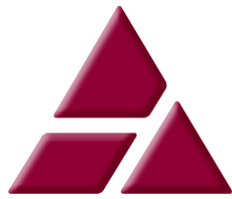




Energy Wholesale Market Review

Week Ending 25th February 2022



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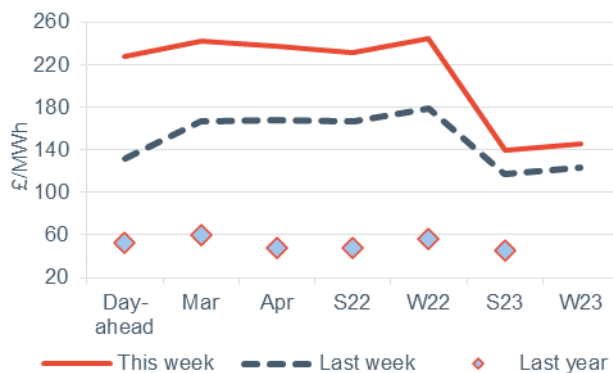
Headlines 25/02/2022

This week has represented a significant upward shift in gas and power prices for near-term contracts as well as further along the forward curve, primarily in response to news surrounding the Russian invasion of Ukraine. Subsequently, day-ahead gas rose 50.0% to 255.00p/th, following the aforementioned news war has broken out in Ukraine, fuelling future gas supply concerns from Russia, which contributes a significant proportion of natural gas to the continent. Day-ahead power rose 72.0% to £227.00/MWh, taking direction from the bullish movements in gas contracts across the board, in what represents a relatively unprecedented political event in Europe. Subsequently, March 22 gas was up 51.1% at 259.66p/th, and April 22 gas increased 50.9% to 259.96p/th. Nearly all seasonal gas contracts boosted this week, up by 31.4% on average, with summer 22 and winter 22 gas increasing 49.9% and 46.6% respectively, lifting to 258.67p/th and 265.91p/th. Seasonal power contracts rose this week sharing similar growth to their seasonal gas counterparts, up on average by 28.0%. Summer 22 and winter 22 expanded 39.1% and 36.9% to £231.25/MWh and £245.00/MWh, respectively.

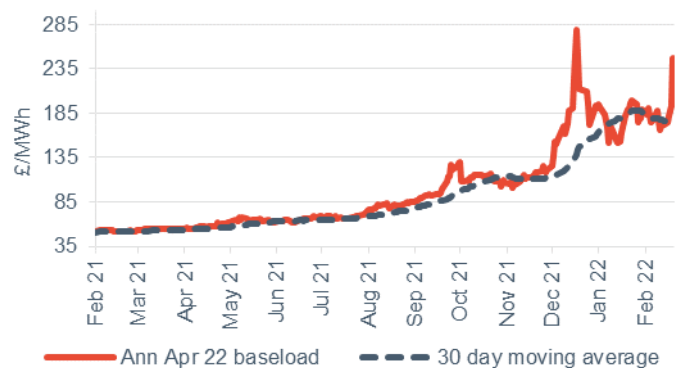
Baseload electricity

- Day-ahead power rose 72.0% to £227.00/MWh, following strong gains set in near-term gas contracts, amid Russia-Ukraine conflict.
- March 22 power climbed 44.6% to £241.52/MWh and April 22 power increased 41.5% to £237.00/MWh.
- Q22 power moved 38.7% higher to £233.00/MWh.
- The annual April 22 contract rose 38.0% to £238.13/MWh, 357.9% higher than the same time last year (£52.00/MWh).

