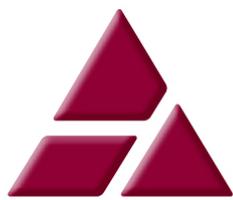




Energy Wholesale Market Review

Week Ending 19th June 2020



edw technology

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Headlines 19/06/2020

Most power and gas contracts rose this week, as the UK government moved the coronavirus alert level down from four to three. Day-ahead gas rose 3.6% to 14.25p/th following a rise in gas consumption throughout the week. Day-ahead power fell 0.8% to £29.25/MWh, though higher wind generation early next week will add weight to the contract. July 20 gas was up 2.1% at 14.35p/th and August 20 gas decreased 0.3% to 14.67p/th. All seasonal gas contracts went up last week, rising 4.0% on average. Both winter 20 and summer 21 gas increased 4.5% and 5.3% respectively, lifting to 32.45p/th and 30.3p/th. All seasonal power contracts saw growth this week, up on average by 3.9%. Winter 20 and summer 21 expanded 3.9% and 4.8% respectively, rising to £44.17/MWh and £39.63/MWh. Brent crude oil prices inched up 0.4% this week to average \$40.62/bl. Following a drop in prices towards the end of the previous week. Brent prices rose more than 10% throughout this week to finish close to \$43/bl. Despite slipping to near \$38/bl at the start of the week on the news of potential further coronavirus outbreaks, the markets shrugged this news off on reports of greater compliance by OPEC+ allies in cutting their oil production. EU ETS carbon rose to more than a three-month high of €24.40/t on 19 June.

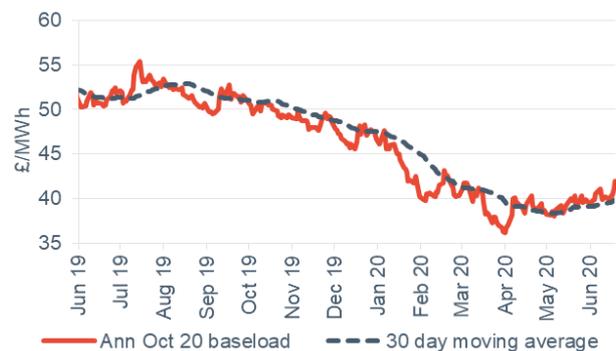
Baseload electricity

- Day-ahead power fell 0.8% to £29.25/MWh despite higher demand this week as a result of easing lockdown restrictions
- July 20 power climbed 11.0% at £31.34/MWh and August 20 power increased 4.7% to £30.47/MWh
- Q320 power moved 6.8% higher to £31.5/MWh
- The Annual October 20 contract rose 4.3% to £41.9/MWh, 17.8% lower than the same time last year (£51/MWh)

Forward curve comparison



Annual October contract



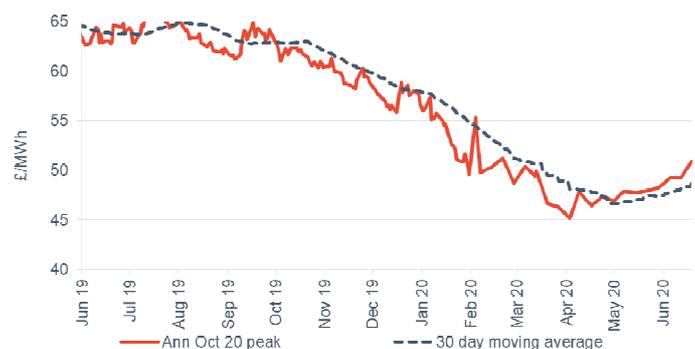
Peak electricity

- Day-ahead peak power was down 3.2% to £30.00/MWh, following its baseload contract lower
- July 20 peak power gained 6.0% at £33.03/MWh, and August 20 peak power increased 5.0% to £33.34/MWh
- The annual October 20 peak power lost 3.2% to £47.19/MWh
- This is 19.4% lower than the same time last year (58.53/MWh)

Forward curve comparison



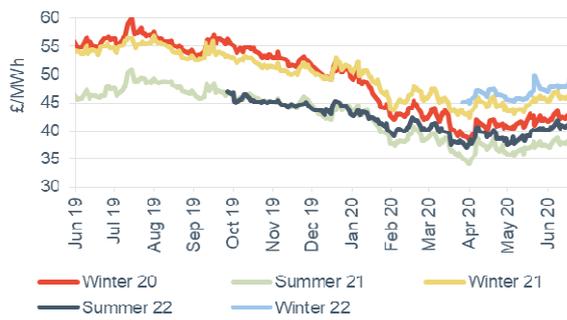
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts boosted last week, up on average by 3.9%
- Winter 20 and summer 21 rose 3.9% and 4.8% respectively, rising to £44.17/MWh and £39.63/MWh

