



Energy Wholesale Market Review

Week Ending 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



Contents

Baseload electricity	3
Peak electricity	3
Seasonal power prices	4
Commodity price movements	4
Supplier tariff movements	4
Wholesale price snapshot	5
About EDW Technology Limited	6



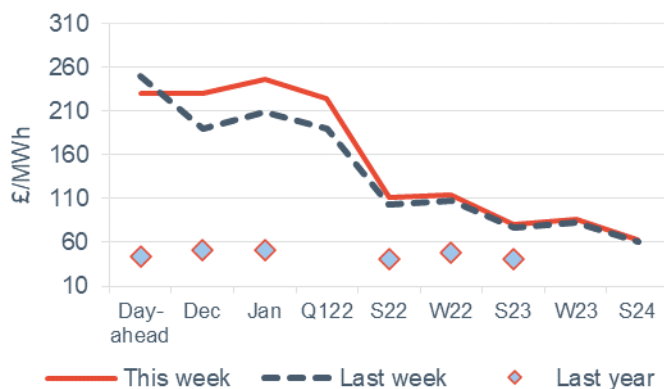
Headlines 19/11/2021

This week represented yet another bullish week for gas and power prices, in what continues to be a particularly volatile period for wholesale energy prices. Day-ahead gas rose 25.4% to 222.00p/th, with a combination of market drivers pushing up prices, amid news that the German regulator temporarily suspending certification for the Nordstream 2 pipeline, underpinned by an already tight gas market throughout Europe. Conversely, day-ahead power fell 8.0% to £230.00/MWh, with stronger periods of wind generation seen in the week, despite significant price rises seen on 19 November (up £44.00/MWh from 18 November). December 21 gas was up 16.0% at 225.13p/th, and January 22 gas increased 16.9% to 231.62p/th. Most seasonal gas contracts boosted this week, up by 4.0% on average, while both summer 22 and winter 22 gas increased 6.6% and 6.6% respectively, lifting to 108.75p/th and 111.37p/th. All seasonal power contracts rose this week, up on average by 5.5%, as summer 22 and winter 22 expanded 7.5% and 6.5% respectively, rising to £111.25/MWh and £113.99/MWh.

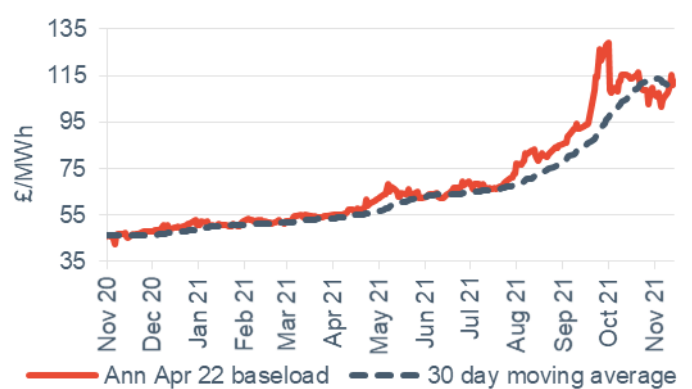
Baseload electricity

- Day-ahead power fell 8.0% to £230.00/MWh, with weaker periods of wind generation seen in the week, despite significant price rises on Friday 19 November
- December 21 power climbed 21.1% at £230/MWh and January 22 power increased 17.9% to £246.88/MWh.
- Q122 power moved 18.4% higher to £225/MWh.
- The annual April 22 contract rose 7.0% to £112.62/MWh, 149.5% higher than the same time last year (£45.13/MWh).

