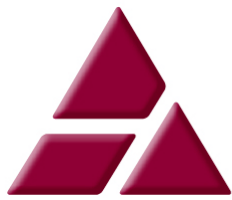




Energy Wholesale Market Review

Week Ending 12th November 2021



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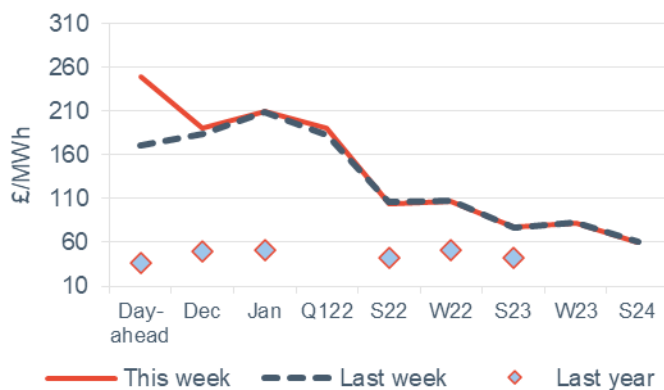
Headlines 12/11/2021

This week represented yet another particularly volatile week for wholesale market prices, with significant daily swings in price, and varying movements further along the forward curve. Day-ahead gas fell 1.7% to 177.00p/th, following increased Russian gas flows into via Mallnow and Velke Kapusany, albeit significant volumes have yet to fully impression on the European gas market. Day-ahead power rose 46.2% to £250/MWh, with bullish price movements seen on Friday 12 November, in anticipation of low wind outturn at the front end of next week, Monday in particular. December 21 gas was up 0.7% at 194.00p/th, and January 22 gas increased 1.4% to 198.06p/th. Most seasonal gas contracts declined last week, down by 2.4% on average, while both summer 22 and winter 22 gas dropped 3.7% and 3.9% respectively, subsiding to 101.98p/th and 104.50p/th. Most seasonal power contracts declined this week, down on average by 0.8%, as summer 22 power decreased 2.4% to £103.50/MWh, while winter 22 fell 1.2% to £107.00/MWh.

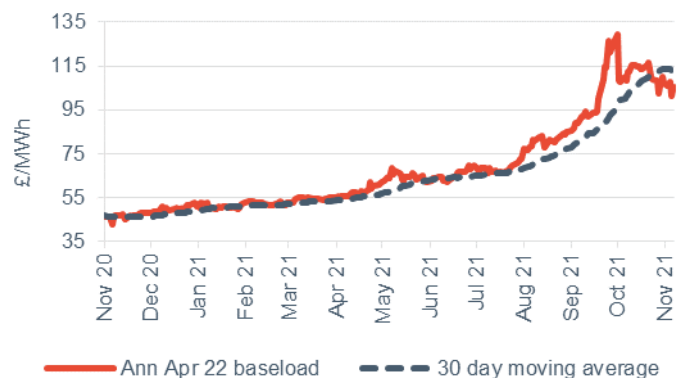
Baseload electricity

- Day-ahead power rose 46.2% to £250/MWh, following strong upward Friday price movements, supported by notable downturn in wind expected for the front end of next week.
- December 21 power climbed 3.3% at £190/MWh and January 22 power increased 0.3% to £209.47/MWh.
- Q122 power moved 4.1% higher to £190/MWh.
- The annual April 22 contract lost 1.8% to £105.25/MWh, 124.7% higher than the same time last year (£46.84/MWh).

