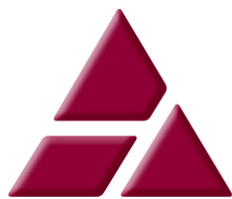




Energy Wholesale Market Review

Week Ending 4th March 2022



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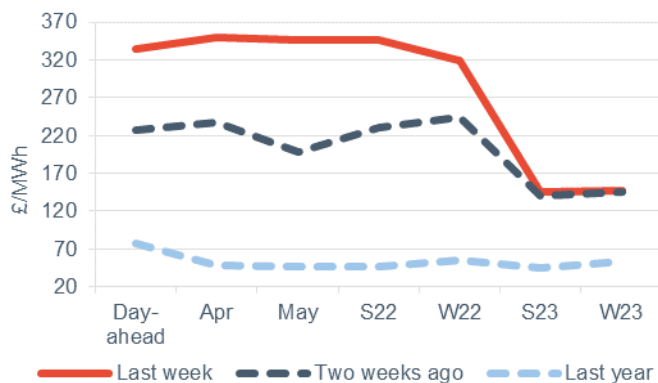
Headlines 04/03/2022

This week represented another overwhelmingly bullish week for wholesale gas and power prices, in what continues to be an unprecedented period for the European energy landscape, as conflict between Russia and Ukraine intensifies. Subsequently, day-ahead gas rose 54.9% to 395.00p/th, following the on-going conflict in Ukraine, fueling future gas supply disruption concerns, with Russia currently supplying ~35-40% of European gas. The largely bullish momentum in near-term gas contracts was felt on the domestic power side too, with day-ahead power rising 47.6% to £335.00/MWh. Contracts further along the forward curve soared too, with April 22 gas up 63.2% at 424.14p/th, and May 22 gas increased 80.7% to 404.41p/th – both reaching fresh highs. Similarly, most seasonal gas contracts boosted this week, up by 21.5% on average, while both summer 22 and winter 22 gas increased 55.9% and 33.9% respectively, lifting to 403.30p/th and 356.00p/th, with summer 22 now at a new all-time high. Most seasonal power contracts boosted this week too, up on average by 12.5%, as summer 22 and winter 22 expanded 49.6% and 30.6% respectively, rising to £346.00/MWh and £320.00/MWh.

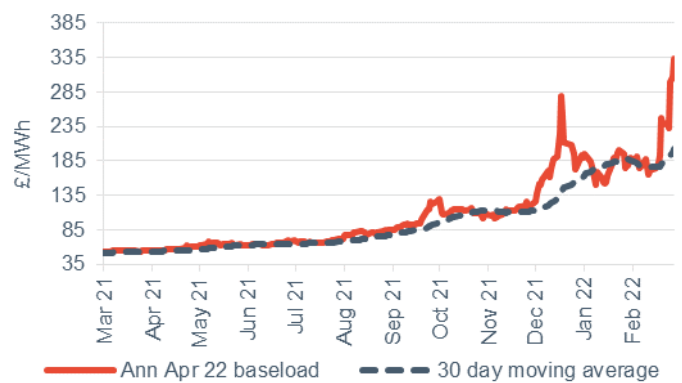
Baseload electricity

- Day-ahead power rose 47.6% to £335/MWh, following landmark gains set in near-term gas contracts, and on expectation of lower wind outturn into the early part of next week.
- April 22 power climbed 47.7% at £350.00/MWh and May 22 power increased 74.8% to £347.00/MWh.
- Q2-22 power moved 49.4% higher to £348.00/MWh.
- The annual April 22 contract rose 39.8% to £333.00/MWh, 547.7% higher than the same time last year (£51.41/MWh).

Forward curve comparison



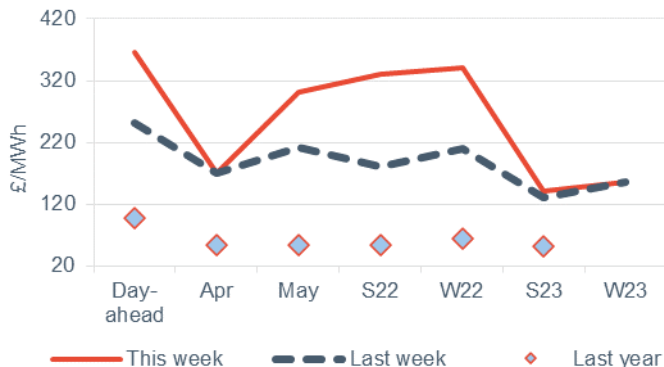
Annual April contract



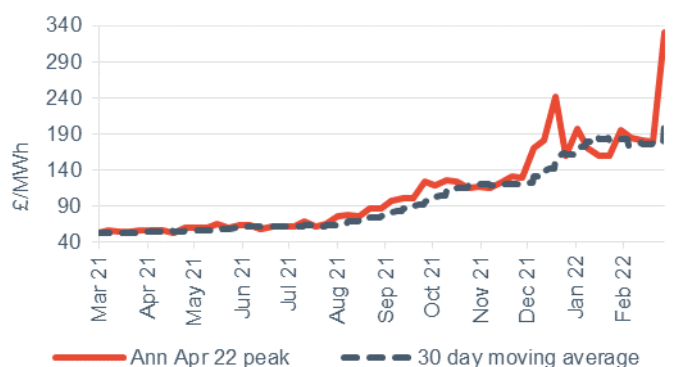
Peak electricity

- Day-ahead peak power was up 44.8% to £365.00/MWh, following baseload power higher.
- April 22 peak power remained unchanged at £170/MWh, and May 22 peak power increased 42.2% to £302.03/MWh.
- The annual April 22 peak power rose 72.4% to £335.50/MWh
- This is 471.2% higher than the same time last year (£58.74/MWh).

