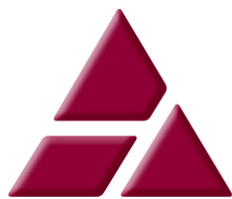




Energy Wholesale Market Review

Week Ending 14th February 2020



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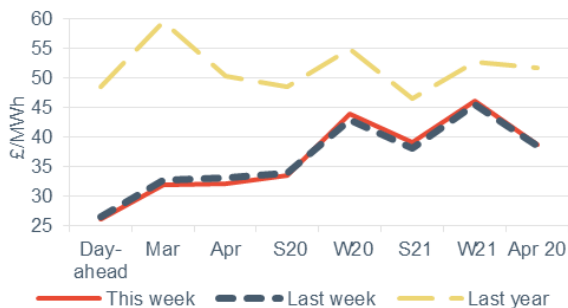
Headlines 14/02/2020

Most power and gas contracts fell this week as mild temperatures and Storm Ciara passed over the country. Day-ahead gas fell 9.5% to end the week at 20.60p/th. Prices were pushed down due to less gas-for-power demand and declining LNG prices and sunk to a five-month low of 20.40p/th on Thursday. Day-ahead power fell 1.3% to £26.15/MWh as high wind generation sunk prices to the lowest values seen on our records (dating back to 2008).

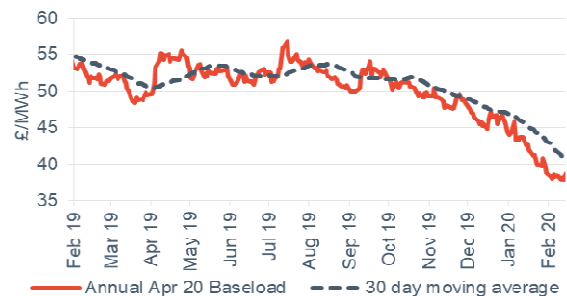
March 20 gas was down 7.3% at 20.65p/th, and April 20 gas decreased 6.2% to 20.73p/th. Most seasonal gas contracts boosted this week, up by 1.4% on average. Summer 20 gas was the exception and dropped 2.7% to 22.97p/th, while winter 20 gas increased 2.3% to 36.70p/th. Most seasonal power contracts rose this week, up on average by 1.1%, as summer 20 power was again an exception and slipped 1.4% to £33.52/MWh, while winter 20 power rose 2.1% to £43.92/MWh. Brent crude oil fell by 0.7% to \$54.99/bl as oil prices fluctuated this week on a mixture of bearish and bullish news. Brent crude oil prices ultimately ended the week higher than last week, the first week-on-week increase in over a month. EU ETS carbon gained 1.1% to €23.59/t as strong EUA auction activity lifted prices to above 24/t near the end of the week. API 2 coal lost 1.3% to \$59.64/t as coal-for-power demand struggles on low demand in China due to the outbreak of the coronavirus in China.

- Day-ahead power fell 1.3% to a record-low of £26.15/MWh due to mild temperatures and high wind generation
- March 20 power slipped 2.8% at £31.86/MWh and April 20 power decreased 3.4% to £32.13/MWh
- Q220 power moved 2.2% lower to £33.15/MWh
- The Annual April 20 contract rose 0.6% to £38.72/MWh, 25.1% lower than the same time last year (£51.73/MWh)

