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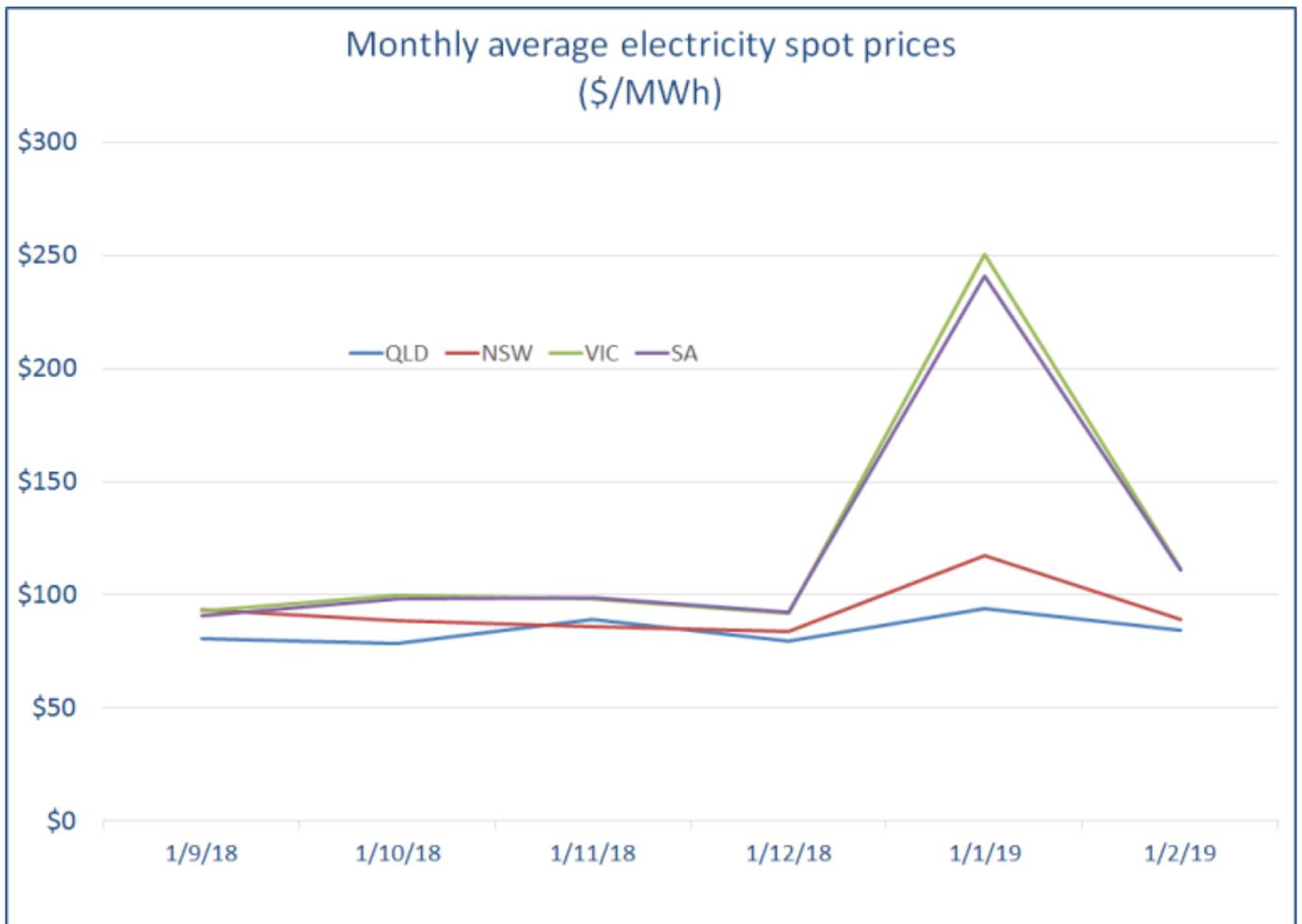
# Powering business newsletter

What happened in the energy market this month?

## February 2019

Every month, we'll share our views on the energy market and outline the headlines that can impact the supply and price of energy.