Forward curve comparison



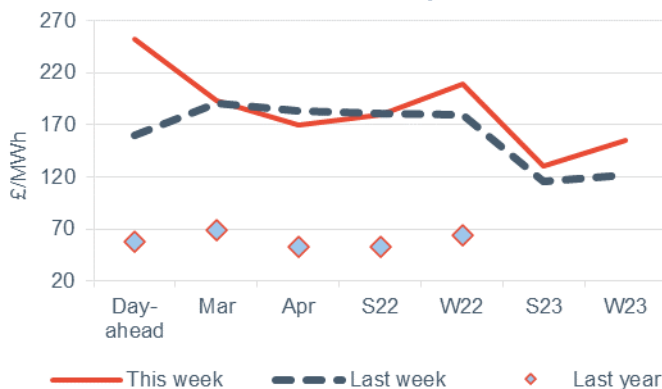
Annual April contract



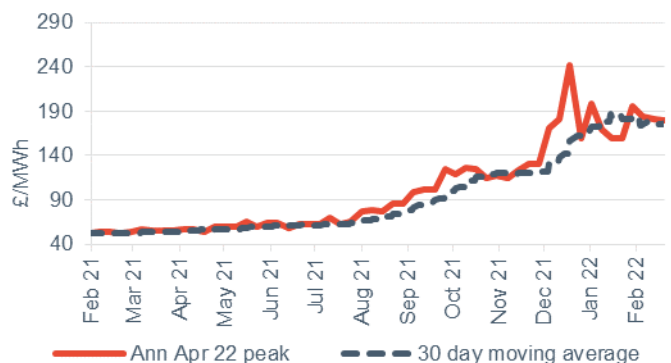
Peak electricity

- Day-ahead peak power was up 57.5% to £252.00/MWh, following baseload power higher.
- March 22 peak power gained 1.7% to £193.5/MWh, and April 22 peak power decreased 7.1% to £170.00/MWh.
- The annual April 22 peak power rose 7.4% to £194.63/MWh
- This is 233.0% higher than the same time last year (£58.45/MWh).

Forward curve comparison



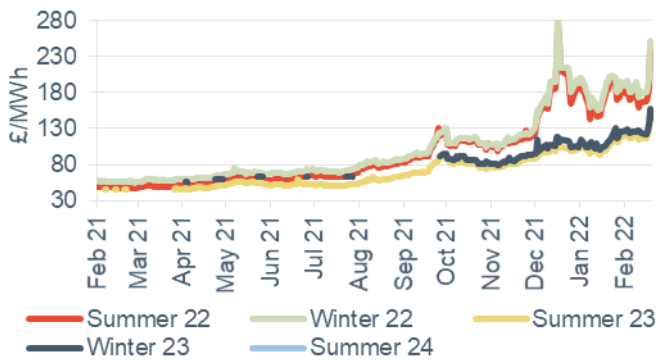
Annual April contract





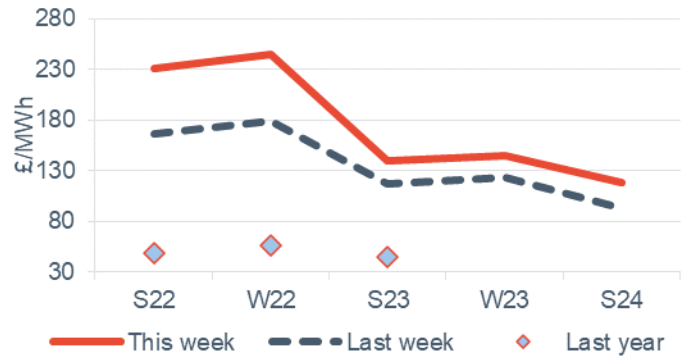
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 28.0%.
- Summer 22 and winter 22 expanded 39.1% and 36.9% respectively, rising to £231.25/MWh and £245.00/MWh.

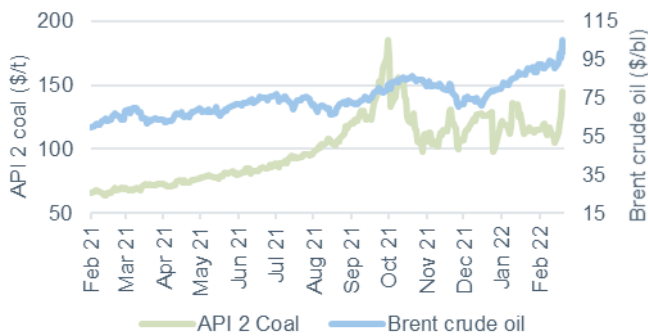
Seasonal baseload power curve



- Most seasonal peak power contracts climbed this week, up 14.1% on average.
- Summer 22 gas dropped 0.7% to £180.00/MWh, while winter 22 peak power contract increased 16.2% to £209.25/MWh.

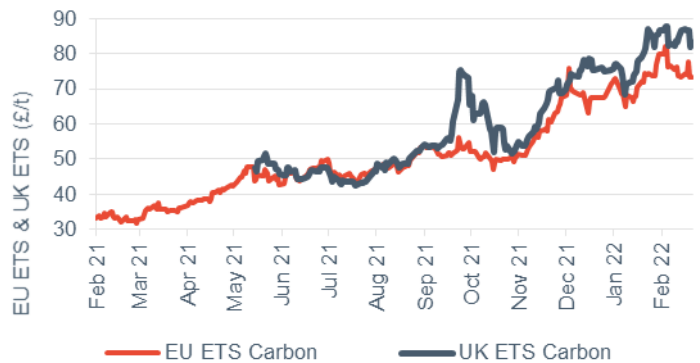
Commodity price movements

Oil and coal



- Brent crude prices recorded further gains this week, a consistent trend with much of the start of 2022. Brent crude prices averaged \$98.46/bl this week, 5.6% higher than the previous week. This also included a fresh seven-year high on Thursday 24 February at \$105.06/bl.
- More specifically this week, prices gained strong momentum from news that Russia has invaded Ukraine, with news breaking in the UK early Thursday morning.
- Should oil sanctions be imposed as some economies have suggested, we could see further tightening of an already restricted Brent crude supply market, exacerbating price rises.

