



# Energy Wholesale Market Review

Week Ending 8<sup>th</sup> October 2021



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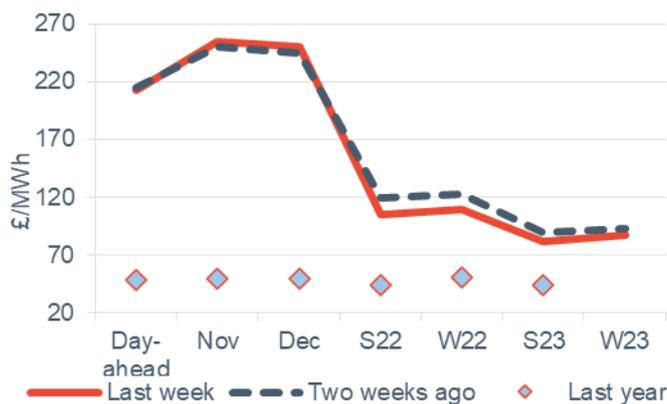
## Headlines 08/10/2021

It was a relatively mixed week for gas and power contracts this week, with the most pronounced losses seen on the far-curve, with near-term contracts continuing to hold onto unseasonably high price points. Day-ahead gas rose 2.2% to 230.00p/th, with the global gas supply outlook remaining notably tight. In Support, day-ahead prices reach their highest ever recorded levels, at 355.00p/th on 6 October. Day-ahead power fell 0.9% to £213/MWh, but remains well above seasonal norms, buoyed by strong gains made in gas contracts and lowering wind outturn entering the weekend and next week. November 21 gas was up 2.9% at 256.43p/th, and December 21 gas increased 3.7% to 264.42p/th. Most seasonal gas contracts declined this week, down by 5.7% on average, while both summer 22 and winter 22 gas dropped 14.4% and 13.1% respectively, subsiding to 99.33p/th and 102.81p/th. Most seasonal power contracts declined this week, down on average by 3.1%, as summer 22 power decreased 12.1% to £105.50/MWh, while winter 22 fell 10.6% to £110.00/MWh.

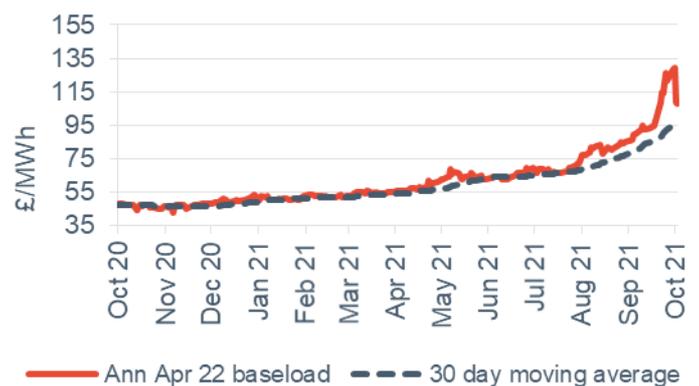
### Baseload electricity

- Day-ahead power fell 0.9% to £213/MWh, following but remains well above seasonal normal prices, driven by lower renewable output and higher gas prices.
- November 21 power climbed 2.0% at £255/MWh and December 21 power increased 2.0% to £250/MWh.
- Q122 power moved 8.3% higher to £260/MWh.
- The annual April 22 contract lost 11.3% to £107.75/MWh, 124.9% higher than the same time last year (£47.9/MWh).

