



Energy Wholesale Market Review

Week Ending 29th May 2020



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Contents

Baseload electricity	3
Peak electricity	3
Seasonal power prices	4
Commodity price movements	4
Supplier tariff movements	4
Wholesale price snapshot	5
About EDW Technology Limited	6



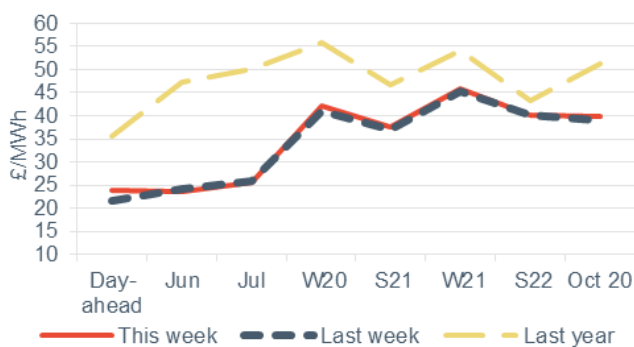
Headlines 29/05/2020

Most power and gas contracts rose this week, driven higher by a recovery in their respective day-ahead contracts. Day-ahead gas rose 27.7% to 8.75p/th as gas-for-power demand recovered from the low levels seen late last week. Day-ahead power rose 11.6% to £24.00/MWh, following a significant drop in wind generation compared to the end of last week. June 20 gas was up 14.2% at 9.74p/th, and July 20 gas increased 30.4% to 11.50p/th. Most seasonal gas contracts rose this week, up by 0.6% on average, while winter 20 and summer 21 gas increased 2.3% and 0.1% to 30.78p/th and 28.80p/th, respectively. Most seasonal power contracts lifted this week, up on average by 0.2%, as winter 20 and summer 21 expanded 2.8% and 1.2% respectively, rising to £42.16/MWh and £37.50/MWh. Brent crude oil surrendered recent momentum towards the end of this week, following a few weeks of consecutive gains, falling 0.1% from last week. Tensions between the US and China flared up again as the two economic powerhouses clashed over policy in Hong Kong and continued to dispute over the Chinese purchase of US energy. EU ETS carbon prices gained 4.2% from the previous week to average €21.42/t, aided by a lower number of EUA auctions this week.

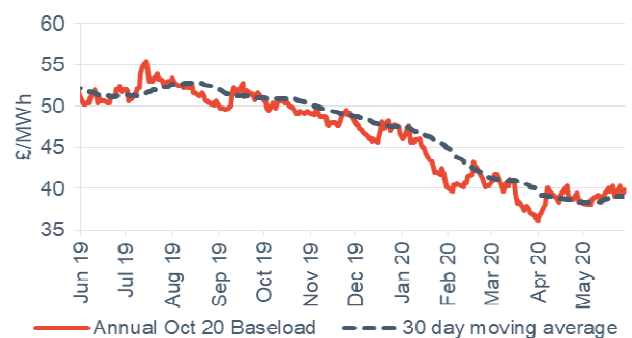
Baseload electricity

- Day-ahead power rose 11.6% to £24.00/MWh, following lower wind generation towards the end of this week, compared with the high levels seen last week
- June 20 power slipped 2.7% to £23.60/MWh and July 20 power decreased 1.9% to £25.50/MWh
- Q320 power moved 1.0% higher to £27.25/MWh
- The annual October 20 contract rose 2.0% to £39.83/MWh, 22.3% lower than the same time last year (£51.29/MWh)

