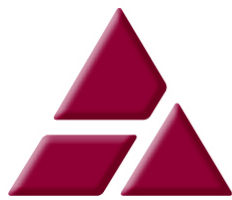




Energy Wholesale Market Review

Week Ending 6th March 2020



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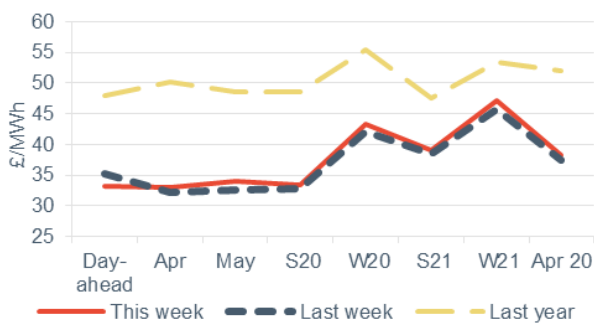
Headlines 06/03/2020

Most power and gas contracts rose this week, with day-ahead power as the only exception. Day-ahead gas rose 1.7% to 24.40p/th following an increase gas demand. Day-ahead power fell 5.4% to £33.25/MWh despite reaching £43/MWh midweek as significant fluctuations in wind generation saw prices rise and fall this week. April 20 gas was up 5.1% at 22.19p/th, and May 20 gas increased 1.6% to 22.19p/th. All seasonal gas contracts boosted this week, up by 4.2% on average, while summer 20 and winter 20 gas increased 4.0% and 3.6% to 22.88p/th and 35.63p/th, respectively. All seasonal power contracts lifted this week, up on average by 2.5%, as summer 20 and winter 20 gained 2.1% and 2.5% to £33.45/MWh and £43.22/MWh, respectively. Brent crude oil fell 5.1% to \$51.20/bl as the spread of the coronavirus on a global scale continues to impact stock and commodity markets. There were hopes that prices could lift on news of the outcome of the meeting of OPEC and OPEC+ allies in Vienna this week, although it appears that no agreement will be reached on deepening production cuts. API 2 coal saw marginal gains this week, rising 0.6% to average \$57.40/t as lower stocks were reported at ARA terminals. EU ETS carbon prices followed oil and lost 1.3% to average €23.74/t this week, following lower demand for allowances in this week's EU-wide auctions.

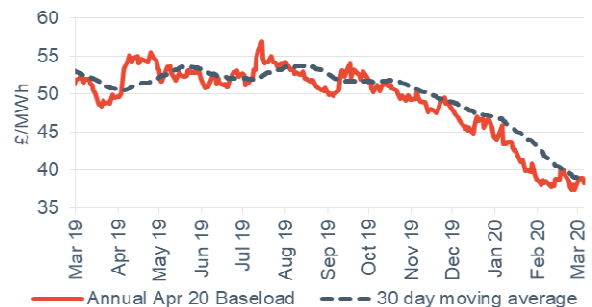
Baseload electricity

- Day-ahead power fell 5.4% to £33.25/MWh despite reaching £43/MWh midweek on a significant drop-off in wind generation
- April 20 power climbed 2.6% to £33.03/MWh and May 20 power increased 4.3% to £34.00/MWh
- Q220 power moved 3.0% higher to £33.47/MWh
- The Annual April 20 contract rose 2.4% to £38.34/MWh, 26.3% lower than the same time last year (£52.01/MWh)

