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AUSTRALIAN ENERGY MARKET OPERATOR

Autumn 2020 Market Review

June 2020

Key Messages for Autumn[1] 2020

- Autumn 2020 was colder than 2019 across all regions, particularly in Vic & SA.
- Demand was down overall
  - Non GPG +4 PJ driven by colder weather
  - GPG -5.6 PJ
  - QLD LNG -1.4 PJ
- Gas prices were the lowest since 2015 & more than halved compared to autumn 2019
  - Average $4.57/GJ compared to $9.53/GJ
  - Decrease coincided with low international gas & oil prices and lower demand.
- Supply was also lower especially in Vic.
  - Longford -5 PJ, Otway -4.7 PJ, Minerva -2 PJ (decommissioned September 2019)
  - However, Orbost began production from Sole field +1.2 PJ
  - LNG production was steady -0.2 PJ
  - Moomba production +4.9 PJ
  - NGP contributed -1.7 PJ to east coast supply
  - Other QLD production increased; e.g. Senex's Roma North (+1.6 PJ)
- Day Ahead Auction usage fell, particularly in April
- GSH volumes were also down -1 PJ

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[1] *Autumn = Mar to May*

Gas Market Prices

	Average Price ($/GJ)		Movement
	Autumn 2020	Autumn 2019	
DWGM	4.72	9.90	52% ▼
ADL STTM	5.18	10.32	50% ▼
SYD STTM	4.52	9.99	55% ▼
BRI STTM	4.20	8.90	53% ▼
GSH	4.24	8.54	50% ▼

- All markets saw significant price decreases; lowest prices seen since 2015
- Price separation between Queensland and the southern markets continues, but the gap continued to narrow
- Price decreases continue to be influenced by lower international gas prices

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System Demand

Demand Region	System Demand (PJ)				Max Demand (TJ)	HDD and EDD*			
	2020	2019	Move		2020	2020	2019	Move	
Brisbane	6.1	7.1	14%	▼	84	23	20	15%	▲
Sydney	19.1	20.7	8%	▼	277	130	101	29%	▲
Victoria	48.7	42.2	15%	▲	1,012	312	224	39%	▲
Adelaide	4.9	4.8	3%	▲	80	211	164	29%	▲
QLD LNG	329.8	331.2	0.4%	▼	3,983	-	-		

- Higher demand in Victoria and Adelaide due to colder weather
- Brisbane and Sydney decreases due to lower industrial demand
- QLD LNG slightly decreased due to planned maintenance outages during May. Demand was up 4 PJ in March and April compared to 2019.

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* EDD for DWGM/VIC

GPG

Demand Region	Total State GPG (PJ)			DWGM/STTM GPG (PJ)		
	2020	2019	Move	2020	2019	Move
QLD	13.7	10.4	32% ▲	2.6	1.6	66%▲
NSW	1.6	1.4	17% ▼	0	0	-
VIC	3.5	8.1	57% ▼	1.8	4.1	56% ▼
SA	12.6	15	16% ▼	-	-	-
TAS	0.01	2	97% ▼	-	-	-
∑GPG	31.5	37.1	15% ▼	3.4	5.7	40% ▼

- GPG demand down overall, only significant increase in QLD
- QLD increase mostly due to Darling Downs (+3.9 PJ)

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Supply

- Longford production lower (-5 PJ)
- Otway and Bass Gas production lower (-4.1PJ)
- Orbost supplied 1.2 PJ from 25 March
- Moomba production higher (+4.9 PJ)
- LNG production excess to the domestic market slightly lower (-0.6 PJ)
- Northern Territory supply to QLD lower (-1.7 PJ)

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Iona Gas Storage

- Iona was 2 PJ lower than at the end of May 2019
- Major contributing factor to this was a period of sustained usage in early to mid April
- Colder weather has contributed to continued withdrawals from storage, preventing the refill seen in 2019

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DWGM Marginal Injection Bids

- Lower 2020 prices influenced by large increase in marginal bids priced between $4-6/GJ across all months
- This was particularly evident from March

STTM Marginal Injection Bids

- All hubs have seen substantial shift in volumes priced below $5/GJ

Gas Supply Hub

- 5.3 PJ was traded and delivered across autumn, compared to 6.2 PJ in 2019
- First half of May in particular saw very low volumes

Day Ahead Auction Results

Summary

A April saw the lowest volumes since the auction began, but recovered in May

B MSP still the most utilised pipeline; MAPS began seeing volumes in March

C Average auction clearing prices continue to be zero on most days on all pipelines; on RBP price has averaged $0.03/GJ, MSP prices increased from zero in the last week of May, up to as high as $0.82/GJ

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Year To Date Demand Comparisons

- DWGM and Adelaide demand increases coincided with colder weather
- Brisbane in particular has seen lower industrial demand since mid February

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Web Links

Pipeline Flows, Production Flows, Capacity and GPG Data

https://www.aemo.com.au/energy-systems/gas/gas-bulletin-board-gbb/data-portal

DWGM

Gas Held in Storage

https://www.aemo.com.au/energy-systems/gas/gas-bulletin-board-gbb/data-portal

Market Price (INT310), Bid Stack (INT314)

https://aemo.com.au/energy-systems/gas/declared-wholesale-gas-market-dwgm/data-dwgm/daily-dwgm-reports

STTM

Ex-Ante Market Price (INT651) & Schedule Quantity (INT652)

https://aemo.com.au/energy-systems/gas/short-term-trading-market-sttm/data-sttm/daily-sttm-reports

Gas Supply Hub

Traded Volume and Volume Weighted Average Price

http://nemweb.com.au/Reports/Current/GSH/GSH_Historical_Trans_Summary/