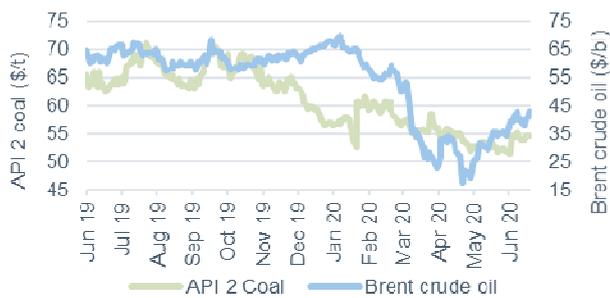
Seasonal baseload power curve



- All seasonal peak power contracts boosted this week, up 2.8% on average
- Winter 20 and summer 21 peak power increased 3.3% and 3.2% respectively, falling to £50.88/MWh and £43.49/MWh

Commodity price movements

Oil and coal



- Brent crude oil prices inched up 0.4% this week to average \$40.62/b
- Following a drop in prices towards the end of the previous week, Brent prices rose more than 10% throughout this week to finish close to \$43/b
- Despite slipping to near \$38/b at the start of the week on the news of potential further coronavirus outbreaks, the markets shrugged this news off on reports of greater compliance by OPEC+ allies in cutting their oil production
- Countries such as Kazakhstan and Iraq who had been exporting greater quantities of oil than was in line with the OPEC agreed cuts have pledged to reduce supply to make up for the overproduction
- The cuts begin in May and at the beginning of the month were agreed to be extended to the end of July
- US crude inventories continued to rise this week

Carbon



- API 2 coal prices rose remained at \$54.38/t as short-term supply issues persist in Russia
- Prices will continue to follow trends in demand
- Reports have shown that coal demand has dropped 9% this year as a result of COVID-19
- The rise in oil prices throughout the week supported EU ETS carbon prices, which increased by 3.1% to average €23.08/t this week
- Prices hit a fresh 3-month month high of €24.40/t on 19 June

Supplier tariff movements

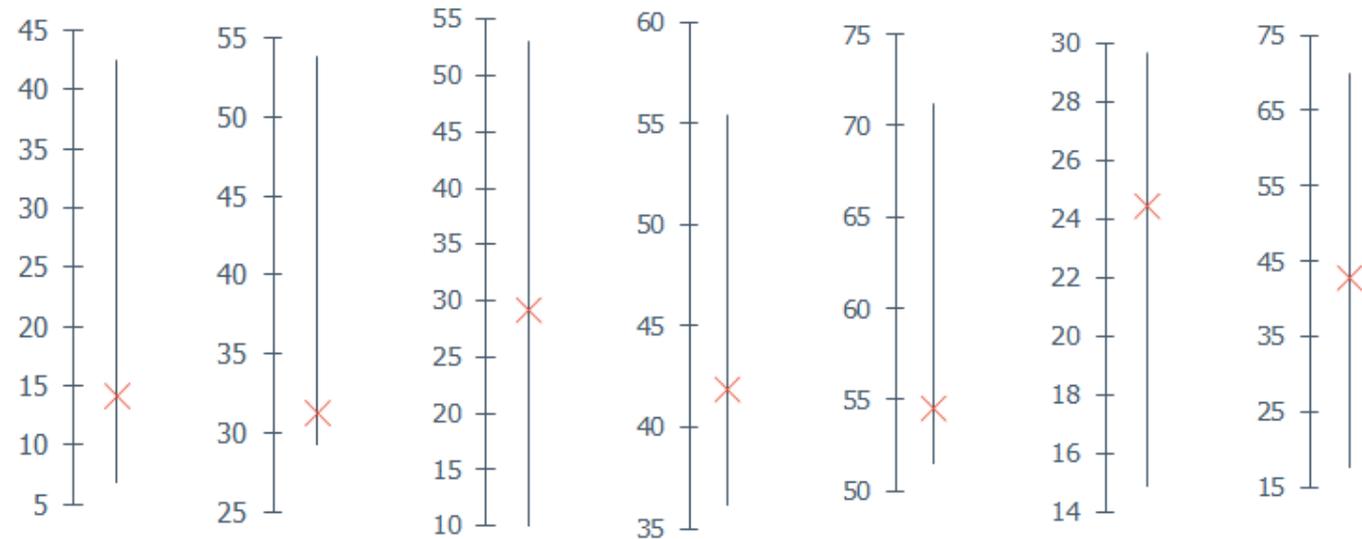
Between 26 April and 31 May, 14 suppliers decreased the price of their cheapest available tariffs (fixed/variable tariffs only) with the greatest decrease from Good Energy at -£167. 12 suppliers increased the price of their cheapest available tariffs when comparing the two dates. The greatest increase 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	19 Jun 20	14.25	31.38	29.25	41.90	54.50	24.40	42.78
Last week	12 Jun 20	13.75	29.92	29.50	40.18	54.00	22.27	38.86
Four weeks ago	22 May 20	6.85	29.44	21.50	39.05	51.75	20.77	34.34
Last year	20 Jun 19	27.75	48.63	39.30	50.43	63.50	24.99	63.16
Year-on-year % change		-48.6%	-35.5%	-25.6%	-16.9%	-14.2%	-2.4%	-32.3%
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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