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Melbourne
Energy
Institute



Quarterly Energy Dynamics report Q2 2021

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@MEIunimelb #MEIxAEMOSeminar



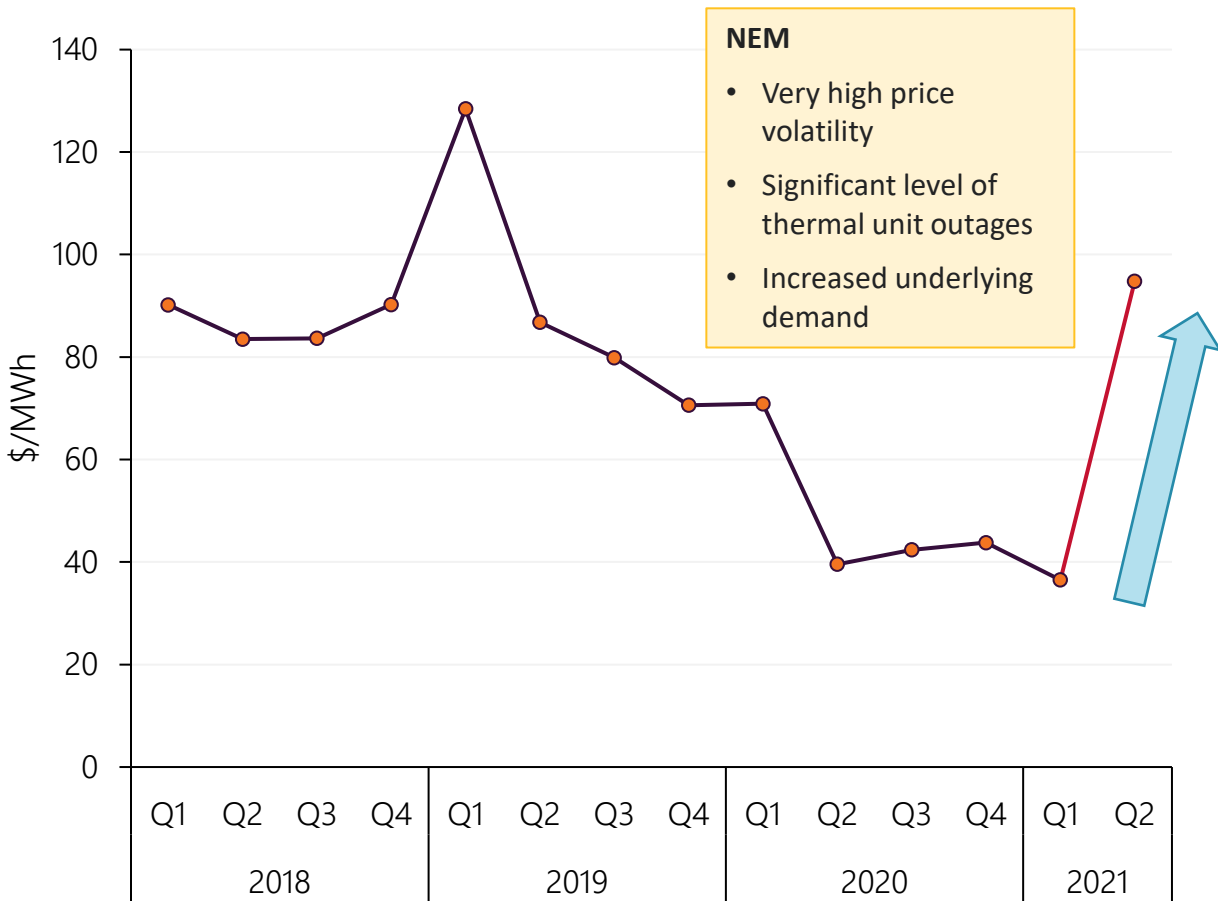
Highlights

Highlights from Q2 2021

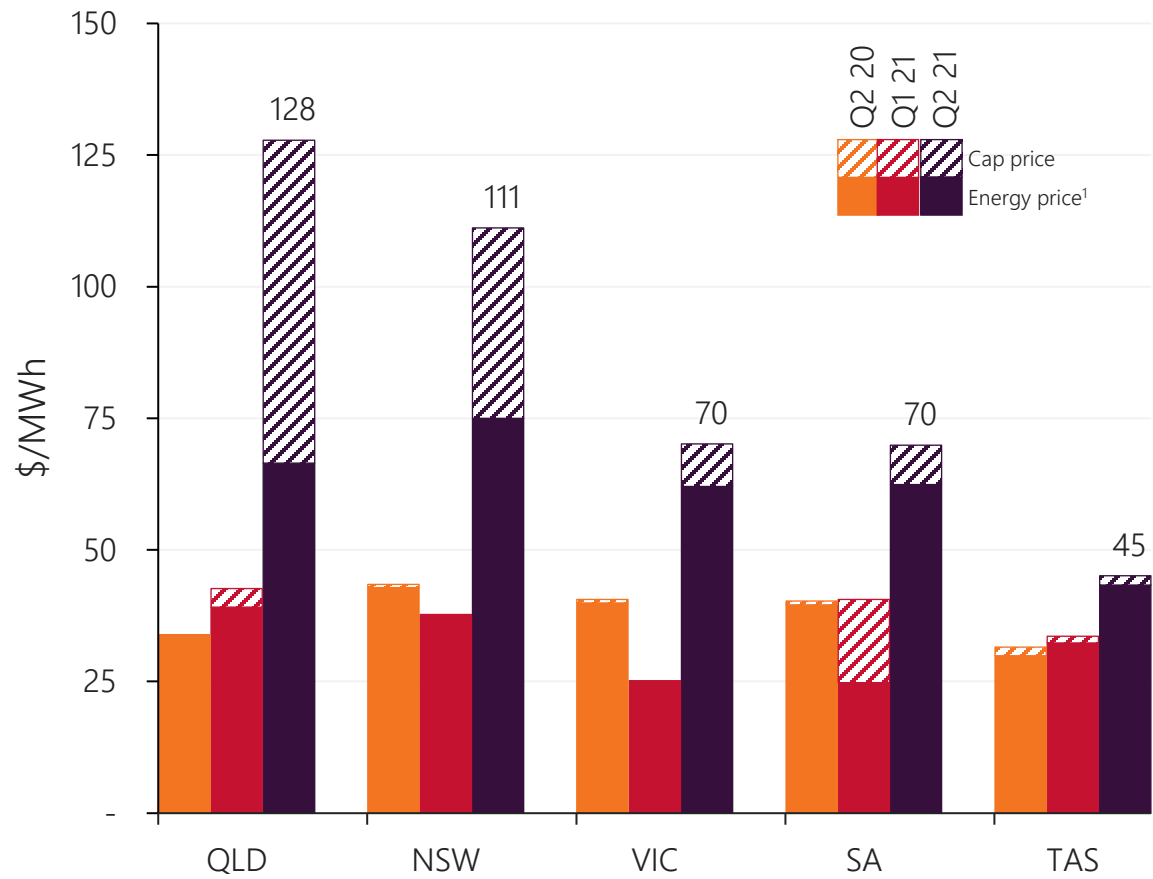
1. Dramatic energy price rebound in AEMO-operated energy markets
2. Major events shape market outcomes – incidents at the Callide and Yallourn power stations in the NEM
3. Despite dampening impact of distributed PV on daytime demand, **growth in underlying demand** influenced by cold Q2 conditions
4. **Gas-powered generation increases sharply** from near record lows, covering for coal-fired generator outages