Forward curve comparison



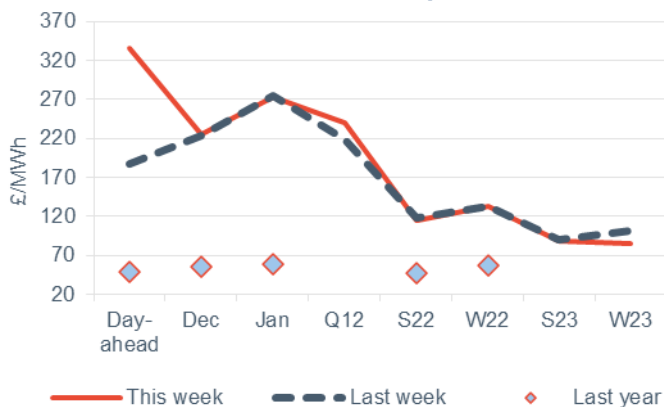
Annual April contract



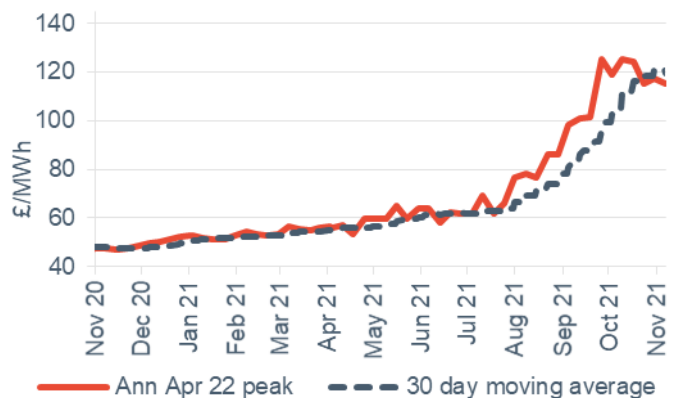
Peak electricity

- Day-ahead peak power was up 78.7% to £336.00/MWh, following baseload higher.
- December 21 peak power gained 0.9% at £225/MWh, and January 22 peak power decreased 0.6% to £273/MWh.
- The annual April 22 peak power rose 1.0% to £124/MWh
- This is 136.4% higher than the same time last year (£52.45/MWh).

Forward curve comparison



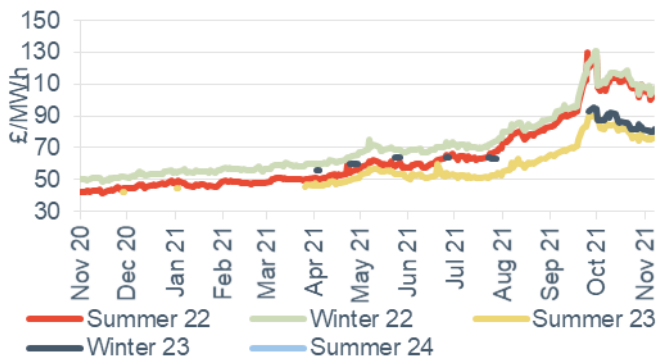
Annual April contract





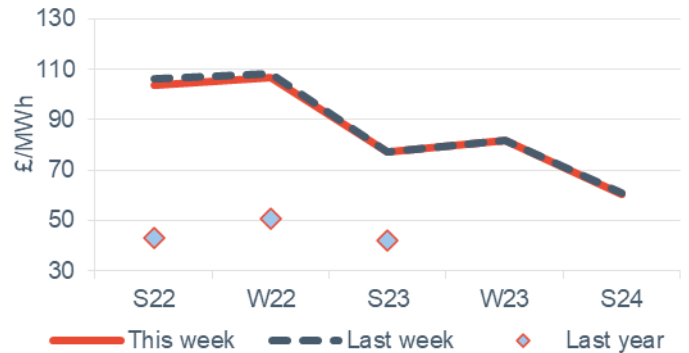
Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts declined this week, down on average by 0.8%.
- Summer 22 power decreased 2.4% to £103.50/MWh, while winter 22 fell 1.2% to £107.00/MWh.

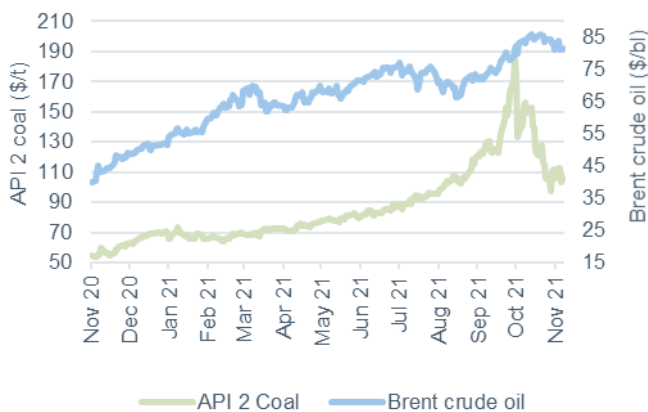
Seasonal baseload power curve



- Most seasonal peak power contracts declined this week, down 5.1% on average.
- Summer 22 peak power dropped 2.1% to £115.00/MWh, while winter 22 peak power increased 0.1% to £133.00/MWh.

