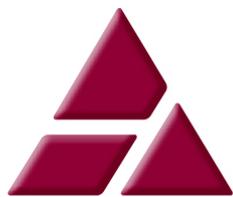




Energy Wholesale Market Review

Week Ending 23rd October 2020



edw technology

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Headlines 23/10/2020

All contracts increased this week, with the exception of day-ahead power. Day-ahead power decreased 4.5% to £43.75/MWh, owing to increased wind outturn as the week progressed coupled with forecasts of strong wind generation across the weekend. The month-ahead contract (November 20) gained 2.7% to £51.25/MWh. Similarly, December 20 power increased 2.2% to average £52.25/MWh. Countering trends seen in the day-ahead contract, all other seasonal power contracts experienced growth in comparison with the week prior. The majority of gas contracts moved higher this week attributed predominately to a general decline in temperatures as we progress further towards the winter months. As such, day-ahead gas lifted 6.2% to 43.00p/th. November 20 gas rose 8.8% to 44.38p/th, with December 20 gas also rising 9.0% to 46.85p/th. Summer 21 gas lifted 5.6% to 36.87p/th with the winter 21 contract lifting 2.9% to 44.35p/th. Brent crude oil marginally rose this week, seeing an increase of 0.3% to average \$42.39/bl. The Brent crude oil price maintained a relatively stable position above \$42.00/bl, with conflicting factors such as ongoing supply disruption in Norway and increasing levels of oil in US inventories, preventing major price shifts in either direction. EU ETS carbon dropped by a further 3.2% to average €24.47/t for the week.

Baseload electricity

- Day-ahead power fell 4.5% to £43.75/MWh, owing to increased wind generation expected towards the end of the week.
- November 20 power climbed 2.7% to £51.25/MWh and December 20 power increased 2.2% to £52.25/MWh.
- Q121 power moved 1.6% higher to £53.5/MWh.
- The annual April 21 contract rose 3.1% to £48.11/MWh, 0.9% lower than the same time last year (£48.54/MWh).

Forward curve comparison



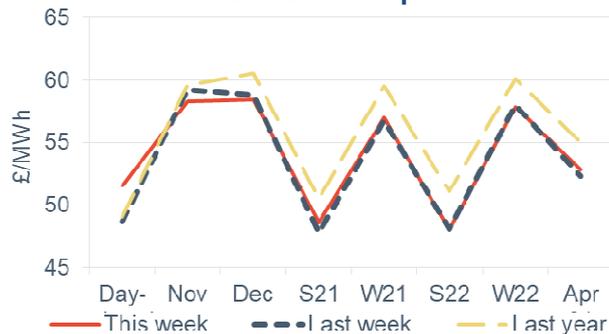
Annual April contract



Peak electricity

- Day-ahead peak power was up 5.9% to £51.50/MWh.
- November 20 peak power declined 1.6% to £58.28/MWh, and December 20 peak power decreased 0.7% to £58.42/MWh.
- The annual April 21 peak power lost 1.0% to £52.79/MWh
- This is 4.0% lower than the same time last year (£55.00/MWh).

Forward curve comparison



Annual April contract





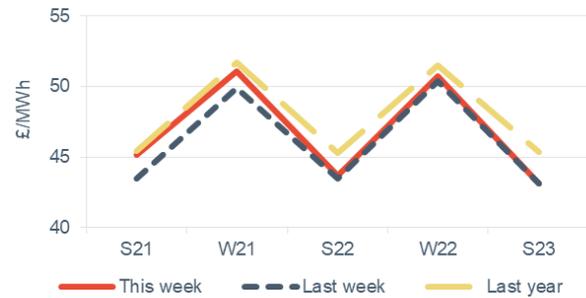
Seasonal power prices

Seasonal baseload power contracts



- All seasonal baseload power contracts rose this week, up on average by 1.5%.
- Summer 21 and winter 21 power gained 3.9% and 2.3% respectively, rising to £45.16/MWh and £51.05/MWh.

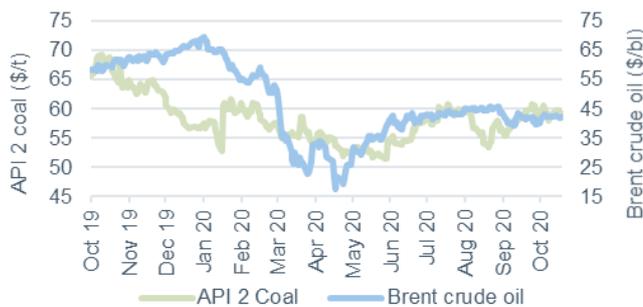
Seasonal baseload power curve



- Most seasonal peak power contracts increased this week, up 0.4% on average.
- Summer 21 and winter 21 peak power increased 1.8% and 0.3% to £48.62/MWh and £56.96/MWh, respectively.

