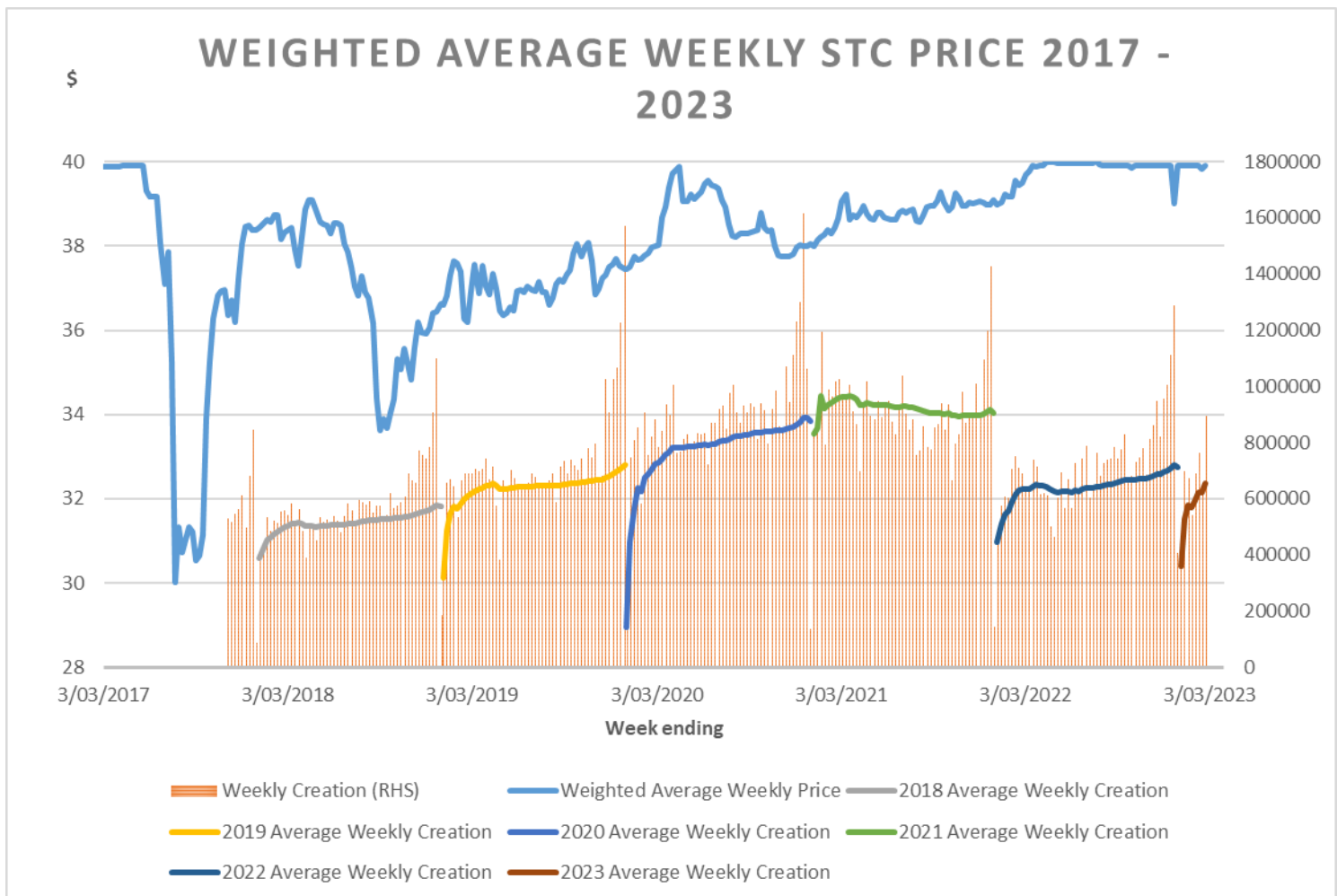
Small Technology Certificates (STC)

The STC market was unmoved in the spot this month while forward prices declined following the release of the surrender target for 2023.

New certificate creation rose to just under 3 million in February.

