

Energy Wholesale Market Review

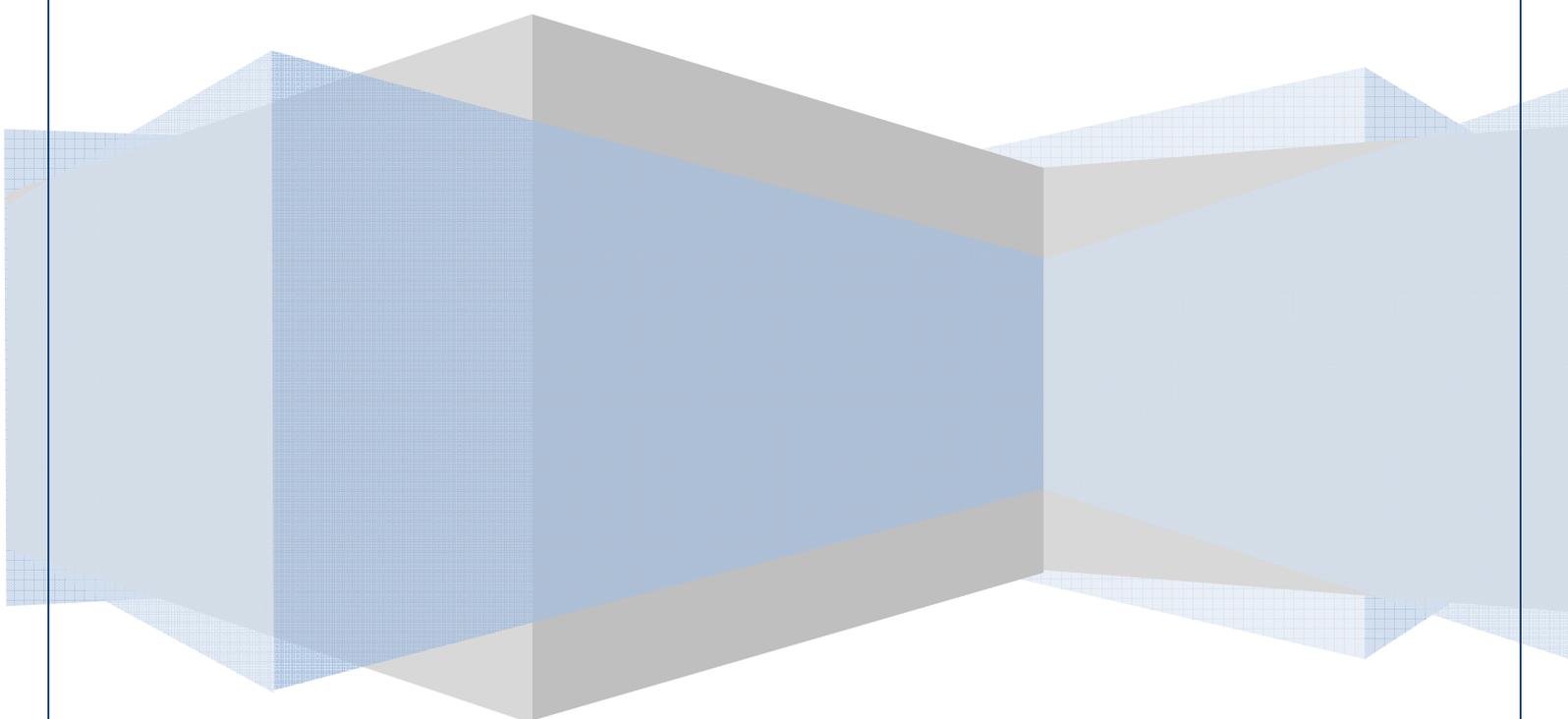
Week Ending 25th October 2019



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Headlines 25/10/2019

The majority of power and gas contracts decreased this week. Day-ahead contracts were an exception with day-ahead gas jumping 7.5% to 30.0p/th, driven by rising demand amid a drop in temperatures and weaker wind generation. Day-ahead power gained 4.9% to finish the week at £44.3/MWh following gas prices higher. November 2019 gas lost 2.6% to 40.6p/th and December 19 gas dropped 5.6% to 44.1p/th. Seasonal gas contracts fell 1.7% on average with summer 20 gas dropping 3.5% to 40.8p/th. November 19 power dropped 2.8% to £47.9/MWh while December 19 power fell 3.8% to £49.7/MWh. Seasonal power prices slipped 1.5% on average. Summer 20 power fell 2.5% to £46.1/MWh, winter 20 contract lost 1.4% to £53.4/MWh Brent crude oil rose 1.9% to average \$60.0/bl, as US stocks saw an unexpected decline early last week. US-China trade talks and the global declining economy are acting as opposite drivers. OPEC cuts resulting in lower