### The electricity market this month



Finlay Macdonald-Stack, Portfolio Trader, Trading Operations

*The market was less volatile across the NEM in February with a reduction in demand from January levels. More generation from wind and solar helped bring average prices down. However, as the hottest summer on record, temperatures were well above long-term averages and average prices were still elevated. QLD experienced severe storms but continues to be the least volatile state, supplying the south for large parts of the month. Unplanned baseload outages continue to affect the NEM, however as demand falls, there is less impact on price compared to January.*

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## News headlines

**31 January:** The first [Energy Charter](https://www.theenergycharter.com.au/) launched (<https://www.theenergycharter.com.au/>). The Energy Charter, shaped by participating CEO's from the gas and electricity industry, with consultation from the [public](https://static1.squarespace.com/static/5b20a97b85ede1e56472bc39/t/5c516a19032be4cc739b) (<https://static1.squarespace.com/static/5b20a97b85ede1e56472bc39/t/5c516a19032be4cc739b>) and Energy Consumers Australia, outlines principles to deliver affordable, sustainable and reliable energy to Australian homes and businesses. Participants include retailers such as Origin, AGL and Energy Australia, along with networks and suppliers throughout the energy industry. The Charter requires each participant to publicly report its actions against key Charter principals, using shared metrics and measures to monitor progress. An independent accountability panel will assess each business' disclosures and present their findings and any recommendations to the public. The first reporting cycle will be around the end September, with the evaluation expected end of 2019.

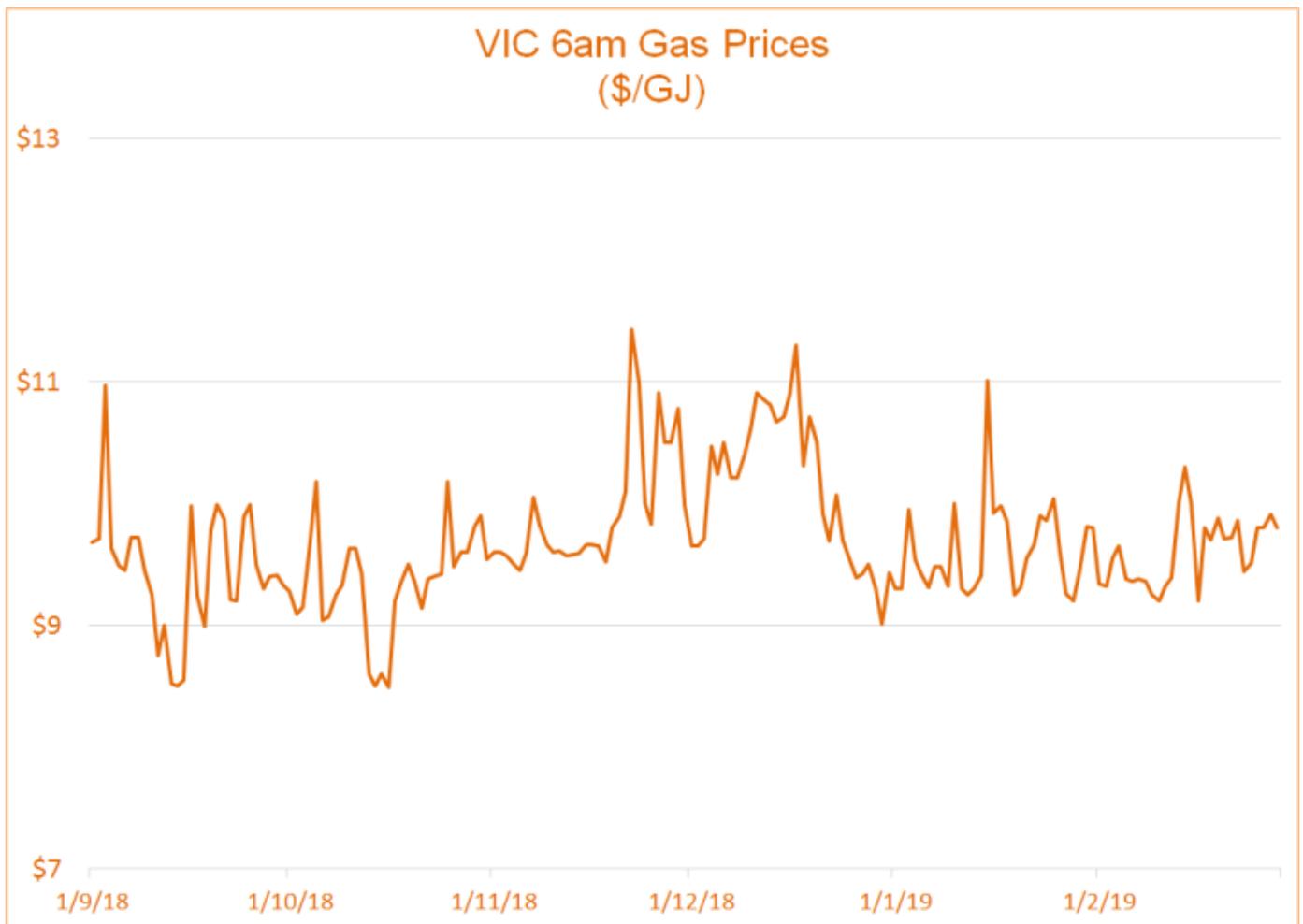
**31 January:** An outage in NSW's Double Bay substation at around 11:30am cut power to 45,000 homes and businesses in the eastern suburbs of Sydney.<sup>1</sup> Power was restored by 1pm.

