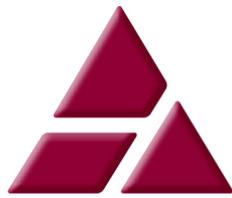




Energy Wholesale Market Review

Week Ending 18th June 2021



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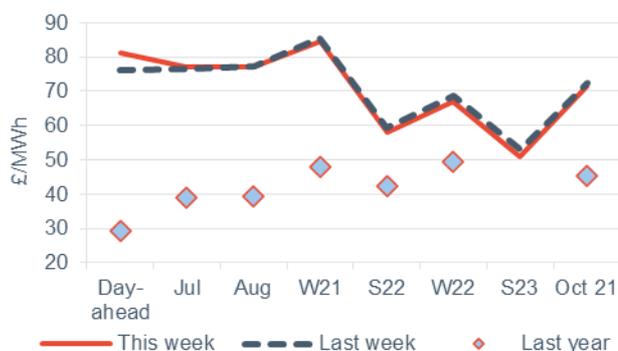
Headlines 18/06/2021

It was a relatively mixed week for pricing fundamentals across gas and power markets this week, with day-ahead and short-term contracts rising, whilst longer dated seasonal contracts generally retreated. Consequently, day-ahead gas rose 3.0% to 71.48p/th, following increased gas-for-power demand, driven by lower wind output in the week. Day-ahead power rose 6.9% to £81.25/MWh, generally supported by periods of low wind output throughout the week, set to continue into the following week also. July 21 gas was up 1.4% at 70.40p/th, and August 21 gas increased 1.5% to 70.45p/th. Most seasonal gas contracts declined this week, down by 1.5% on average, while winter 21 gas increased 0.1% to 77.60p/th, while summer 22 gas dropped 0.1% to 49.55p/th. Similarly, most seasonal power contracts eased on average by 1.9%, as winter 21 power decreased 1.2% to £84.50/MWh, while summer 22 fell 2.4% to £58.10/MWh. Brent crude oil gained 2.2% to average \$73.57/bl this week. Prices reached a fresh two-year high of \$74.40/bl on 17 June. EU ETS carbon prices fell 1.3% to average €51.88/t. Similarly, UK ETS carbon dropped 3.2% to average £45.07/t.

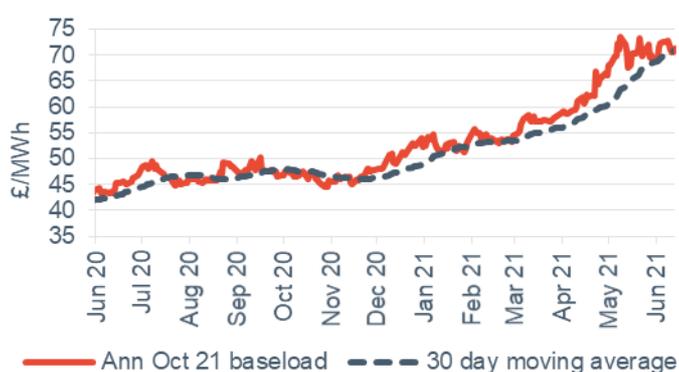
Baseload electricity

- Day-ahead power rose 6.9% to £81.25/MWh, generally supported by periods of low wind output throughout the week, set to continue into the following week also.
- July 21 power climbed 0.6% at £76.95/MWh and August 21 power decreased 0.3% to £76.9/MWh.
- Q321 power moved 0.4% higher to £77.93/MWh.
- The annual October 21 contract lost 1.7% to £71.3/MWh, 57.8% higher than the same time last year (£45.17/MWh).

Forward curve comparison



Annual October contract



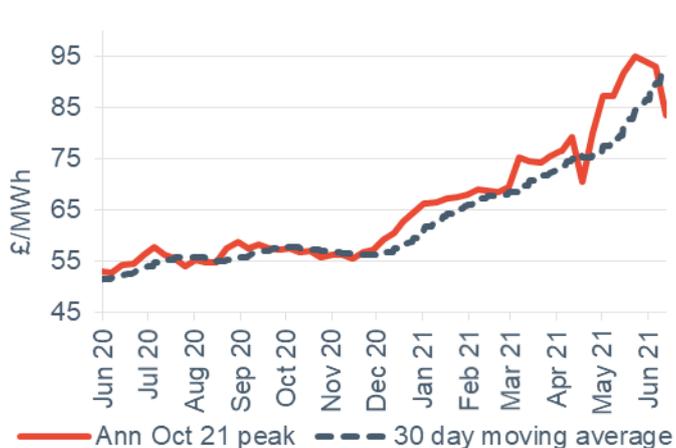
Peak electricity

- Day-ahead peak power was up 11.9% to £82.49/MWh, following trends in its baseload power counterpart.
- July 21 peak power declined 8.3% at £75.75/MWh, and August 21 peak power decreased 6.7% to £77/MWh.
- The annual October 21 peak power lost 9.6% to £70.83/MWh
- This is 40.2% lower than the same time last year (50.52/MWh).