Electricity prices rebound

Sharp increase in mainland NEM prices



High price volatility in QLD & NSW

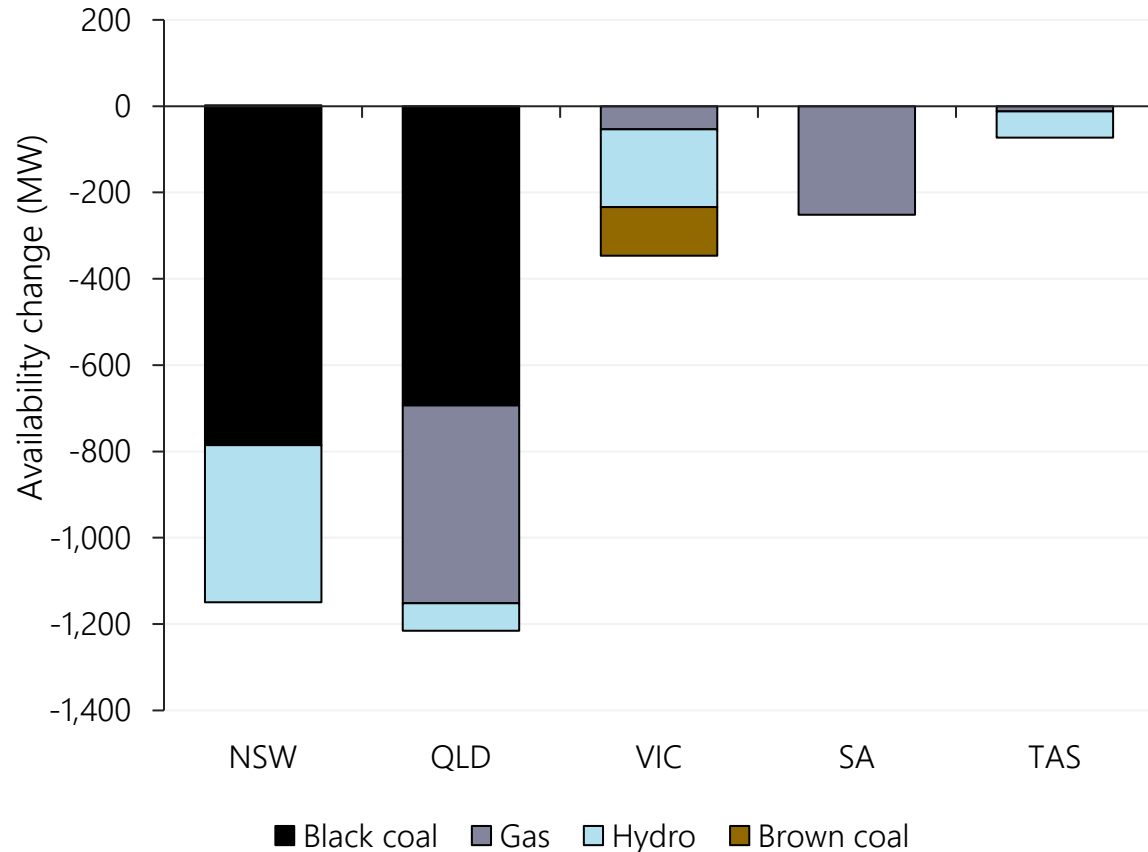


¹Energy price¹ is used in electricity pricing to remove the impact of prices volatility (that is, price above \$300/MWh).

Large reduction in generator availability

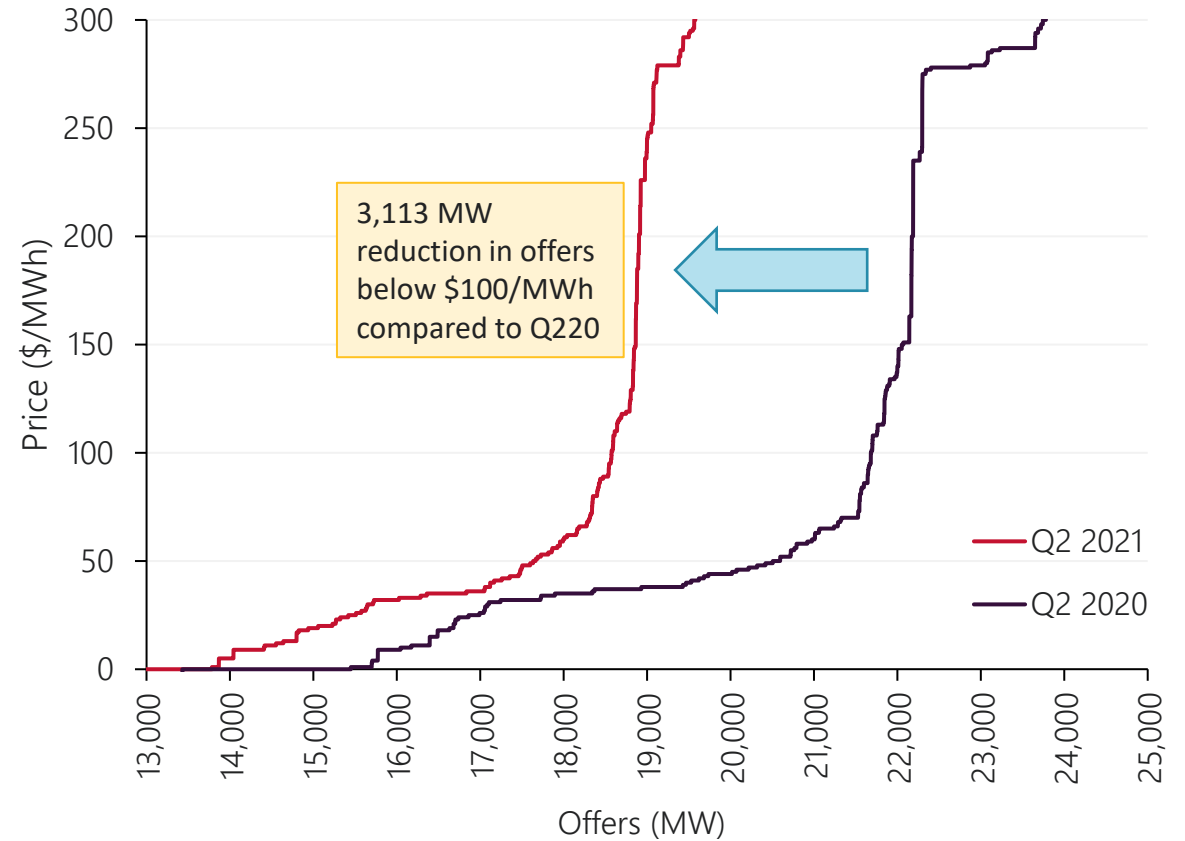
Reduced generator availability in QLD & NSW

