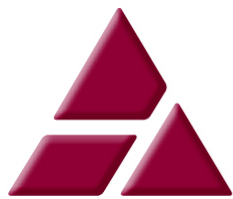




Energy Wholesale Market Review

Week Ending 7th January 2022



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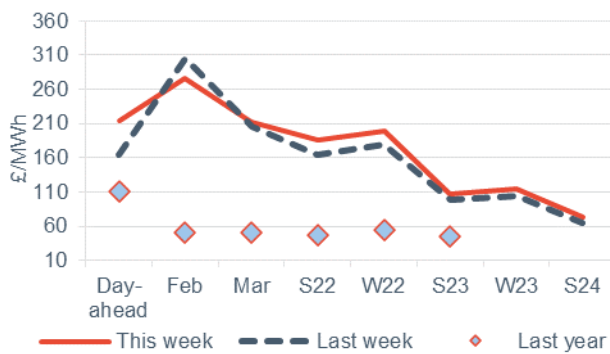
Headlines 07/01/2022

This week represented a largely bullish week for gas and power prices, after a period of relative price suppression in previous weeks, driven by milder weather and a healthier gas supply picture. Looking at this week more specifically, day-ahead gas rose 30.3% to 227.00p/th, following periods of colder weather in the week, coupled with higher European gas prices and Russian supply concerns. Day-ahead power rose 30.3% to £215.00/MWh, following strong gains made in near-term gas prices, exacerbated by lower periods of wind generation in the week. February 22 gas was up 24.3% at 236.22p/th, and March 22 gas increased 29.8% to 232.42p/th. All seasonal gas contracts rose this week, up by 20.1% on average. Similar movements were seen across seasonal power contracts, rising on average by 10.8%. Carbon prices saw bullish movements this week, with the UK ETS rising 0.6% to average £75.98/t. Similarly, the EU ETS rose, up 7.1% to €85.23/t. Brent crude prices rebounded this week too, up 3.7% to average \$80.55/bl.

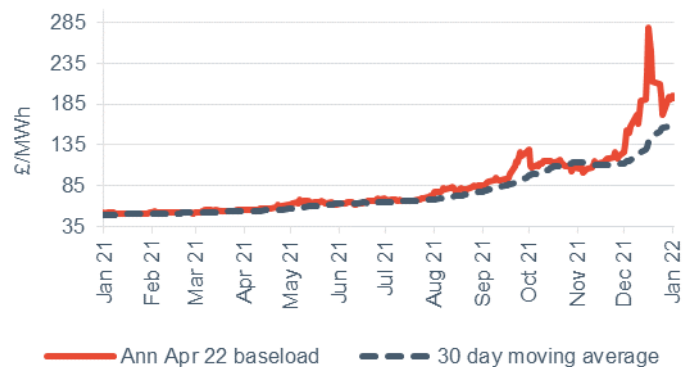
Baseload electricity

- Day-ahead power rose 30.3% to £215.00/MWh, following strong gains made in near-term gas prices and lower periods of wind generation.
- February 22 power slipped 9.3% at £276.50/MWh and March 22 power increased 3.9% to £213.00/MWh.
- Q2-22 power moved 10.2% lower to £188.50/MWh.
- The annual April 22 contract rose 11.7% to £192.75/MWh, 281.7% higher than the same time last year (£50.50/MWh).