Carbon (UK and EU ETS)



- Carbon prices saw collective increases from the week prior. The UK ETS increased 1.2% to average £85.23/t, with the EU ETS climbing too, up 0.4% to average €89.45/t.
- Impending colder weather and lowering wind outturn will likely place increased emphasis on gas-fired plant to meet demand and drive up the demand for EUA's to cover carbon emissions.
- Elsewhere compliance buying ahead of the 2021 reporting period for some generators has lent bullish price support too.

Supplier tariff movements

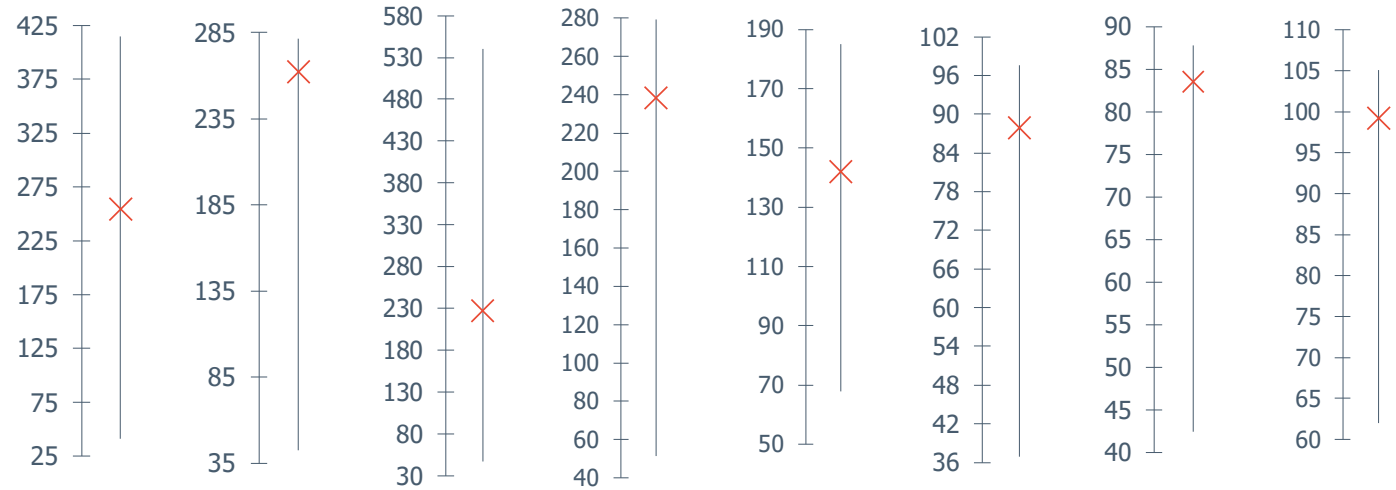
Utility Warehouse's Double Gold tariff was priced at £1,213/year at 19 February. Square1 Energy's Standard Variable Tariff was priced at £1,258/year on average at 19 February. Ovo Energy continued to offer the cheapest fixed tariff on the market with its Better Smart tariff priced at £2,290/year on average at 19 February. Outfox the Market decreased the price of its cheapest available tariff by £598/year on average between 12 February and 19 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)
This week	25 Feb 22	255.00	262.29	227.00	238.13	142.00	87.92	83.50	99.25
Last week	18 Feb 22	170.00	176.99	132.00	172.60	105.00	88.00	86.50	90.72
Four weeks ago	28 Jan 22	219.00	219.50	181.00	200.00	117.00	89.50	87.00	89.72
Last year	25 Feb 21	41.55	43.18	53.00	52.00	69.50	39.04	N/A	67.20
Year-on-year % change		513.7%	507.4%	328.3%	357.9%	104.3%	125.2%	N/A	47.7%
12-month high		415.00	281.63	540.00	279.13	185.00	97.61	87.75	105.06
12-month low		40.90	42.34	47.00	51.41	67.82	36.86	42.40	62.00

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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