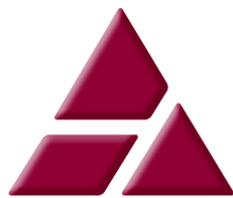




Energy Wholesale Market Review

Week Ending 1st October 2021



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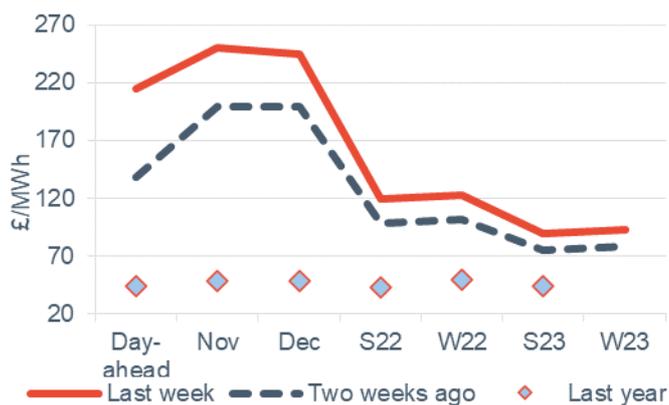
Headlines 01/10/2021

This week represented another bullish week for gas and power contracts, with significant gains most pronounced in shorter-term contracts. Day-ahead gas rose 35.5% to 225.00p/th, continuing to benefit from an on-going tighter global gas supply outlook. The day-ahead contract also reached a record high on 1 October at 225.00p/th. Day-ahead power trends mirrored the gas counterpart, subsequently rising 55.8% to £215/MWh, with the bullish price point set in short-term gas contracts supporting power prices. This was further exacerbated by lowering wind outturn as the week matured. November 21 gas was up 36.2% at 249.26p/th, and December 21 gas increased 37.2% to 255.10p/th. Most seasonal gas contracts lifted this week, up by 8.6% on average, while both summer 22 and winter 22 gas increased 25.9% and 24.0% respectively, lifting to 116.00p/th and 118.29p/th. The majority of seasonal power contracts also boosted this week, up on average by 16.2%, as summer 22 and winter 22 expanded 22.4% and 20.6% respectively, rising to £120.00/MWh and £123.00/MWh.

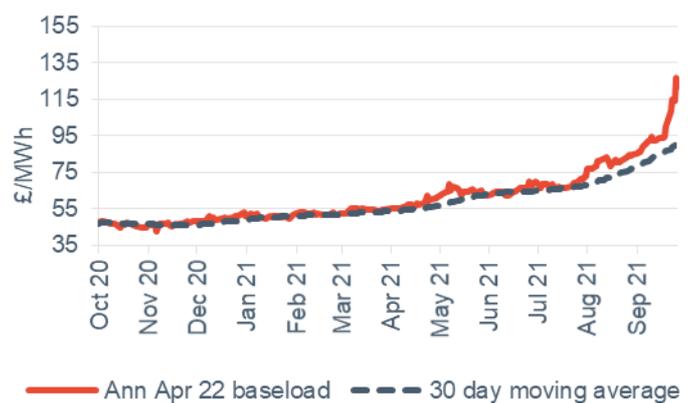
Baseload electricity

- Day-ahead power rose 55.8% to £215/MWh, following gas contracts higher on the near-curve and benefitting from lowering wind outturn as the week progressed.
- November 21 power climbed 25.6% at £250/MWh and December 21 power increased 22.9% to £245/MWh.
- Q122 power moved 37.5% higher to £240/MWh.
- The annual April 22 contract rose 21.5% to £121.5/MWh, 160.4% higher than the same time last year (£46.66/MWh).

Forward curve comparison



Annual October contract



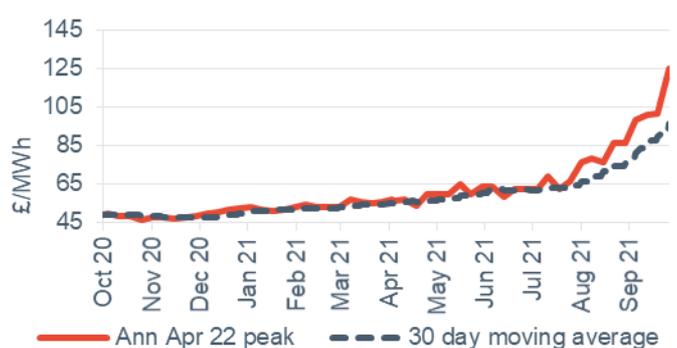
Peak electricity

- Day-ahead peak power was up 55.6% to £235.00/MWh, following its baseload counterpart higher.
- November 21 peak power gained 34.3% at £325/MWh, and December 21 peak power increased 27.0% to £291.45/MWh.
- The annual April 22 peak power price rose 28.4% to £132.5/MWh
- This is 147.6% higher than the same time last year (53.52/MWh).