With the clearing house still in deficit, representing a bid in the market at \$40.00, spot activity remained subdued with 71,000 certificates trading at an unchanged \$39.90.

The 2023 surrender target was announced this month with an estimated 34.4 million certificates to be created for the year. This is seen as a little on the low side so forward prices fell in response. A total of 1.07 million certificates traded for deliver through the rest of 2023 and 2025. Deals settling in the second half of this year traded at \$39.90 with the Calendar 2025 trade was struck at \$39.00.



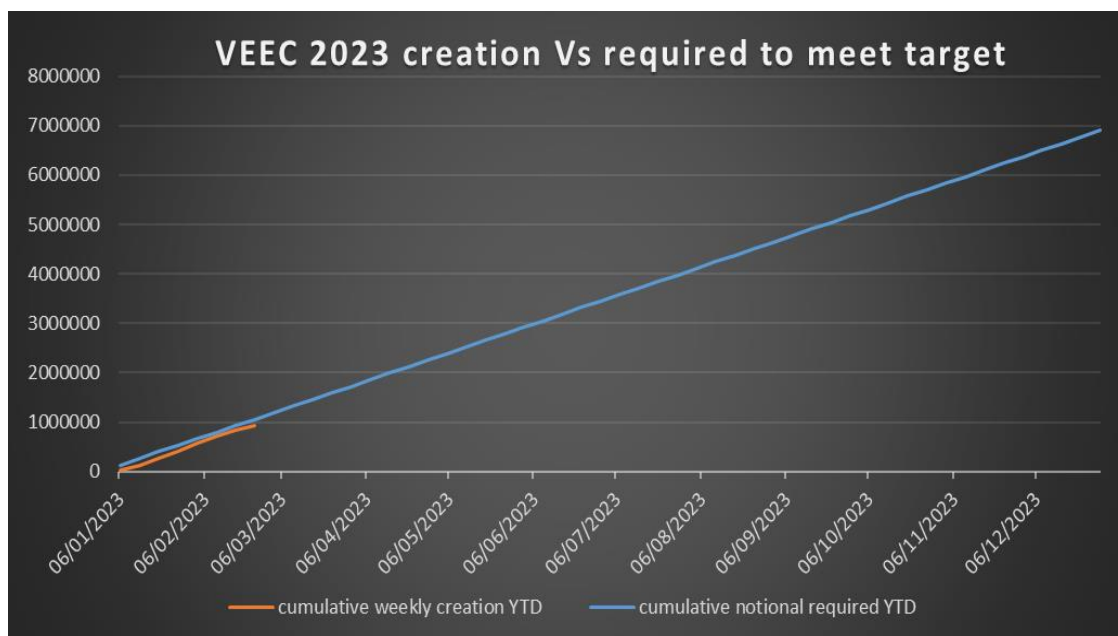
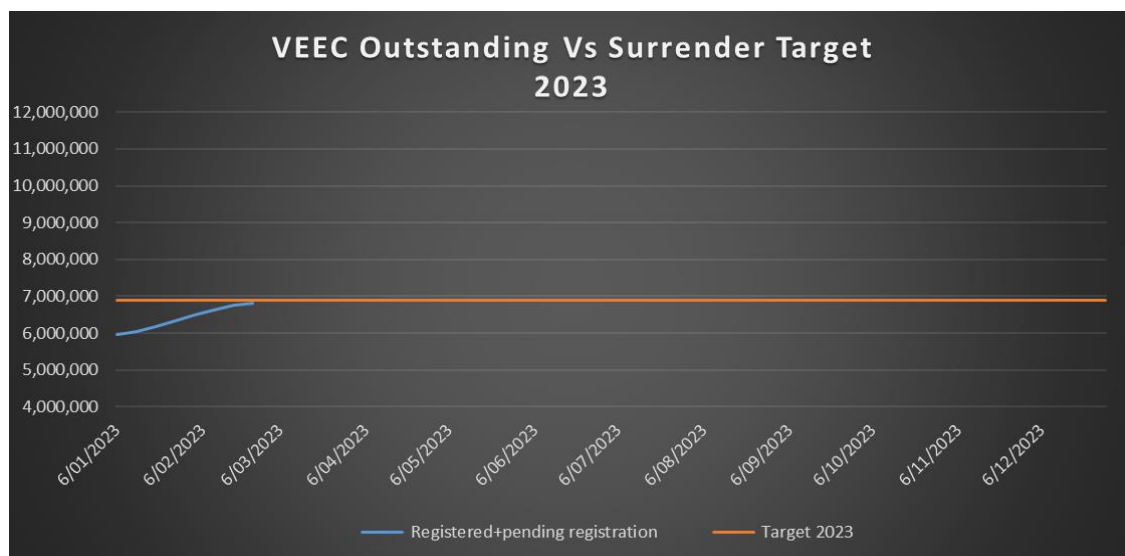
VIC VEECs