Change in availability– Q2 2021 vs Q2 2020



Higher cost supply due to outages and higher fuel costs

NEM dispatchable generation bid supply curve – Q2 2021 and Q2 2020



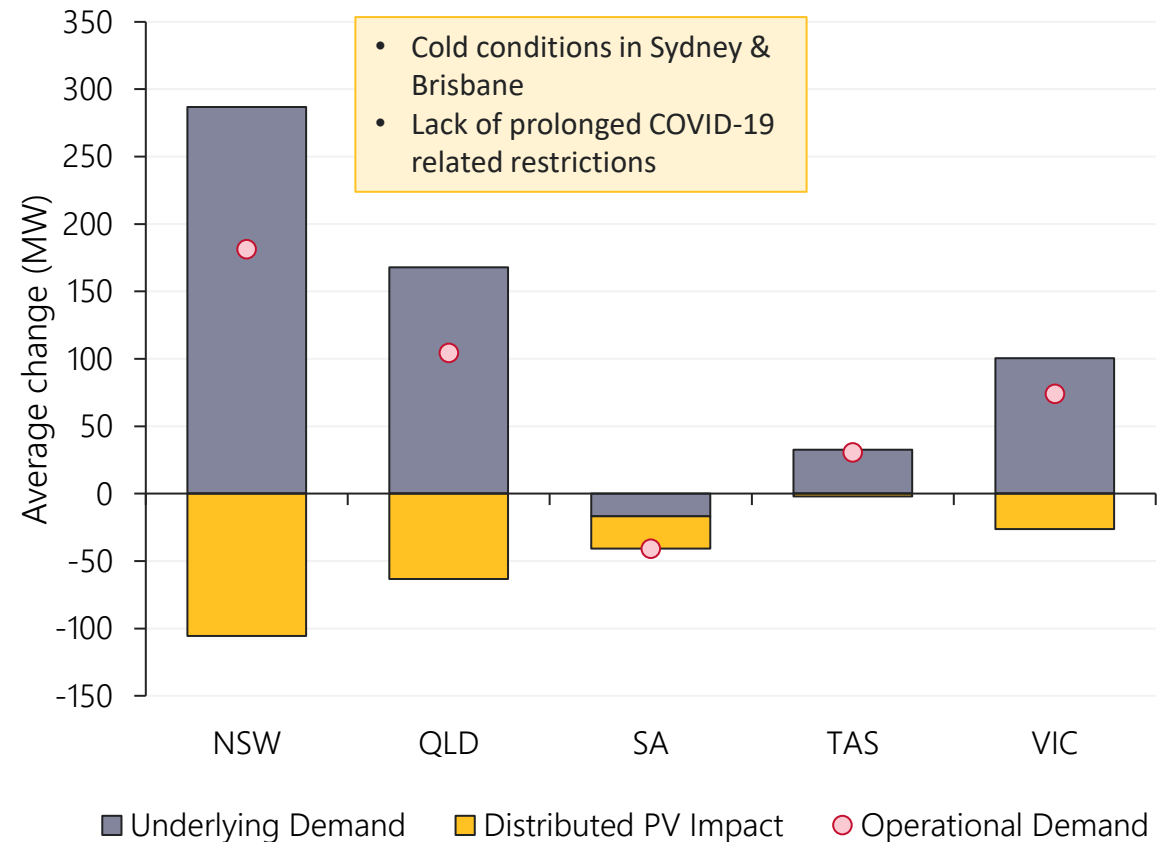
Cold Q2 weather increases demand

Highest NEM Q2 underlying demand since 2012



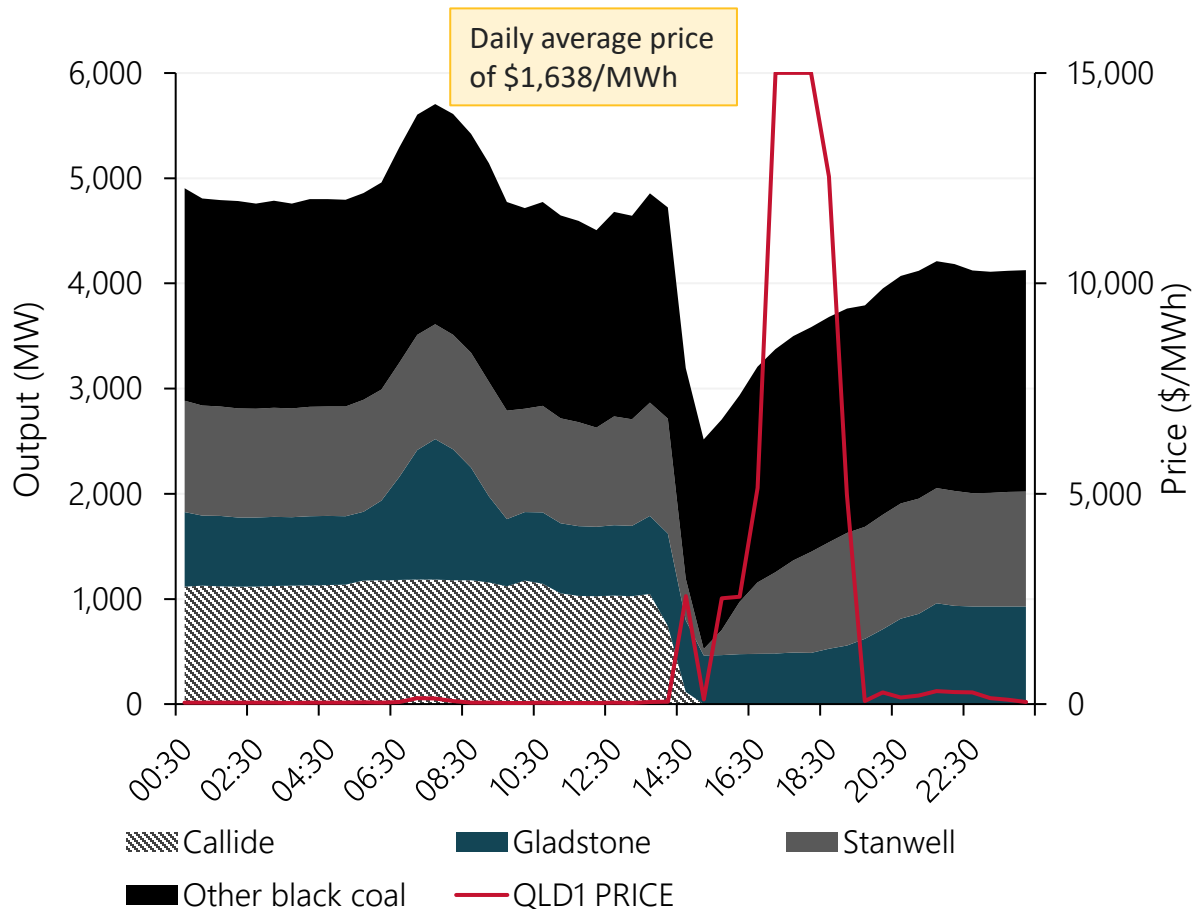
