

# Energy Wholesale Market Review

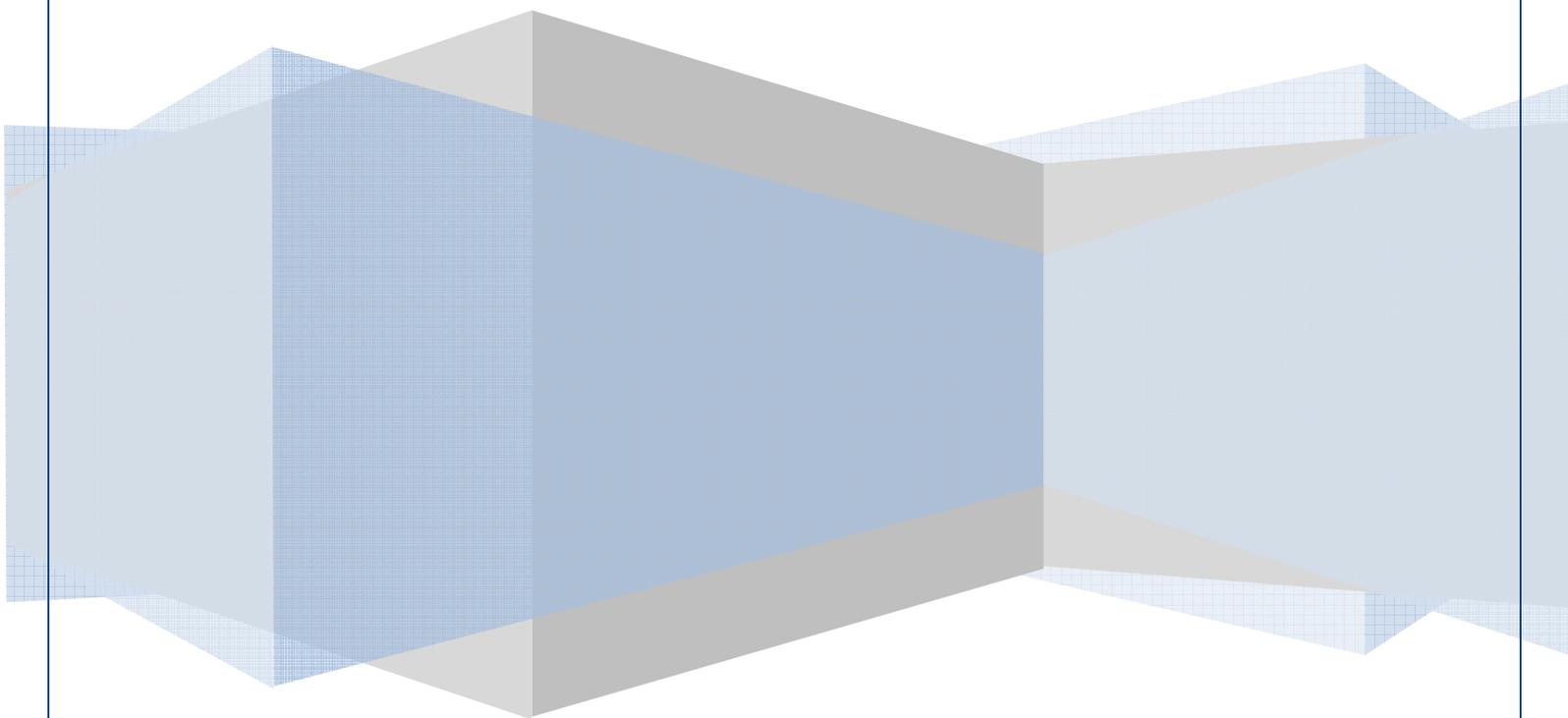
Week Ending 15<sup>th</sup> November 2019



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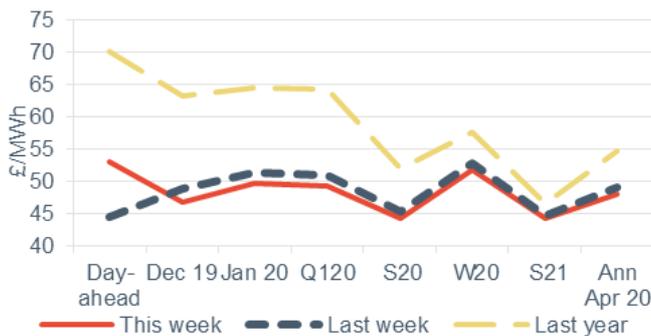
## Headlines 15/11/2019

