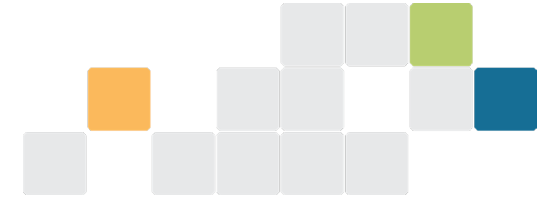




Australian Government
Clean Energy Regulator



Updated data on electricity and LGC prices

The Clean Energy Regulator previously committed to release relevant data that was used to inform the Emissions Reduction Assurance Committee (ERAC)'s advice on the Landfill Gas (Generation) Method. The agency is putting into the public domain the assumptions about electricity and Large-scale Generation Certificate (LGC) prices that underpinned the updated analysis that ERAC considered in April 2021. The agency was intent in ensuring the assumptions about electricity and LGC prices were informed by prevailing market views and aligned with a whole-of-government approach. Therefore, the electricity and LGC prices that were used to prepare the emissions projections done in 2020 by the then Department of Industry, Science, Energy and Resources (now Department of Climate Change, Energy, the Environment and Water) were sought and provided to the agency on a confidential basis. This data is published below.

The agency considered using other data sources to inform the assumptions about projected electricity and LGC prices. However, electricity and LGC price projections are inherently uncertain and subject to debate. On that basis it was determined that a whole-of-government data source should be used. Electricity and LGC prices are highly volatile and any projection has the potential to be criticised ex-poste for turning out to be incorrect with the benefit of hindsight. In late 2020, a number of commentators were predicting LGC prices of \$1 or below. However, since then there have been increased voluntary cancellations of LGCs to support corporate and state and territory government emissions reductions and carbon neutrality goals. These factors have created new demand for LGCs and have helped to sustain LGC prices beyond the expectation of commentators. There are a number of factors that have caused recent electricity price volatility including the Callide C power station being taken offline, bringing forward the planned exits of specific thermal generators and severe weather impacts. International drivers such as the war in Ukraine have also created strong upward pressure on energy commodities (coal and gas) in recent months, with impacts on wholesale electricity prices.





Electricity wholesale prices in Real 2020\$/MWh, years are calendar years

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
NSW	47.12	47.81	43.32	52.00	45.69	45.75	45.30	44.04	46.84	49.62
QLD	44.95	45.08	42.10	49.24	47.25	45.98	49.06	48.07	49.35	48.48
SA	40.92	37.92	43.92	43.74	40.89	40.87	39.74	43.02	45.73	48.18
VIC	47.73	40.89	44.33	41.92	38.24	37.80	35.97	40.76	43.54	46.15

Source: Department of Industry, Science, Energy and Resources

LGC spot prices in Real 2020\$/LGC, years are calendar years

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
LGC	33.125	26.5	18.375	9.475	6.175	0.06	0.06	0.06	0.06	0.06

Source: Department of Industry, Science, Energy and Resources