Largest demand increases in NSW & QLD

Change in operational demand by state – Q2 2021 vs Q2 2020

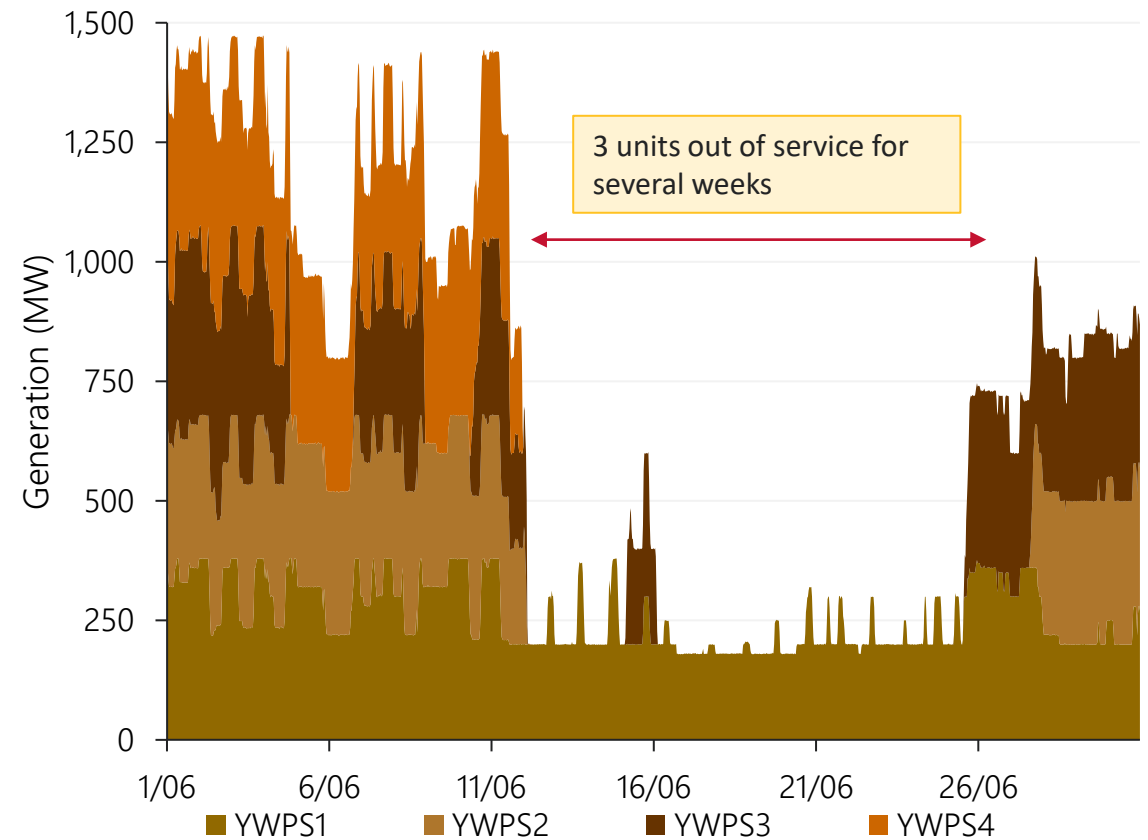


Issues at Callide and Yallourn

Major incident at Callide Power Station – 25 May

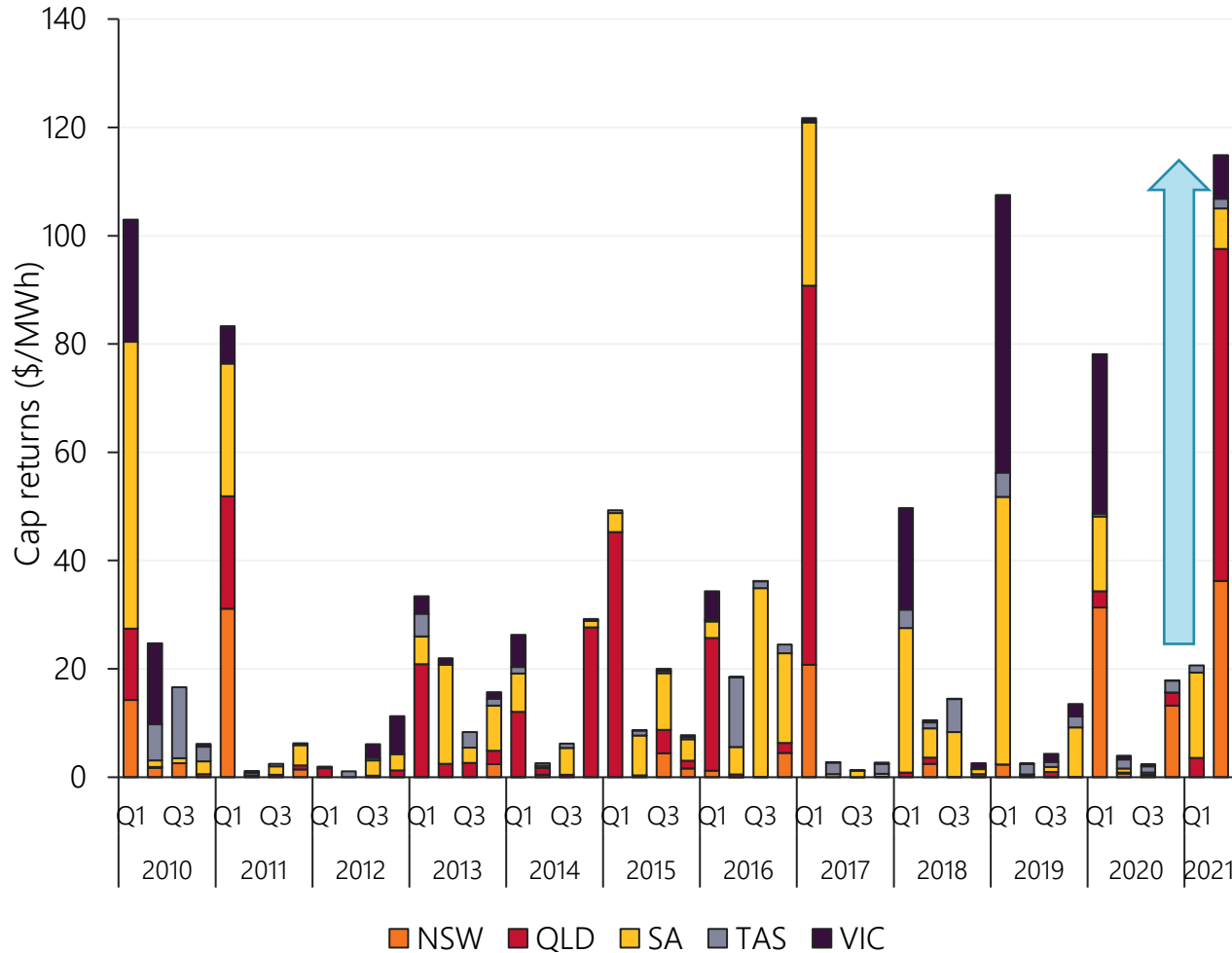


Yallourn affected by mine flood damage

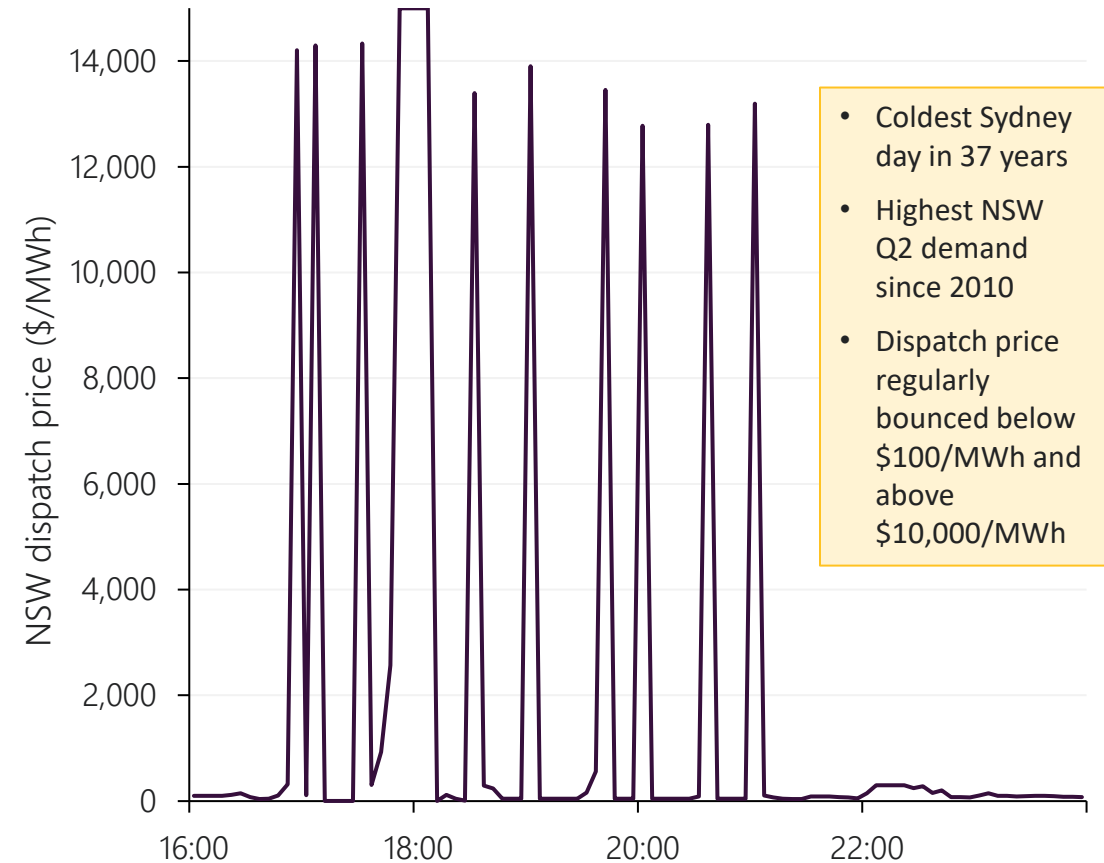