Forward curve comparison



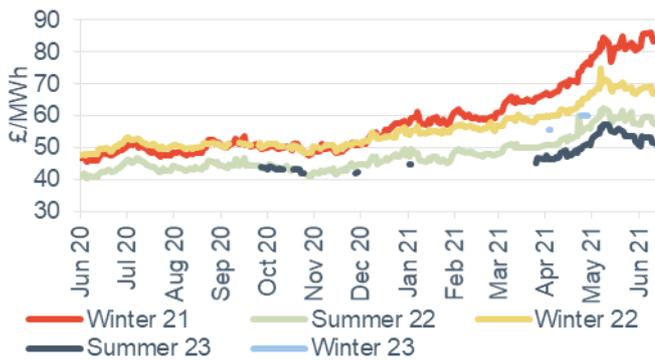
Annual October contract





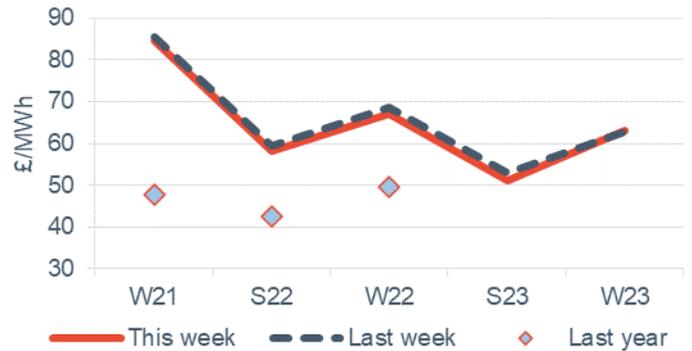
Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts declined this week, down on average by 1.9%.
- Winter 21 power decreased 1.2% to £84.50/MWh, while summer 22 fell 2.4% to £58.10/MWh.

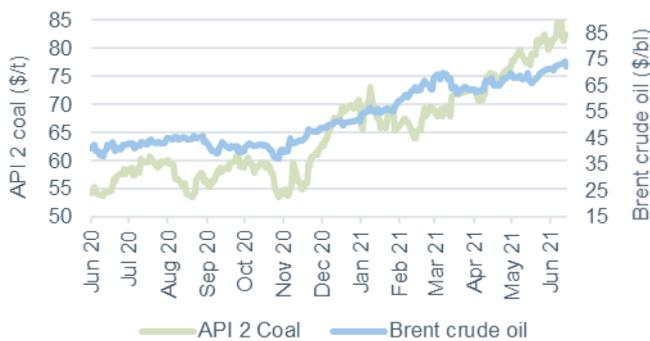
Seasonal baseload power curve



- All Seasonal peak power contracts decreased this week, down 13.4% on average.
- Winter 21 and summer 22 peak power dropped 10.1% and 8.9% respectively, falling to £83.60/MWh and £58.06/MWh

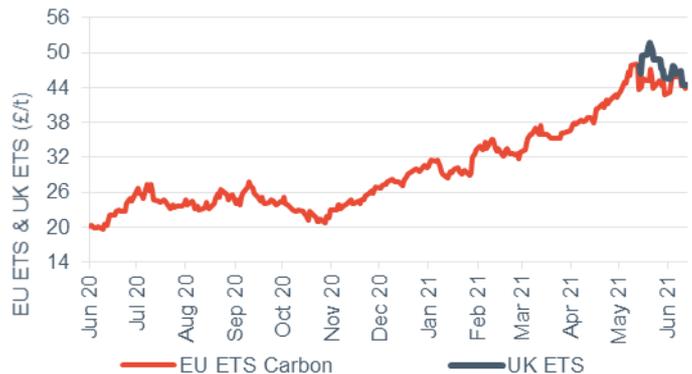
Commodity price movements

Oil and coal



- Brent crude oil gained 2.2% to average \$73.57/bl, this week. Prices reached a fresh two-year high of \$74.40/bl on 17 June.
- At the week's start, prices predominately gained support from a strong demand recovery picture, fuelling market optimism. Vaccination programmes are increasing across Europe, which are also supporting a greater demand recovery outlook.
- Another bullish driver for Brent crude prices this week came from lowering prospects for extra oil supply from Iran, amid US sanctions being lifted looking unlikely. This had previously caused concern surrounding the potential for market oversupply.

