



Energy Wholesale Market Review

Week Ending 24th July 2020



edw technology

EDW House, Radian Court, Knowlhill, Milton Keynes, MK5 8PJ.

Phone: +44 (0)8448 802 489
Email: info@edwtech.com
Website: edwtech.com



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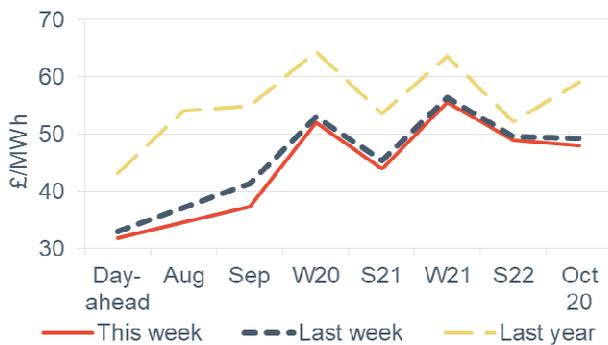
Headlines 24/07/2020

Most power and gas contracts moved lower this week, with a few short-term contracts as exceptions. Day-ahead gas rose 0.4% to 13.3p/th as gas imports saw a slight decrease as a result of maintenance on the Nord Stream pipeline. The majority of power contracts decreased this week, although the day-ahead power contract rose 0.8% to £31.5/MWh on forecasts of lower wind generation. August 20 power slipped 0.3% to £30.4/MWh, and September 20 power decreased 1.0% to £32.9/MWh. Seasonal gas contracts declined by 4.0% on average this week, with winter 20 and summer 21 gas dropping 4.9% and 6.9% to 31.9p/th and 29.2p/th, respectively. All seasonal power contracts declined this week, down on average by 2.6%, as winter 20 power decreased 2.8% to £44.55/MWh and summer 21 fell 4.0% to £39.75/MWh. Brent crude oil prices rose by 2.0% this week, averaging \$43.87/bl. Oil prices turned bullish on the news that researchers at Oxford University had made positive steps in COVID-19 vaccine trials. Following the EU ETS price hitting a 14-year high the previous week, prices moved 7.8% lower to average €26.93/t as a result of supply-side pressure early in the week.

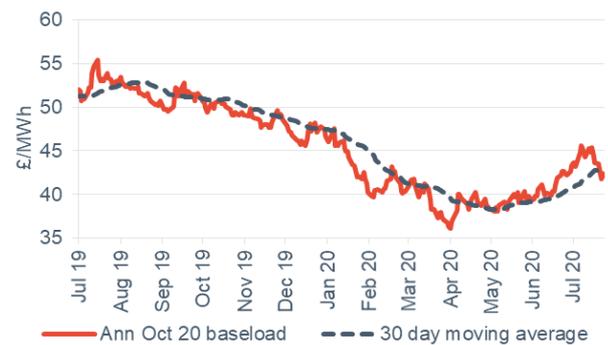
Baseload electricity

- Day-ahead power rose 0.8% to £31.5/MWh following lower wind generation forecasts
- August 20 power slipped 0.3% to £30.4/MWh and September 20 power decreased 1.0% to £32.9/MWh
- Q420 power moved 3.5% lower to £41.8/MWh
- The annual October 20 contract lost 3.3% to £42.15/MWh, 20.0% lower than the same time last year (£52.66/MWh)

Forward curve comparison



Annual October contract



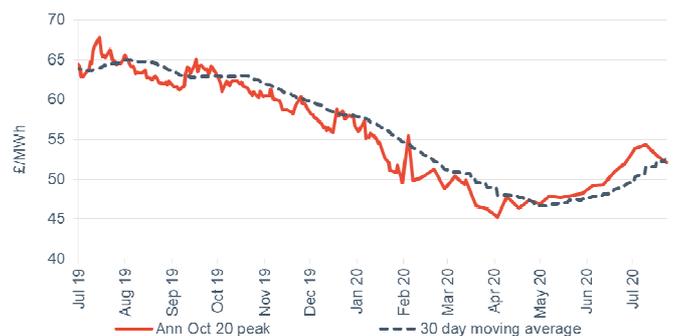
Peak electricity

- Day-ahead peak power was down 3.8% at £31.75/MWh
- August 20 peak power declined 6.8% to £34.6/MWh, and September 20 peak power decreased 9.8% to £37.28/MWh
- The annual October 20 peak power contract lost 2.5% to £47.99/MWh
- This is 18.7% lower than the same time last year (59.04/MWh)