Price volatility a key driver

Extreme spot price volatility in QLD and NSW

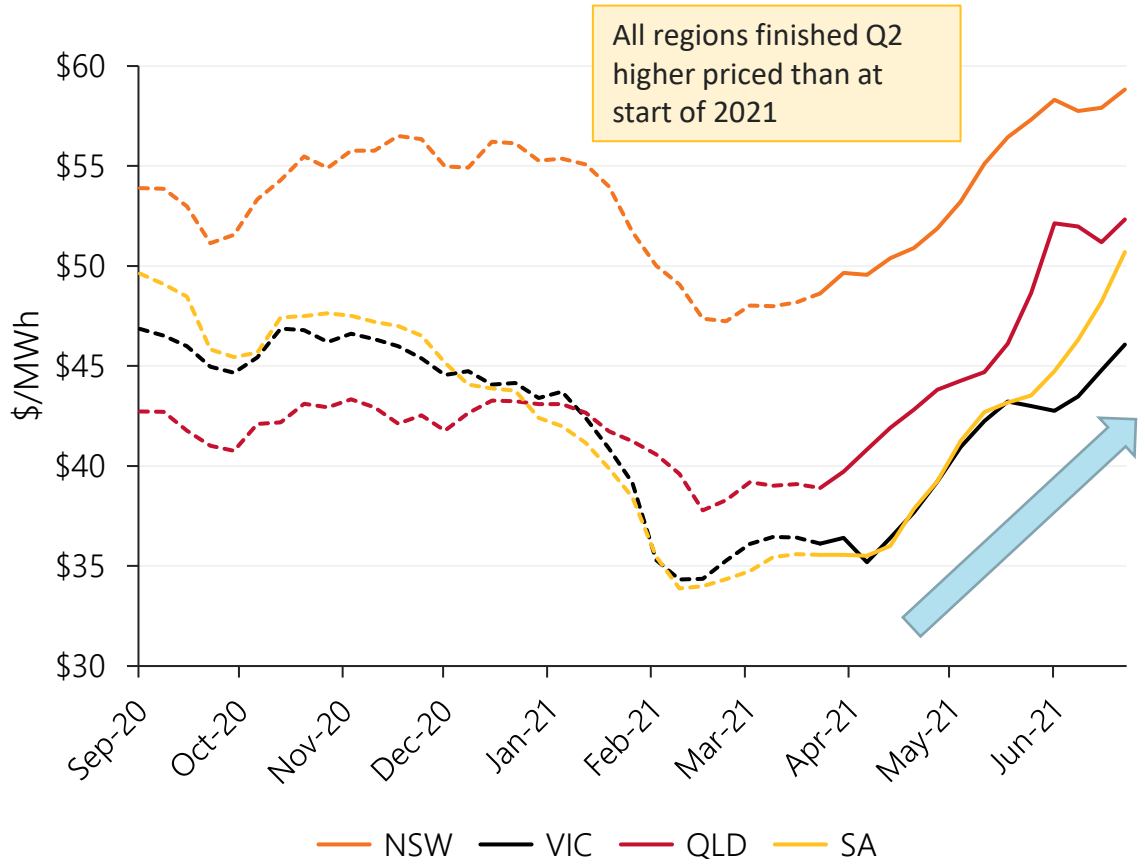


NSW volatility – 10 June 2021

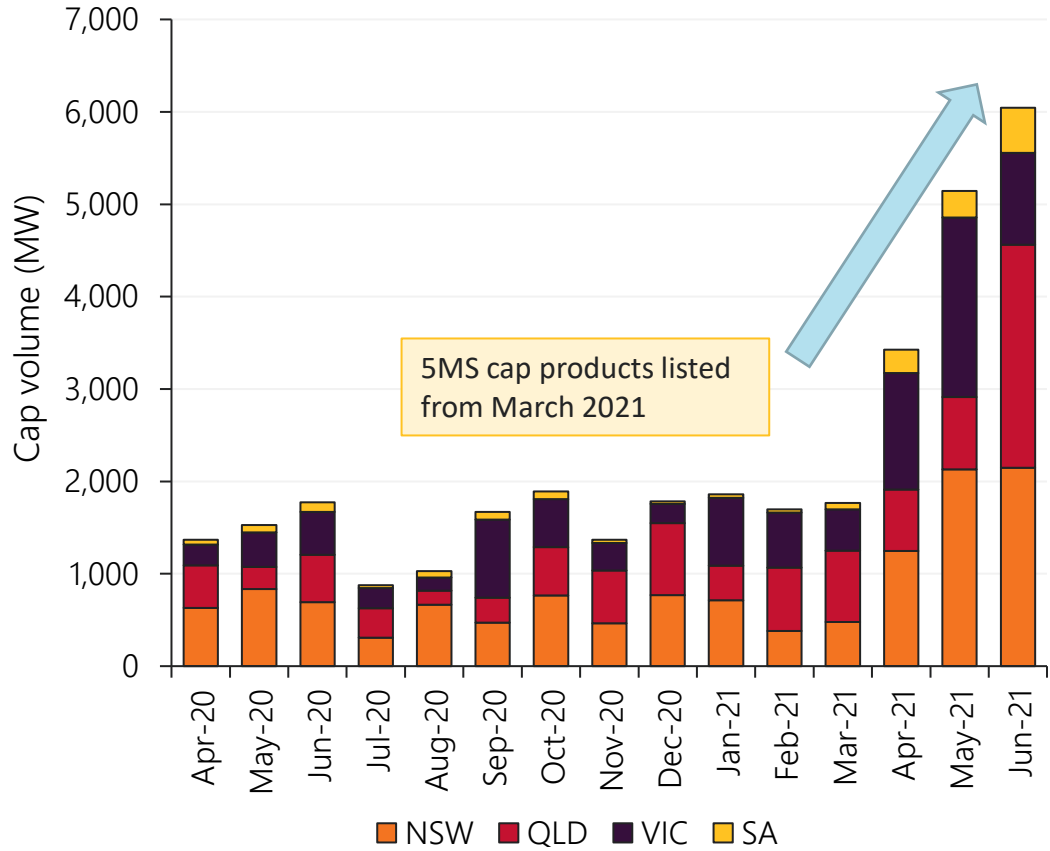


Futures prices rally

Calendar year 2022 swap prices



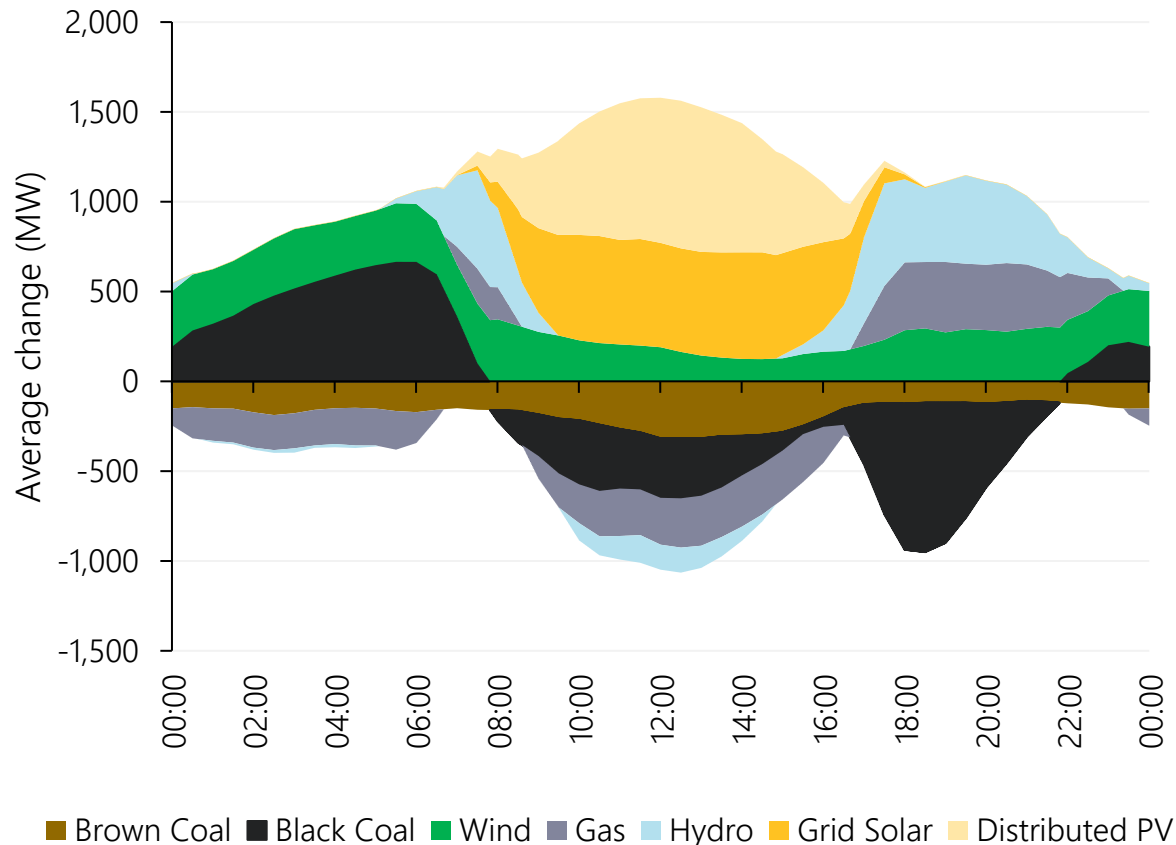
Return of price volatility sees large increase in ASX cap volume



