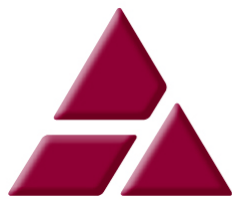




Energy Wholesale Market Review

Week Ending 13th March 2020



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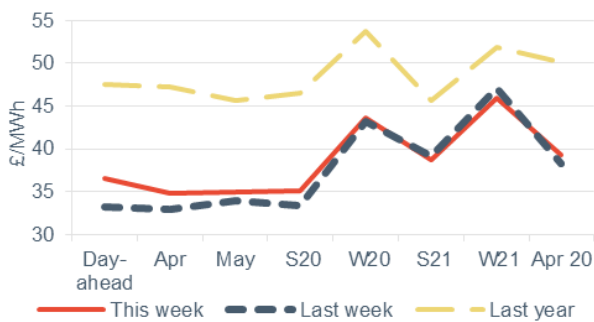


Headlines 13/03/2020

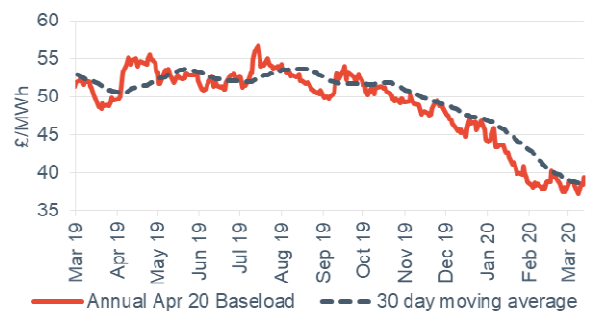
Most near-term power and gas contracts rose this week, while longer term forward contracts declined on the expected influence of the coronavirus on consumption and the wider economy. Day-ahead gas rose 6.6% to 26.00p/th, on forecasts that temperatures will drop from the seasonally high levels seen this week. Day-ahead power rose 9.8% to £36.50/MWh, following forecasts of low wind generation next week. April 20 gas was up 11.5% to 24.74p/th, and May 20 gas increased 10.5% to 24.53p/th. Seasonal gas contracts were mixed this week, down by 0.7% on average, despite summer 20 and winter 20 gas increasing 9.5% and 0.4% to 25.06p/th and 35.78p/th, respectively. Seasonal power contracts were also mixed this week, down on average by 0.2%, as summer 20 and winter 20 climbed 4.9% and 0.8% respectively, rising to £35.08/MWh and £43.57/MWh. Brent crude oil fell 30.6% to \$35.52/bl as oil prices suffered the worst crash since the Gulf war in 1991. Prices opened 26% lower at \$35.57/bl on 9 March, reacting to the outcome of the OPEC meeting where Russia refused to agree to deeper cuts to oil supply. EU ETS carbon prices also followed oil and lost 2.3% to average €23.18/t this week as less oil consumption has seen a drop in demand for ETS certificates. API 2 coal followed oil and dropped, slipping 3.5% to average \$55.39/t with price changes in line with global market movements.

- Day-ahead power rose 9.8% to £36.50/MWh, following forecasts of low wind generation next week
- April 20 power climbed 5.5% to £34.85/MWh and May 20 power increased 2.9% to £35.00/MWh
- Q220 power moved 4.6% higher to £35.02/MWh
- The Annual April 20 contract rose 2.6% to £39.33/MWh, 21.5% lower than the same time last year (£50.12/MWh)

