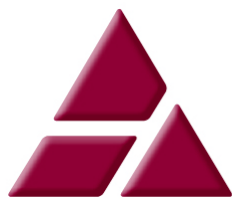




Energy Wholesale Market Review

Week Ending 26th July 2020



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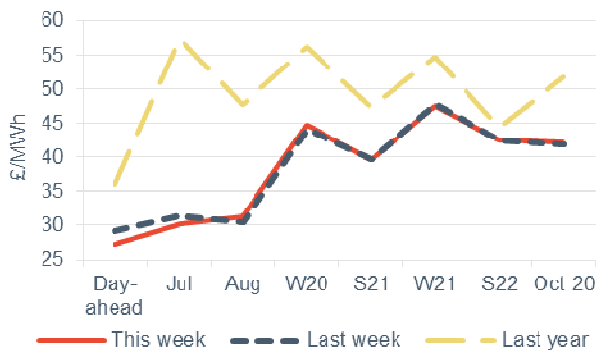
Headlines 26/06/2020

Gas and power contracts saw mixed movements this week, following the strong gains made last week. Day-ahead gas fell 5.6% to 13.45p/th, following lower gas demand towards the end of the week amid high temperatures and strong renewable output. Day-ahead power fell 6.8% to £27.25/MWh on strong wind generation forecasts for the early parts of next week. July 20 gas was down 5.6% at 13.55p/th and August 20 gas decreased 5.5% to 13.87p/th. All seasonal gas contracts declined this week, down by 1.7% on average. Winter 20 and summer 21 gas dropped 0.4% and 1.9% to 32.33p/th and 29.73p/th, respectively. Seasonal power contract movements were mixed slipping 0.1% on average. The winter 20 and summer 21 baseload contracts rose 1.2% and 0.1% respectively, rising to £44.71/MWh and £39.65/MWh. A week of volatile movements in the oil market saw Brent crude oil prices rise by 3.3% to average \$41.98/bl, despite significant losses in the middle of the week. The EU ETS carbon price saw some volatility this week, ultimately reaching a 4-month high of €25.32/t on 25 June on stronger demand.

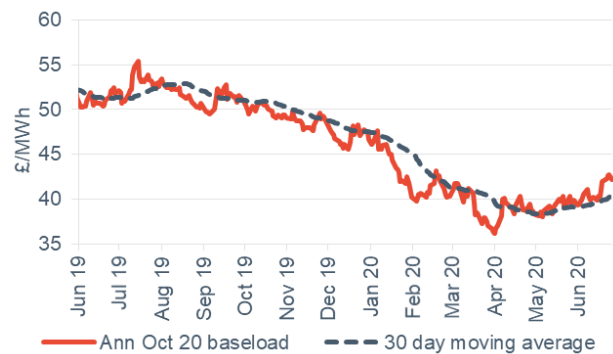
Baseload electricity

- Day-ahead power fell 6.8% to £27.25/MWh, following forecasts of high wind generation towards the end of the week
- July 20 power slipped 3.8% to £30.15/MWh and August 20 power increased 3.0% to £31.38/MWh
- Q320 power moved 1.5% higher to £31.97/MWh
- The annual October 20 contract rose 0.7% to £42.18/MWh, 18.5% lower than the same time last year (£51.76/MWh)

