



Energy Wholesale Market Review

Week Ending 21st February 2020



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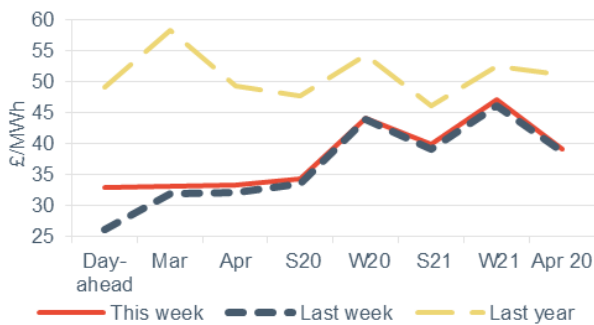
Headlines 21/02/2020

Most power and gas contracts rose this week as the UK domestic market reversed losses seen last week. Day-ahead gas rose 9.7% to 22.60p/th although an influx of LNG did see prices ease towards the end of the week. Day-ahead power rose 25.8% to £32.90/MWh, recovering from record lows to follow other markets higher this week. March 20 gas was up 9.0% at 22.50p/th and April 20 gas increased 5.4% to 21.84p/th. Seasonal gas contracts were mixed this week, but ultimately moved down 0.1% on average. Summer 20 gas increased 1.9% to 23.41p/th, while winter 20 gas dropped 0.4% to 36.54p/th. All seasonal power contracts boosted this week, up on average by 1.9%, as summer 20 and winter 20 lifted 2.5% and 0.3% respectively, rising to £34.36/MWh and £44.07/MWh. Brent crude oil rose 4.9% to \$57.68/bl marking the first weekly increase of the commodity since early January, though prices dropped on Friday. EU ETS carbon gained 5.9% to €24.98/t to continue recent momentum with fewer EUAs auctioned this week. API 2 coal lost by 0.4% to \$59.62/t with prices fluctuating this week on uncertainty of demand in China and increasing output from renewable sources (largely wind).

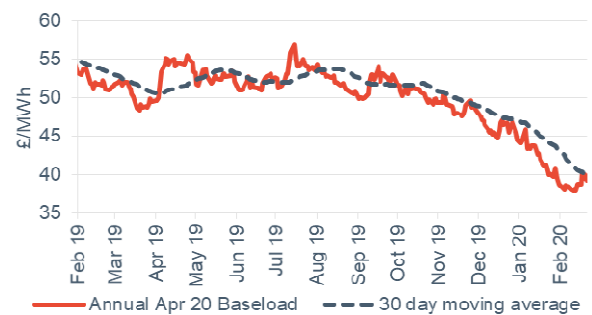
Baseload electricity

- Day-ahead power rose 25.8% to £32.90/MWh to recover from record-low's last week
- March 20 power climbed 4.0% to £33.15/MWh and April 20 power increased 4.0% to £33.40/MWh
- Q220 power moved 2.7% higher to £34.05/MWh.
- The Annual April 20 contract rose 1.3% to £39.22/MWh, 23.2% lower than the same time last year (£51.08/MWh)

Forward curve comparison



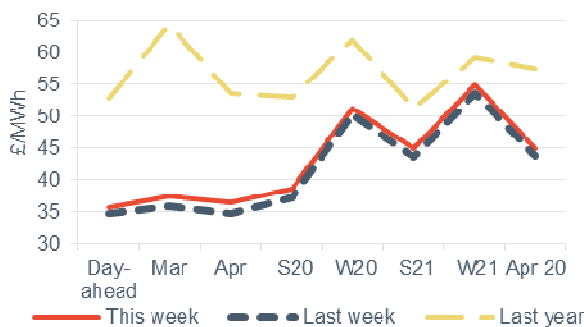
Annual April contract



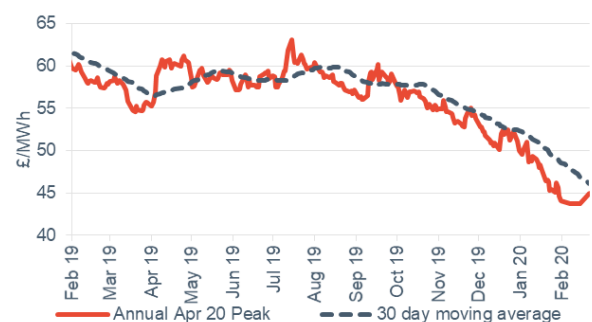
Peak electricity

- Day-ahead peak power was up 3.2% to £35.80/MWh, £2.90/MWh above its baseload counterpart
- March 20 peak power gained 4.7% to £37.49/MWh, and April 20 peak power increased 2.7% to £44.95/MWh
- The Annual April 20 peak power contract lost 2.7% to 44.95/MWh
- This is 21.8% lower than the same time last year (57.46/MWh)

Forward curve comparison



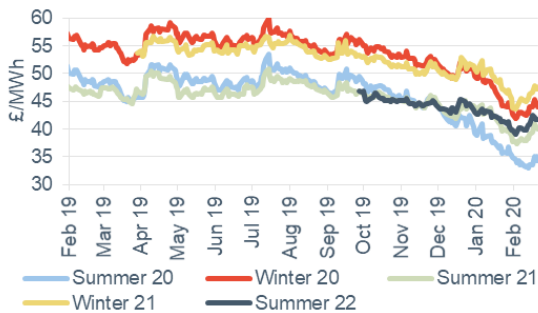
Annual April contract





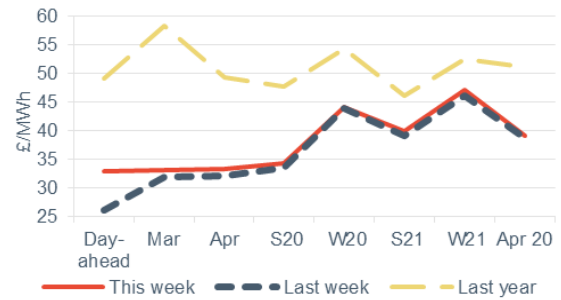
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 1.9%
- Summer 20 and winter 20 gained 2.5% and 0.3% respectively, rising to £34.36/MWh and £44.07/MWh