Forward curve comparison



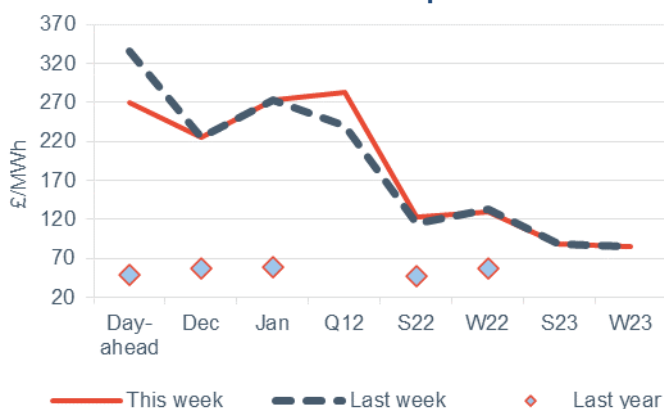
Annual April contract



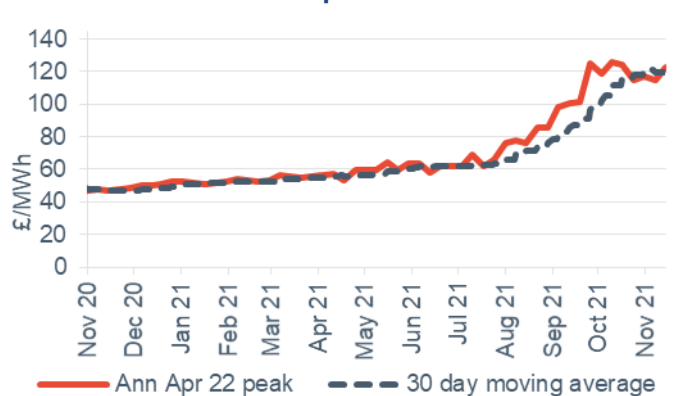
Peak electricity

- Day-ahead peak power was down 19.6% to £270.00/MWh, following baseload power lower.
- December 21 peak power declined 0.0% at £225/MWh, and January 22 peak power decreased 0.0% to £273/MWh.
- The annual April 22 peak power rose 2.0% to £126.5/MWh
- This is 144.5% higher than the same time last year (£51.74/MWh).

Forward curve comparison



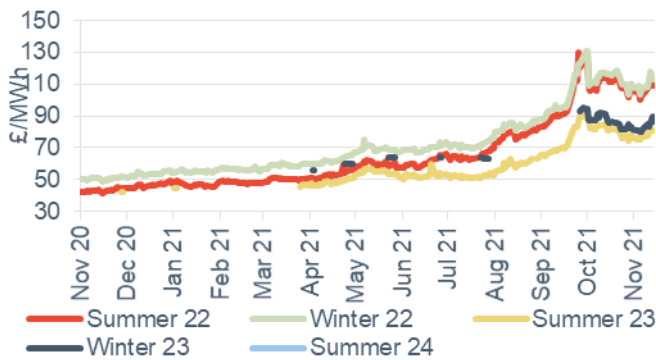
Annual April contract





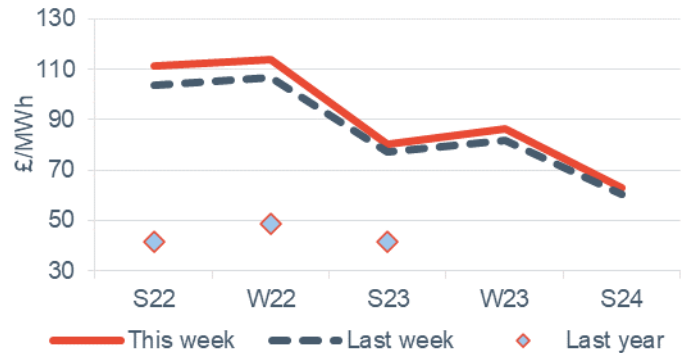
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts grew this week, up on average by 5.5%.
- Summer 22 and winter 22 expanded 7.5% and 6.5% respectively, rising to £111.25/MWh and £113.99/MWh.

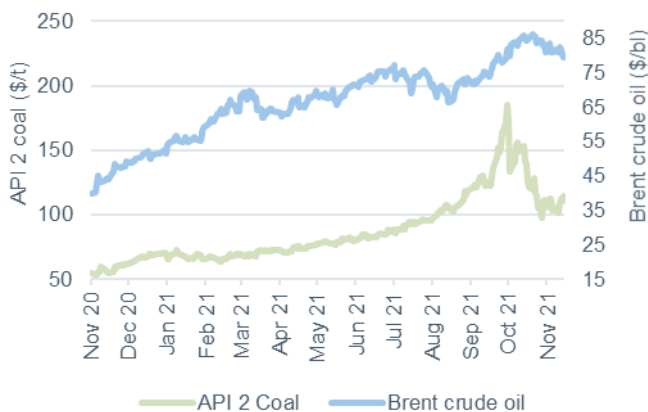
Seasonal baseload power curve



- Most seasonal peak power contracts boosted this week, up 1.2% on average.
- Summer 22 peak power increased 7.0% to £123.00/MWh, while winter 22 peak power dropped 2.3% to £130.00/MWh.

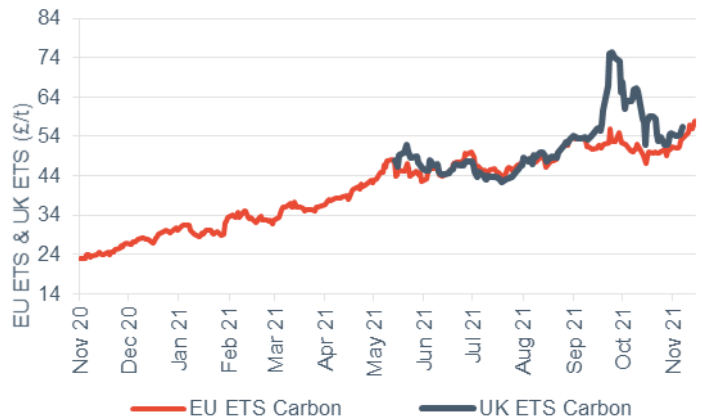
Commodity price movements

Oil and coal



- Brent crude prices fell 0.8% from the previous week to average \$81.08/bl. Prices still remain ~84% higher than the same time a year prior.
- Brent crude prices continue to sit well above levels seen last year, drawing on tighter global gas and oil supply.
- Major oil producers in China and the USA are looking to exploit their crude reserves to combat the on-going market tightness, with increased supply into the market weighing on prices as a result.
- Meanwhile, API 2 coal rose 1.4% to average \$109.60/t.