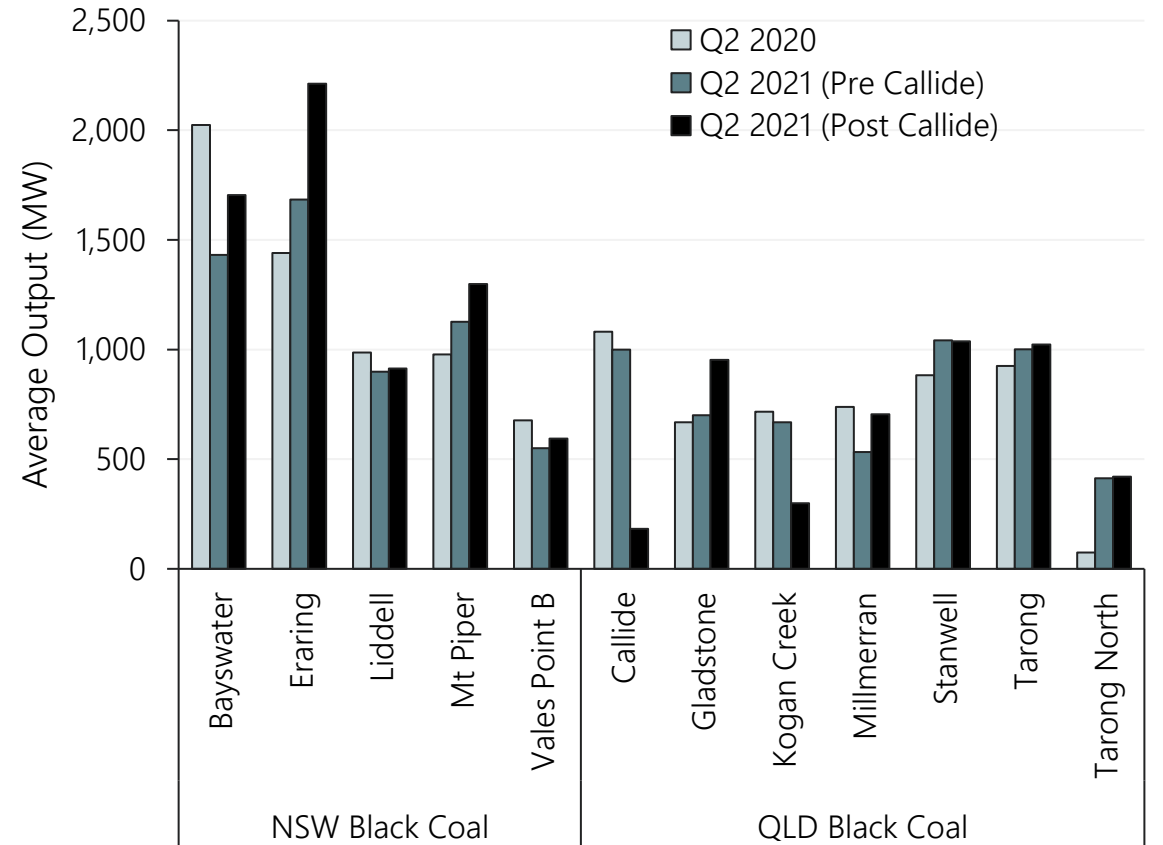
Renewables up, thermal generation down

Renewables output increased

Change in generation by fuel type– Q2 2021 vs Q2 2020

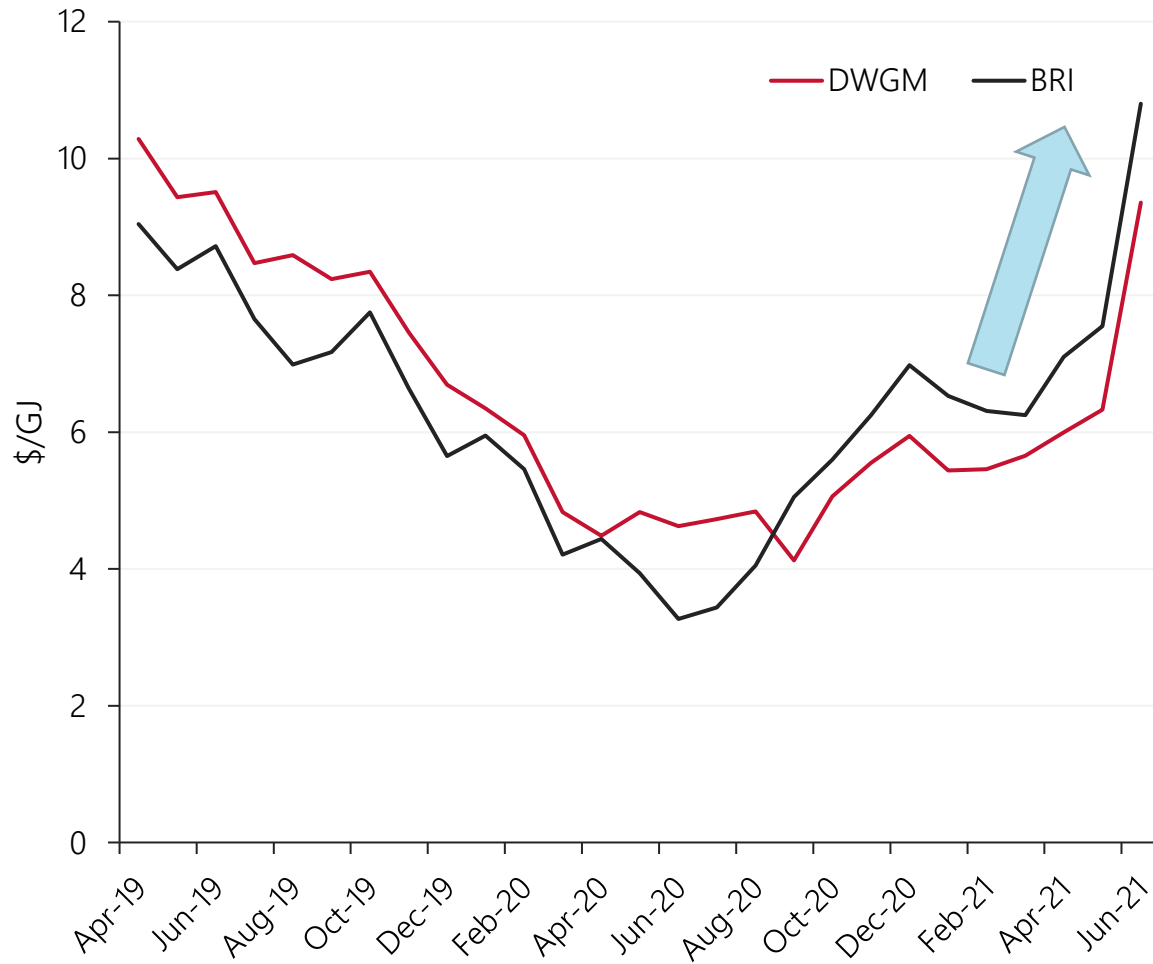


Online black coal units running hard post Callide