Forward curve comparison



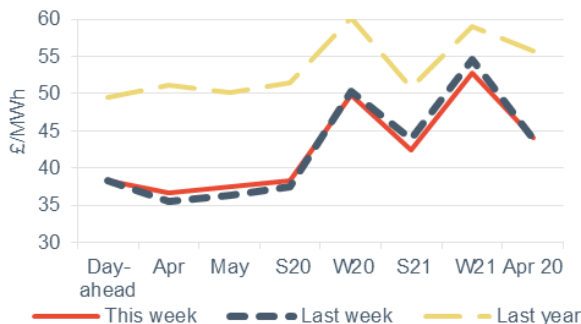
Annual April contract



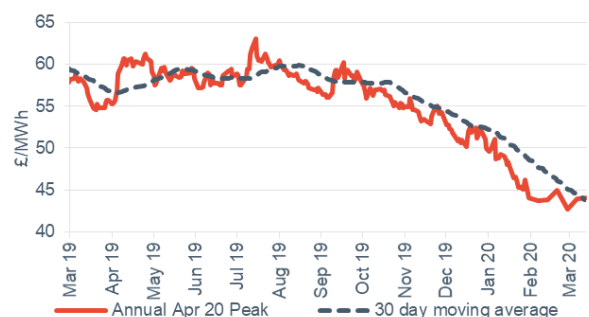
Peak electricity

- Day-ahead peak power followed its baseload counterpart and was up 0.3% to £38.35/MWh
- April 20 peak power gained 3.2% to £36.64/MWh, and May 20 peak power increased 3.4% to £37.57/MWh
- The Annual April 20 peak power contract lost 0.4% to 44.08/MWh
- This is 21.0% lower than the same time last year (55.82/MWh)

Forward curve comparison



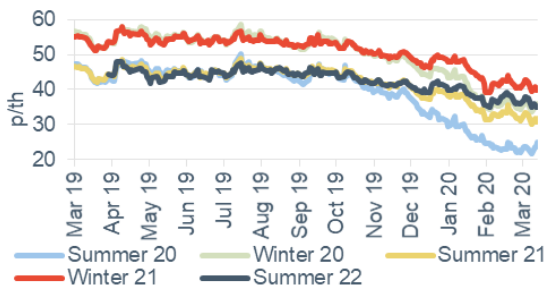
Annual April contract



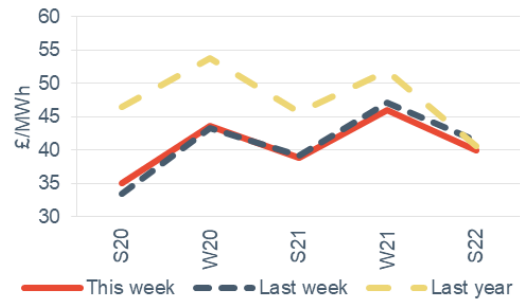


Seasonal power prices

Seasonal baseload power contracts



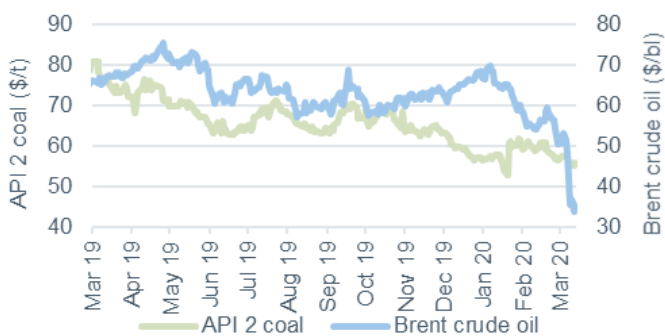
Seasonal baseload power curve



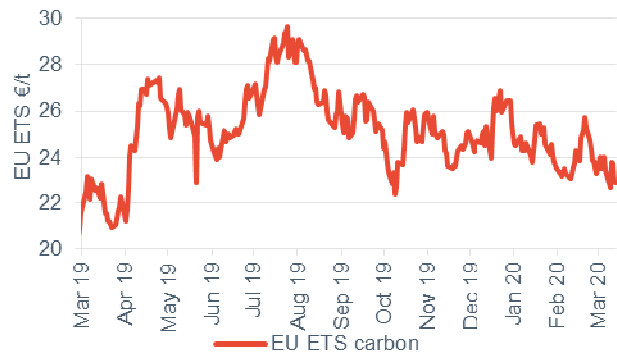
- Seasonal power contracts were mixed this week, down on average by 0.2%
- Summer 20 and winter 20 gained 4.9% and 0.8% respectively, rising to £35.08/MWh and £43.57/MWh
- Seasonal peak power contracts were also mixed this week, down 1.4% on average
- Summer 20 gas increased 2.1% to £38.25/MWh, while winter 20 peak power dropped 1.0% to £49.91/MWh

