

Energy Wholesale Market Review

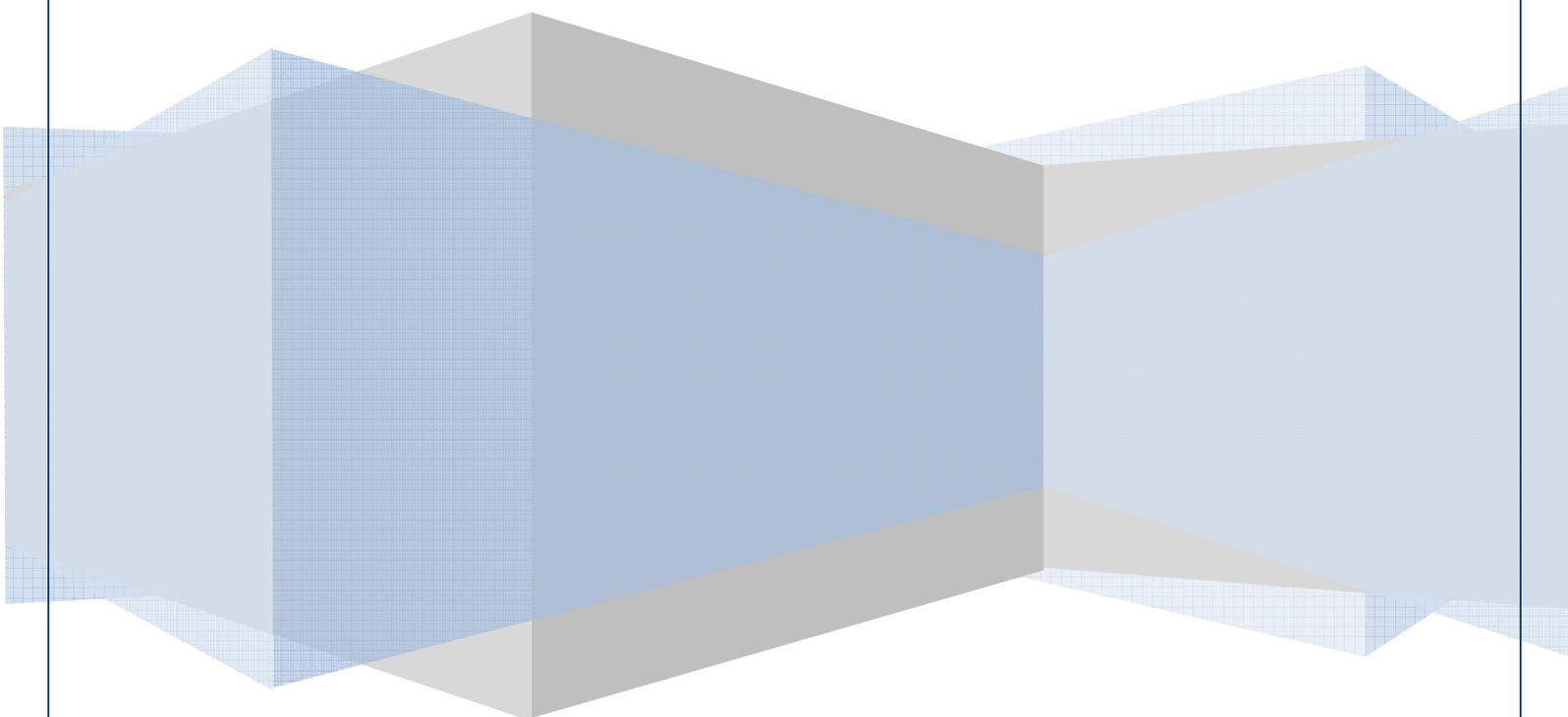
Week Ending 13th December 2019



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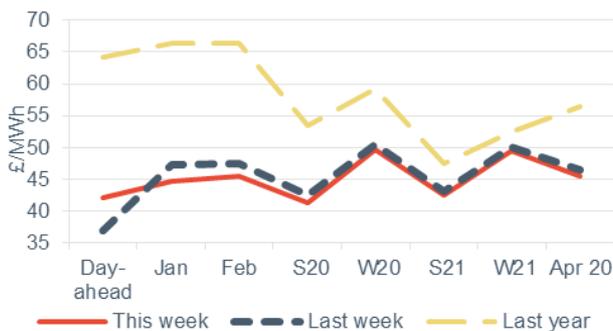
Headlines 13/12/2019