**13 February:** Ausgrid reported a cable fault at the Hornsby substation causing a power failure to around 26,000 homes in Sydney's Upper North Shore and Hills District.<sup>2</sup>

**15 February:** Origin acquires Melbourne-based, building utility provider; [OC Energy](https://www.ocenergy.com.au/) (<https://www.ocenergy.com.au/>).<sup>3</sup> OC Energy, an embedded network provider, services 55,000 customers in NSW and Victoria.

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## The gas market this month



### Louise Colbran, Portfolio Trader, Trading and Operations

February continued a run of 22 consecutive months of warmer than average daytime temperatures in NSW with night temperatures also well above average. All states recorded above average day temperatures, but SA and VIC had much cooler overnights. Rainfall across the eastern states was well below average and gas-powered generation requirements have been elevated but are well down on 2017/18 levels.

Iona inventory levels are at 18PJ at the end of February, which is up on the same time 2017 but lower than the 20PJ that was in storage the same time last year.

Lake Eucumbene dam levels are sitting just above 25%, which were at almost 42% the same time last year. Lower dam levels increase the risk of less Hydro Generation which can also increase gas demand requirements for Electricity generation purposes.

## News headlines

**19 February:** Origin has entered into an agreement to sell its Ironbark project to Australia Pacific LNG (<https://www.aplng.com.au/>) for \$231 million.

➤ More on the Ironbark agreement (<https://www.originenergy.com.au/about/investors-media/media-centre/origin-to-sell-ironbark-to-australia-pacific-lng.html>).

