



Energy Wholesale Market Review

Week Ending 16th July 2021



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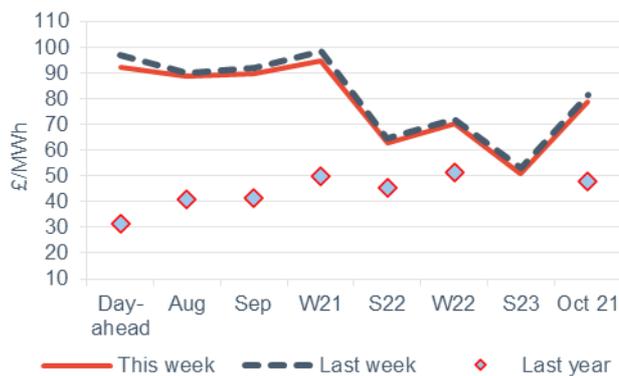
Headlines 16/07/2021

It was a predominately bearish week for gas and power contracts this week, slipping from record highs across most markets. As a result, day-ahead gas fell 3.5% to 87.30p/th, weighed by periods of system oversupply and generally wavering demand throughout the week. Similarly, day-ahead power dropped 4.9% to £92.25/MWh, falling from record highs the week prior, primarily driven by periods of increased wind output and taking direction from losses in gas markets on the near-curve. August 21 gas was down 2.2% at 86.83p/th, and September 21 gas decreased 2.4% to 87.96p/th. Most seasonal gas contracts declined this week, down by 1.9% on average, while both winter 21 and summer 22 gas dropped 2.9% and 3.6% respectively, subsiding to 92.25p/th and 55.79p/th. Elsewhere, all seasonal power contracts experienced losses like their gas counterparts, down on average by 3.1%, as winter 21 power decreased 3.8% to £94.77/MWh, while summer 22 fell 3.1% to £62.75/MWh. It was a largely bearish week across tracked international commodity markets also. Brent crude oil dipped 0.8% to average \$74.87/bl this week. It was a second consecutive week of downward price movements across both UK and European carbon markets. The EU ETS lost 4.2% to €52.82/t, with the UK ETS falling 4.4% to £43.63/t.

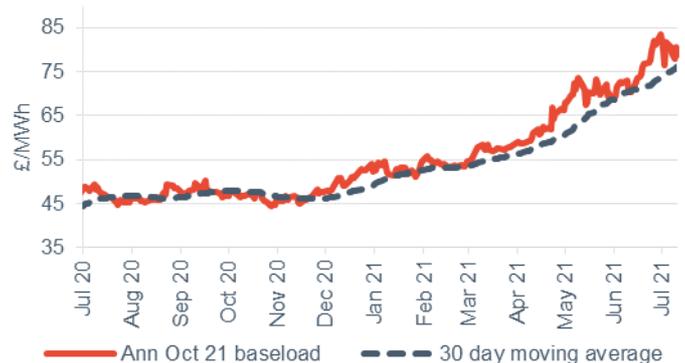
Baseload electricity

- Day-ahead power declined 4.9% to £92.25/MWh, falling from record highs the week prior, primarily driven by periods of increased wind output and taking direction from losses in gas markets on the near-curve.
- August 21 power slipped 1.3% at £88.75/MWh and September 21 power decreased 2.3% to £89.85/MWh.
- Q421 power moved 3.0% lower to £95.75/MWh.
- The annual October 21 contract lost 3.5% to £78.76/MWh, 65.3% higher than the same time last year (£47.64/MWh).

