



Energy Wholesale Market Review

Week Ending 10th July 2020



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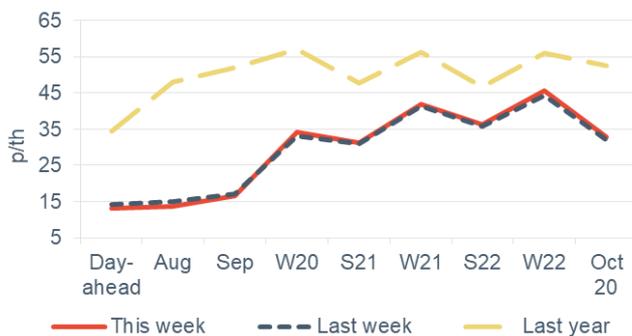
Headlines 10/07/2020

Mixed movements were observed this week for near-term gas and power prices. Day-ahead gas fell 7.0% to 13.25p/th, following an oversupplied system. Day-ahead power rose 18.3% to £30.75/MWh, amid periods of low wind output and power demand recovery following the easing of lockdown restrictions. August 20 gas was down 8.3% at 13.78p/th, and September 20 gas decreased 3.4% to 16.6p/th. All seasonal gas contracts rose this week, up by 2.1% on average, while winter 20 and summer 21 gas increased 3.1% and 1.1% respectively, lifting to 34.14p/th and 31.33p/th. Seasonal power contracts boosted this week, up on average by 2.4%, as winter 20 and summer 21 expanded 2.8% and 1.8% respectively, rising to £46.5/MWh and £42/MWh. EU ETS carbon prices leapt 8.0% this week to average €28.7/t, reaching a near 12-month high amid strong trading activity. Brent crude oil experienced growth this week, rising 2.0% to average \$42.7/bl, up from \$41.9/bl the previous week.

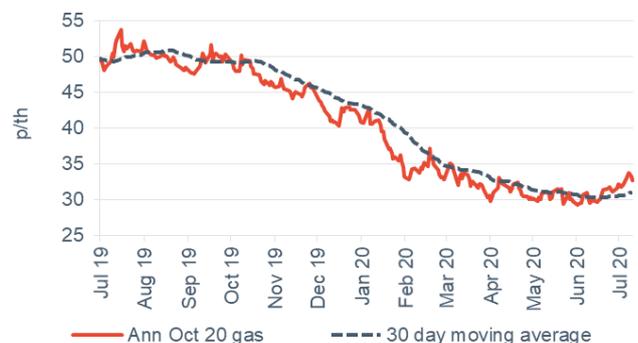
Baseload electricity

- Day-ahead power rose 18.3% to £30.75/MWh, following a steady rise in demand, coupled with periods of low wind generation
- August 20 power climbed 0.3% at £32.2/MWh and September 20 power decreased 0.6% to £34.79/MWh.
- Q420 power moved 2.2% higher to £44.01/MWh.
- The Annual October 20 contract rose 2.3% to £44.25/MWh, 19.1% lower than the same time last year (£54.69/MWh).

Forward curve comparison



Annual October contract



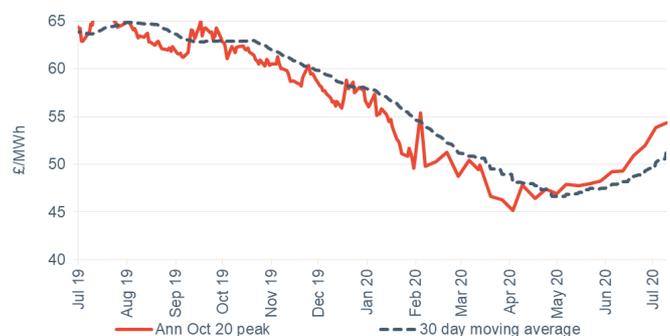
Peak electricity

- Day-ahead peak power was down 0.8% to £32.5/MWh.
- August 20 peak power gained 0.9% at £36.89/MWh, and September 20 peak power increased 0.8% to £40.03/MWh.
- The annual October 20 peak power lost 1.5% to £50.37/MWh
- This is 17.8% lower than the same time last year (61.31/MWh).

Forward curve comparison



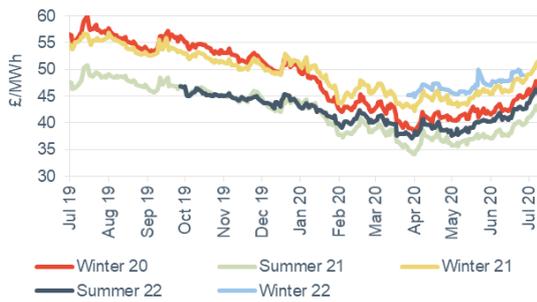
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



- Seasonal power contracts boosted this week, up on average by 2.4%.
- Winter 20 and summer 21 expanded 2.8% and 1.8% respectively, rising to £46.5/MWh and £42/MWh.

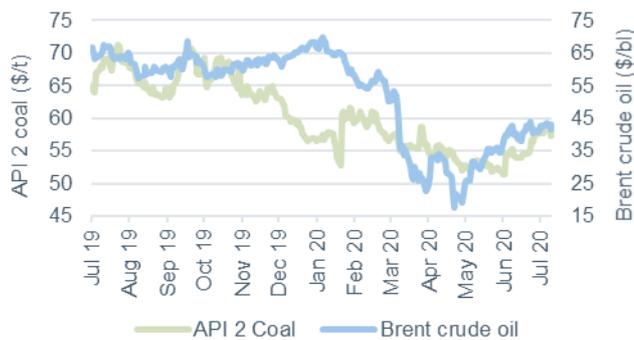
Seasonal baseload power curve



- Seasonal peak power contracts rose higher this week, up 2.1% on average
- Winter 20 and summer 21 peak power increased 1.0% and 2.2% respectively, falling to £54.35/MWh and £46.39/MWh.