Carbon (UK and EU ETS)



- Carbon prices saw strong gains this week, with UK ETS prices up 8.9% to £59.83/t. The EU ETS mirrored these trends, up 9.0% to €66.97/t.
- A cold weather front making its way across much of North-West Europe and the UK has supported carbon prices, particularly as the week matured – with increased EUA demand required to cover gas-fired power generation.
- Lower periods of wind and renewable output supported carbon prices too, with the need for increased gas-fired generation to meet demand.

Supplier tariff movements

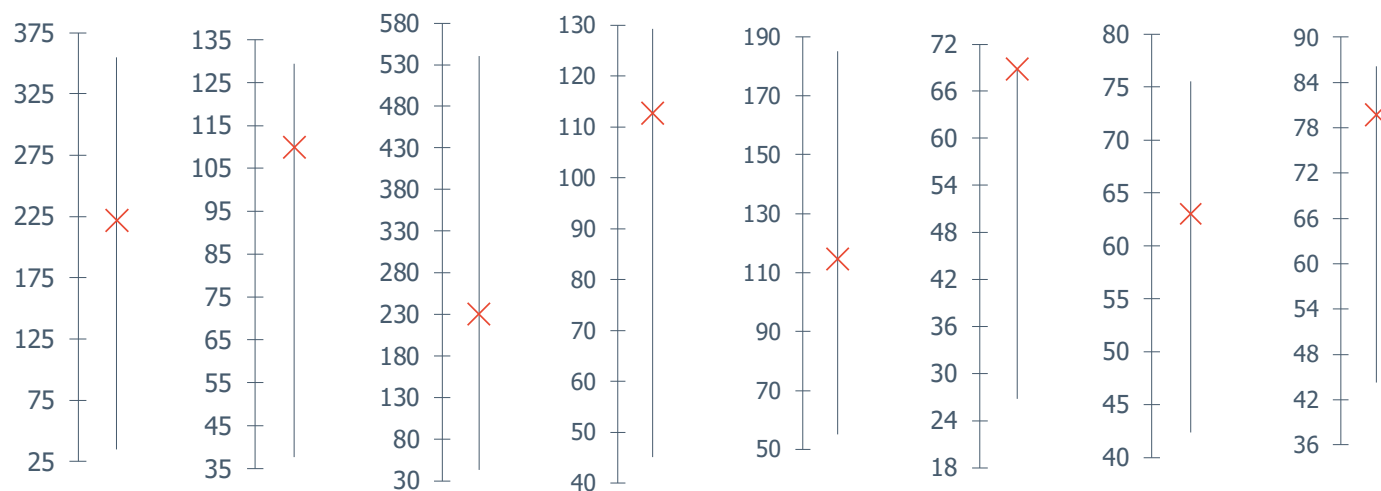
Utility Warehouse's Double Gold tariff was priced at £1,213/year at 13 November, and requires customers to sign up to broadband, mobile, and landline services. Its Gold tariff was priced at £1,245/year and requires customers to sign up to broadband and landline services. These tariffs are not included in our charts due to the additional broadband and landline requirements. No supplier increased the price of their cheapest available tariff between 06 November and 13 November.



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				
Last week	19 Nov 21	222.00	110.06	230.00	112.62	114.50	68.80	63.00	79.71
Two weeks ago	12 Nov 21	177.00	103.24	250.00	105.25	105.00	63.49	56.50	81.68
Four weeks ago	22 Oct 21	205.00	114.25	181.00	113.65	122.00	59.45	59.00	85.05
Last year	20 Nov 20	34.60	37.65	44.50	45.13	55.05	26.79	N/A	44.20
Year-on-year % change		541.6%	192.4%	416.9%	149.6%	108.0%	156.8%	N/A	80.3%
12-month high		355.00	129.39	540.00	129.29	185.00	68.80	75.50	86.13
12-month low		34.60	37.65	43.00	45.13	55.05	26.79	42.40	44.20

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

Copyright © 2021 EDW Technology Limited. All rights reserved.

No part of this publication may be reproduced, transmitted, transcribed, stored in a retrieval system, or translated into any language, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission from EDW Technology Limited.

All copyright, confidential information, patents, design rights and all other intellectual property rights of whatsoever nature contained herein are and shall remain the sole and exclusive property of EDW Technology Limited. The information furnished herein is believed to be accurate and reliable. However, no responsibility is assumed by EDW Technology Limited for its use, or for any infringements of patents or other rights of third parties resulting from its use.