

Energy Wholesale Market Review

Week Ending 10th September 2021



edw technology

EDW House, Radian Court, Knowlhill, Milton Keynes, MK5 8PJ.

Phone: +44 (0)8448 802 489
Email: info@edwtech.com
Website: edwtech.com

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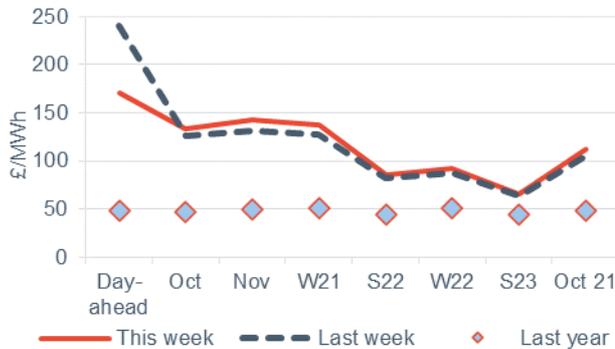
Headlines 10/09/2021

Despite some Friday-on-Friday downward movements in day-ahead contracts, gas and power contracts have generally held onto the significant and unseasonably highs set across recent months. In support of this, day-ahead gas rose 4.3% to 138.75p/th, aided by periods of system undersupply and lowering wind output calling for higher gas-for-power demand. Day-ahead power fell 28.8% to £171/MWh, but remained high. Higher price points set in gas markets have supported power markets, combined with low wind outturn in the week and tighter system margins. As of 8 September, a new day-ahead baseload power record high was set, reaching £285/MWh. October 21 gas was up 6.2% at 140.93p/th, and November 21 gas increased 6.8% to 145.59p/th. All seasonal gas contracts boosted this week, up by 4.0% on average, while both winter 21 and summer 22 gas increased 7.2% and 5.4% respectively, lifting to 143.83p/th and 79.60p/th. Seasonal power contracts saw similar movements, up on average by 5.6%, as winter 21 and summer 22 expanded 8.0% and 4.4% respectively, rising to £138.00/MWh and £86.00/MWh.

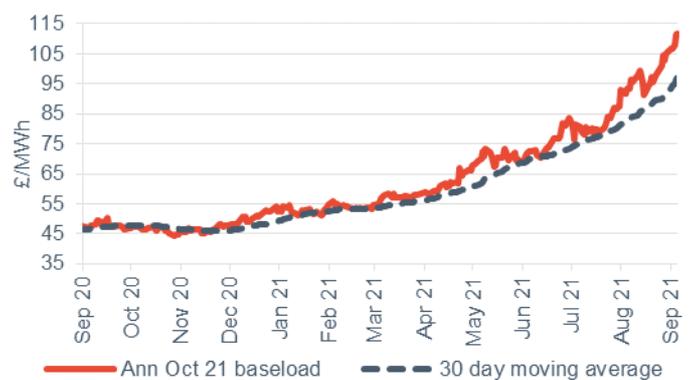
Baseload electricity

- Day-ahead power fell 28.8% to £171/MWh, supported by low renewables output in the week and tight system margins.
- October 21 power climbed 6.3% at £134/MWh and November 21 power increased 8.3% to £143/MWh.
- Q4 21 power moved 7.7% higher to £139.5/MWh.
- The annual October 21 contract rose 6.6% to £112/MWh, 133.9% higher than the same time last year (£47.88/MWh).