Forward curve comparison



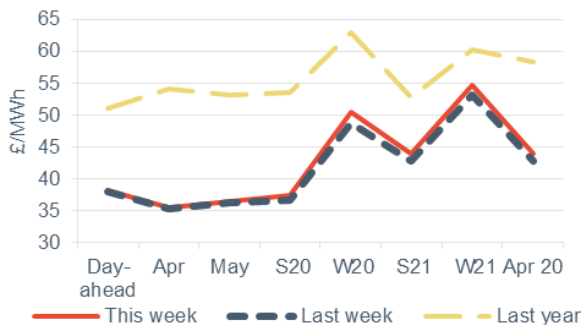
Annual April contract



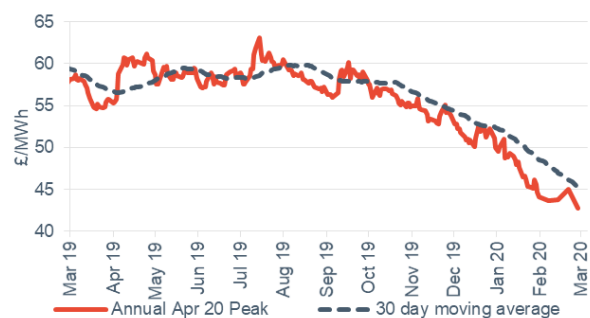
Peak electricity

- Day-ahead peak power was up 0.7% at £38.25/MWh, following its baseload counterpart higher
- April 20 peak power gained 0.9% to £35.50/MWh, and May 20 peak power increased 0.1% to £36.35/MWh
- The Annual April 20 peak power lost 2.8% to 43.92/MWh
- This is 24.6% lower than the same time last year (58.24/MWh)

Forward curve comparison



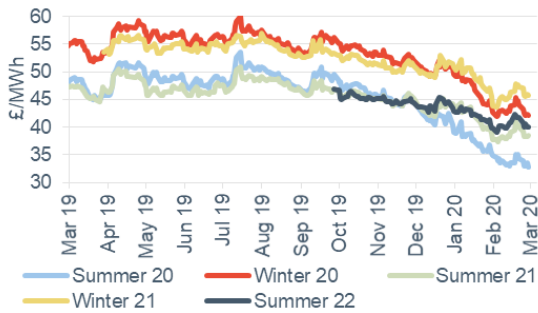
Annual April contract



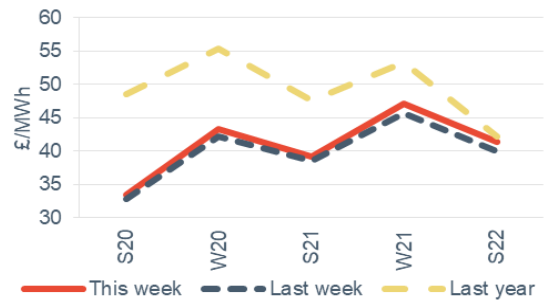


Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

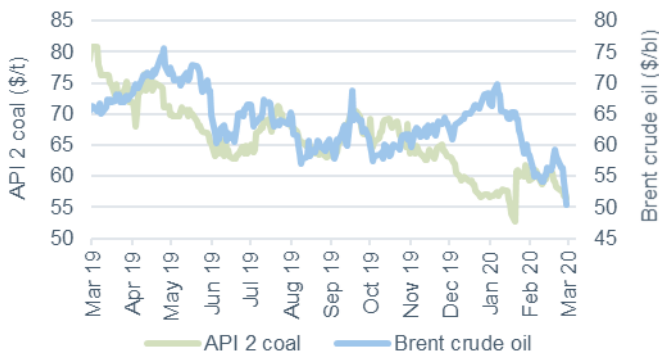


- All seasonal power contracts increased this week, up on average by 2.5%
- Summer 20 and winter 20 expanded 2.1% and 2.5% respectively, rising to £33.45/MWh and £43.22/MWh

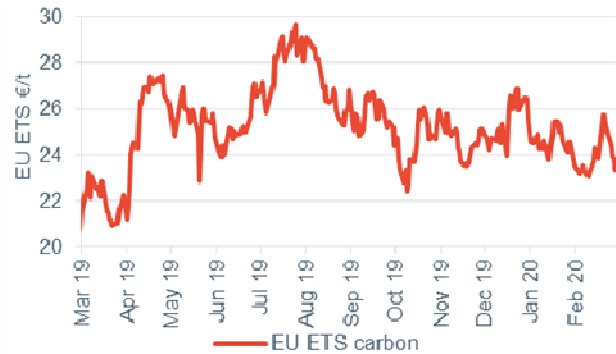
- All seasonal peak power contracts also rose this week, up £2.9% on average
- Summer 20 and winter 20 peak power increased 2.2% and 3.3% respectively, falling to £37.45/MWh and £50.39/MWh

Commodity price movements

Oil and coal



Carbon



- Brent crude oil fell 5.1% to average \$51.20/bl as oil prices extended two-year lows, falling to \$48.18/bl on 6 March
- The spread of the coronavirus on a global scale continues to impact stock and commodity markets
- There were hopes that prices could lift on news of the outcome of the meeting of OPEC and OPEC+ allies in Vienna this week
- Latest reports are that the deal of deeper production cuts could be in jeopardy, with Russia currently refusing to agree additional cuts worth 1.5mn bpd of global supply