Forward curve comparison



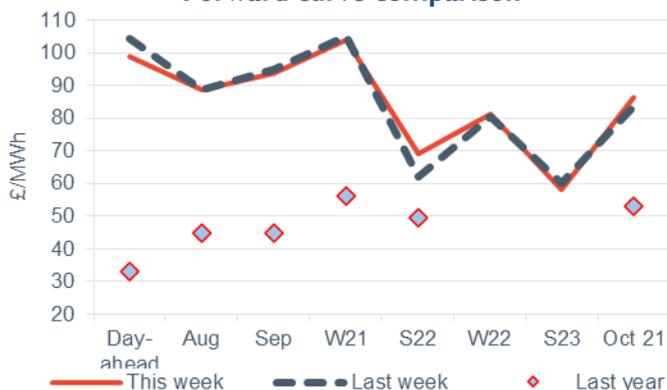
Annual October contract



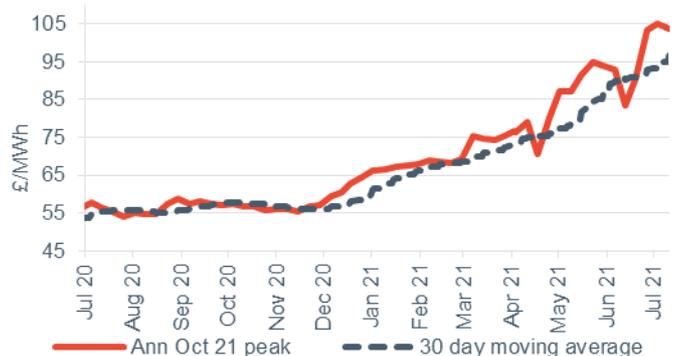
Peak electricity

- Day-ahead peak power was down 5.4% to £98.70/MWh, following its baseload counterpart lower.
- August 21 peak power declined 0.1% at £88.8/MWh, and September 21 peak power decreased 1.4% to £93.65/MWh.
- The annual October 21 peak power lost 3.6% to £86.53/MWh
- This is 63.4% lower than the same time last year (52.96/MWh).

Forward curve comparison



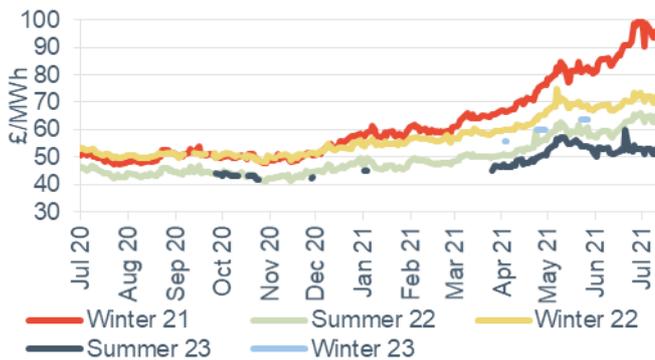
Annual October contract





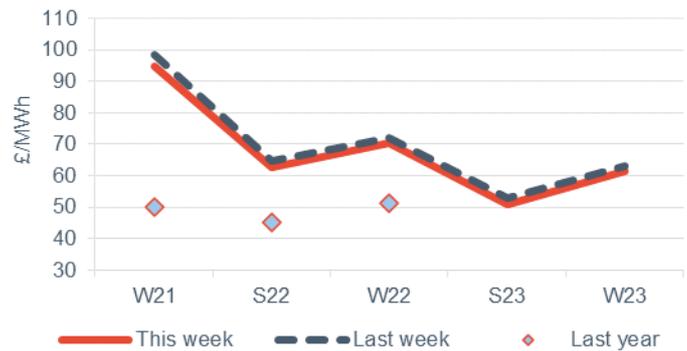
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts declined this week, down on average by 3.1%.
- Winter 21 power decreased 3.8% to £94.77/MWh, while summer 22 fell 3.1% to £62.75/MWh.

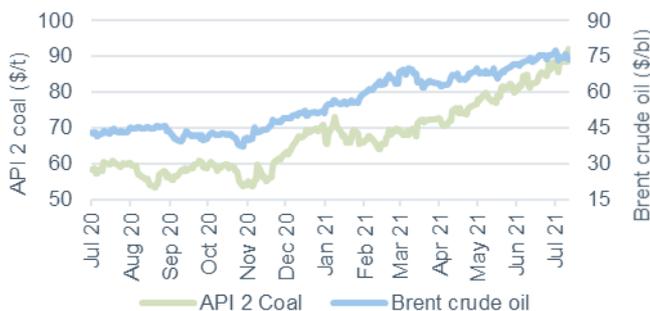
Seasonal baseload power curve



- Most seasonal peak power contracts grew this week, up 2.0% on average.
- Winter 21 gas dropped 1.1% to £103.85/MWh, while summer 22 peak power increased 11.6% to £69.20/MWh.

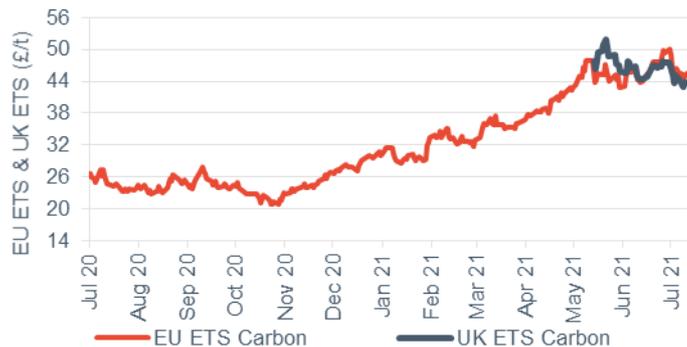
Commodity price movements

Oil and coal



- Brent crude oil fell 0.8% to average \$74.87/bl this week.
- A combination of bearish factors contributed to the downward price movement in the Brent crude oil price across this week.
- Initially, prices suffered amid reports demand growth has been slowing in recent weeks, perhaps driven by concerns over emerging COVID-19 variants.
- Similarly, expectations of increased supply following Saudi Arabia and the UAE reaching a compromise deal on Wednesday, which would add further supply into an already relatively supply dominated market.

