

Energy Wholesale Market Review

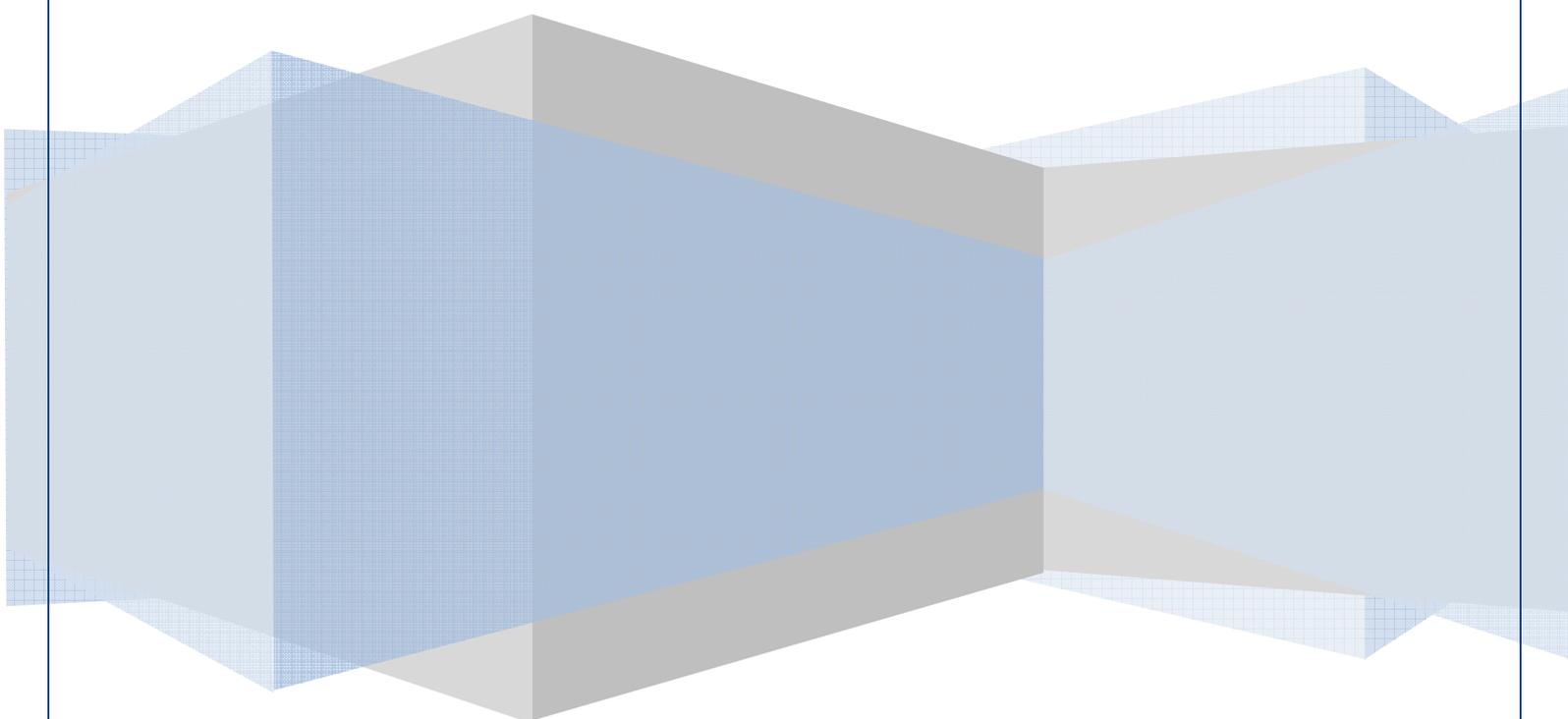
Week Ending 8th November 2019



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Headlines 08/11/2019

Most power and gas contracts decreased this week, with day-ahead contracts the exceptions. Day-ahead gas rose 41.6% to finish the week at 40.0p/th, following a forecast drop in temperatures, while day-ahead power gained 13.1% to £44.4/MWh as wind generation dropped mid-week. December 19 gas was up 0.4% at 42.8p/th, and January 20 gas decreased 0.5% to 45.0p/th. All seasonal gas contracts declined this week, down 0.5% on average. Summer 20 gas dropped 0.9% to 39.3p/th and winter 20 gas declined 0.3% to 49.5p/th. All seasonal power contracts declined further this week, going down 0.7% on average. Summer 20 power fell 0.6% to end the week at £45.4/MWh, while the winter 20 contract slipped 0.5% to £52.8/MWh. Brent crude oil gained 2.2% to average \$62.3/bl this week, following the shutdown of the Keystone pipeline after an oil spill. Delegates from OPEC this week have said that the organisation is more likely to encourage members to comply more fully with existing agreements to pledge to cut supplies by 1.2mn bpd. EU ETS carbon reversed last week's gains, losing 1.4% to €25.2/t, amid weak auction results and waning German economic data. API 2 dropped 1.7% to average \$64.1/t.