Forward curve comparison



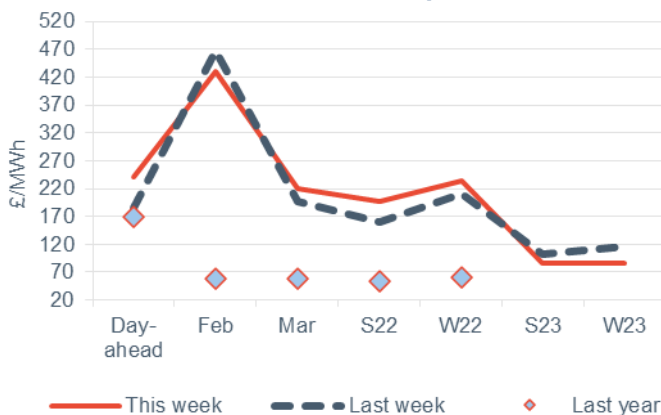
Annual April contract



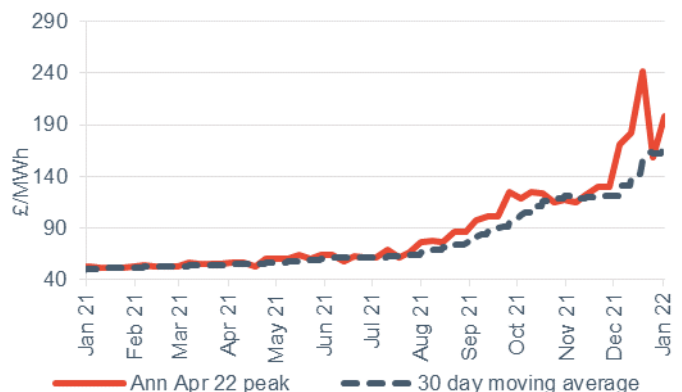
Peak electricity

- Day-ahead peak power was up 29.7% to £240.00/MWh, following baseload power higher.
- February 22 peak power declined 8.0% at £430.00/MWh, and March 22 peak power increased 11.2% to £220/MWh.
- The annual April 22 peak power rose 17.1% to £216.13/MWh
- This is 277.7% higher than the same time last year (£57.23/MWh).

Forward curve comparison



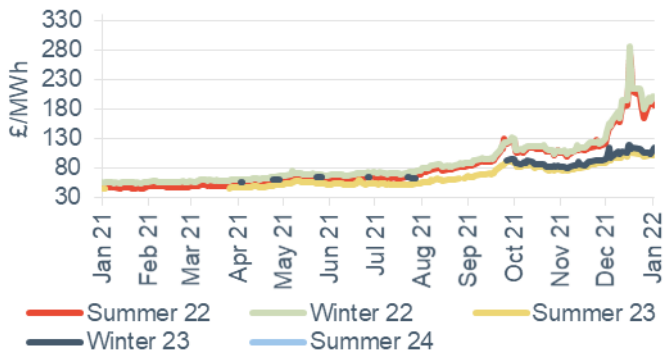
Annual April contract





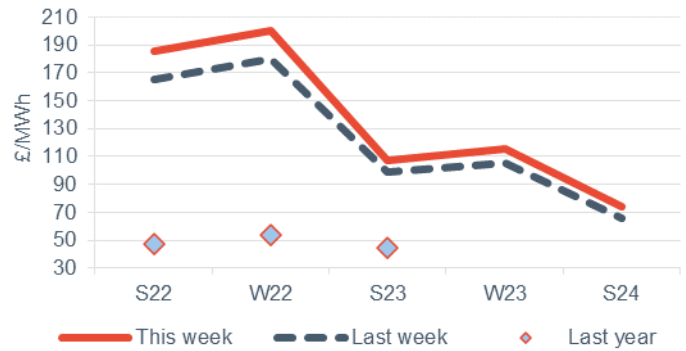
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts rose this week, up on average by 10.8%.
- Summer 22 and winter 22 expanded 12.4% and 11.1% respectively, rising to £185.50/MWh and £200.00/MWh

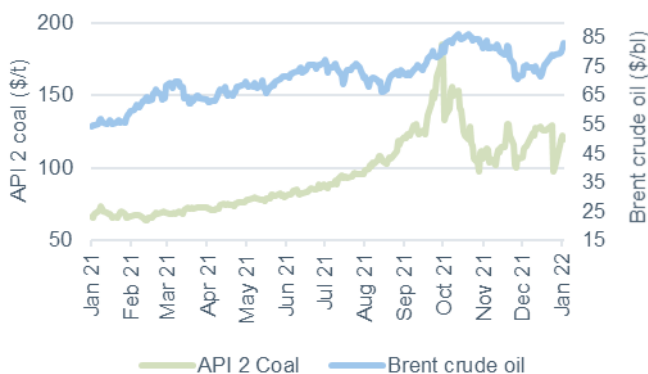
Seasonal baseload power curve



- Most seasonal peak power contracts experienced losses this week, falling 1.4% on average.
- Summer 22 and winter 22 peak power increased 24.6% and 11.5% respectively, falling to £198.00/MWh and £234.25/MWh.

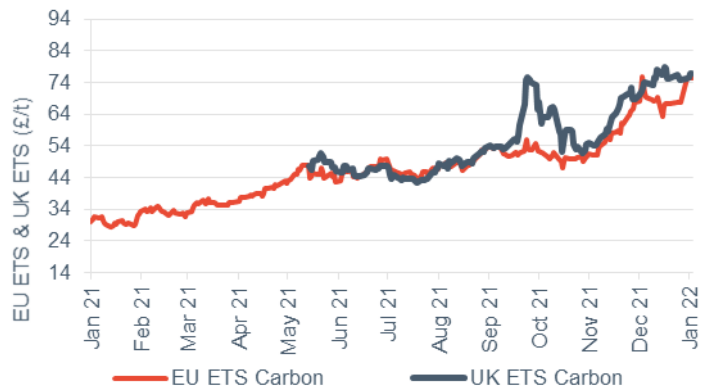
Commodity price movements

Oil and coal



- Brent crude prices rebounded this week, up 3.7% to average \$80.55/bbl.
- Prices in the this week have reacted positively to news that the Omicron variant is not expected to have as substantial impact on demand recovery in 2022 as originally forecast, softening concern in the market.
- Similarly, on Thursday 6 January, Saudi Arabia confirmed it will be reducing its selling price of crude oil to Asian markets for February, which is expected to encourage increased trading for the month.