Forward curve comparison



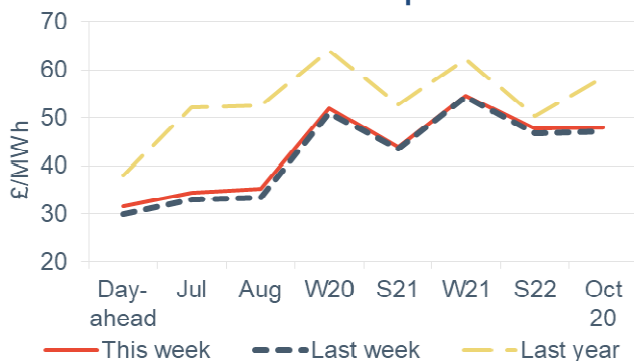
Annual October contract



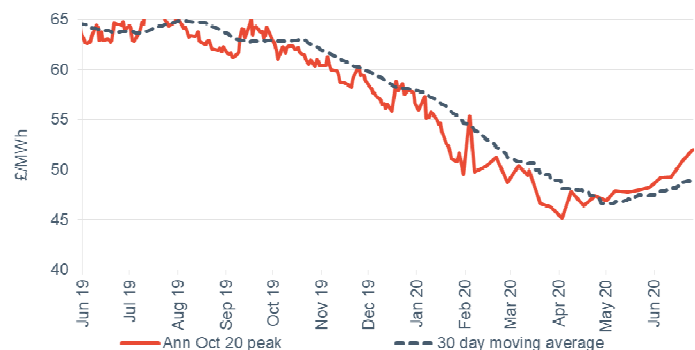
Peak electricity

- Day-ahead peak power was up 5.3% to £31.6/MWh, opposing the direction of its baseload counterpart
- July 20 peak power gained 3.8% to £34.29/MWh, and August 20 peak power increased 5.5% to £35.17/MWh
- The annual October 20 peak power lost 1.5% to £47.89/MWh
- This is 17.9% lower than the same time last year (58.31/MWh)

Forward curve comparison



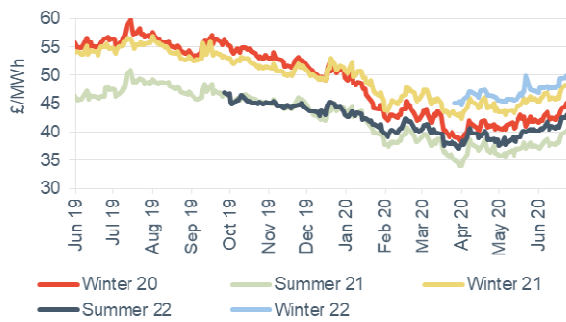
Annual October contract





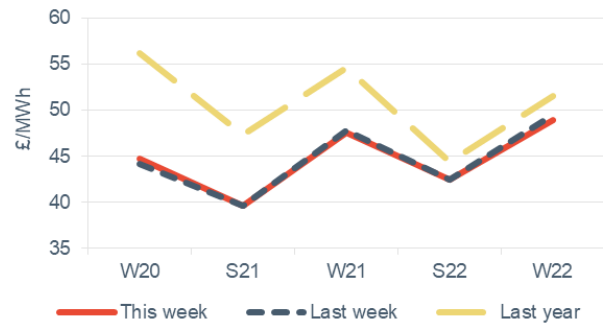
Seasonal power prices

Seasonal baseload power contracts



- Seasonal power contracts saw mixed direction this week, but dropped down on average by 0.1%
- Winter 20 and summer 21 lifted 1.2% and 0.1% respectively, rising to £44.71/MWh and £39.65/MWh

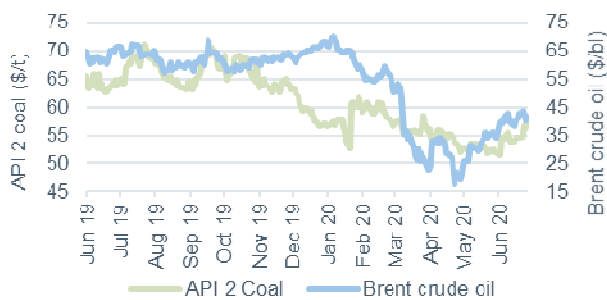
Seasonal baseload power curve



- All seasonal peak power contracts boosted this week, up 1.4% on average
- Winter 20 and summer 21 peak power increased 2.2% and 0.7% to £51.99/MWh and £43.79/MWh, respectively

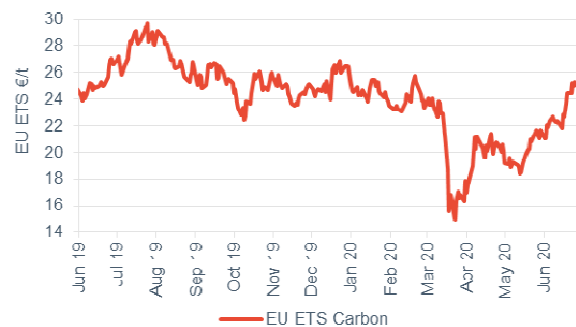
Commodity price movements

Oil and coal



- A week of volatile movements in the oil market saw Brent crude oil rise by 3.3% to average \$41.98/bl, despite significant losses in the middle of the week
- Prices reached a 3-month high of \$43.82/bl on 23 June, finding support from assurances from the US President that the US-China trade deal remained intact, following earlier uncertainty
- Prices then dropped to under \$40/bl in the middle of the week on an increasing number of reports of rising COVID-19 cases
- A mass second wave of the virus would likely reverse the rising trend in demand seen in the past month, and could see oil prices crash back down to the prices seen in March and April
- Brent crude oil prices moved higher on 26 June on the news that demand continues to rise, despite the threat of a second COVID-19 wave
- Reports showed that Chinese imports of Saudi oil rose to an all-time high in May