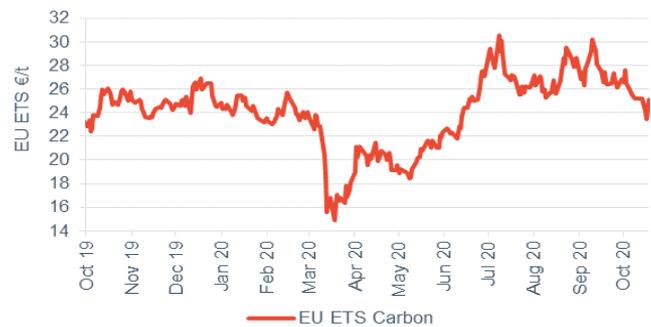
Commodity price movements

Oil and coal



- Brent crude oil marginally rose this week, seeing an increase of 0.3% to average \$42.39/bbl. The Brent crude oil price maintained relative stability above \$42.00/bbl for the entirety of the week, despite fresh restrictions imposed across many economies this week.
- The Brent crude oil price continued to draw on its recent resilience, supported by OPEC members not ruling out supply cuts in an attempt to provide a boost to prices.
- While prices remain stable, the market is anticipating a notable decline amid concerns of rising case numbers of the Coronavirus in the coming weeks.
- API 2 coal reversed the previous week's decline, lifting 1.3% to average \$59.50/t for the week.

Carbon



- EU ETS carbon fell again this week. Prices dropped by a further 3.2% to average €24.47/t for the week.
- The drop in prices this week is symptomatic of the general sentiment observed across many global commodity markets, as the threat of Coronavirus disruption remains.
- Compounding this week's decline was also a general concern of a 'hard Brexit' and uncertainties in future carbon trading arrangements for the UK. No firm route forward has been agreed despite the 1 January back-stop date drawing closer.

Supplier tariff movements

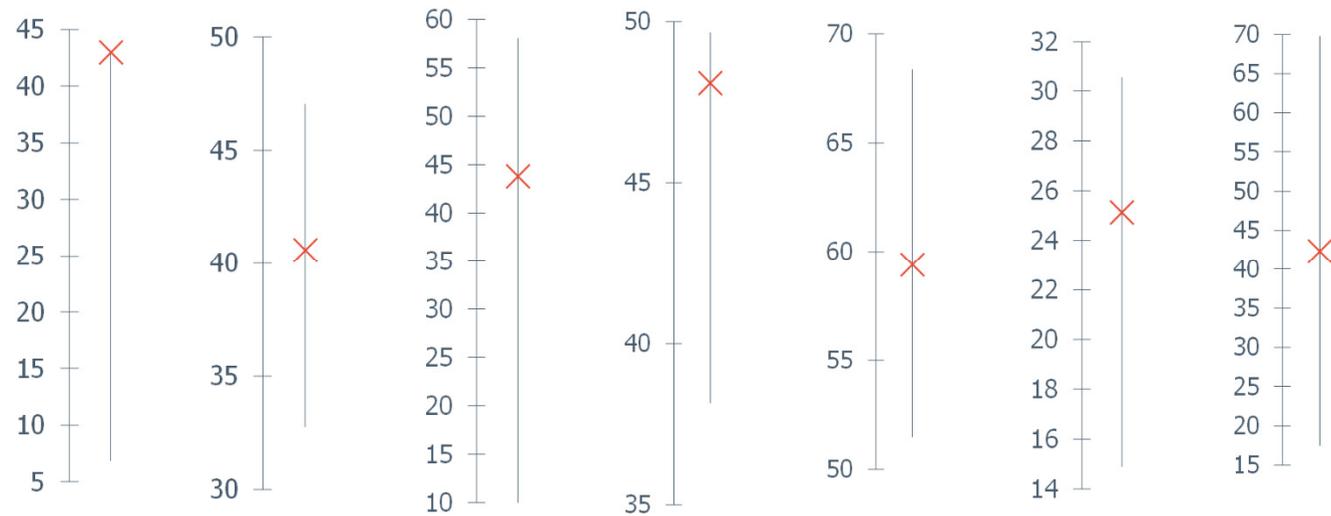
Seven suppliers reduced the price of their cheapest available tariffs between 10 October and 17 October. Green. put through the greatest decrease of £33/year to £821/year on average, followed by Scottish Power at £31/year to £934/year on average. Seven suppliers increased the price of their cheapest available tariffs between 10 October and 17 October. Green Star Energy put through the highest increase of £200/year to £1,126/year on average, followed by Octopus Energy with an increase of £109/year to £934/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	23 Oct 20	43.00	40.61	43.75	48.11	59.40	25.12	42.35
Last week	16 Oct 20	40.50	39.00	45.80	46.68	59.00	25.20	42.50
Four weeks ago	25 Sep 20	31.30	38.02	47.00	46.82	59.70	26.36	42.30
Last year	24 Oct 19	25.75	46.30	36.00	48.21	66.30	24.68	60.88
Year-on-year % change		67.0%	-12.3%	21.5%	-0.2%	-10.4%	1.8%	-30.4%
12-month high		43.00	47.03	58.00	49.67	68.35	30.57	69.75
12-month low		6.85	32.75	10.00	38.16	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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