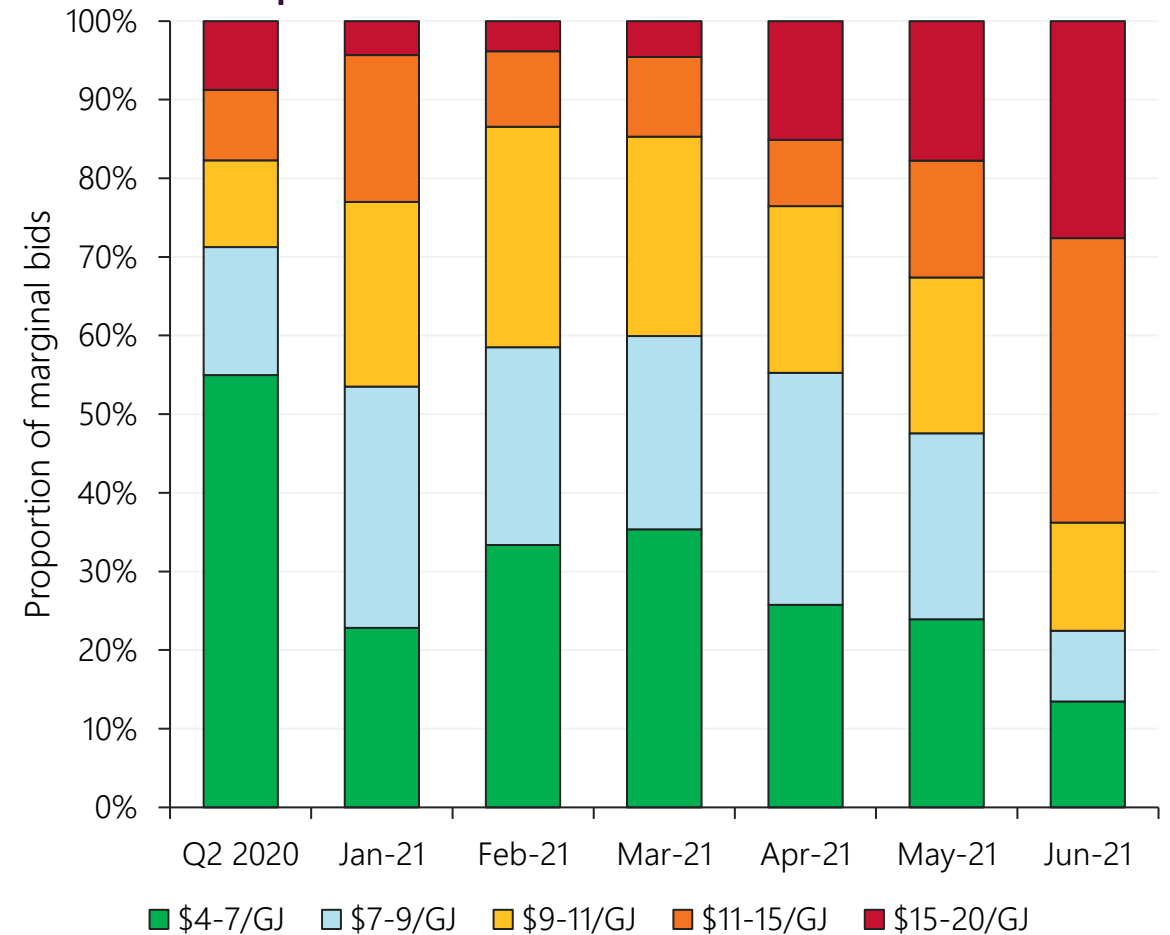


Gas prices rise sharply in May

Monthly average gas prices

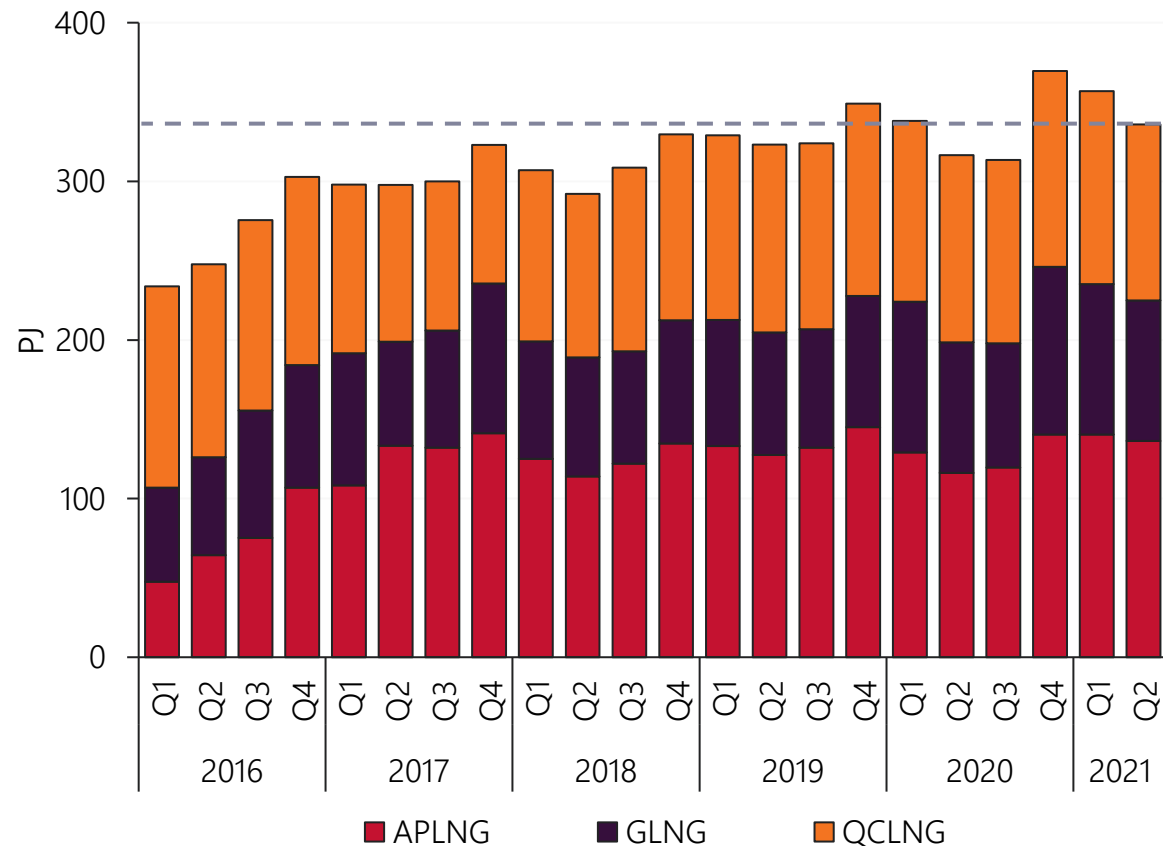


Brisbane STTM bids at higher prices than Q2 2020

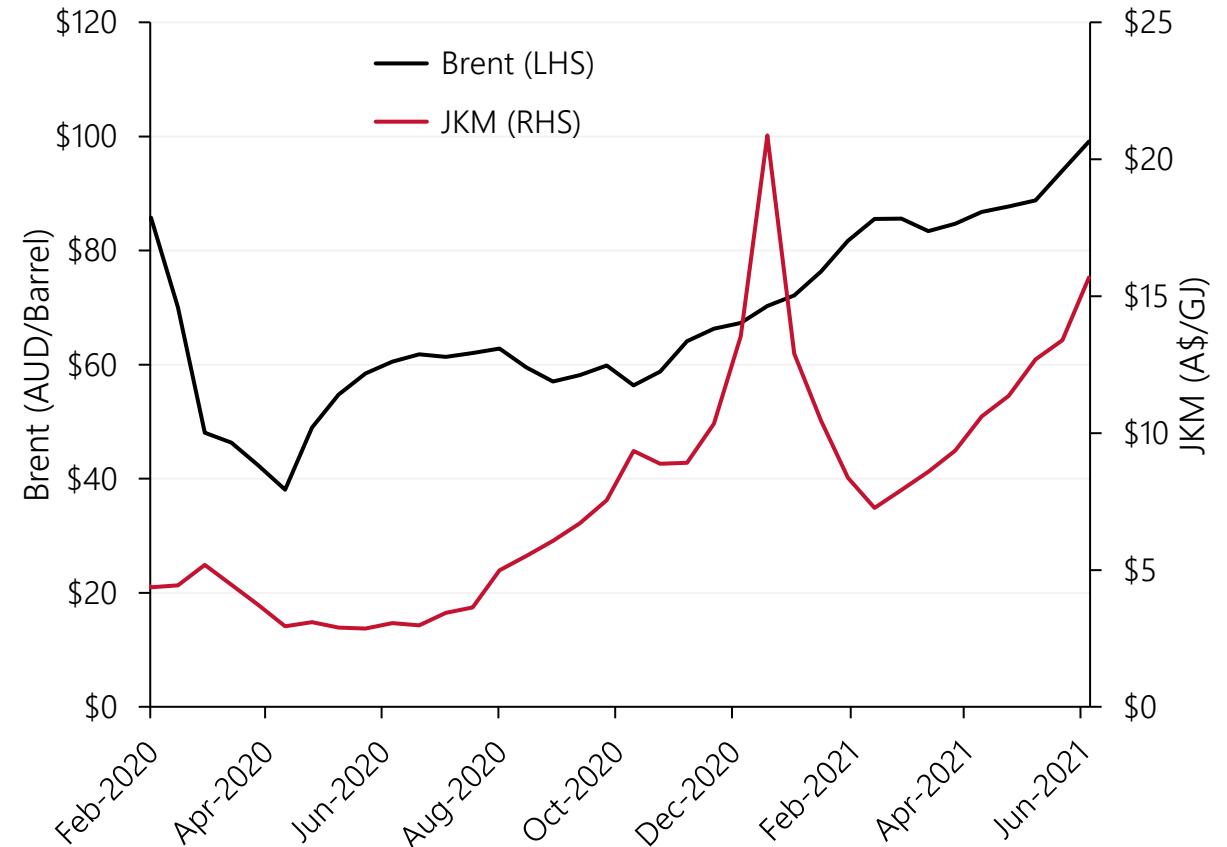


High international prices influences domestic market