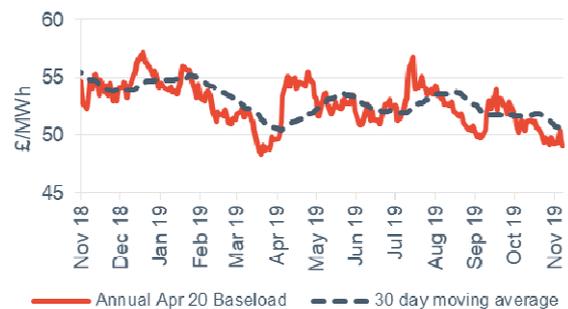
Baseload electricity

- Day-ahead power rose 13.1% to £44.4/MWh as wind generation dropped mid-week.
- December 19 power slipped 0.6% to £48.8/MWh while January 20 power fell 1.4% to £51.5/MWh.
- Q120 power slipped 1.2% to £50.9/MWh.
- The annual April 20 power contract lost 0.5% to £49.1/MWh, 9.2% lower than the same time last year (£54.1/MWh).

Forward curve comparison



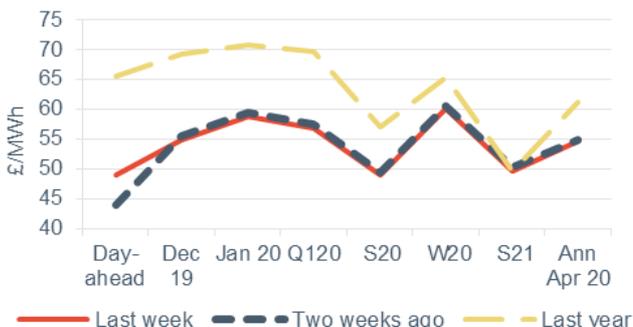
Annual April contract



Peak electricity

- Day-ahead peak power reversed last week's gains, rising 11.1% to £48.9/MWh, £4.5/MWh above its baseload counterpart.
- December 19 peak power fell 1.3% to £54.7/MWh.
- January 20 peak power decreased 1.2% to £58.7/MWh.
- Annual April 20 peak power was 0.7% lower at £54.5/MWh, £5.4/MWh above its baseload power counterpart.
- The contract is 10.7% below its value this time last year (£61.1/MWh).

Forward curve comparison



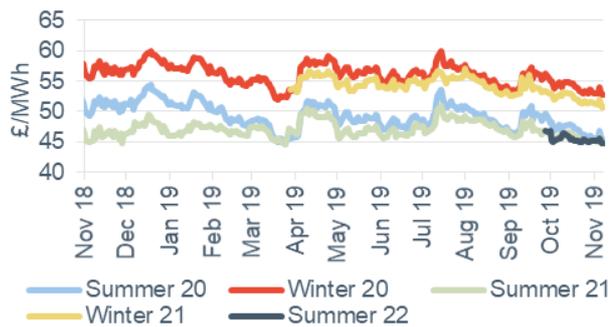
Annual April contract





Seasonal power prices

Seasonal baseload power contracts



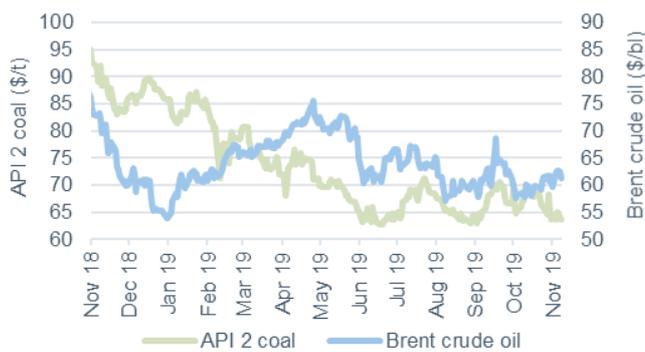
Seasonal baseload power curve



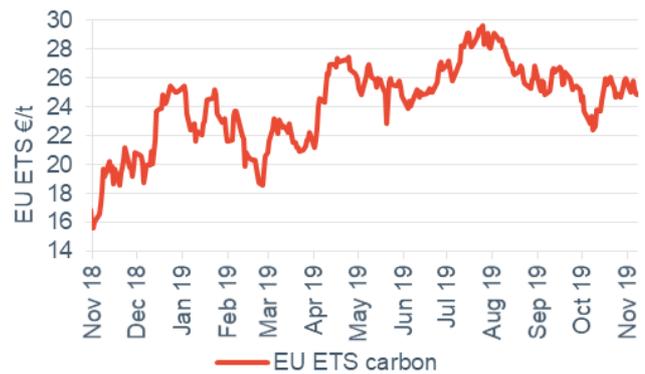
- All seasonal power contracts declined further this week, going down 0.7% on average.
- Summer 20 power fell 0.6% to £45.4/MWh, while the winter 20 slipped 0.5% to £52.8/MWh.
- Seasonal peak power contracts were 4.7% lower on average.
- Summer 20 peak power fell 0.6% to £49.1/MWh.

