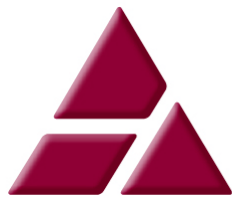




# Energy Wholesale Market Review

Week Ending 28<sup>th</sup> January 2022



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## 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



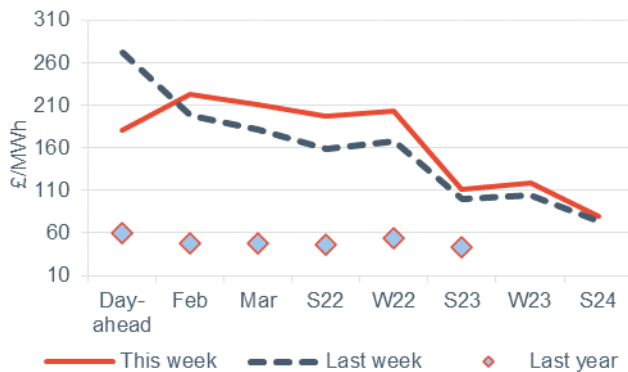
## Headlines 28/01/2022

This week generally represented more bullish sentiment, noting there were some periods of bearish movements particularly across near-term power prices. Day-ahead power fell, lowering 33.6% to £181.00/MWh, with stronger wind and renewable generation seen across this week, a trend forecast to continue into next week. Alternatively, near-term gas prices enjoyed a period of strong price growth compared with the previous week. In support of this, day-ahead gas rose 17.1% to 219.00p/th, following intensifying gas supply concerns driven by on-going political conflict between Ukraine and Russia. February 22 gas was up 19.7% at 223.00p/th, and March 22 gas increased 20.3% to 223.00p/th. Most seasonal gas contracts boosted last week, up by 20.6% on average, while both summer 22 and winter 22 gas increased 31.6% and 31.1% respectively, lifting to 215.00p/th and 224.00p/th. All seasonal power contracts saw upward price growth this week, up on average by 15.1%, as summer 22 and winter 22 expanded 24.3% and 21.6% respectively, rising to £197.00/MWh and £203.00/MWh.

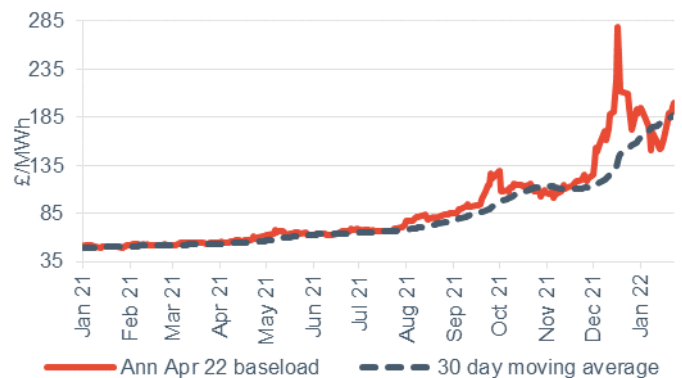
### Baseload electricity

- Day-ahead power fell 33.6% to £181.00/MWh, following periods of stronger wind and renewable generation seen throughout much of this week.
- February 22 power climbed 12.1% at £222/MWh and March 22 power increased 15.9% to £211/MWh.
- Q2-22 power moved 21.6% higher to £197.00/MWh.
- The annual April 22 contract rose 22.9% to £200.00/MWh, 298.2% higher than the same time last year (£50.23/MWh).