Record high Q2 LNG exports

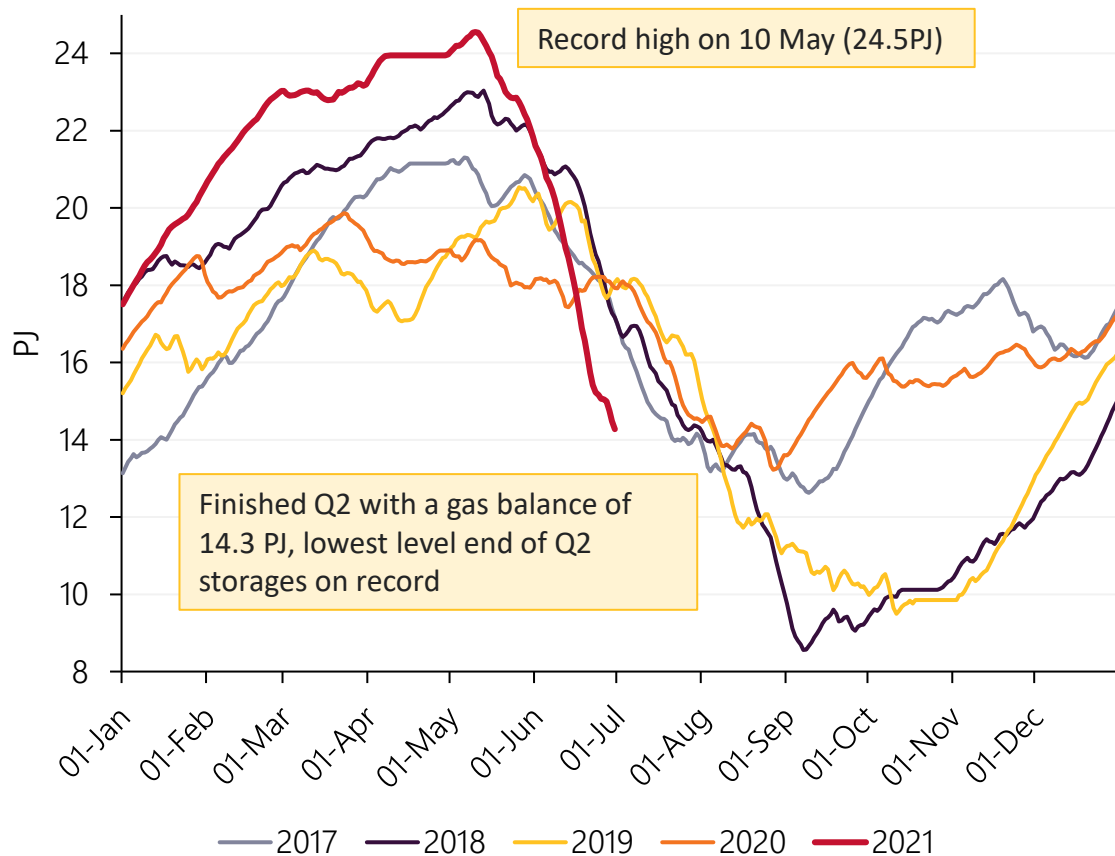


Oil & Asian LNG prices continue at high levels



High gas demand impacts lona storage

Iona storage levels in free fall during Q2



GPG rebounds from near record lows