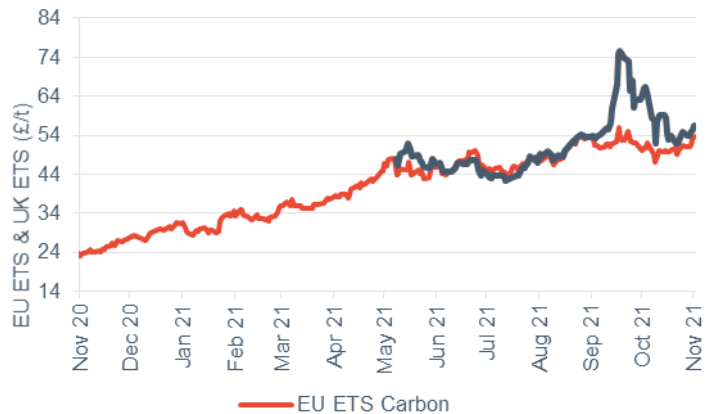
Commodity price movements

Oil and coal



- Brent crude prices fell 1.8% from the previous week to average \$81.71/bl. Price still remain ~90% higher than the same time a year prior, however.
- Weekly drivers were relatively subdued for much of the week, akin to stagnated daily prices for much of last week. Some bearish factors at play however did include strengthening US dollar and rising US crude stock volumes in parts of the week.
- OPEC for now appear to have held firm on original output schedule, which will continue to provide a sturdy base-level of support for prices.

Carbon (UK and EU ETS)



- EU ETS prices saw gains last week, up 3.1% to average €61.43/t. The UK ETS reversed recent bearish trends, and subsequently rose 3.5% higher to £54.92/t.
- UK ETS carbon prices remain volatile at the moment, with the relative immaturity of the market, seeing significant swings in price over the last fortnight. The sustained period of strong UK and European gas prices lend support to prices.

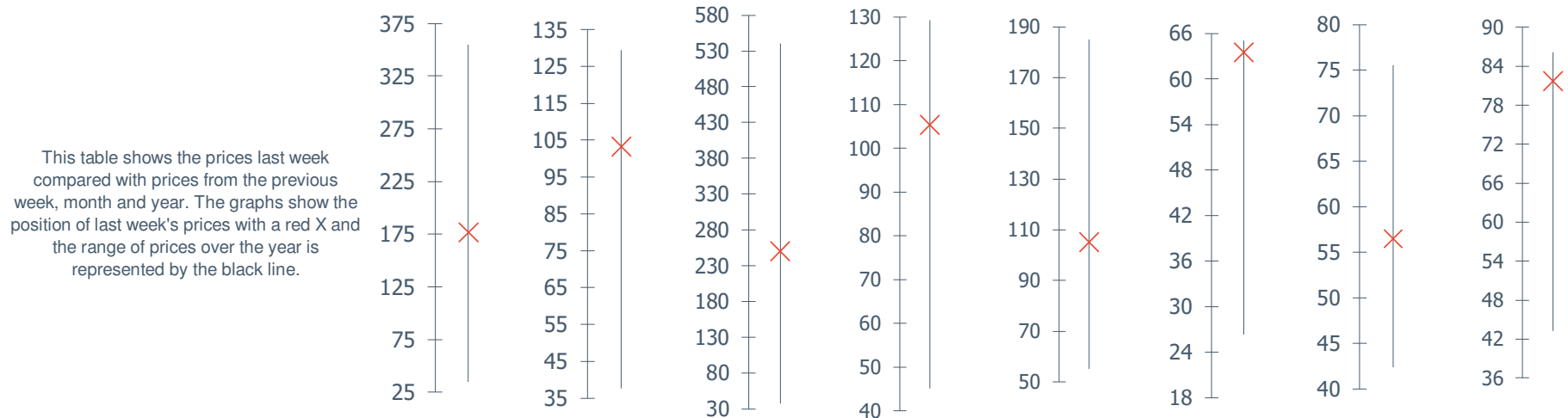
Supplier tariff movements

12 of the 20 cheapest tariffs on the market are priced at the level of Ofgem's default tariff cap (£1,277/year on average), with six tariffs priced up to £11 below the default tariff cap level. Two of the cheapest tariffs are fixed tariffs and therefore able to price above the default tariff cap level. These are Co-op Energy's Co-op Loyal 24M Fixed November 2021 v1 and Octopus Energy's Loyal Octopus 24M Fixed November 2021 v1, both priced at £1,650/year on average.



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	12 Nov 21	177.00	103.24	250.00	105.25	105.00	63.49	56.50	81.68
Two weeks ago	5 Nov 21	180.00	107.32	171.00	107.13	106.00	60.66	54.75	81.02
Four weeks ago	15 Oct 21	226.00	111.35	200.00	115.52	152.00	61.29	65.50	84.74
Last year	13 Nov 20	37.10	38.83	37.00	46.84	59.80	26.34	N/A	43.28
Year-on-year % change		377.1%	165.9%	575.7%	124.7%	75.6%	141.0%	N/A	88.7%
12-month high		355.00	129.39	540.00	129.29	185.00	65.00	75.50	86.13
12-month low		34.60	37.65	37.00	45.13	55.05	26.34	42.40	43.28





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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