Forward curve comparison



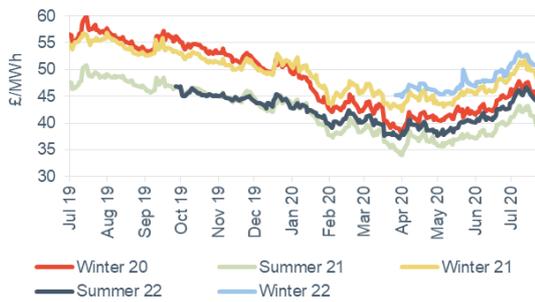
Annual October contract



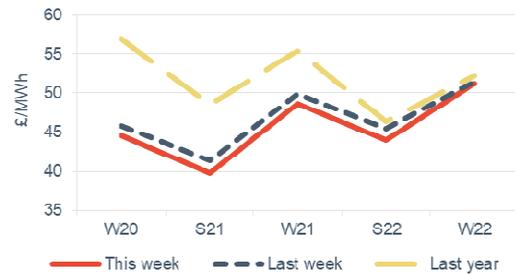


Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

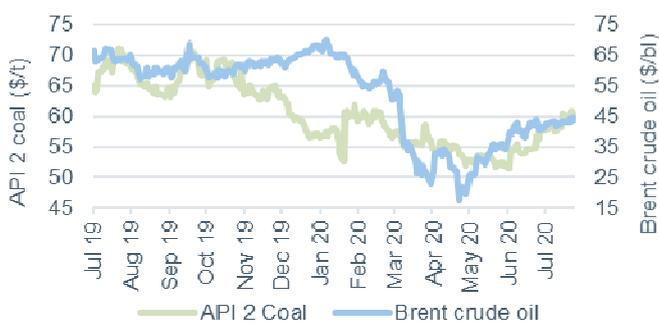


- All seasonal power contracts declined this week, down on average by 2.6%
- Winter 20 power decreased 2.8% to £44.55/MWh, while summer 21 fell 4.0% to £39.75/MWh

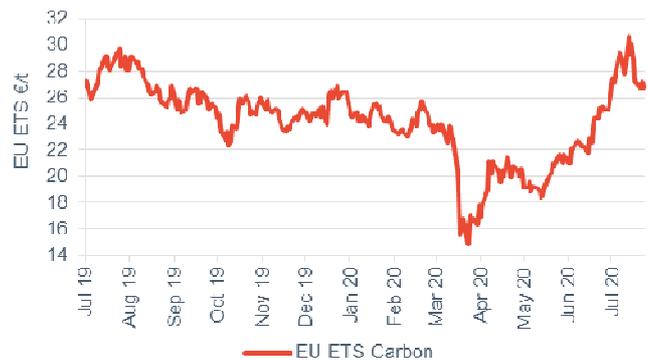
- All seasonal peak power contracts declined this week, down 1.9% on average
- Winter 20 and summer 21 peak power dropped 1.8% and 3.3% respectively, falling to £52.07/MWh and £43.9/MWh

Commodity price movements

Oil and coal



Carbon



- Brent crude oil prices rose by 2.0% this week, averaging \$43.87/bl
- Oil prices turned bullish on the news that researchers at Oxford University had made positive steps in COVID-19 vaccine trials
- The news pushed the Brent price to more than a four-month high of \$44.16/bl on 21 July
- Oil prices lost some momentum in the middle of the week, as high US jobless numbers and the news that congress may not agree on a US stimulus package negatively affected both the Brent and WTI price
- Prices closed the week marginally higher than they opened, supported by a weak US dollar but weighed upon by increasing US-China tensions