Most power and gas contracts decreased again this week, with the day-ahead power contract the exception. Day-ahead gas fell 3.5% to finish the week at 38.6p/th with high LNG send-out offsetting a drop in temperatures mid-week. Day-ahead power gained 19.4% to finish at £53.0/MWh as wind generation fluctuated heavily throughout the week. December 19 gas was down 5.0% at 40.6p/th, and January 20 gas decreased 3.4% to 43.5p/th. Most seasonal gas contracts declined this week down by 0.8% on average. Summer 20 and Winter 20 gas dropped 1.4% and 1.5% respectively, falling to 38.7p/th and 48.7p/th. All Seasonal power contracts dropped this week, down 1.5% on average. Summer 20 and Winter 20 power dropped 2.3% and 2.0% respectively, falling to £44.3/MWh and £51.7/MWh. Brent crude oil inched down 0.2% to average \$62.2/bl this week, amid mixed forecasts of US oil inventories. Announced this week were plans to freeze spending on the US shale industry, which will likely see a reduction in US oil output growth. EU ETS carbon fell by 2.8% to €24./t as minimal price changes reflected a lack of notable activity in the market this week. API 2 coal prices slipped a further 1.4% to \$63.21/t.

## Baseload electricity

- Day-ahead power rose 19.4% to £53.0/MWh, following low wind generation near the end of the week
- December 19 power was down 4.0% at £46.9/MWh, and January 20 power decreased 3.2% to £49.8/MWh.
- Q120 power moved 3.0% lower to £49.3/MWh.
- The Annual April 20 contract lost 2.2% to £48.0/MWh, 12.4% lower than the same time this year (£54.8/MWh).

### Forward curve comparison



### Annual April contract



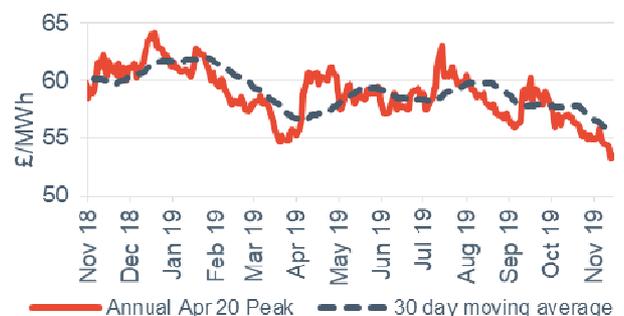
## Peak electricity

- Day-ahead peak power rose 32.4% to £64.8/MWh, reflecting the rise in baseload power
- December 19 peak power was down 3.4% at £52.9/MWh, and January 20 peak power decreased 3.2% to £56.8/MWh.
- The Annual April 20 peak power lost 2.0% to 53.4/MWh
- This is 13.6% lower than the same time this year (61.8/MWh).