Commodity price movements

Oil and coal



Carbon



- Brent crude oil gained 2.2% to average \$62.3/bl this week.
- Prices were supported by the shutdown of the Keystone pipeline following an oil spill.
- Delegates from OPEC this week have said that the organisation is more likely to encourage members to comply more fully with existing agreements to pledge to cut supplies by 1.2mn bpd.
- API 2 coal prices dropped a further 1.7% to \$64.1/t, down 29.0% on the same time last year.
- EU ETS carbon reversed last week's gains, losing 1.4% to €25.2/t.
- Weak auction results and waning German economic data weighed on prices.
- However, losses were offset by reduced auction volumes in Poland.
- Carbon price plans for post-Brexit have been outlined, with a "UK ETS" system that is linked to the current EU ETS with similar environmental ambition being preferred. However, such a linkage will need to be ratified by EU member nations.

Supplier tariff movements

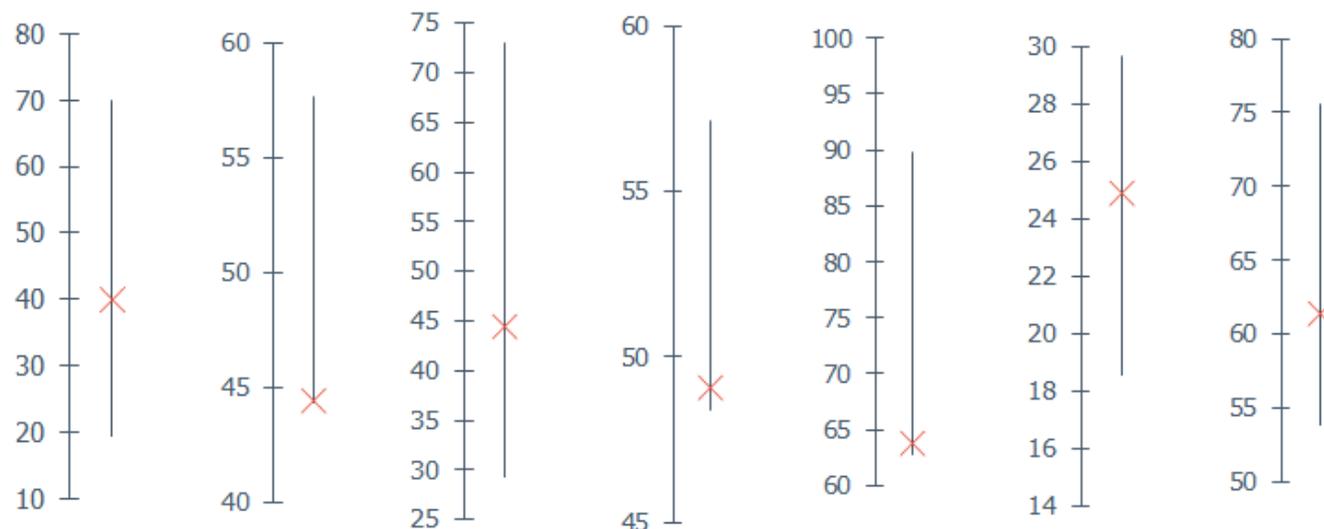
In September, 20 suppliers reduced the price of their cheapest available tariff, while nine suppliers increased their cheapest tariff price. Outfox the Market continued to offer the cheapest available tariff priced at £864/year on average, followed by Green priced at £867/year on average. EDF Energy 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)
This week	8 Nov 19	40.00	44.36	44.40	49.07	63.75	24.85	61.38
last week	1 Nov 19	28.25	44.60	39.25	49.32	64.55	25.69	59.75
Four weeks ago	11 Oct 19	23.00	48.98	41.00	51.22	69.05	23.81	60.07
Last year	9 Nov 18	62.85	55.71	61.25	54.06	88.45	19.17	69.48
Year-on-year % change		-36.4%	-20.4%	-27.5%	-9.2%	-27.9%	29.6%	-11.7%
Year high		70.00	57.63	73.00	57.14	89.75	29.66	75.54
Year low		19.30	44.35	29.25	48.38	62.75	18.53	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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