**26 February:** Origin has signed an agreement with GB

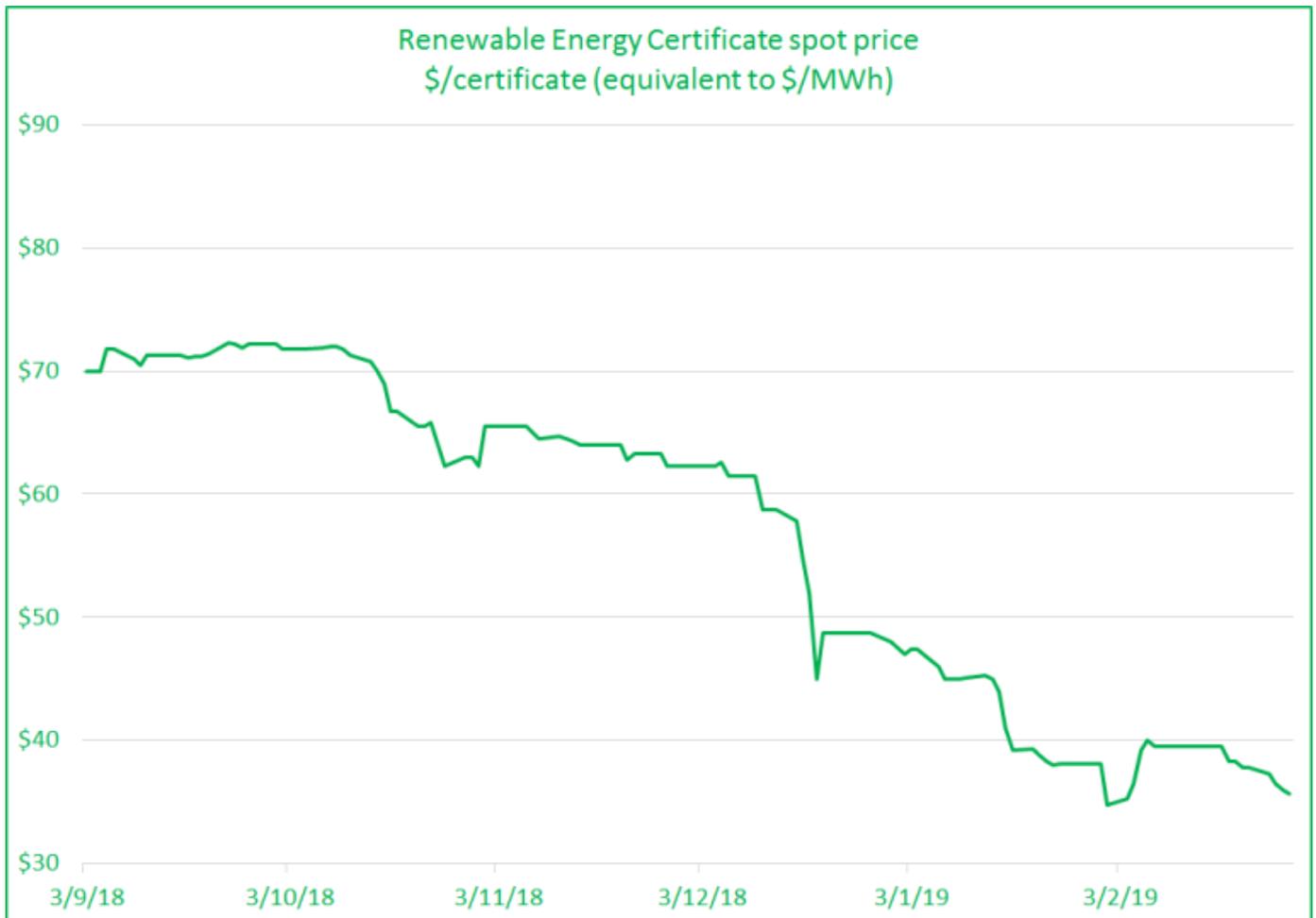
Energy to purchase all natural gas produced from GB Energy’s Golden Beach field, in the offshore Gippsland Basin. Origin has also entered into a foundation storage contract if GB Energy transitions the reservoir into an underground storage facility after production.

➤ More on the GB Energy agreement ([https://www.originenergy.com.au/about/investors-media/media-centre/origin\\_secures\\_more\\_gas\\_for\\_domestic\\_users.html](https://www.originenergy.com.au/about/investors-media/media-centre/origin_secures_more_gas_for_domestic_users.html)).

## Renewable market update

### News headlines

**7 February:** The feasibility study to convert 650,000 tonnes of waste to energy was approved and financially supported by the Victorian and Federal governments. Victorian-based Australian Paper, and waste management company Suez, are partnering to develop a 225 MW power plant using “controlled combustion” to convert waste to energy.<sup>4</sup> As the largest user of natural gas in Victoria, Australian Paper hopes to utilize the plant to power its operations by 2024.<sup>5</sup>



**15 February:** Shell acquires German battery maker Sonnen to grow its New Energies business.<sup>6</sup> The acquisition is expected to strengthen the company's product offering in the areas of electric vehicle charging, household batteries and virtual power plants. Its Asia-Pacific headquarters are located in SA's former Holden facility in Elizabeth.

**25 February:** Wind technology company Vestas will build WA's largest wind farm. The 41 wind turbines will supply Alinta Energy with 214 MW of energy to supply 200,000 households a year.<sup>7</sup>

**27 February:** Gelion launches its [Gelion Endure battery storage platform](http://www.gelion.com/gelion-endure-launch/) (<http://www.gelion.com/gelion-endure-launch/>) as part of a commercial deal with Sydney University. The technology uses zinc bromide chemistry, claiming a cheaper, safer and more sustainable alternative to lithium-ion.

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## References

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5. The Herald Sun Friday 8th February 2019 378 words Page 14
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## Talk to your Origin account manager

8:30 am – 5 pm AEST, Monday to Friday

 13 23 34 (tel:132334)



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