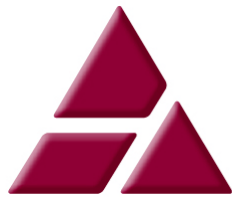




Energy Wholesale Market Review

Week Ending 11th February 2022



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Headlines 11/02/2022

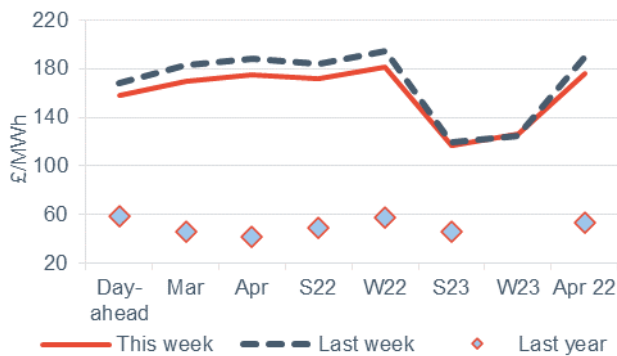
All gas contracts moved lower this week, with the majority of power contracts following suit. Day-ahead gas lost 5.7% to 177.20p/th, amid strong flows from Norway and forecasts of lower gas-for-power demand early next week.

March 22 gas dropped 8.0% to 180.46p/th, while the April 22 contract fell 7.7% to 179.82p/th. Further along the curve, summer 22 gas decreased 8.0% to 179.31p/th and winter 22 gas declined 7.2% to 187.31p/th. Day-ahead power dropped 6.3% to £157.50/MWh, weighed on by lower gas prices and forecasts of strong wind generation on Monday. Month-ahead power fell 6.8% to £170.00/MWh and April 22 power lost 6.9% to £175.00/MWh. Meanwhile, summer 22 power slipped 6.4% to £172.00/MWh and the winter 22 contract decreased 7.2% to £181.00/MWh. All tracked international commodity prices increased this week. Brent crude oil lifted 1.4% to average \$91.31/bl, supported by a surprise drawdown in US crude stocks and reports of a tight global market.

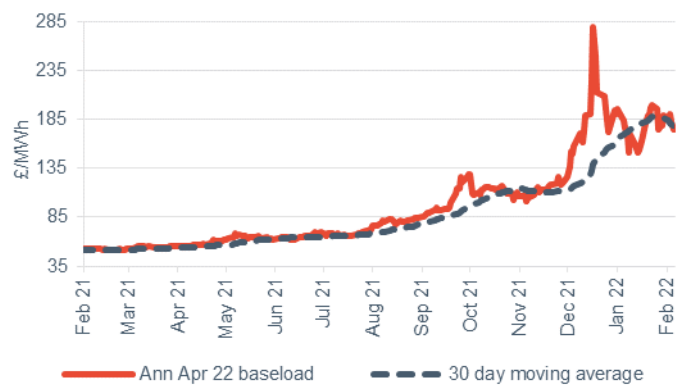
Baseload electricity

- Day-ahead power fell 6.3% to £157.50/MWh, weighed on by lower gas prices and forecasts of strong wind generation for early next week.
- March 22 power slipped 6.8% to £170.00/MWh and April 22 power decreased 6.9% to £175.00/MWh.
- Q2-22 power moved 6.8% lower to £172.00/MWh.
- The annual April 22 contract lost 6.8% to £176.50/MWh, but was 232.7% higher than the same time last year (£53.05/MWh).