stockpiles could drive prices up in the coming months. EU ETS carbon increasing 1.3% to average €25.3/t. Prices still supported by the agreement of a Brexit deal between the EU and the UK. API 2 coal prices dropped 2.3% to average \$67.0/t.

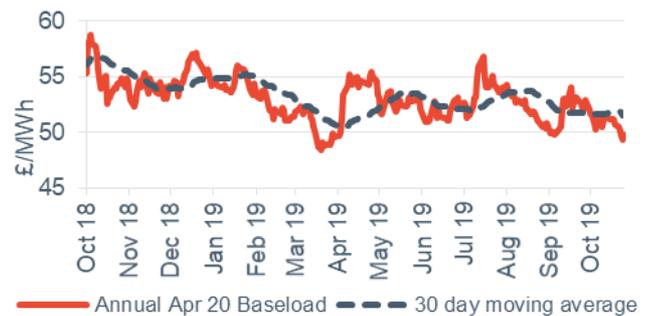
Baseload electricity

- Day-ahead power gained 4.9% to finish the week at £44.3/MWh.
- November 19 power dropped 2.8% to £47.9/MWh while December 19 power fell 3.8% to £49.7/MWh.
- Q120 power slipped 4.0% to £52.0/MWh.
- The annual April 20 power contract slipped 1.9% to £49.8/MWh. This is 9.3% lower than the same time last year (£54.9/MWh).

Forward curve comparison



Annual April contract



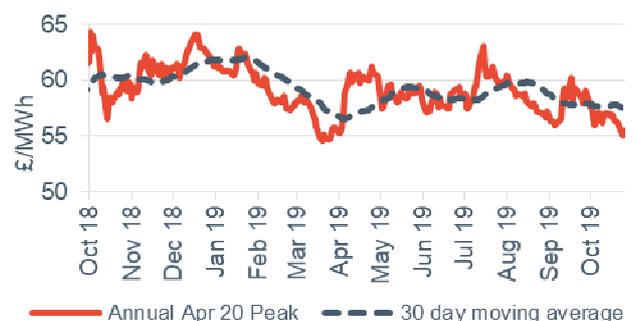
Peak electricity

- Day-ahead peak power rose 5.4% to £49.0/MWh, £4.7/MWh above its baseload counterpart.
- November 19 peak power fell 2.8% to £55.0/MWh.
- December 19 peak power decreased 3.5% to £56.2/MWh.
- Annual April 20 peak power was 1.7% lower at £55.5/MWh, £5.7/MWh above its baseload power counterpart.
- The contract is 9.3% below its value this time last year (£59.8/MWh).