VEEC prices traded in a narrow range this month.

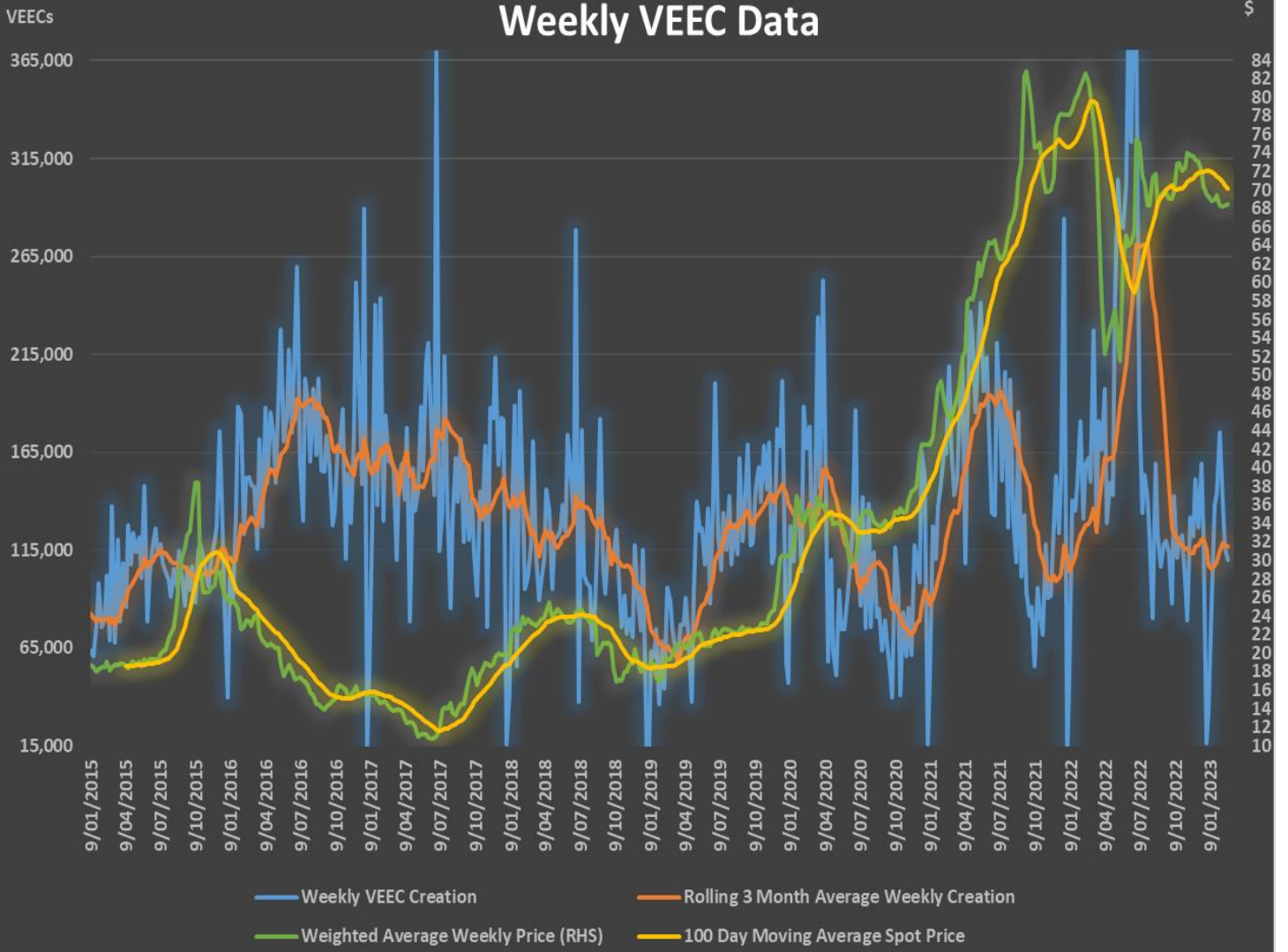
New registrations for February were similar to last month, at 531,000. We are now only a few thousand certificates shy of meeting the 2023 surrender obligation.