Carbon



- API 2 coal prices lifted 3.1% to average \$56.08/t this week
- Prices hit a similar 3-month high of \$57.25/t as easing lockdown restrictions sparks a rise in consumption around the world
- The EU ETS carbon price saw some volatility this week, ultimately reaching a 4-month high of €25.32/t on 25 June on stronger demand



Supplier tariff movements

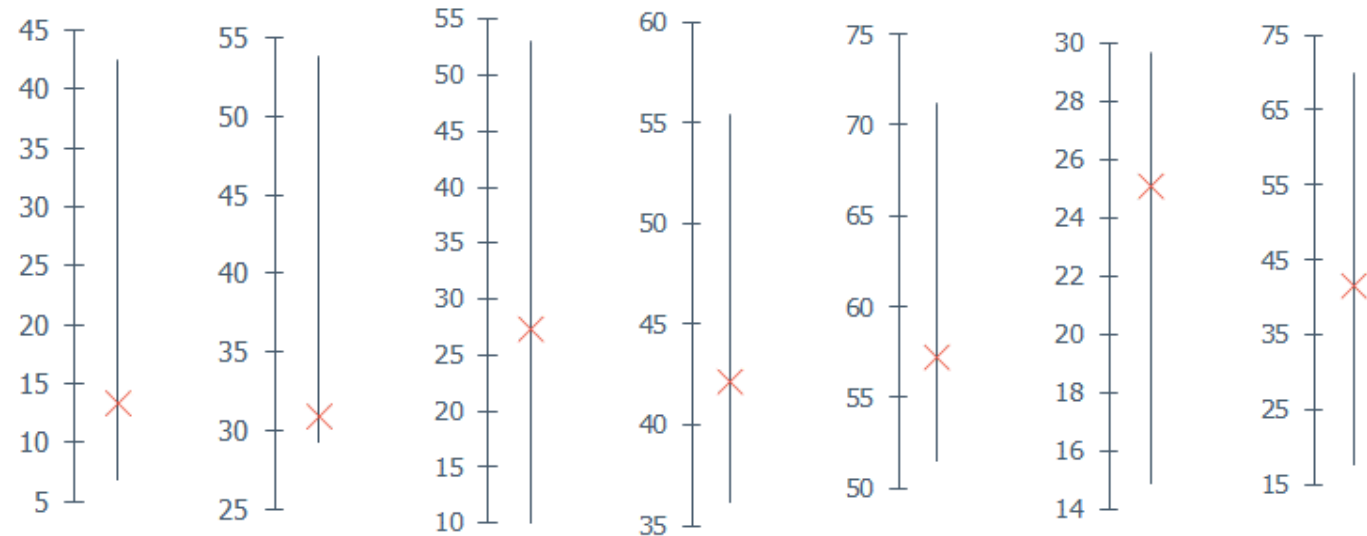
Between 26 April and 31 May, 14 suppliers decreased the price of their cheapest available tariffs (fixed/variable tariffs only) with the greatest decrease from Good Energy at -£167. 12 suppliers increased the price of their cheapest available tariffs when comparing the two dates. The greatest increase 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	26 Jun 20	13.45	31.03	27.25	42.18	57.25	25.04	41.57
Last week	19 Jun 20	14.25	31.38	29.25	41.90	54.50	24.40	42.78
Four weeks ago	29 May 20	8.75	29.79	24.00	39.83	52.00	21.63	34.35
Last year	27 Jun 19	25.60	50.18	37.25	52.42	64.90	27.09	65.89
Year-on-year % change		-47.5%	-38.2%	-26.8%	-19.5%	-11.8%	-7.6%	-36.9%
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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