Carbon (UK and EU ETS)



- Carbon prices saw bullish movements this week, with the UK ETS rising 0.6% to average £75.98/t. Similarly, the EU ETS rose, up 7.1% to €85.23/t.
- Both EU and UK ETS markets remained resilient this week, despite much higher wind generation, particularly in the UK. However, recovering near-term gas prices were able to lend support this week, coupled with a current pause on the first EUA auctions of 2022. They are expected to resume next week.

Supplier tariff movements

Several of the tariffs priced at or below Ofgem's default tariff cap (£1,277/year on average) are not actively being marketed to new customers at present. All of these are suppliers' Standard Variable Tariffs (SVTs), and are available to existing customers when their tariff expires or through limited channels. Utility Warehouse's Double Gold tariff was priced at £1,213/year at 1 January, 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



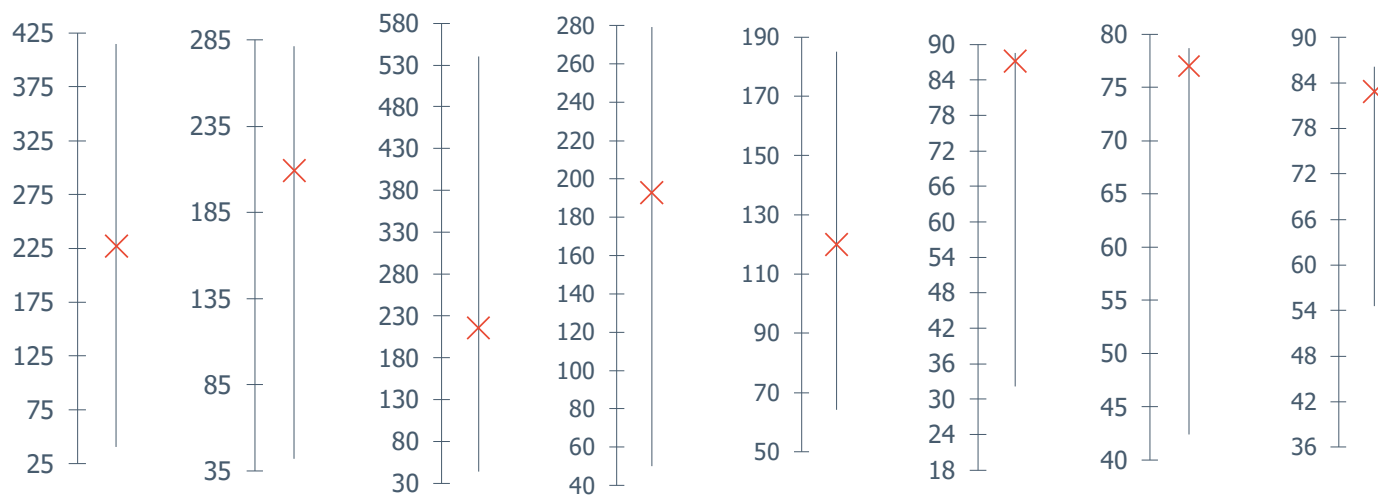
landline services. These tariffs are not included in our charts due to the additional broadband and landline requirements. Square 1 Energy's Standard Variable Tariff was priced at £1,258/year on average at 1 January.



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	7 Jan 22	227.00	209.19	215.00	192.75	120.00	87.20	77.00	82.85
Last week	31 Dec 21	174.25	175.20	165.00	172.50	100.00	79.81	75.00	79.15
Four weeks ago	10 Dec 21	255.00	164.13	238.00	157.00	117.00	80.90	74.00	74.70
Last year	7 Jan 21	57.75	42.28	110.00	50.50	65.60	34.27	N/A	54.52
Year-on-year % change		293.1%	394.8%	95.5%	281.7%	82.9%	154.4%	N/A	52.0%
12-month high		415.00	281.63	540.00	279.13	185.00	88.50	78.70	86.13
12-month low		40.25	41.89	43.40	49.93	64.00	32.09	42.40	54.52

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 21 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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