Most power and gas contracts fell this week, with the day-ahead and a few seasonal contracts as the exceptions. Day-ahead gas rose 6.2% to 32.50p/th, following colder temperatures on average this week. Day-ahead power rose 13.8% to £42.10/MWh, with lower wind generation forecast for the start of next week. January 20 gas was down 7.5% at 36.39p/th, and February 20 gas decreased 6.9% to 37.17p/th. Most seasonal gas contracts declined this week, down by 2.8% on average. Summer 20 and winter 20 gas dropped 5.6% and 3.8% respectively, subsiding to 33.12p/th and 44.19p/th. Most seasonal power contracts also declined this week, down on average by 1.2%, as summer 20 power decreased 2.4% to £41.42/MWh, while winter 20 fell 1.6% to £49.70/MWh. Brent crude oil rose 3.3% to \$64.27/bl as oil prices reacted positively to a tweet by US President Donald Trump this week that the US was getting “very close to a big deal with China”. EU ETS carbon reversed last week’s losses gaining 1.6% to €24.92/t as the Conservative party won a working majority in the UK general election this week. API 2 coal lost 3.8% to \$59.72/t as prices dipped below \$60.00/t for the first time since July 2016.

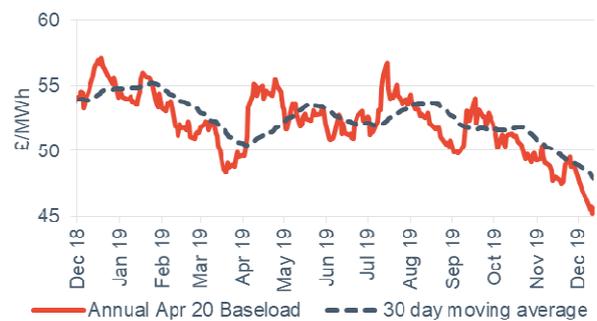
Baseload electricity

- Day-ahead power rose 13.8% to £42.10/MWh, following colder temperatures on average this week.
- January 20 power slipped 5.3% to £44.75/MWh and February 20 power decreased 4.2% to £45.49/MWh.
- Q120 power moved 4.0% lower to £44.59/MWh.
- The Annual April 20 contract lost 2.0% to £45.56/MWh, 19.1% lower than the same time last year (£56.35/MWh).

Forward curve comparison



Annual April contract



Peak electricity

- Day-ahead peak power was down 10.1% to £47.00/MWh, £4.90/MWh above its baseload counterpart.
- January 20 peak power declined 1.9% to £53.01/MWh, and February 20 peak power decreased 4.3% to £51.49/MWh.
- The Annual April 20 peak power lost 1.7% to 50.93/MWh.
- This is 19.8% lower than the same time last year (63.48/MWh).

Forward curve comparison



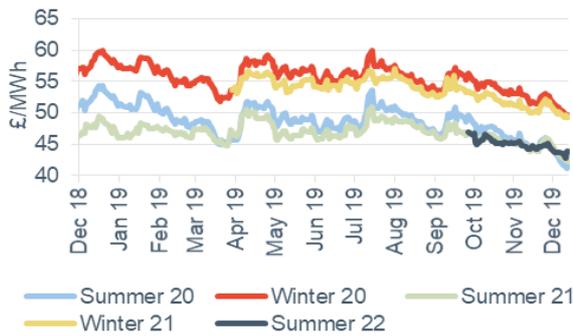
Annual April contract





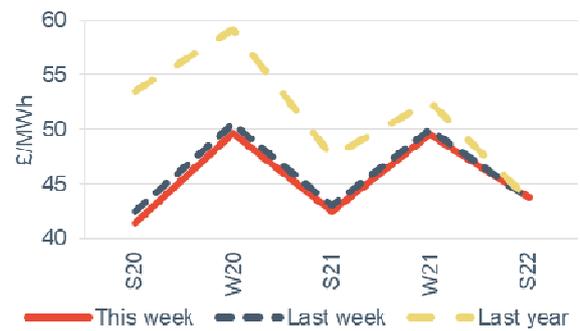
Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts declined this week, down on average by 1.2%.
- Summer 20 power decreased 2.4% to £41.42/MWh, while winter 20 fell 1.6% to £49.70/MWh.

Seasonal baseload power curve



- Most seasonal peak power contracts declined this week, down £1.5% on average.
- Summer 20 and winter 20 peak power dropped 1.9% and 1.5% respectively, falling to £45.31/MWh and £56.56/MWh.