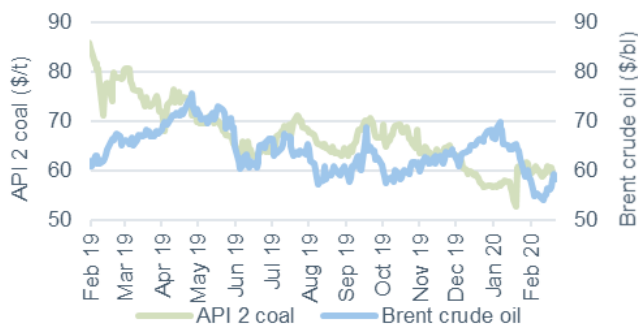
Seasonal baseload power curve



- All seasonal peak power contracts rose this week, up £2.9% on average
- Summer 20 and winter 20 peak power increased 3.7% and 1.9% respectively, falling to £38.63/MWh and £51.27/MWh

Commodity price movements

Oil and coal



- Brent crude oil rose 4.9% to average \$57.68/bl, marking the first weekly increase of the commodity since early January, though prices dropped on Friday
- Market fears over the impact of the coronavirus on Brent prices have eased in recent days, with the number of fresh cases of the virus reported daily decreasing
- A lower than inspected rise in US crude inventories helped to lift prices this week
- Focus also increased on weakened output from Libya, which dropped to an estimated 122,000 bpd
- API 2 coal saw small losses this week, falling to average \$59.62/t. Coal prices fluctuated this week on uncertainty of demand in China and increasing output from renewable sources (largely wind)

Carbon



- EU ETS carbon increased 5.9% to average €24.98/t to continue recent momentum
- Fewer EU auctions this week and a general rise in other markets lifted EU ETS prices to a near 2-month high of €25.72/t on 20 February
- The high share of renewable generation in the generation mix due to high wind has pressed on prices in recent weeks

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



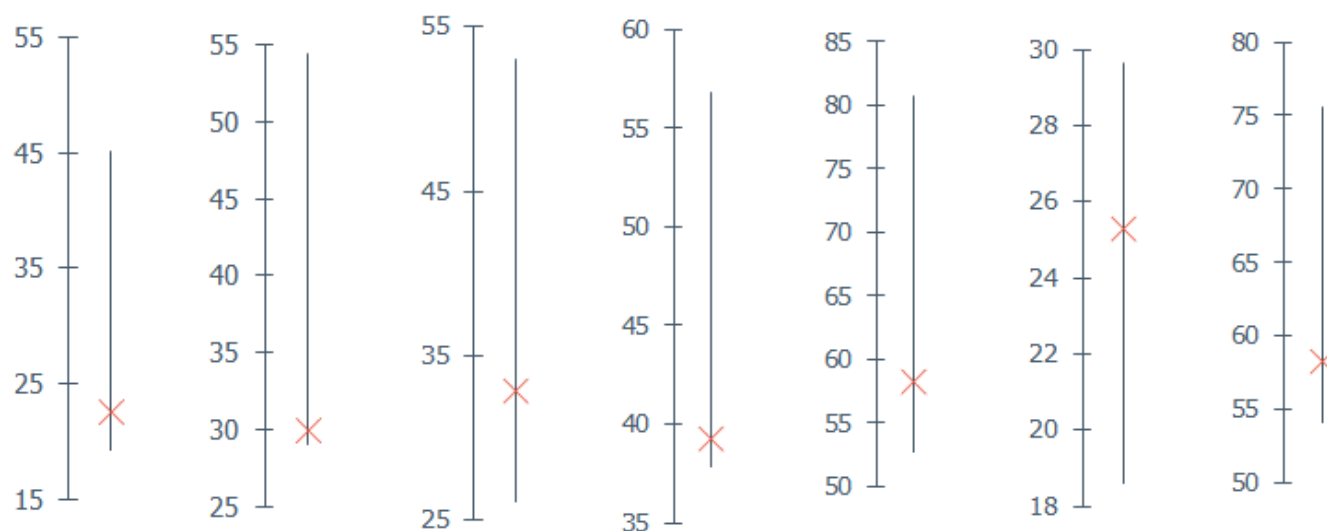
£842/year on average and therefore had the cheapest variable tariff and was the cheapest priced white label supplier. Avro Energy remained the cheapest medium supplier after it reduced the price of its cheapest tariff by £56/year to £835/year on average. E.ON UK was the cheapest large supplier for the 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	21 Feb 20	22.60	29.98	32.90	39.22	58.30	25.28	58.17
Last week	14 Feb 20	20.60	29.84	26.15	38.72	60.95	24.32	56.46
Four weeks ago	24 Jan 20	27.20	31.73	35.40	40.03	60.50	24.47	61.75
Last year	22 Feb 19	44.75	51.86	49.10	51.08	78.75	18.73	67.44
Year-on-year % change		-49.5%	-42.2%	-33.0%	-23.2%	-26.0%	35.0%	-13.7%
12-month high		45.10	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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