Forward curve comparison



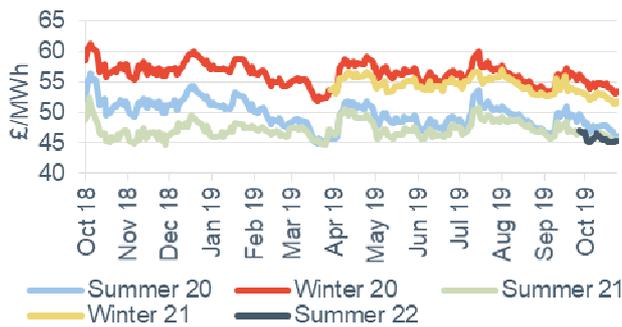
Annual April contract



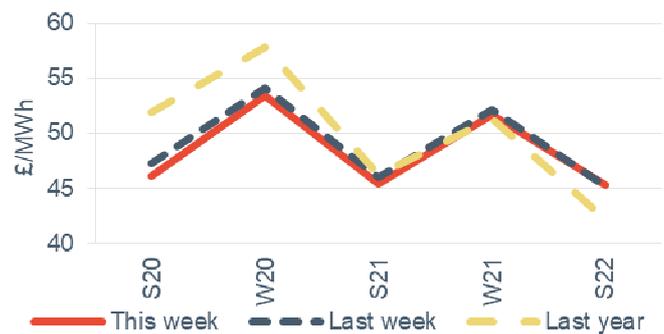


Seasonal power prices

Seasonal baseload power contracts



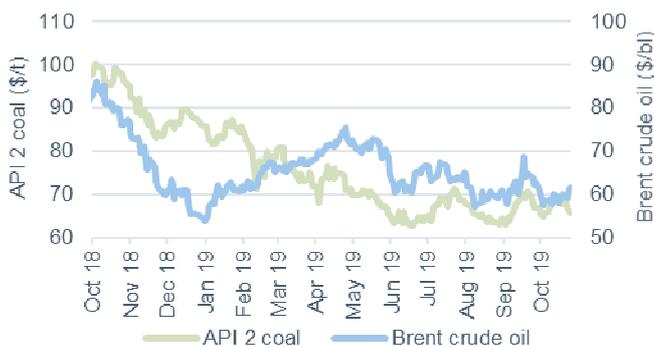
Seasonal baseload power curve



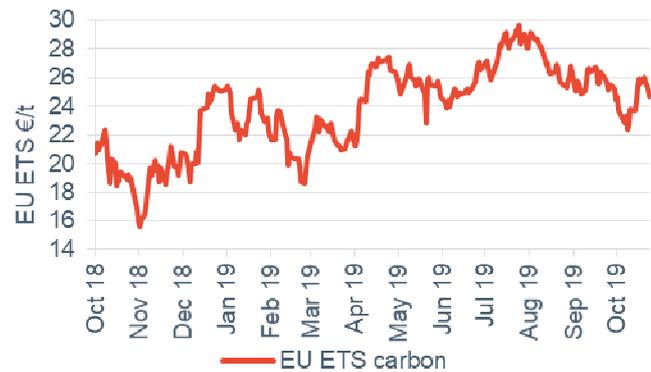
- All seasonal power contracts declined this week, going down 1.5% on average.
- Summer 20 power fell 2.5% to £46.1/MWh, winter 20 contract lost 1.4% to £53.4/MWh.
- Seasonal peak power contracts were 1.2% lower on average.
- Summer 20 peak power fell 2.1% to £50.0/MWh.

Commodity price movements

Oil and coal



Carbon



- Brent crude oil rose 1.9% to average \$60.0/bl.
- US stocks saw an unexpected decline early last week, resulting in lower supply.
- US-China trade talks and the global declining economy are acting as opposite drivers. OPEC cuts resulting in lower stockpiles could drive prices up in the coming months.
- API 2 coal prices dropped 2.3% to average \$67.0/t.
- Gas oversupply in NW Europe and a slow return to production in Indian coal mines following monsoon season saw decreased coal-for-power demand.
- EU ETS carbon increasing 1.3% to average €25.3/t.
- Prices still supported by the agreement of a Brexit deal between the EU and the UK.
- However, frustrations preside over Brexit talks as Prime Minister Boris Johnson failed to get approval for a 3-day timetable to scrutinise the Brexit deal agreed with the UK.