#### Forward curve comparison



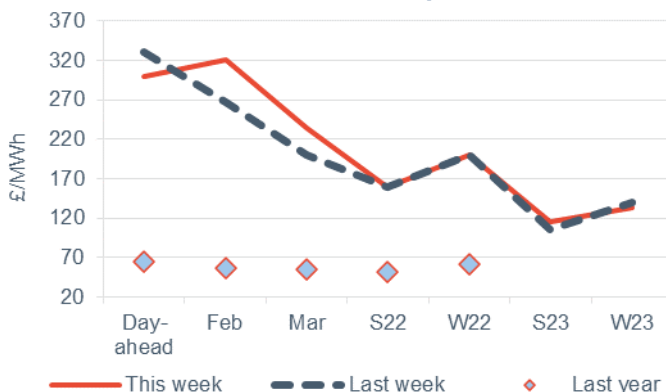
#### Annual April contract



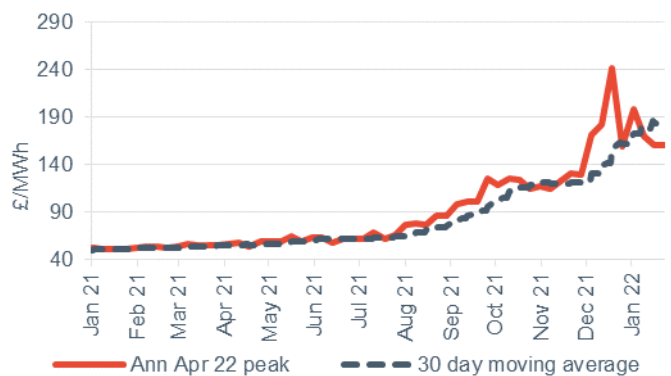
### Peak electricity

- Day-ahead peak power was down 9.1% to £300.00/MWh, following baseload power lower.
- February 22 peak power gained 20.3% at £320.00/MWh, and March 22 peak power increased 17.5% to £235.00/MWh.
- The annual April 22 peak power rose remained unchanged at £180.00/MWh
- This is 216.7% higher than the same time last year (£56.83/MWh).

#### Forward curve comparison



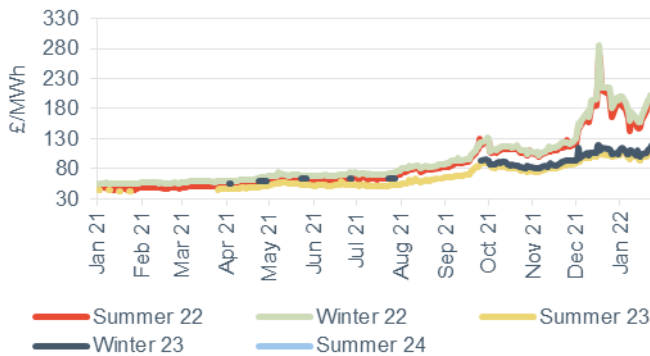
#### Annual April contract





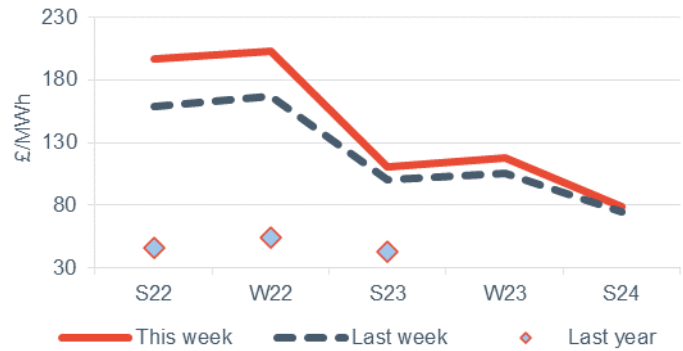
## Seasonal power prices

### Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 15.1%.
- Summer 22 and winter 22 expanded 24.3% and 21.6% respectively, rising to £197.00/MWh and £203.00/MWh.

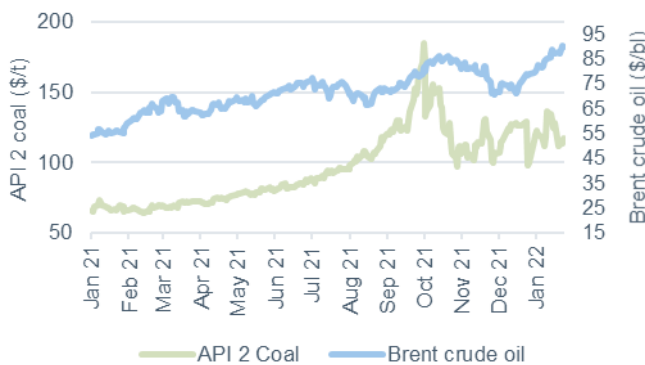
### Seasonal baseload power curve



- Most seasonal peak power contracts boosted this week, up 1.1% on average.
- Summer 22 and winter 22 peak power remained unchanged, sitting at £160.00/MWh and £200.00/MWh respectively.

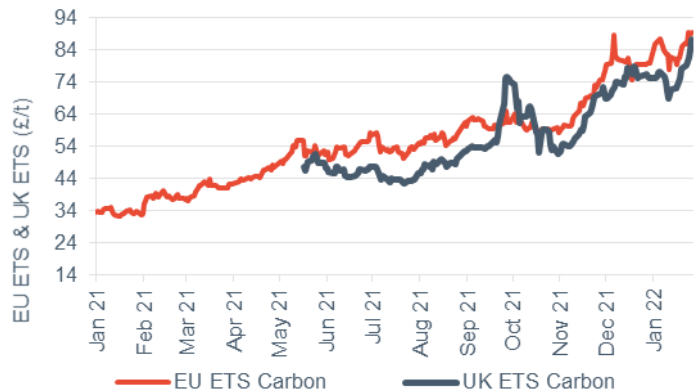
## Commodity price movements

### Oil and coal



- Brent crude prices climbed again last week, up 1.6% to average \$88.79/bl, including a fresh seven-year high on 27 January at \$90.20/bl.
- Prices last week continued to find bullish price support through on-going market tightness as well as some more specific weekly trends.
- In the past week, geopolitical tensions between Ukraine and Russia intensified. The potential threat of supply disruption from Russia has increased, fuelling concerns of future supply in an already tightened global oil market.
- Meanwhile, API 2 coal fell 12.5% to average \$114.05/t.