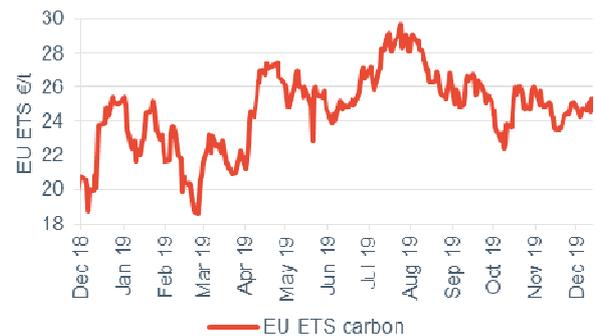
Commodity price movements

Oil and coal



- Brent crude oil gained 3.3% to \$64.27/bl.
- Oil prices reacted positively to a tweet by US President Donald Trump this week that the US was getting “very close to a big deal with China”.
- The President signed off on a deal to delay what would have seen increased tariffs on China coming into effect on 15 December.
- API 2 coal lost a further 3.8% to \$59.72/t as prices dipped below \$60.00/t for the first time since July 2016.

Carbon



- EU ETS carbon reversed last week's losses gaining 1.6% to €24.92/t as the Conservative party won a working majority in the UK general election this week.
- Stability was provided to EU ETS prices this week as previous uncertainty over the outcome of the UK election was supported by relatively low auction volumes.

Supplier tariff movements

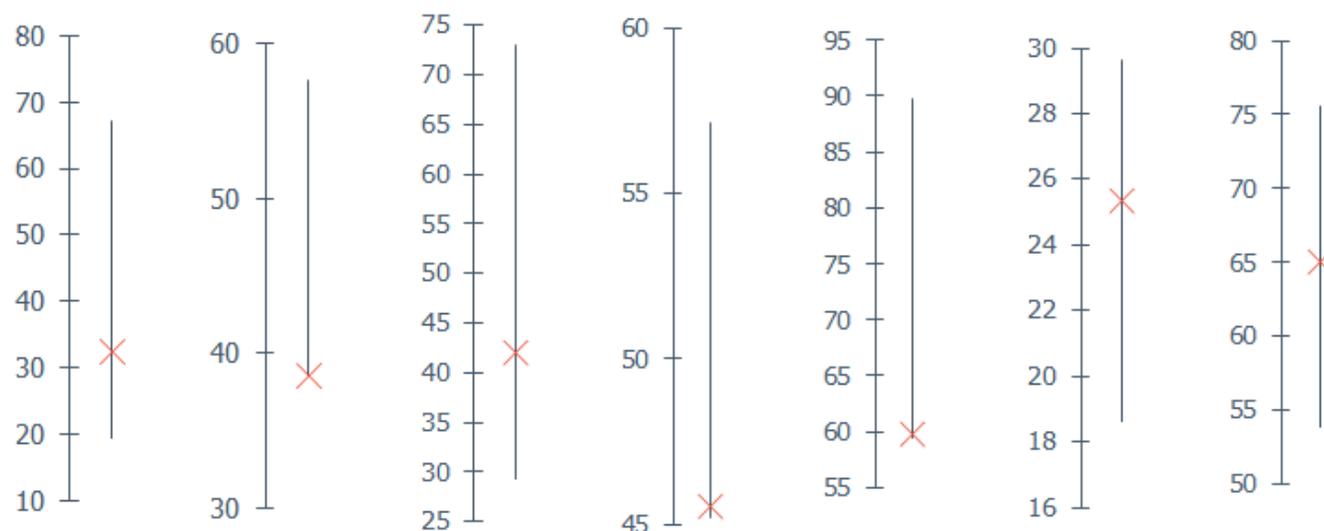
In October, 15 suppliers reduced the price of their cheapest available tariff, while four suppliers increased the price of their cheapest available tariff. Utility Point launched its Just Up Wk41 Direct tariff in October which was priced £145/year lower than its Up & Save Winter 19 tariff. Robin Hood Energy removed its 2 Year Green Peace of Mind v2 tariff in October which was priced at £1,016/year on average, increasing the price of its cheapest available tariff by £152/year to £1,168/year on average.



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	13 Dec 19	32.50	38.66	42.10	45.56	59.70	25.33	65.03
Last week	6 Dec 19	30.60	40.50	37.00	46.49	60.50	24.74	63.42
Four weeks ago	15 Nov 19	38.60	43.72	53.00	48.00	64.25	23.66	62.02
Last year	14 Dec 18	66.40	57.43	64.10	56.35	89.50	23.75	60.99
Year-on-year % change		-51.1%	-32.7%	-34.3%	-19.1%	-33.3%	6.7%	6.6%
Year high		67.00	57.63	73.00	57.14	89.75	29.66	75.54
Year low		19.30	38.66	29.25	45.20	59.40	18.60	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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