Supplier tariff movements

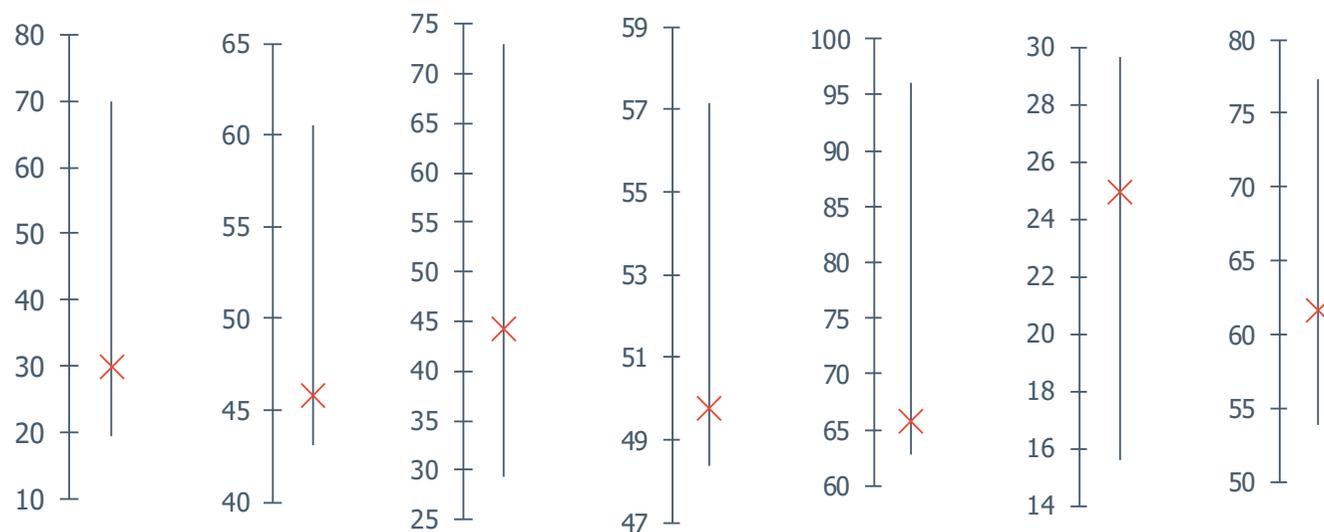
In September, 20 suppliers reduced the price of their cheapest available tariff, while nine suppliers increased their cheapest tariff price. Outfox the Market continued to offer the cheapest available tariff priced at £864/year on average, followed by Green priced at £867/year on average. EDF Energy reduced the price of its cheapest available tariff, with its new Simply Online Apr21 tariff priced at £931/year on average. ENGIE's cheapest available tariff increased by £76/year to £1,101/year on average, after it removed its one year tariff, offering only two year tariffs instead.



Wholesale price snapshot

		Gas (p/th)		Electricity (£/MWh)		Coal	Carbon	Brent crude
		Day-ahead	Year-ahead	Day-ahead	Year-ahead	(\$/t)	(€/t)	(\$/bl)
Last week	25 Oct 19	30.10	45.79	44.25	49.75	65.70	24.92	61.62
Two weeks ago	18 Oct 19	28.00	46.94	42.20	50.72	68.35	25.54	60.00
Four weeks ago	27 Sep 19	26.75	50.14	40.00	52.93	66.75	25.48	62.56
Last year	26 Oct 18	66.05	57.85	66.70	54.86	96.00	18.96	76.06
Year-on-year % change		-54.4%	-20.8%	-33.7%	-9.3%	-31.6%	31.4%	-19.0%
Year high		70.00	60.53	73.00	57.14	96.00	29.66	77.34
Year low		19.30	43.07	29.25	48.38	62.75	15.60	53.82

This table shows the prices last week compared with prices from the previous week, month and year. The graphs show the position of last week's prices with a red X and the range of prices over the year is represented by the black line.





About EDW Technology Limited

EDW has an extensive history of developing, implementing and supporting its 'best of breed' retail electricity software solutions.

In 2000, EDW began building a revolutionary new electricity software platform to support the rigorous demands of the UK's deregulated electricity supply market – a market characterised by rapidly changing government regulation, business processes, market rules, industry dataflows and customer demands. EDW were founded as a provider of high quality, end-to-end IT services and we have remained true to that aim ever since, servicing a range of companies in the energy industry.

For over 18 years, our software product ERS has empowered business electricity suppliers to transform customer experience, improve business efficiency, reduce costs to serve and improve profitability.

EDW has a UK based team of 85 employees working from the EDW offices in Milton Keynes.

Industrial and commercial billing specialists

The industrial and commercial electricity supply market has unique business requirements that need to be serviced with a specialised set of IT system capabilities. Sophisticated business customers are willing to actively engage in the management of their energy accounts and solutions need to provide tools that support enhanced service interaction. EDW has gathered an extensive knowledge of the industrial and commercial market sector that enables the delivery of a powerful set of system capabilities essential to your requirements to service this complex and demanding market sector.

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