Forward curve comparison



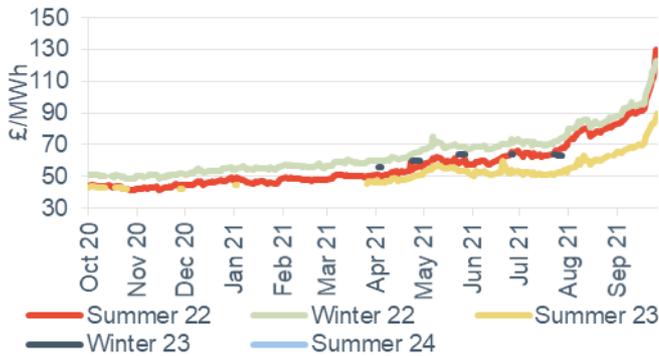
Annual October contract





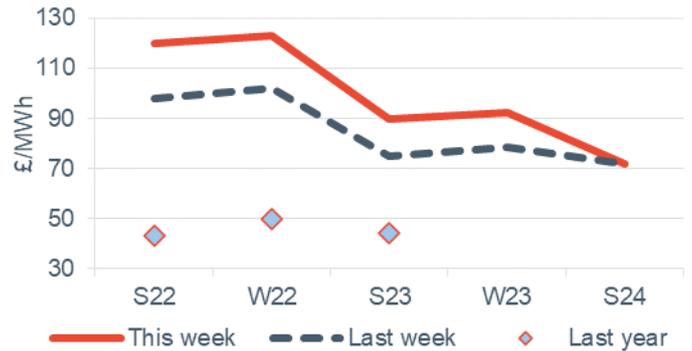
Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts boosted this week, up on average by 16.2%.
- Summer 22 and winter 22 expanded 22.4% and 20.6% respectively, rising to £120.00/MWh and £123.00/MWh.

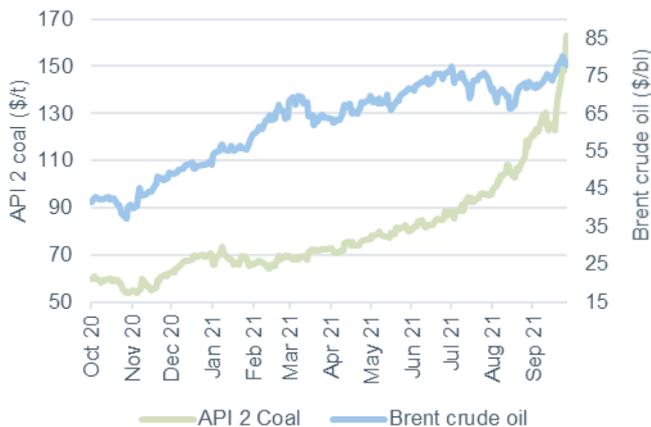
Seasonal baseload power curve



- Most seasonal peak power contracts lifted this week, up 14.5% on average.
- Summer 22 and winter 22 peak power increased 23.2% and 33.5% respectively, rising to £125.00/MWh and £140.00/MWh.

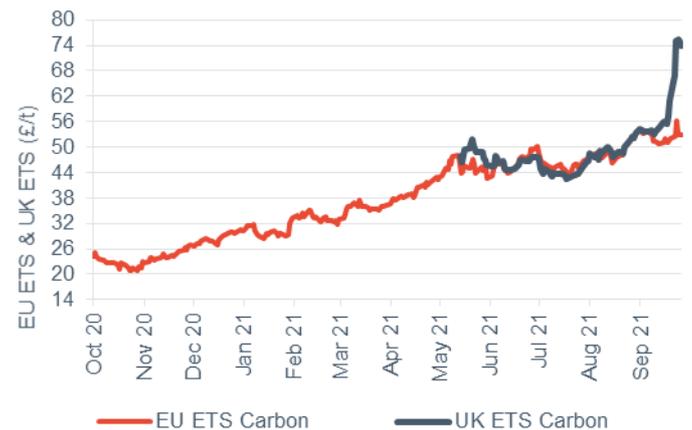
Commodity price movements

Oil and coal



- Brent crude prices rose again this week, up 4.5% to \$79.93/bl, maintaining a strong price point by comparison to a year prior. Prices are now over 90% higher than the same time a year ago.
- The supply market generally remains tight for Brent crude oil, fuelling higher prices.
- This on-going tightness is also driven by 2-year lows in Singapore fuel stocks and the evacuation of Mongstad oil refinery in Norway after reports of a gas leak.

