



Energy Wholesale Market Review

Week Ending 12th June 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



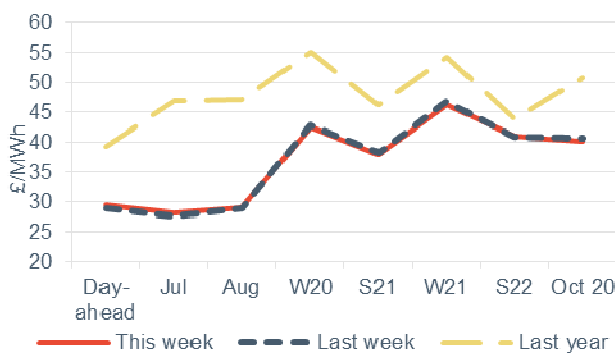
Headlines 12/06/2020

Contracts in the GB energy market saw mixed direction this week, as colder weather and easing lockdown restrictions added some upward pressure to prices. Day-ahead gas rose 7.8% to 13.75p/th on forecasts of higher gas-for-power owing to French nuclear outages next week. Day-ahead power rose 1.7% to £29.5/MWh and was also affected by the outages. July 20 gas was up 8.5% at 14.06p/th, and August 20 gas increased 2.3% to 14.71p/th. All seasonal gas contracts declined this week, down by 2.0% on average, while both winter 20 and summer 21 gas dropped 2.3% and 2.7% respectively, subsiding to 31.06p/th and 28.77p/th. Seasonal power contracts saw mixed direction this week, down on average by 0.6%, as winter 20 power decreased 0.8% to £42.52/MWh, while summer 21 fell 1.1% to £37.83/MWh. On average, Brent crude oil prices saw a 2.3% rise in prices this week up to \$40.47/bl. Prices reached a 3-month high of \$42.80/bl on 8 June, but fell back down to below \$39/bl at the end of the week on fears of oversupply. Despite threats of supply disruptions in Libya concerns of oversupply weighed on prices throughout the week, falling notably on Friday due to reports of a rise in coronavirus cases in the US.

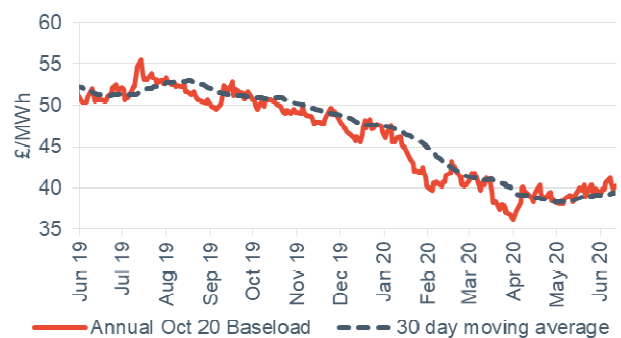
Baseload electricity

- Day-ahead power rose 1.7% to £29.5/MWh following expectations of French nuclear outages next week
- July 20 power climbed 2.3% at £28.24/MWh and August 20 power increased 0.9% to £29.09/MWh
- Q320 power moved 0.9% higher to £29.5/MWh
- The annual October 20 contract lost 0.9% to £40.18/MWh, 20.7% lower than the same time last year (£50.69/MWh)