- API 2 coal prices rose by 1.3% this week to average \$60.20/t, as demand for the commodity continues to increase following the easing of lockdown measures around the world
- Following the EU ETS price hitting a 14-year high the previous week, prices moved 7.8% lower to average €26.93/t as a result of supply-side pressure early in the week
- Prices lifted slightly midweek in reacting to new stimulus measures announced by European Central Bank

Supplier tariff movements

Between 28 June and 12 July, 32 suppliers increased the price of their cheapest available tariff (16 put through a price increase 28 June-05 July, 16 between 05 July and 12 July). The largest increase was put through by SSE, increasing its tariff by £258/year to £1,111/year on average. SSE's price increase was followed by Go Effortless

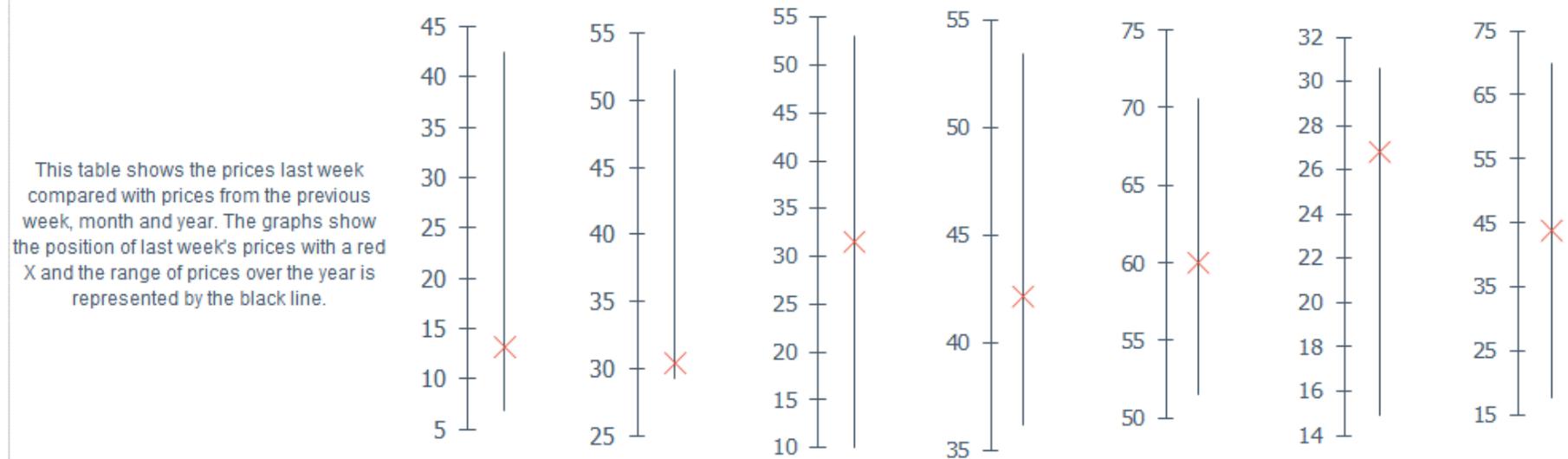


Energy (£214/year). Seven suppliers decreased the price of their cheapest available tariff (5 in the first week, 2 the week after). SSE put through the greatest price decrease of £230/year to £881/year on average.



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	24 Jul 20	13.30	30.55	31.50	42.15	60.00	26.80	43.80
Last week	17 Jul 20	13.25	32.46	31.25	43.61	60.00	27.24	42.98
Four weeks ago	26 Jun 20	13.45	31.03	27.25	42.18	57.25	25.04	41.57
Last year	25 Jul 19	28.25	50.75	42.85	53.13	70.00	29.66	63.83
Year-on-year % change		-52.9%	-39.8%	-26.5%	-20.7%	-14.3%	-9.6%	-31.4%
12-month high		42.40	52.20	53.00	53.42	70.55	30.57	69.75
12-month low		6.85	29.24	10.00	36.15	51.50	14.90	17.53





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.

EDW Technology Limited

EDW House

Radian Court

Knowlhill

Milton Keynes

MK5 8PJ

UK

Tel: +44 (0) 8448 802 489

Fax: +44 (0) 8448 802 487

Website: www.edwtech.com

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