Forward curve comparison



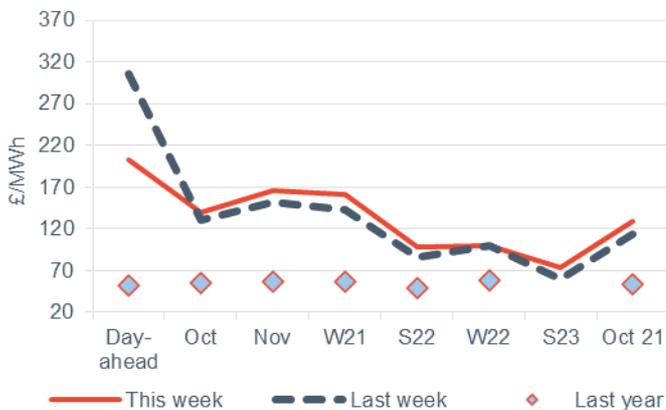
Annual October contract



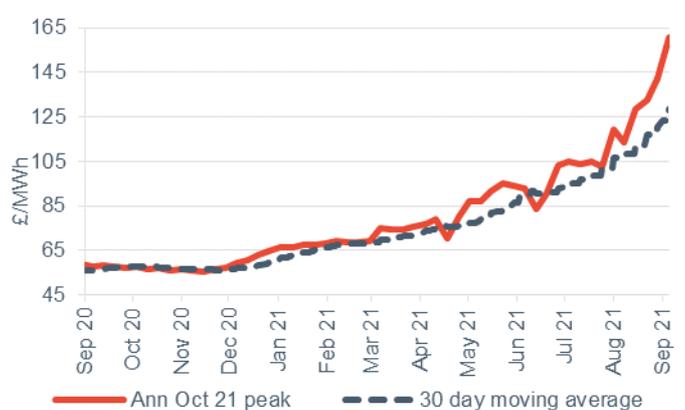
Peak electricity

- Day-ahead peak power was down 33.4% to £203.00/MWh, following its baseload counterpart lower.
- October 21 peak power gained 6.2% at £139.5/MWh, and November 21 peak power increased 9.0% to £165.19/MWh.
- The annual October 21 peak power rose 13.5% to £129.5/MWh.
- This is 143.3% higher than the same time last year (£53.23/MWh).

Forward curve comparison

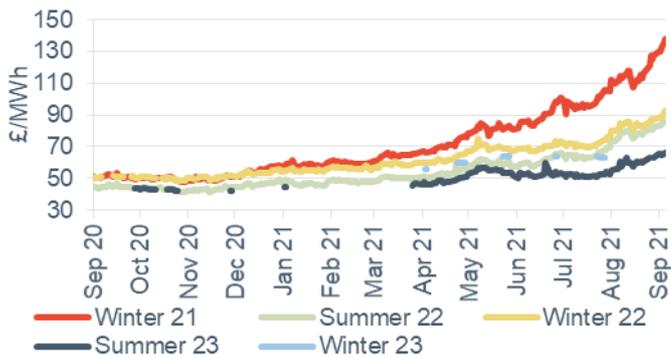


Annual October contract



Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 5.6%.
- Winter 21 and summer 22 expanded 8.0% and 4.4% respectively, rising to £138.00/MWh and £86.00/MWh.

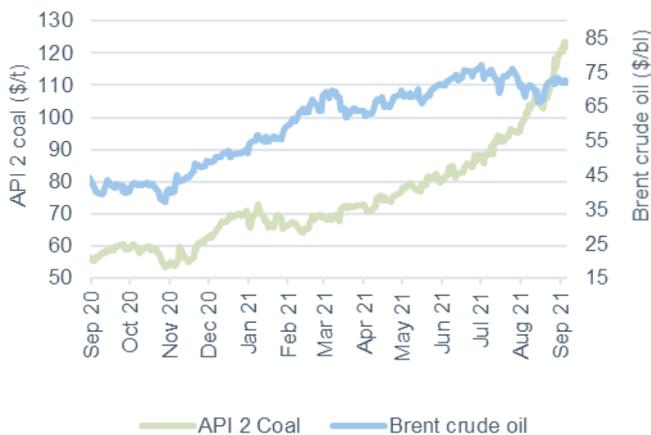
Seasonal baseload power curve



- Most seasonal peak power contracts saw gains this week, up 12.7% on average.
- Winter 21 and summer 22 peak power increased 13.2% and 14.0% respectively, falling to £161.00/MWh and £98.00/MWh.

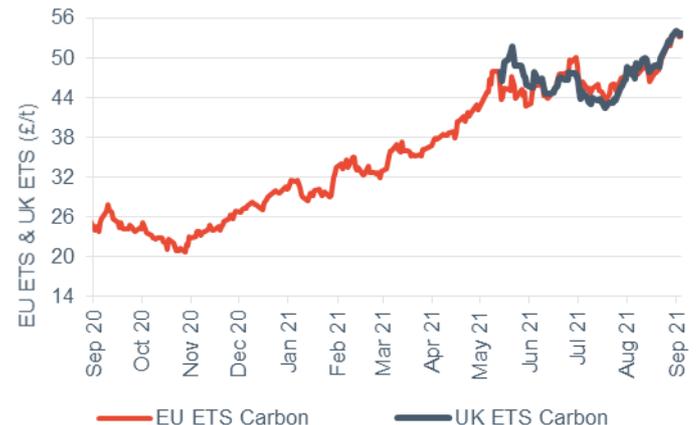
Commodity price movements

Oil and coal



- Brent crude prices fell for the first time in three weeks, albeit marginally, down 0.4% from the week prior to \$72.16/bl.
- Despite prices retreating slightly this week, the Brent crude market continues to hold onto strong price points set in recent months, well above prices seen the same time a year ago (128% higher)
- Bearish price movements this week were primarily driven by news earlier in the week Saudi Arabia cut contract prices with Asian markets over the prior weekend, weakening prices in the market as a result.