Forward curve comparison



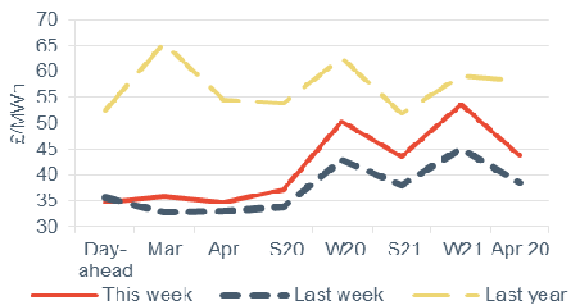
Annual April contract



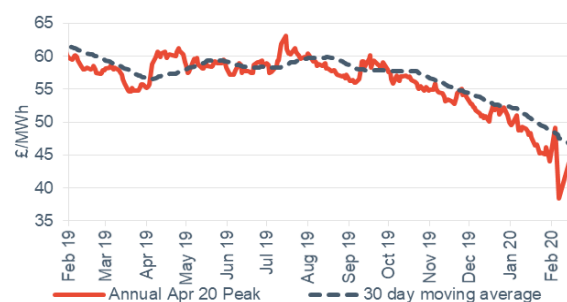
Peak electricity

- Day-ahead peak power was down 2.8% to £34.70/MWh, following its baseload counterpart lower
- March 20 peak power gained 9.2% to £35.81/MWh, and April 20 peak power increased 14.0% to £43.78/MWh
- The Annual April 20 peak power lost 14.0% to 43.78/MWh
- This is 24.9% lower than the same time last year (58.27/MWh)

Forward curve comparison



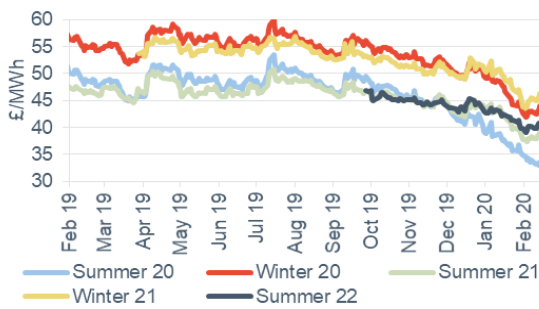
Annual April contract



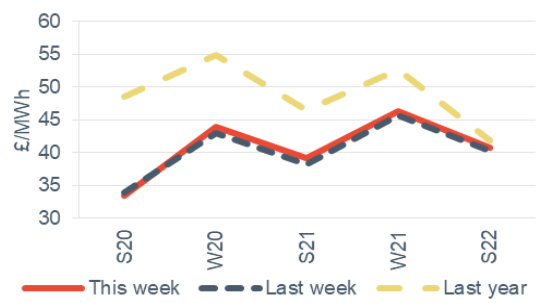


Seasonal power prices

Seasonal baseload power contracts



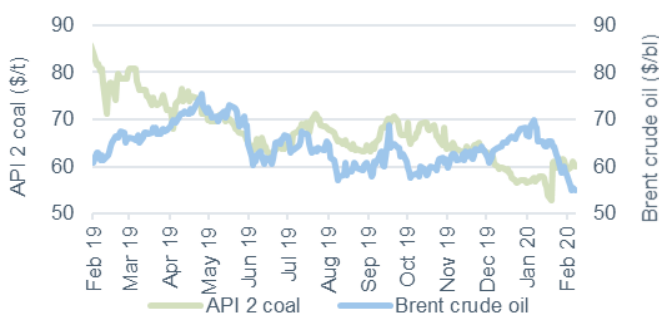
Seasonal baseload power curve



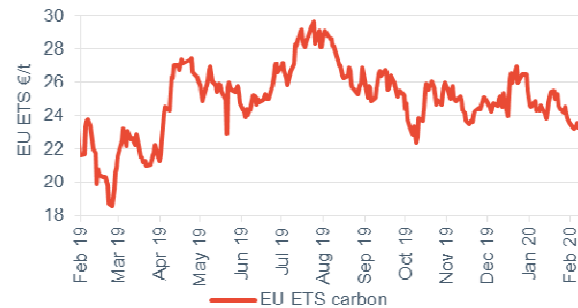
- Most seasonal power contracts rose this week, up on average by 1.1%.
- Summer 20 power was an exception and fell 1.4% to £33.52/MWh, while winter 20 rose 2.1% to £43.92/MWh
- Most seasonal peak power contracts declined this week, down £12.6% on average
- Summer 20 and winter 20 peak power dropped 12.4% and 13.2% respectively, falling to £33.81/MWh and £43.00/MWh