Forward curve comparison



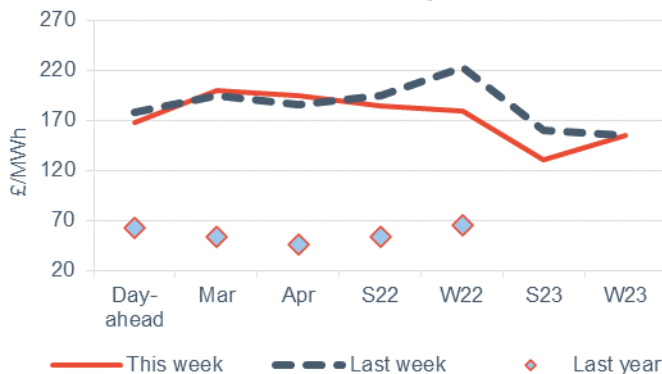
Annual April contract



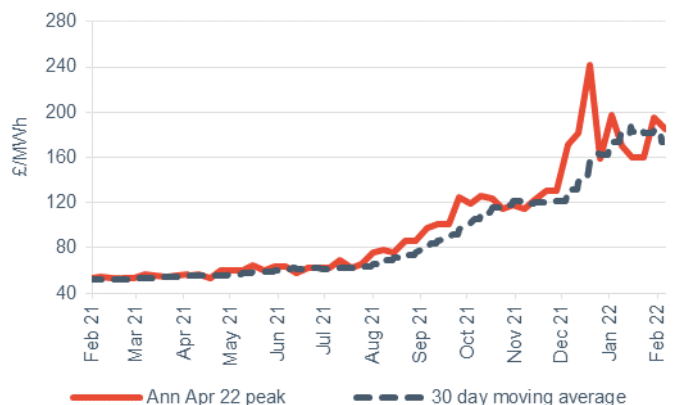
Peak electricity

- Day-ahead peak power eased 5.6% to £168.00/MWh, amid a more comfortable supply-demand balance, coupled with easing baseload prices.
- March 22 peak power rose 2.6% to £200.00/MWh, and April 22 peak power increased 5.4% to £195.00/MWh.
- The annual April 22 peak power contract declined 13.0% to £181.75/MWh.
- This was 206.2% higher than the same period last year (£59.36/MWh).

Forward curve comparison



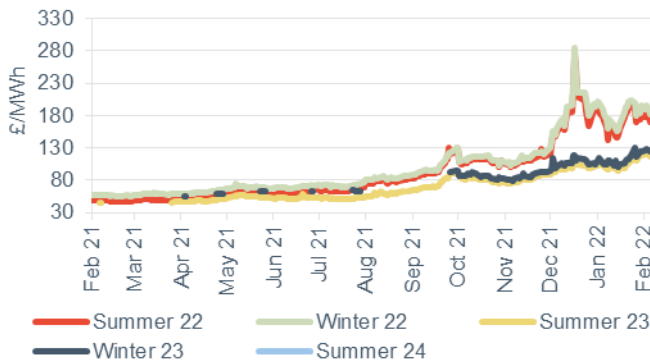
Annual April contract





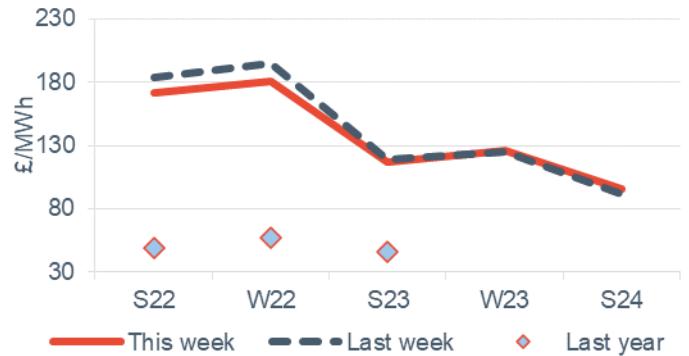
Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts experienced losses this week, declining on average by 2.1%.
- Summer 22 power fell 6.4% to £172.00/MWh and the winter 22 contract lost 7.2% to £181.00/MWh.

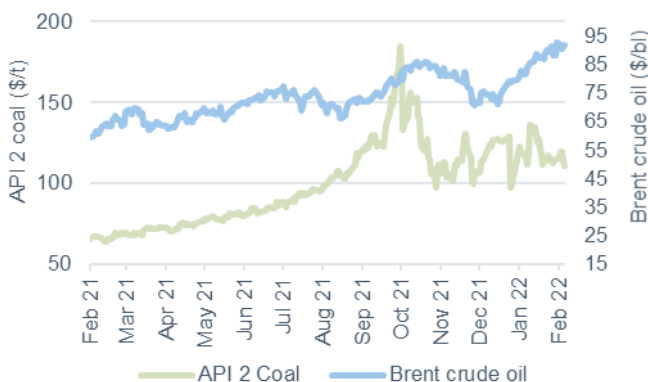
Seasonal baseload power curve



- The majority of seasonal peak power contracts also moved lower this week, down 10.8% on average.
- Summer 22 and winter 22 peak power decreased 5.4% and 19.7% respectively, falling to £184.50/MWh and £179.00/MWh.