Carbon (UK and EU ETS)



- The UK ETS rose 3.4% to average £53.73/t this week, reaching a record high of £54.10/t on 6 September. The EU ETS saw similar gains, up 3.4% to average €62.42/t.
- Gains in both schemes were underpinned by record high gas prices. European gas storage levels remain notably low, and with winter fast approaching, supply concerns for the winter season continue.
- The return of higher auction volumes as we progress through September may see prices begin to retreat slightly in the coming weeks.

Supplier tariff movements

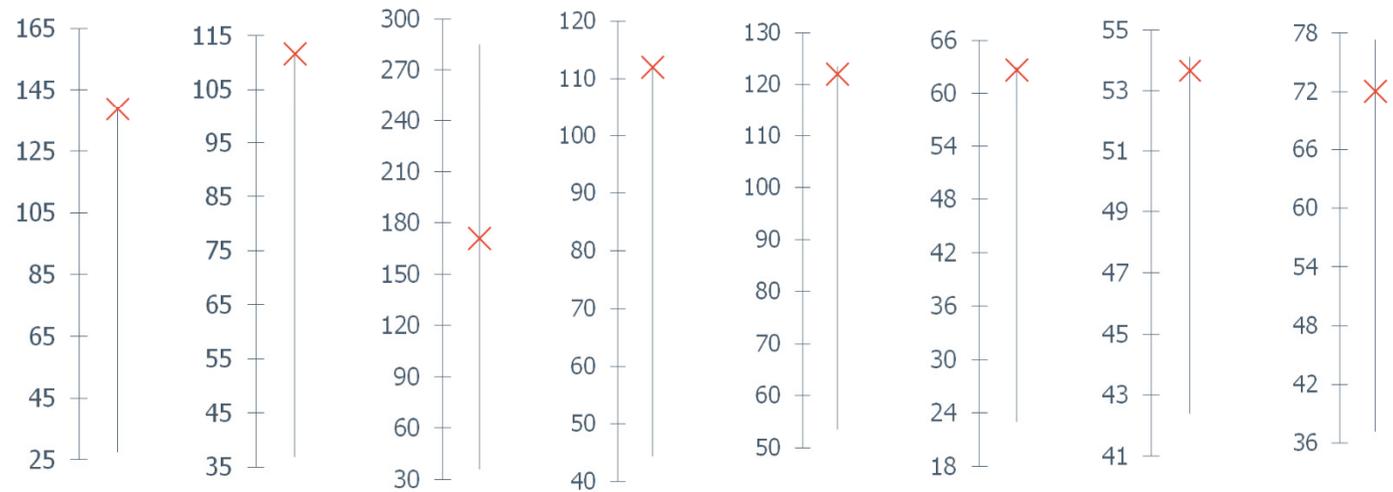
Six suppliers increased the price of their cheapest available tariff between 28 August and 04 September. Igloo Energy increased its cheapest available tariff by £151/year on average to £1,229/year on average, the greatest increase in that period. This increase saw the supplier drop out of the 20 cheapest tariffs on the market, having

previously offered the third cheapest tariff at 28 August. No suppliers decreased the price of their cheapest available tariff between 28 August and 04 September.

Wholesale price snapshot

		Gas (p/th)		Electricity (£/MWh)		Coal	EUA carbon	UKA carbon	Brent crude
		Day-ahead	Year-ahead	Day-ahead	Year-ahead	(\$/t)	(€/t)	(£/t)	(\$/bl)
This week	10 Sep 21	138.75	111.72	171.00	112.00	122.00	62.66	53.65	72.01
Last week	3 Sep 21	133.00	104.84	240.00	105.08	118.25	61.90	53.25	73.53
Four weeks ago	13 Aug 21	110.00	93.90	105.00	95.75	103.00	55.89	48.50	71.22
Last year	11 Sep 20	27.60	39.03	48.25	47.88	56.65	27.97	N/A	40.04
Year-on-year % change		402.7%	186.2%	254.4%	133.9%	115.4%	124.0%	N/A	79.8%
12-month high		139.00	111.74	285.00	112.00	123.50	62.98	54.10	77.32
12-month low		27.50	36.85	35.75	44.45	53.60	23.02	42.40	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.

EDW Technology Limited

EDW House

Radian Court

Knowlhill

Milton Keynes

MK5 8PJ

UK

Tel: +44 (0) 8448 802 489

Fax: +44 (0) 8448 802 487

Website: www.edwtech.com

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