Forward curve comparison



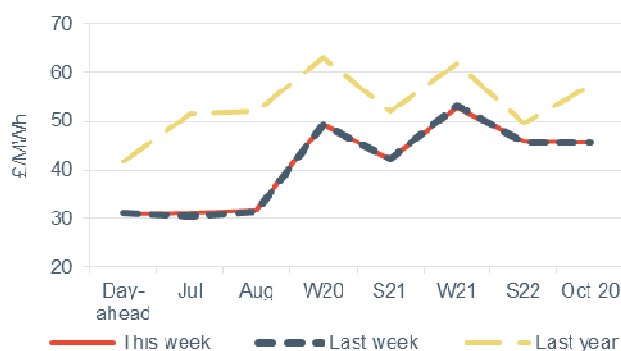
Annual October contract



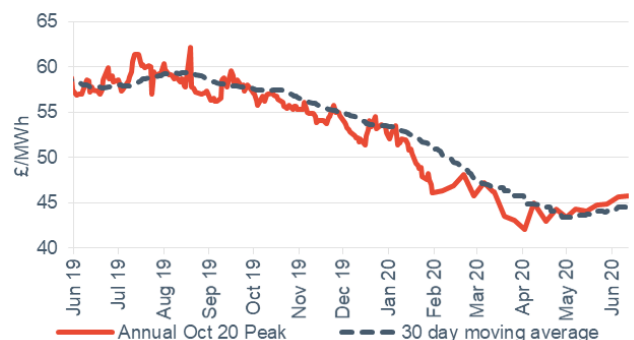
Peak electricity

- Day-ahead peak power was down 0.8% to £31/MWh, following its baseload counterpart higher
- July 20 peak power gained 1.8% at £31.16/MWh, and August 20 peak power increased 1.2% to £31.76/MWh
- The annual October 20 peak power lost 0.1% to £45.72/MWh
- This is 20.4% lower than the same time last year (£57.43/MWh)

Forward curve comparison



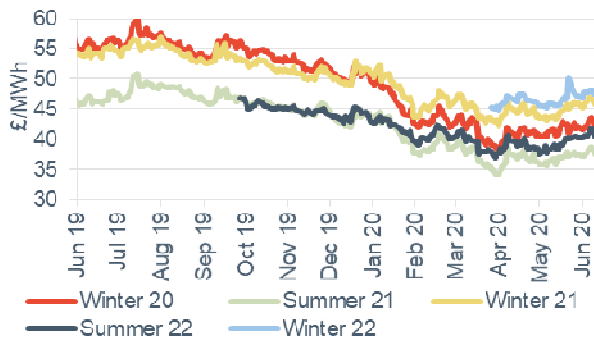
Annual October contract





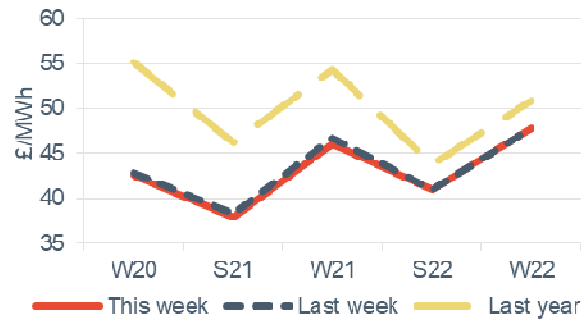
Seasonal power prices

Seasonal baseload power contracts



- Seasonal power contracts saw mixed direction this week, but fell down on average by 0.6%
- Winter 20 power decreased 0.8% to £42.52/MWh, while summer 21 fell 1.1% to £37.83/MWh

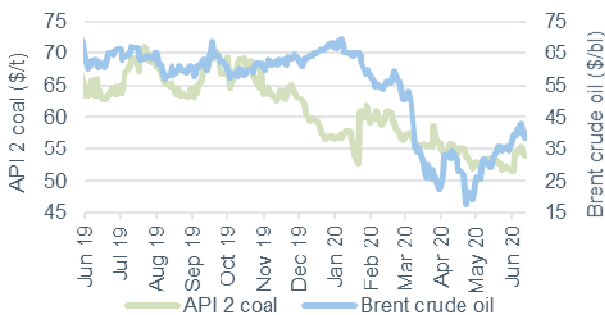
Seasonal baseload power curve



- Most seasonal peak power contracts increased this week
- Winter 20 and summer 21 peak power increased 0.1% and 0.1% respectively, falling to £49.27/MWh and £42.16/MWh

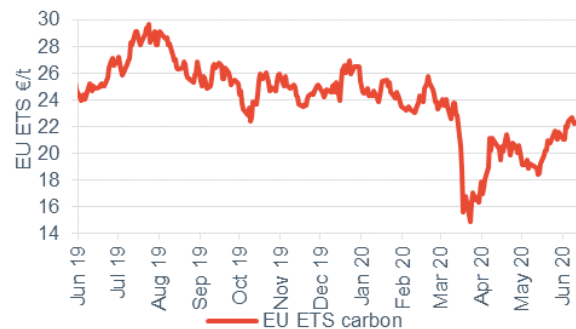
Commodity price movements

Oil and coal



- On average, Brent crude oil prices saw a 2.3% rise in prices this week up to \$40.47/bl
- Prices reached a 3-month high of \$42.80/bl on 8 June, but fell back down to below \$39/bl at the end of the week on fears of oversupply
- Despite threats of supply disruptions in Libya concerns of oversupply weighed on prices throughout the week, falling notably on Friday due to reports of a rise in coronavirus cases in the US
- The recent shifts to the oil industry as a result of the pandemic has seen the Saudi Arabian share reach its highest since the 80's, as was reported by J.P. Morgan this week
- Despite the Brent price falling towards the end of the week, Barclays Commodities Research raised their 2020 forecasts by \$4/bl to \$41/bl, expecting slow growth for the rest of the year