The spot market opened 50 cents lower, at \$68.50, and fell to a mid-month low of \$68.00 before some late buying saw a close at \$69.85. Turnover was reported as 636,000 VEECs.

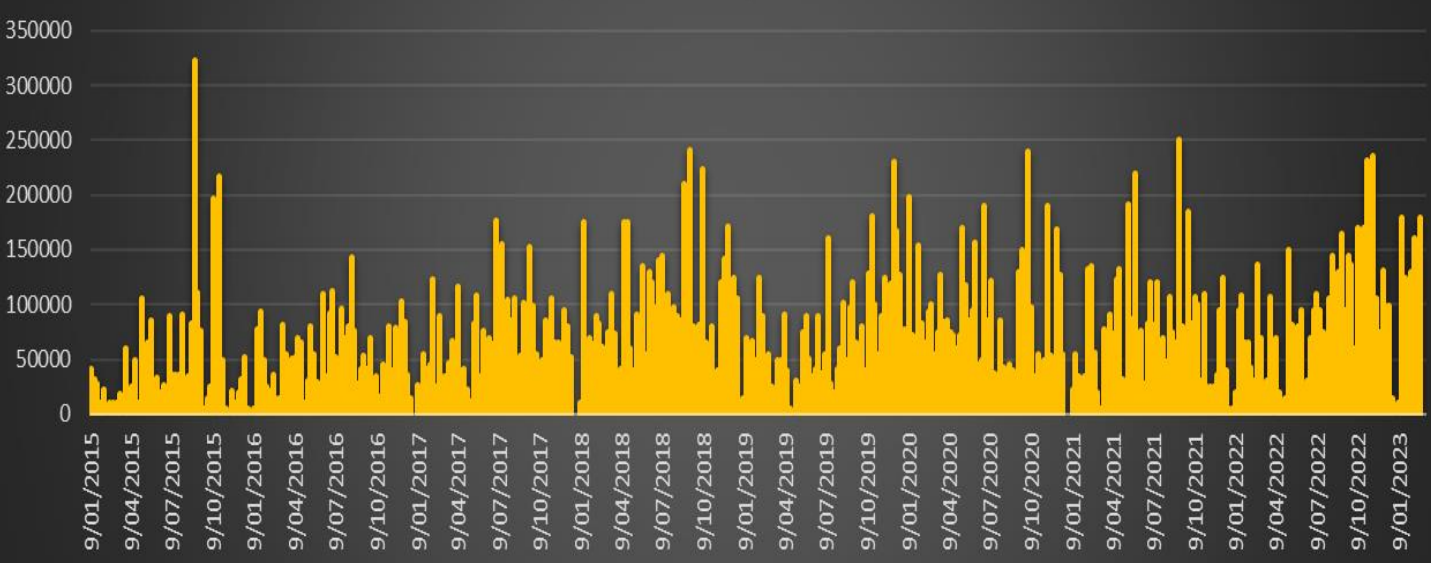
The forward market saw 315,000 certificates trade for settlement between March this year and June 2024. The curve had an upward bias with deals settling in the second half of this year attracting a premium of around \$1.50 rising to \$2.50 for those settling in the first half of 2024.



Weekly VEEC Data



Weekly Traded Spot Volume



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