### Forward curve comparison



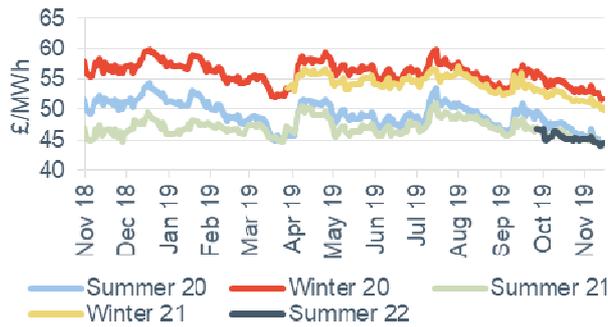
### Annual April contract



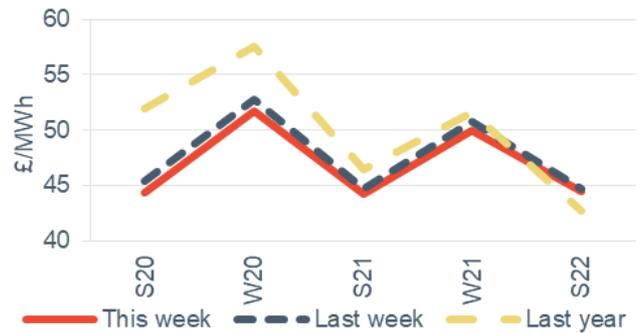


## Seasonal power prices

### Seasonal baseload power contracts



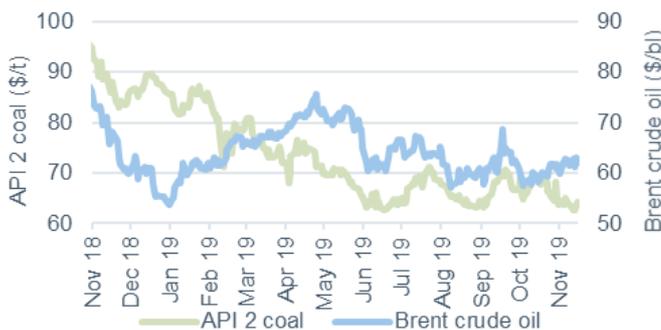
### Seasonal baseload power curve



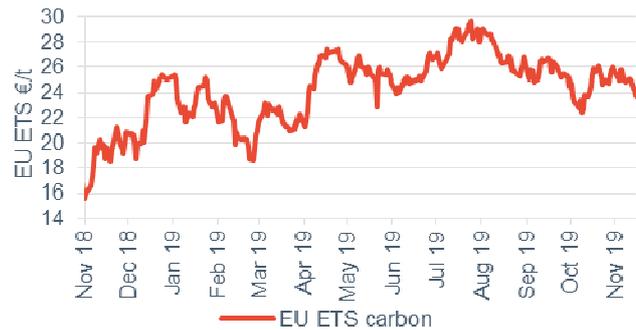
- All Seasonal power contracts declined this week, down to 1.5%.
- Summer 20 and Winter 20 power dropped 2.3% and 2.0% respectively, falling to £44.3/MWh and £51.7/MWh.
- Seasonal peak power contracts declined by £1.5% on average
- Summer 20 and Winter 20 peak power dropped 2.0% and 2.1% respectively, falling to £48.1/MWh and £58.8/MWh.

## Commodity price movements

### Oil and coal



### Carbon



- Brent crude oil inched down 0.2% to average \$62.2/bl this week
- Prices currently 8.5% lower than at the same time this year
- Mixed forecasts on US stocks this week by the EIA and OPEC acted as opposite drivers on prices.
- Announced this week were plans to freeze spending on the US shale industry, which will likely see slow-down in growth of US oil output.
- API 2 coal prices slipped a further 1.4% to \$63.21/t, down 28.0% on the same time this year.
- EU ETS carbon fell by 2.8% to €24.5/t
- Minimal price changes reflected a lack of notable activity in the market this week
- Report this week by the IEA said that CO<sub>2</sub> emissions would continue to rise even if government policies and plans were met
- Emissions would be required to fall by nearly 70% if global warming was to be limited to 1.65°C

## Supplier tariff movements

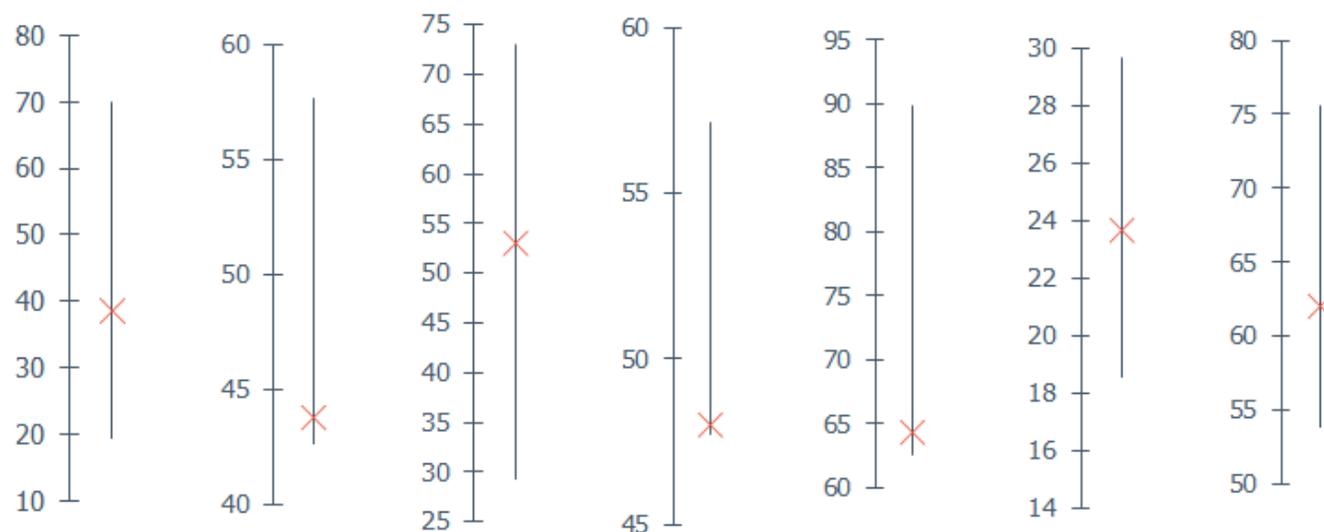
In September, 20 suppliers reduced the price of their cheapest available tariff, while nine suppliers increased their cheapest tariff price. Outfox the Market continued to offer the cheapest available tariff priced at £864/year on average, followed by Green priced at £867/year on average. EDF Energy 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	15 Nov 19	38.60	43.72	53.00	48.00	64.25	23.66	62.02
Last week	8 Nov 19	40.00	44.36	44.40	49.07	63.75	24.85	61.38
Four weeks ago	18 Oct 19	28.00	46.94	42.20	50.72	68.35	25.54	60.00
Last year	16 Nov 18	70.00	56.59	70.25	54.82	88.00	19.66	68.09
Year-on-year % change		-44.9%	-22.8%	-24.6%	-12.4%	-27.0%	20.3%	-8.9%
Year high		70.00	57.63	73.00	57.14	89.75	29.66	75.54
Year low		19.30	42.62	29.25	47.74	62.60	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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