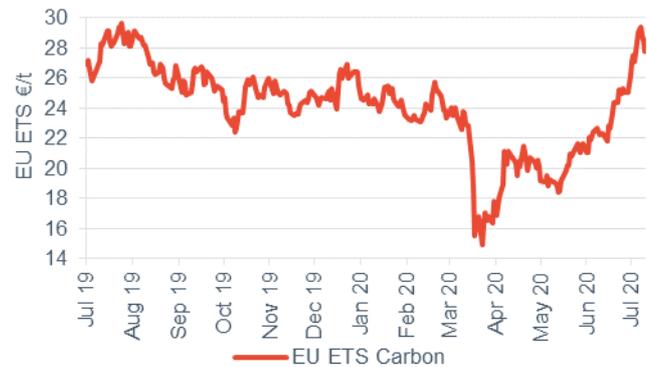
Commodity price movements

Oil and coal



- Brent crude oil experienced growth this week, rising 2.0% to average \$42.7/bl, up from \$41.9/bl the previous week. Oil prices started the week at \$43.37/bl, though settled lower at the end of the week at \$41.44/bl.
- Tighter supplies helped to support prices at the start of the week, despite news of fresh COVID-19 cases being detected across a number of countries. The US rig count fell by three rigs early in the week, dipping down to total 185.
- However, growth has been pegged back by fears that new COVID-19 cases could led to fresh lockdown measures, which would overall halt demand recovery
- API 2 coal prices extended upon the previous week's growth, rising 0.5% to average \$58.1/t.

Carbon



- EU ETS carbon prices increased week-on-week, growing 8.0% this week to average €28.7/t. On 7 July, carbon prices reached €29.4/t, a near 12-month high, amid strong speculator-driven trading activity, despite weak fundamentals.
- Market prices were supported mid-week as the European Parliament's environment committee adopted a report to extend the scope of the EU ETS to the shipping sector. This signalled the prospect of increased future demand for EUAs.

Supplier tariff movements

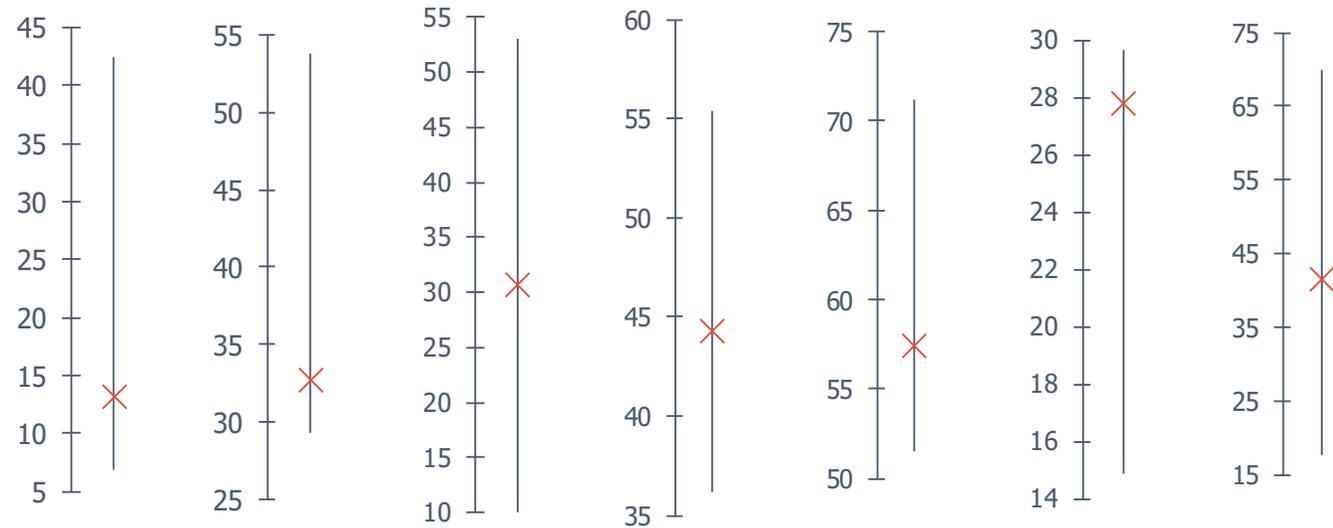
Between 21 June and 28 June seven suppliers increased the price of their cheapest tariff. The largest increase was put through by Tonik Energy which increased its tariff by £28/year to £810/year on average. In contrast, four suppliers decreased the price of their cheapest available tariff. Green Star Energy reduced its tariff by £23/year to £865/year on average.



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	10 Jul 20	13.25	32.74	30.75	44.25	57.40	27.79	41.44
Last week	3 Jul 20	14.25	32.06	26.00	43.25	57.75	27.11	42.65
Four weeks ago	12 Jun 20	13.75	29.92	29.50	40.18	54.00	22.27	38.86
Last year	11 Jul 19	35.00	51.77	43.90	53.86	69.10	28.27	67.40
Year-on-year % change		-62.1%	-36.8%	-30.0%	-17.8%	-16.9%	-1.7%	-38.5%
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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