### Carbon (UK and EU ETS)



- Carbon prices saw collective increase from the week prior. The UK ETS saw the largest week-on-week rise, up 11.0% to £82.38/t, with the EU ETS slightly behind, rising 7.7% to average €87.89/t.
- The UK ETS broke record highs since the scheme's inception in May 2021 on multiple days, with the latest high sitting at £84.00/t, aided by strong auction demand, lower renewable output at the latter stages of last week and higher near-term gas prices – influenced by ongoing geopolitical tensions.

## Supplier tariff movements

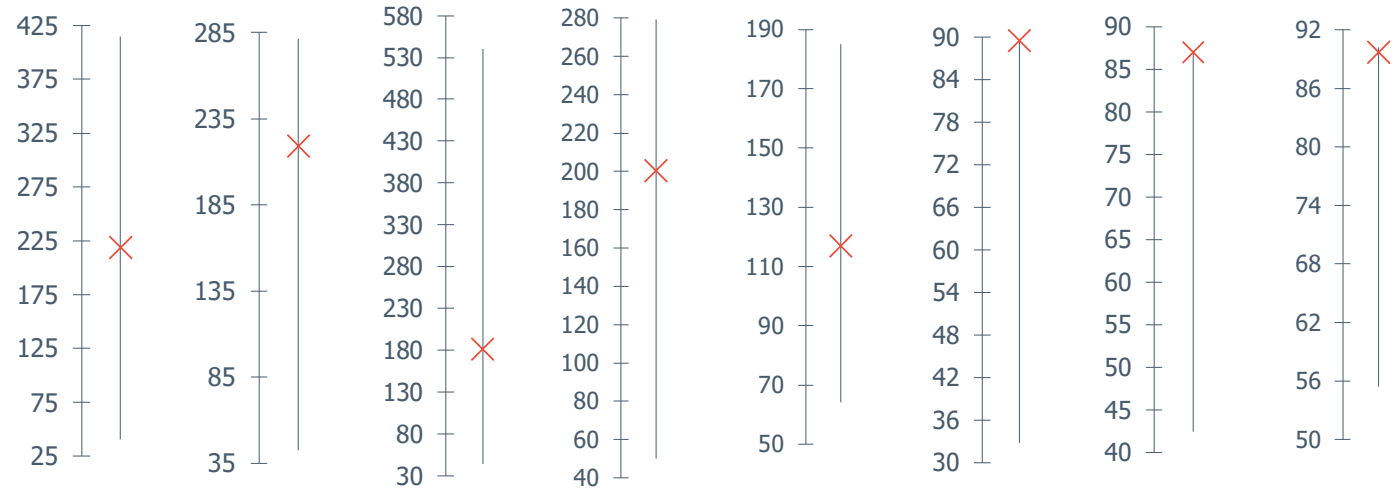
Several of the tariffs priced at or below Ofgem's default tariff cap (£1,277/year on average) are not actively being marketed to new customers at present. All of these are suppliers' Standard Variable Tariffs (SVTs) and are available to existing customers when their tariff expires or through limited channels. Utility Warehouse's Double Gold tariff was priced at £1,213/year on 22 January. Square1 Energy's Standard Variable Tariff was priced at £1,258/year on average on 22 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	28 Jan 22	219.00	219.50	181.00	200.00	117.00	89.50	87.00	89.72
Last week	21 Jan 22	187.00	167.16	272.50	162.75	128.00	84.84	78.00	87.15
Four weeks ago	31 Dec 21	174.25	175.20	165.00	172.50	100.00	79.81	75.00	79.15
Last year	28 Jan 21	56.45	43.24	59.25	50.23	69.00	33.40	N/A	55.66
Year-on-year % change		288.0%	407.6%	205.5%	298.2%	69.6%	168.0%	N/A	61.2%
12-month high		415.00	281.63	540.00	279.13	185.00	89.50	87.00	90.20
12-month low		40.25	42.33	43.40	49.93	64.00	32.79	42.40	55.43

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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