Commodity price movements

Oil and coal



Carbon



- Brent crude oil fell 30.6% to average \$35.52/bl as oil prices suffered the worst crash since the Gulf war in 1991
- Prices opened 26% lower at \$35.57/bl on 9 March, reacting to the outcome of the OPEC meeting where Russia refused to agree to deeper cuts to oil supply
- The IEA predicted that global oil demand for 2020 could contract for the first time in over a decade
- Already at four-year lows, losses were extended on the news that Donald Trump took the decision to bar entrance to the US from 26 European countries in an attempt to limit coronavirus spreading
- API 2 coal followed oil and dropped 3.5% to average \$55.39/t as price changes were in line with global market movements
- Reports this week indicated that the coronavirus had notably affected Japanese power demand
- EU ETS carbon prices also followed oil and lost 2.3% to average €23.18/t this week as less oil consumption has seen a drop in demand for ETS certificates

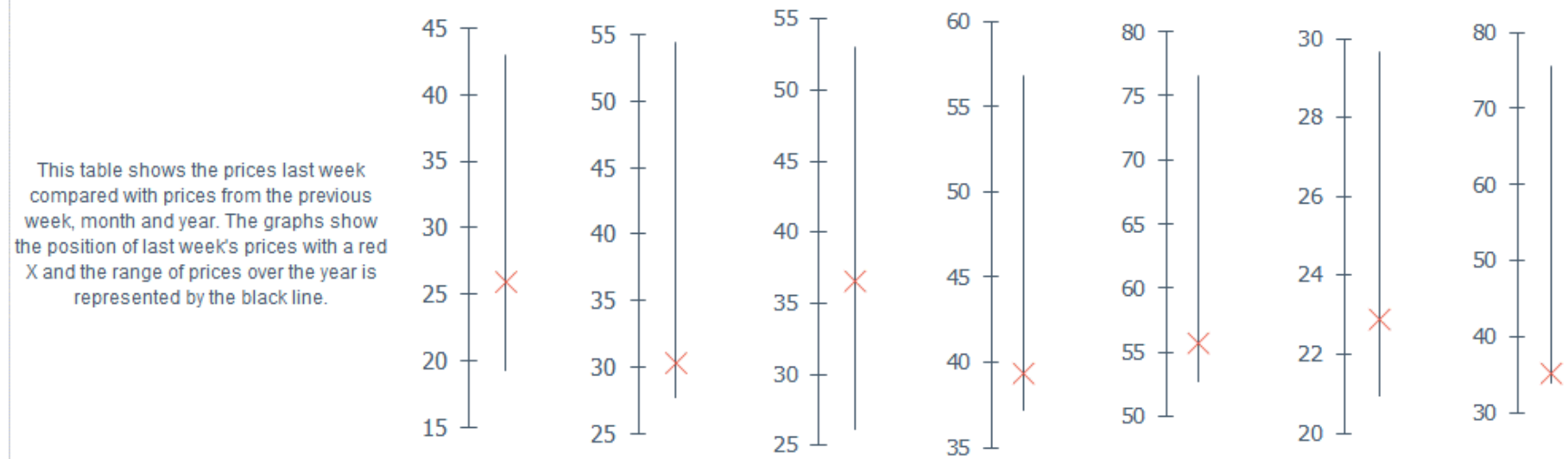
Supplier tariff movements

28 suppliers decreased the price of their cheapest tariff in February, while two suppliers increased the price of their cheapest offering. Shell Energy increased its cheapest tariff by £88 to £973/year on average, whilst British Gas' cheapest tariff rose £272 to £1,146/year. Orbit Energy decreased its tariff by £219 to £796/year on average, making it the third cheapest supplier. Utility Point was the cheapest supplier with its tariff £29/year lower at £784/year on average. Green Energy UK remained the most expensive supplier priced at £1,389/year.



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 Mar 20	26.00	30.42	36.50	39.33	55.65	22.87	35.21
Last week	6 Mar 20	24.40	29.26	33.25	38.34	57.00	23.49	48.18
Four weeks ago	14 Feb 20	20.60	29.84	26.15	38.72	60.95	24.32	56.46
Last year	15 Mar 19	39.00	48.13	47.50	50.12	74.90	22.86	66.97
Year-on-year % change		-33.3%	-36.8%	-23.2%	-21.5%	-25.7%	0.0%	-47.4%
12-month high		43.00	54.45	53.00	56.79	76.50	29.66	75.54
12-month low		19.30	27.78	26.15	37.17	52.70	20.95	33.90





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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