#### Forward curve comparison



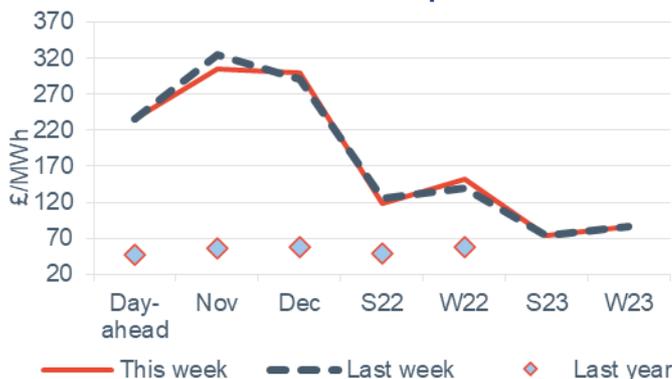
#### Annual October contract



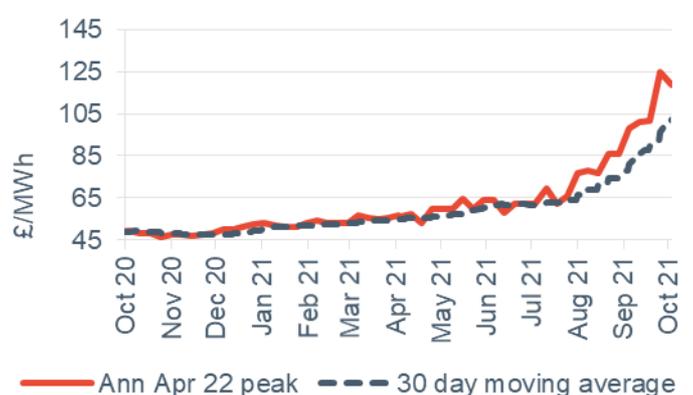
### Peak electricity

- Day-ahead peak power remained the same at £235.00/MWh, holding on to its elevated price point.
- November 21 peak power declined 6.2% at £305/MWh, and December 21 peak power increased 2.6% to £299/MWh.
- The annual April 22 peak power rose 2.6% to £136/MWh
- This is 151.6% higher than the same time last year (54.05/MWh).

#### Forward curve comparison



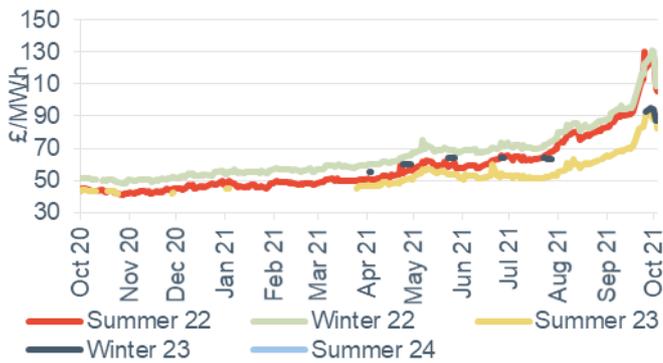
#### Annual October contract





## Seasonal power prices

### Seasonal baseload power contracts



- Most seasonal power contracts declined this week, down on average by 3.1%.
- Summer 22 power decreased 12.1% to £105.50/MWh, while winter 22 fell 10.6% to £110.00/MWh.

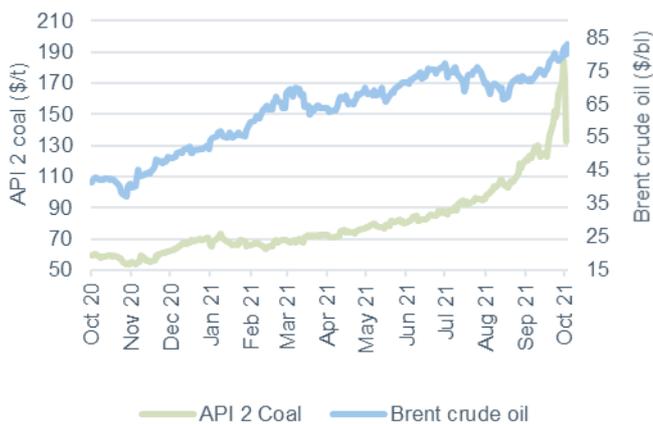
### Seasonal baseload power curve



- Most seasonal peak power contracts boosted this week, up 1.1% on average.
- Summer 22 power dropped 12.1% to £105.50/MWh, while winter 22 peak power increased 9.3% to £153.00/MWh.

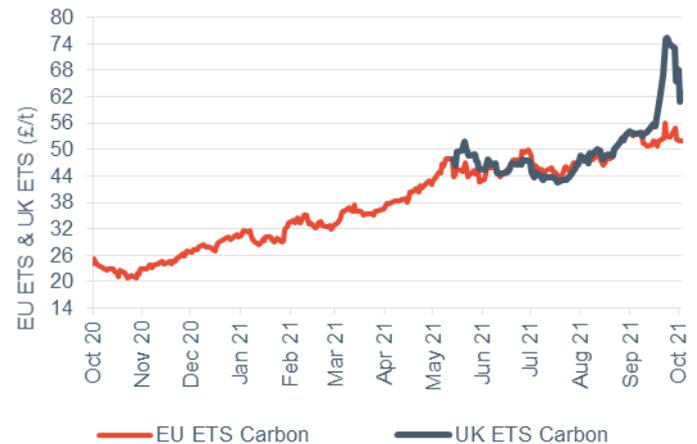
## Commodity price movements

### Oil and coal



- Brent crude prices rose again this week, up 2.9% to \$81.21/bbl. Prices also reached a three-year high on 8 October, at \$83.19/bbl.
- The global picture of Brent crude remains tight. Higher demand profiles across many global markets with less supply has provided a strong undercurrent of support to price over the last fortnight.
- For this week in particular, the market also responded to news that OPEC+ would not be looking to increase supply volumes to the market in response to combat market tightness.