Carbon (UK and EU ETS)



- It was a bullish week for carbon markets. The UK ETS market experienced significant price rises, up 28.4% on the week prior to average £73.22/t, also reaching a record high since the scheme's inception back on 19 May, at £75.50/t on 29 September. The EU ETS experienced similar upward trends, rising 3.5% to €62.16/t.
- Colder temperatures have increased the demand for fossil fuel generation, as well as on-going higher auction demand.

Supplier tariff movements

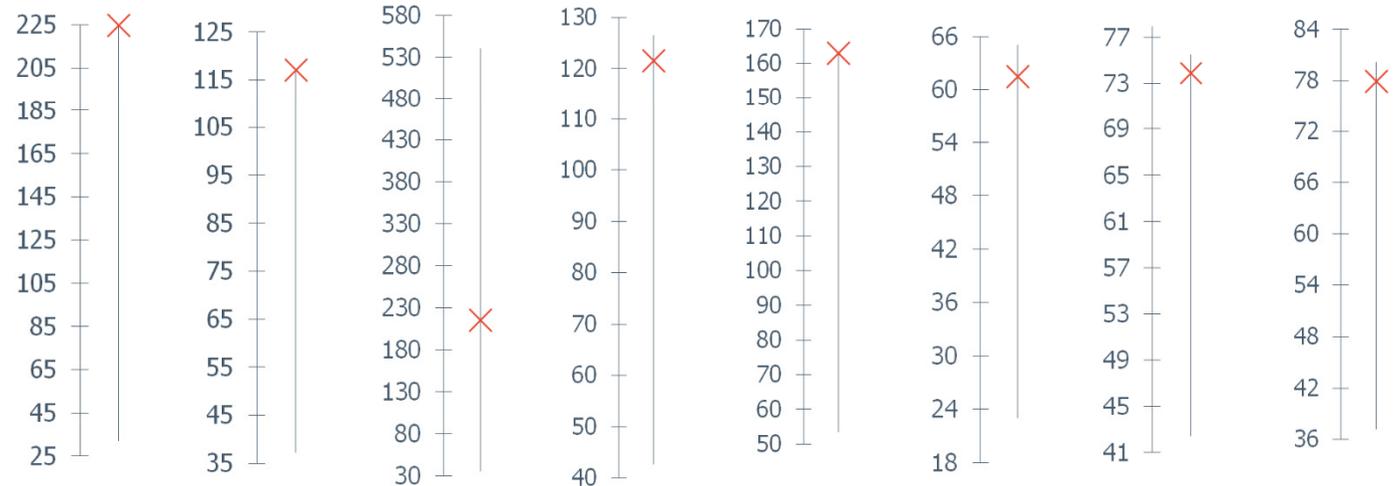
Five suppliers increased the price of their cheapest available tariff between 18 September and 25 September. Outfox the Market increased its cheapest available tariff by £663/year to £1,957/year on average, representing the greatest increase in that period. ESB Energy increased the price of its cheapest tariff by £142/year to £1,277/year on average at 25 September. This increase means that the supplier moved from offering the seventh cheapest tariff on the market to offering the 20th cheapest tariff at 25 September. No suppliers have decreased the price of their cheapest available tariff since 16 August.



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	1 Oct 21	225.00	117.15	215.00	121.50	163.00	61.45	73.90	77.94
Last week	24 Sep 21	166.00	93.77	138.00	100.00	136.00	60.75	60.75	77.55
Four weeks ago	3 Sep 21	133.00	77.54	240.00	84.83	118.25	61.90	53.25	73.53
Last year	2 Oct 20	32.00	38.98	44.00	46.66	59.05	26.16	N/A	39.84
Year-on-year % change		603.1%	200.6%	388.6%	160.4%	176.0%	134.9%	N/A	95.6%
12-month high		225.00	117.15	540.00	126.50	163.00	65.00	75.50	80.17
12-month low		32.00	37.23	35.75	42.65	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.

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