Forward curve comparison



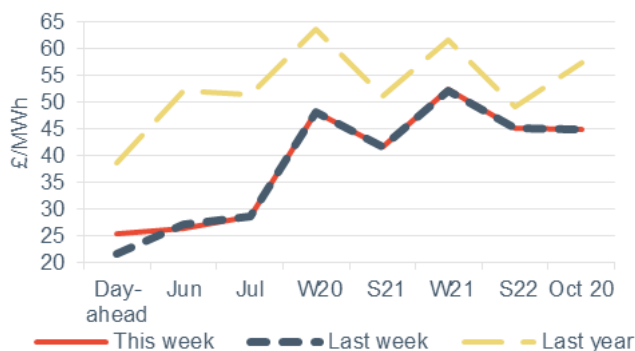
Annual October contract



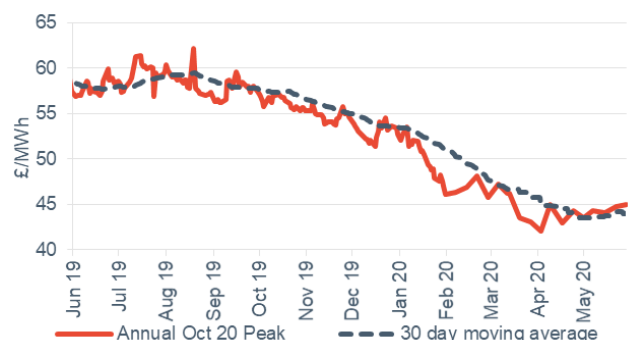
Peak electricity

- Day-ahead peak power was up 17.4% to £25.25/MWh following its baseload counterpart higher
- June 20 peak power declined 2.5% to £26.42/MWh, and July 20 peak power increased 0.2% to £28.66/MWh
- The annual October 20 peak power lost 0.3% to 44.91/MWh
- This is 21.8% lower than the same time last year (57.45/MWh)

Forward curve comparison



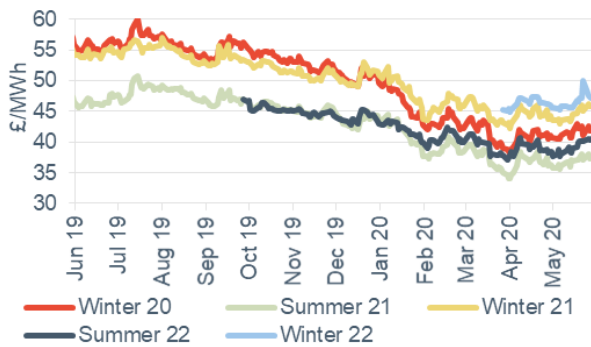
Annual October contract



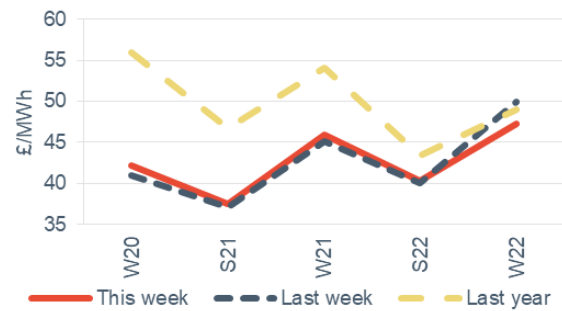


Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

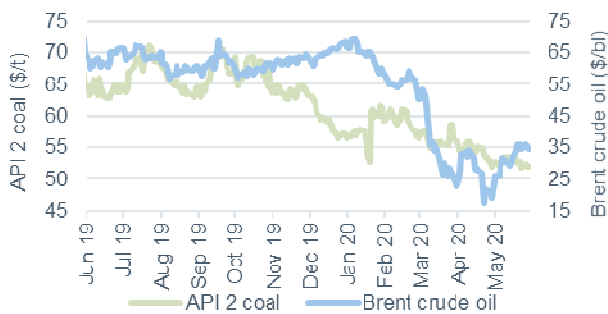


- Most seasonal power contracts boosted this week, up on average by 0.2%
- Winter 20 and summer 21 power expanded 2.8% and 1.2% respectively, rising to £42.16/MWh and £37.50/MWh

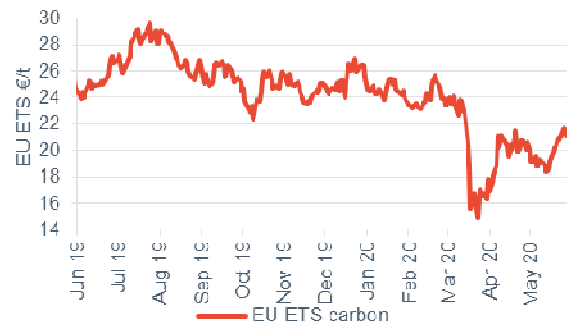
- All seasonal peak power contracts boosted this week, up 0.3% on average
- Winter 20 and summer 21 peak power increased 0.5% and 0.2% to £48.22/MWh and £41.59/MWh, respectively