Carbon (UK and EU ETS)



- It was a second consecutive week of bearish price movements across both UK and European carbon markets. The EU ETS lost 4.2% to €52.82/t, with the UK ETS falling 4.4% to £43.63/t. Whilst prices across both the UK and EU ETS fell, prices are still high by comparison to prices earlier this year.
- Prices this week took direction from wider commodity markets. Lowering gas prices, weaker Brent crude prices and cooler than expected temperatures, all of which provided downward pressure on carbon prices. However, delays in issuing free EUA allocation by Germany and Poland curbed any sustained price losses.

Supplier tariff movements

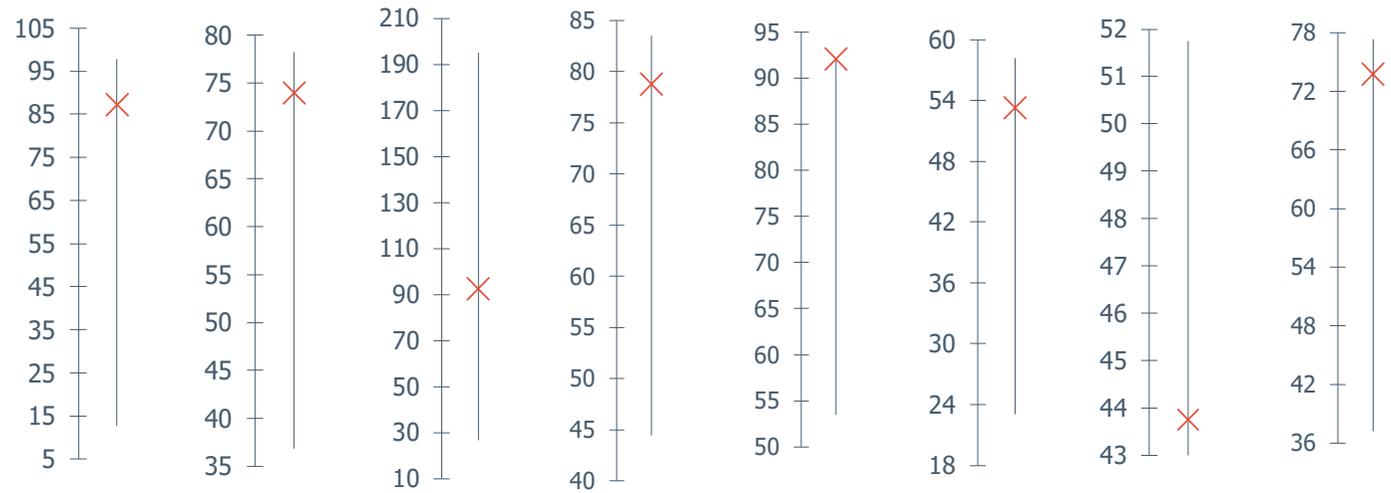
12 suppliers increased the price of their cheapest available tariff between 3 July and 10 July. PFP Energy increased its cheapest tariff by the greatest amount with an increase of £112/year to £957/year on average and the supplier went from having the cheapest tariff on the market to having the fourth cheapest tariff on the market. HUB energy put through the second highest increase, increasing its cheapest tariff by £78/year to £1,136/year on average. GOTO Energy rose its cheapest tariff by £30/year to £1,078/year on average and went from 16th cheapest tariff on the market to rank 20th. No suppliers reduced the price of their cheapest tariff between 3 July and 10 July.



Wholesale price snapshot

		Gas (p/th)		Electricity (£/MWh)		Coal (\$/t)	EUA carbon (€/t)	UKA carbon (£/t)	Brent crude (\$/bl)
		Day-ahead	Year-ahead	Day-ahead	Year-ahead				
This week	16 Jul 21	87.30	74.02	92.25	78.76	92.10	53.23	43.75	73.78
Last week	9 Jul 21	90.50	76.44	97.00	81.63	88.50	53.88	45.00	74.80
Four weeks ago	18 Jun 21	71.48	63.58	81.25	71.30	82.50	51.50	44.50	72.60
Last year	17 Jul 20	13.25	39.61	31.25	47.64	60.00	27.24	N/A	42.98
Year-on-year % change		558.9%	86.9%	195.2%	65.3%	53.5%	95.4%	N/A	71.7%
12-month high		97.85	78.26	195.00	83.50	92.10	58.16	51.75	77.32
12-month low		12.70	36.85	26.70	44.45	53.50	23.02	43.00	37.19

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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