Carbon



- API 2 coal prices rose to \$54.40/t as short-term supply issues persist in Russia
- Prices will continue to follow trends in demand, however have Reuters reported that Australian imports into China could fall, despite hitting a two-year high in May
- EU ETS carbon prices rose a further 3.3% to average €22.39/t this week
- Colder weather this week supported carbon prices, as countries look to buyout emissions from increased energy generation

Supplier tariff movements

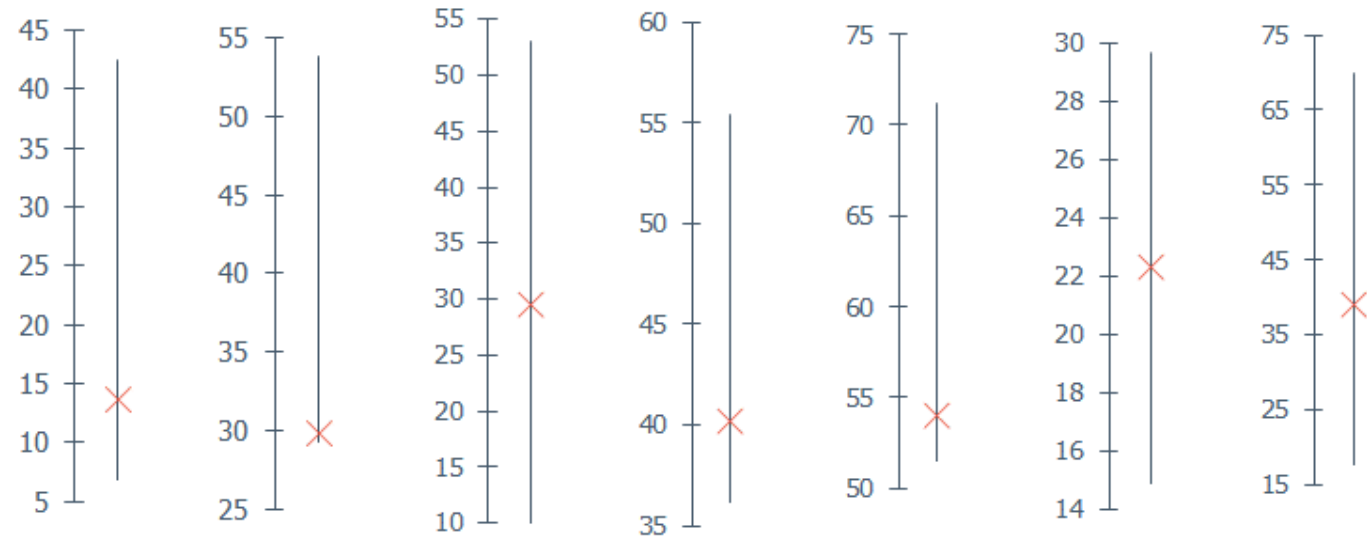
Between 26 April and 31 May, 14 suppliers decreased the price of their cheapest available tariffs (fixed/variable tariffs only) with the greatest decrease from Good Energy at -£167. 12 suppliers increased the price of their cheapest available tariffs when comparing the two dates. The greatest increase was put through by ESB Energy at +£182.



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	12 Jun 20	13.75	29.92	29.50	40.18	54.00	22.27	38.86
Last week	5 Jun 20	12.75	30.69	29.00	40.56	54.30	22.37	41.08
Four weeks ago	15 May 20	12.85	31.14	21.70	39.26	53.45	19.19	31.87
Last year	13 Jun 19	30.00	49.68	40.20	51.12	64.25	25.00	61.97
Year-on-year % change		-54.2%	-39.8%	-26.6%	-21.4%	-16.0%	-10.9%	-37.3%
12-month high		42.40	53.78	53.00	55.40	71.20	29.66	69.75
12-month low		6.85	29.24	10.00	36.15	51.50	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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