Commodity price movements

Oil and coal



Carbon



- Brent crude oil surrendered recent momentum towards the end of this week, following a few weeks of consecutive gains
- Brent prices averaged \$35.17/bl to fall 0.1% from the previous week
- Tensions between the US and China flared up again this week as the two economic powerhouses clashed over policy in Hong Kong and continued to dispute over the Chinese purchase of US energy
- Oil prices will be further hit as a result of weak demand should aggressive action be taken by either country
- The easing of lockdown measures across the globe continues to prove an upwards driver to oil prices, although this support has so far been minimal

- EU ETS carbon prices gained 4.2% from the previous week to average €21.42/t, hitting a one-month high of €21.65/t early in the week, aided by a lower number of EUA auctions this week
- Increased supply will likely weigh on prices next week
- API 2 coal prices slipped to \$52.18/t as prices continued to show minimal movements

Supplier tariff movements

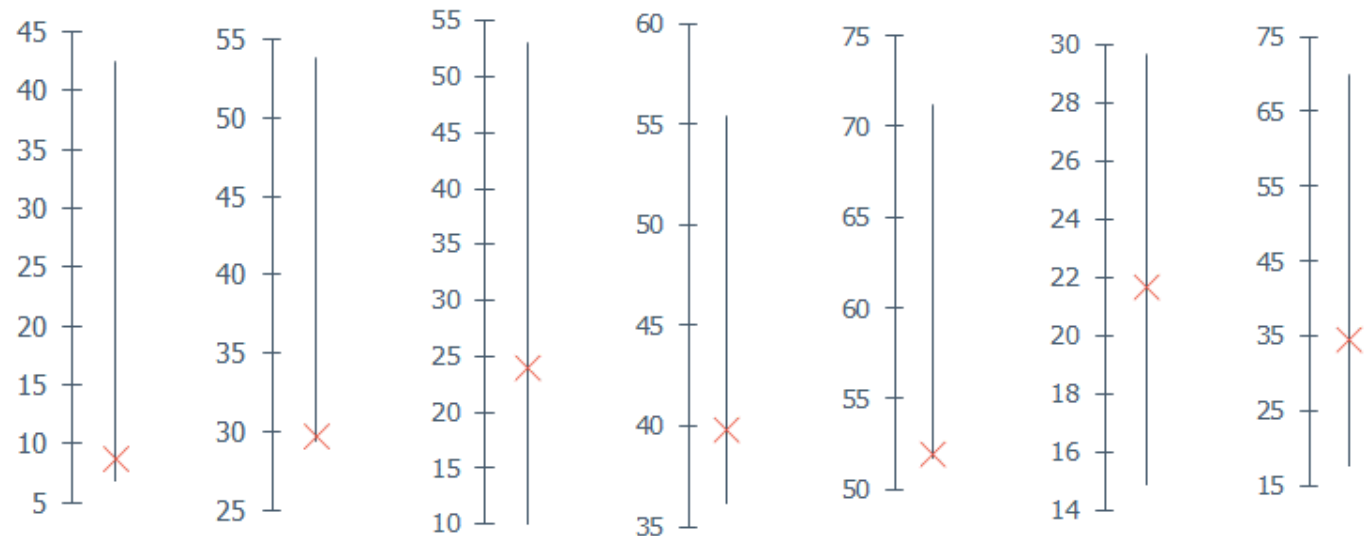
Between 22 March and 26 April, 61 suppliers decreased the price of their cheapest available tariffs (fixed/variable tariffs only) with the greatest decrease from Go Effortless at -£172. Only 3 suppliers increased the price of their cheapest available tariffs when comparing the two dates. These are: Good Energy (+£5), Utility Point (+£31) and Ovo Energy (+£152). Domestic tariff movements are a useful proxy for small and medium sized business rates, as the bills are largely made up of the same components.



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	29 May 20	8.75	29.79	24.00	39.83	52.00	21.63	34.35
Last week	22 May 20	6.85	29.44	21.50	39.05	51.75	20.77	34.34
Four weeks ago	1 May 20	13.60	30.18	25.25	38.23	52.85	19.15	26.00
Last year	30 May 19	28.40	50.71	37.90	52.20	65.50	25.33	68.81
Year-on-year % change		-69.2%	-41.3%	-36.7%	-23.7%	-20.6%	-14.6%	-50.1%
12-month high		42.40	53.78	53.00	55.40	71.20	29.66	69.75
12-month low		6.85	29.44	10.00	36.15	51.75	14.90	17.53

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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