- API 2 coal saw marginal gains this week, rising 0.6% to average \$57.40/t as lower stocks were reported at ARA terminals
- EU ETS carbon prices followed oil and lost 1.3% to average €23.74/t this week, following lower demand for allowances in this week's EU-wide auctions



Supplier tariff movements

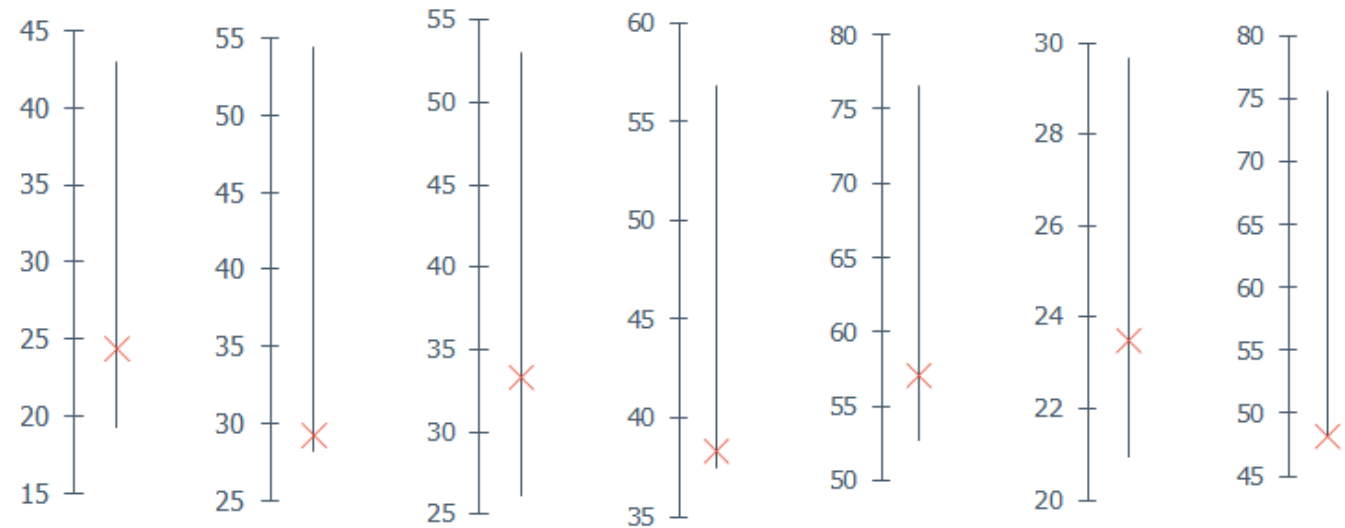
38 suppliers decreased the price of their cheapest available tariff in January, while three suppliers increased the price of their cheapest available tariff. British Gas decreased its tariff by the greatest amount (£297/year) to £875/year on average. Outfox the Market launched a new version of its variable tariff (One Variable 9.0) priced £14/year lower at £842/year on average and therefore had the cheapest variable tariff and was the cheapest priced white label supplier. Avro Energy remained the cheapest medium supplier after it reduced the price of its cheapest tariff by £56/year to £835/year on average. E.ON UK was the cheapest large supplier for the third consecutive month after it reduced the price of its cheapest tariff, Fix Online Exclusive by £28/year to £865/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	6 Mar 20	24.40	29.26	33.25	38.34	57.00	23.49	48.18
Last week	28 Feb 20	24.00	28.19	35.15	37.45	56.50	23.33	50.36
Four weeks ago	7 Feb 20	22.75	29.74	26.50	38.50	60.00	23.28	55.06
Last year	8 Mar 19	42.75	51.04	48.00	52.01	76.35	23.10	65.13
Year-on-year % change		-42.9%	-42.7%	-30.7%	-26.3%	-25.3%	1.7%	-26.0%
12-month high		43.00	54.45	53.00	56.79	76.50	29.66	75.54
12-month low		19.30	28.19	26.15	37.45	52.70	20.95	48.18

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 19 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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