Commodity price movements

Oil and coal



Carbon



- Brent crude oil fell 0.7% to average \$54.99/bbl as oil prices fluctuated this week on a mixture of bearish and bullish news. Brent crude oil prices ultimately ended the week higher than last week, the first week-on-week increase in over a month
- Initially falling at the start of the week, prices began to steady on optimism that muted demand due to the coronavirus outbreak could be easing. This was despite OPEC revising its 2020 oil consumption growth forecast 200,000bpd lower. Prices rose towards the end of the week with deeper supply cuts from OPEC looking increasingly likely
- API 2 coal saw small losses this week, falling by 1.3% to average \$59.64/t
- EU ETS carbon increased 1.1% to average €23.59/t this week as momentum from the previous week carried through. High auction volume and a general bullish global market meant that EU ETS prices peaked at €24.32/t on 14 February, the highest prices seen so far in the month.
- EU ETS prices continue to follow a currently uncertain global market, and could raise above €25/t in coming weeks if markets show resurgence

Supplier tariff movements

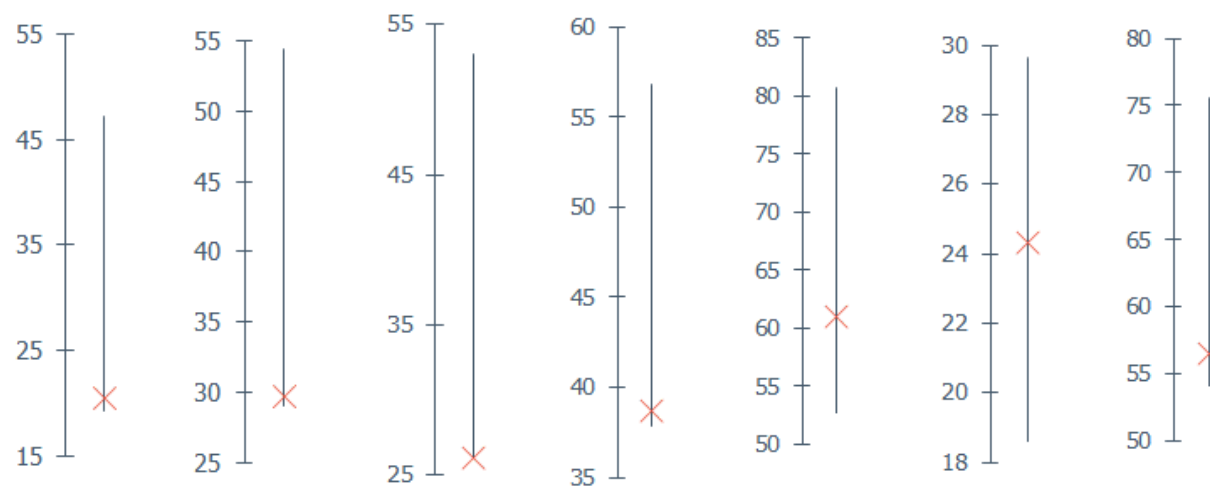
38 suppliers decreased the price of their cheapest available tariff in January, while three suppliers increased the price of their cheapest available tariff. British Gas decreased its tariff by the greatest amount (£297/year) to £875/year on average. Outfox the Market launched a new version of its variable tariff (One Variable 9.0) priced £14/year lower at £842/year on average and therefore had the cheapest variable tariff and was the cheapest priced white label supplier. Avro Energy remained the cheapest medium supplier after it reduced the price of its cheapest tariff by £56/year to £835/year on average. E.ON UK was the cheapest large supplier for the third consecutive month after it reduced the price of its cheapest tariff, Fix Online Exclusive by £28/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	14 Feb 20	20.60	29.84	26.15	38.72	60.95	24.32	56.46
Last week	7 Feb 20	22.75	29.74	26.50	38.50	60.00	23.28	55.06
Four weeks ago	17 Jan 20	28.90	33.98	38.50	42.04	54.00	25.43	65.20
Last year	15 Feb 19	46.80	52.11	48.50	51.73	77.50	20.46	64.93
Year-on-year % change		-56.0%	-42.7%	-46.1%	-25.1%	-21.4%	18.9%	-13.0%
12-month high		47.20	54.45	53.00	56.79	80.75	29.66	75.54
12-month low		19.30	29.06	26.15	37.85	52.70	18.60	54.10

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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