Carbon (UK and EU ETS)



- EU ETS carbon prices fell 1.3% to average €51.88/t. Similarly, UK ETS carbon fell 3.2% to average £45.07/t
- It was a largely bearish week for carbon markets this week, across both the EU and UK ETS. Bearish signals from commodity markets weighed on prices this week, particularly at the week's end, fuelled by climbing interest rates.
- As the UK ETS is still in its infancy, we would expect to see some volatility since the first auctions back in mid-May. Prices will also still be weighed upon by warmer temperatures more generally on the continent.

Supplier tariff movements

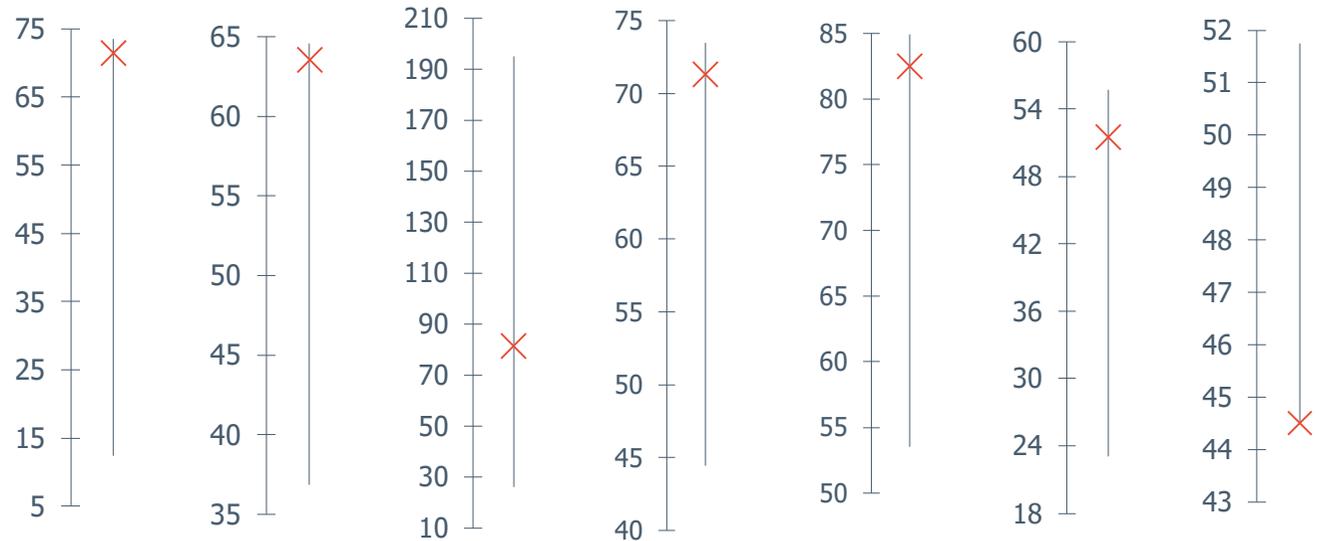
Two suppliers increased the price of their cheapest available tariff between 5 June and 12 June. Zebra Power increased its cheapest tariff by £39/year to £1,128/year on average and HUB energy rose its cheapest tariff by £24/year to £1,058/year on average which caused it to drop out of the top 20 cheapest tariffs. New supplier, Square1 Energy offered the ninth cheapest tariff on the market with its Crocodile21 tariff priced at £940/year on average. This is the first time the supplier has featured in the data and therefore the first time it has featured in the cheapest 20 tariffs.



Wholesale price snapshot

		Gas (p/th)		Electricity (£/MWh)		Coal (\$/t)	EUA carbon (€/t)	UKA carbon (£/t)
		Day-ahead	Year-ahead	Day-ahead	Year-ahead			
This week	18 Jun 21	71.48	63.58	81.25	71.30	82.50	51.50	44.50
Last week	11 Jun 21	69.40	63.55	76.00	72.50	84.45	53.30	N/A
Four weeks ago	21 May 21	66.00	58.54	73.25	70.35	79.15	52.76	N/A
Last year	19 Jun 20	14.25	37.95	29.25	45.17	54.50	24.40	N/A
Year-on-year % change		401.6%	67.5%	177.8%	57.9%	51.4%	111.1%	N/A
12-month high		73.50	64.58	195.00	73.48	84.90	55.71	51.75
12-month low		12.40	36.85	26.00	44.45	53.50	23.02	44.50

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 20 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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