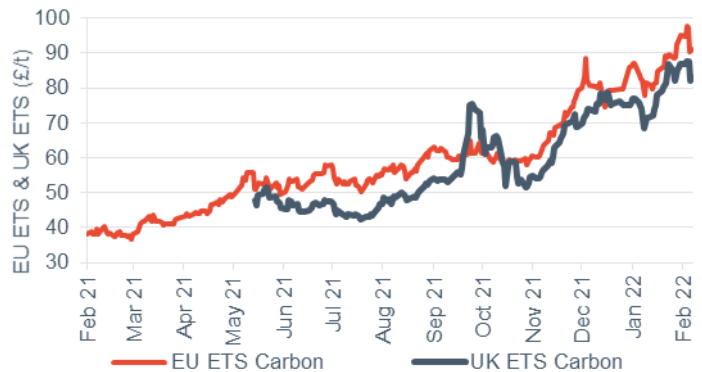
Commodity price movements

Oil and coal



- Brent crude oil lifted 1.4% to average \$91.31/b, supported by a surprise drawdown in US crude stocks and reports of a tight global market.
- A tight global supply picture, highlighted by the IEA on Friday, continues to be exacerbated by geopolitical tensions between Ukraine and Russia, with the threat of supply disruption if tensions escalate into conflict.
- The IEA also noted that OPEC+ missed its output targets in January, lending additional support to prices.

Carbon (UK and EU ETS)



- EU ETS carbon gained 2.8% to average €94.21/t, while UK ETS edged 0.7% higher to average £85.48/t.
- Both schemes reached fresh record highs last week; the EU ETS rose to €97.61/t on Tuesday, and the UK ETS responded the following day to rise to an all-time high of £87.75/t.
- Prices found support from news that EDF had again revised down their 2022 forecast for French nuclear output amid ongoing maintenance issues. EU ETS prices remained bullish amid strong auction demand, after cancellation of the previous week's auction.

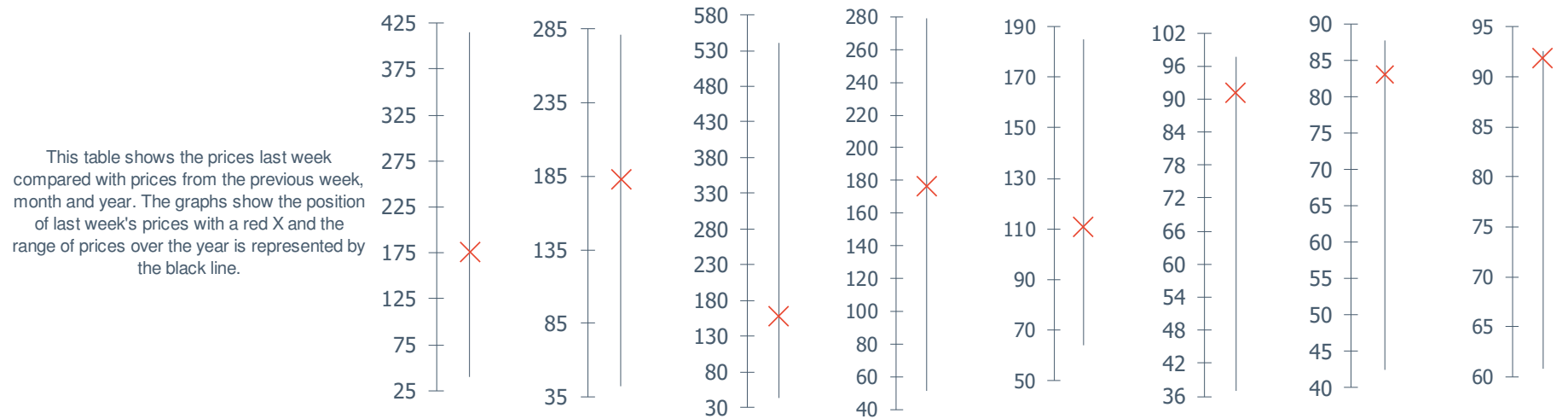
Supplier tariff movements

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. Many suppliers are offering a quote online for their higher priced fixed tariffs only. Utility Warehouse's Double Gold tariff was priced at £1,213/year at 11 February, and requires customers to sign up to broadband, mobile, and landline services. Square1 Energy's Standard Variable Tariff was priced at £1,258/year on average at 11 February.



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	11 Feb 22	177.20	183.62	157.50	176.50	111.00	90.98	83.00	91.84
Two weeks ago	4 Feb 22	188.00	198.69	168.00	189.38	115.25	95.26	86.75	92.57
Four weeks ago	14 Jan 22	217.00	178.64	239.00	169.00	136.00	81.68	71.50	85.42
Last year	11 Feb 21	48.00	44.63	58.25	53.05	66.90	39.46	N/A	60.97
Year-on-year % change		269.2%	311.5%	170.4%	232.7%	65.9%	130.6%	N/A	50.6%
12-month high		415.00	281.63	540.00	279.13	185.00	97.61	87.75	92.57
12-month low		40.25	42.33	43.40	51.41	64.00	36.86	42.40	60.77





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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