### Carbon (UK and EU ETS)



- The strong bullish sentiment for carbon markets softened this week.
- Subsequently, the UK ETS fell 9.8% lower to £66.08/t with the EU ETS falling 0.2% to €62.02/t.
- Wider bullishness from Brent crude markets did lend some support to carbon markets in part, but was offset by what continues to be a particularly volatile period for wholesale markets, discouraging thermal generation and investor buying in a costly marketplace.

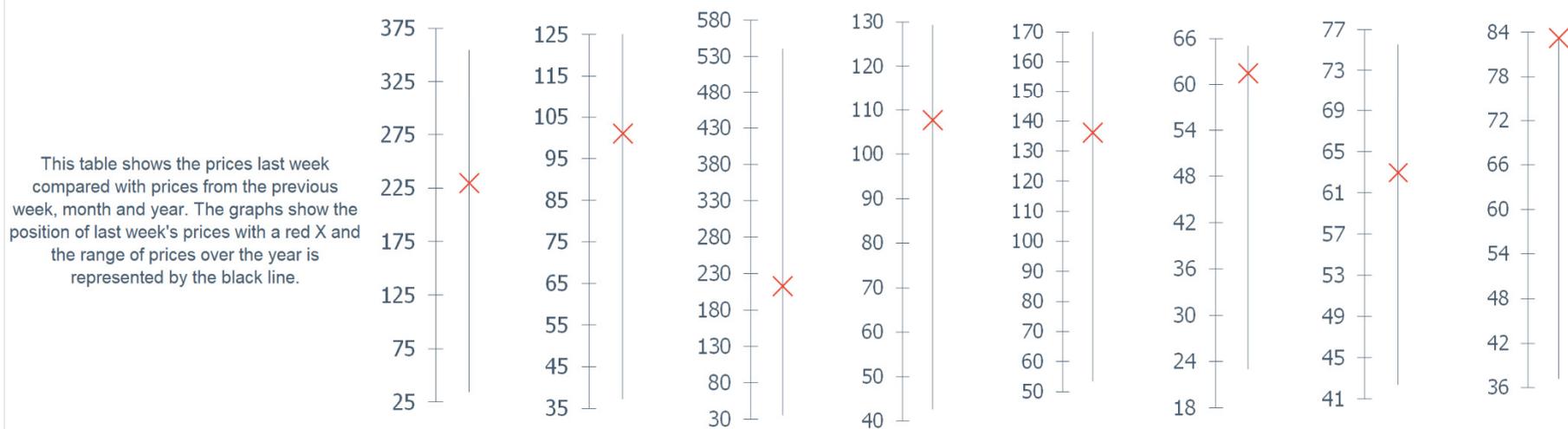
## Supplier tariff movements

Six suppliers increased the price of their cheapest available tariff between 25 September and 02 October. Pure Planet increased its cheapest available tariff by £649/year to £1,895/year on average, representing the greatest increase in that period. This increase means that the supplier dropped out of the 20 cheapest tariffs on the market, having offered the tenth cheapest 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)
Last week	8 Oct 21	230.00	101.07	213.00	107.75	136.15	61.45	63.00	83.19
Two weeks ago	1 Oct 21	225.00	117.15	215.00	121.50	163.00	61.45	73.90	77.94
Four weeks ago	10 Sep 21	138.75	82.01	171.00	89.25	122.00	62.66	53.65	72.01
Last year	9 Oct 20	38.50	40.70	48.55	47.90	60.00	26.10	N/A	43.00
Year-on-year % change		497.4%	148.3%	338.7%	124.9%	126.9%	135.4%	N/A	93.5%
12-month high		355.00	129.39	540.00	129.29	185.00	65.00	75.50	83.19
12-month low		34.60	37.23	35.75	42.65	53.60	23.02	42.40	37.19





## 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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