Forward curve comparison



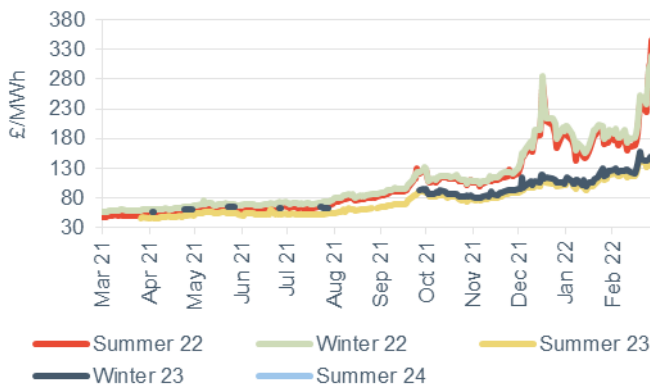
Annual April contract





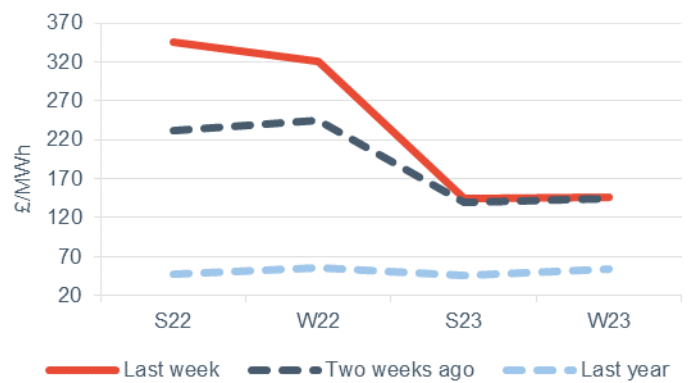
Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts grew this week, up on average by 12.5%.
- Summer 22 and winter 22 expanded 49.6% and 30.6% respectively, rising to £346.00/MWh and £320.00/MWh.

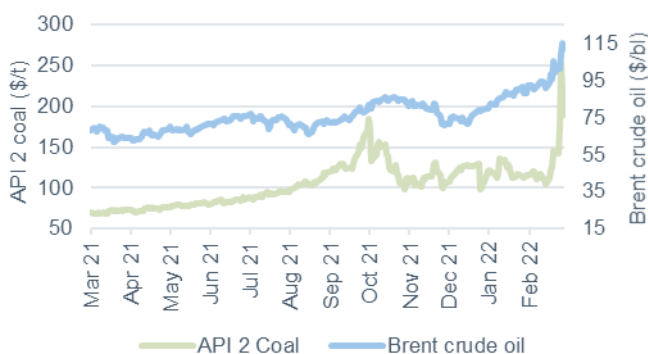
Seasonal baseload power curve



- Most seasonal peak power contracts saw gains this week, up 38.7% on average.
- Summer 22 and winter 22 peak power increased 83.9% and 62.5% respectively, rising to £331.00/MWh and £340.00/MWh.

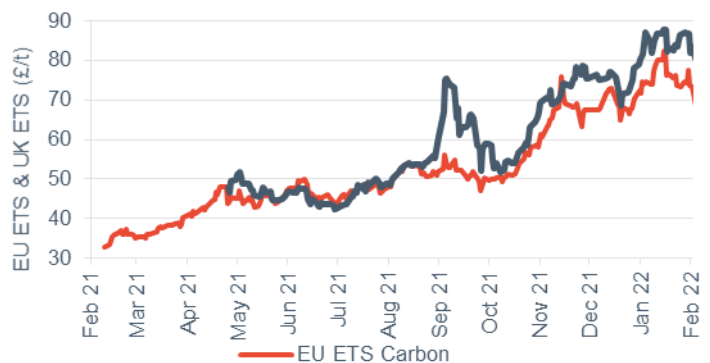
Commodity price movements

Oil and coal



- Brent crude prices recorded further gains this week. Subsequently, Brent crude prices averaged \$108.28/bl this week, 9.9% higher than the previous week. This also included a fresh seven-year high on Thursday 3 March at \$115.1/bl.
- The on-going conflict between Russia and Ukraine has prompted a bullish response for Brent crude prices, primarily with the continuation of fresh sanctions imposed on Russia, disrupting commodity exports from the region – in what had been a tight supply market prior to the aforementioned conflict between the two countries.
- Elsewhere, API 2 coal rose 51.2% to average \$196.00/t.

Carbon (UK and EU ETS)



- Carbon markets saw strong collective decline from the week previous, with the UK ETS down 12.8% to £74.30/t with the EU ETS down 18.9% to €72.51/t.
- The volatility in wholesale energy prices has continued to unsettle carbon market. Primarily, bearishness in the previous seven days has come from the unpredictability of current trading sessions, with financial markets in particular being swayed by news surrounding conflict between the Ukraine and Russia.
- However, looking towards the coming week, expectations of colder weather and lowering wind outturn in the first half of the week may place increased reliance on gas-fired plant to meet the shortfall in renewables output

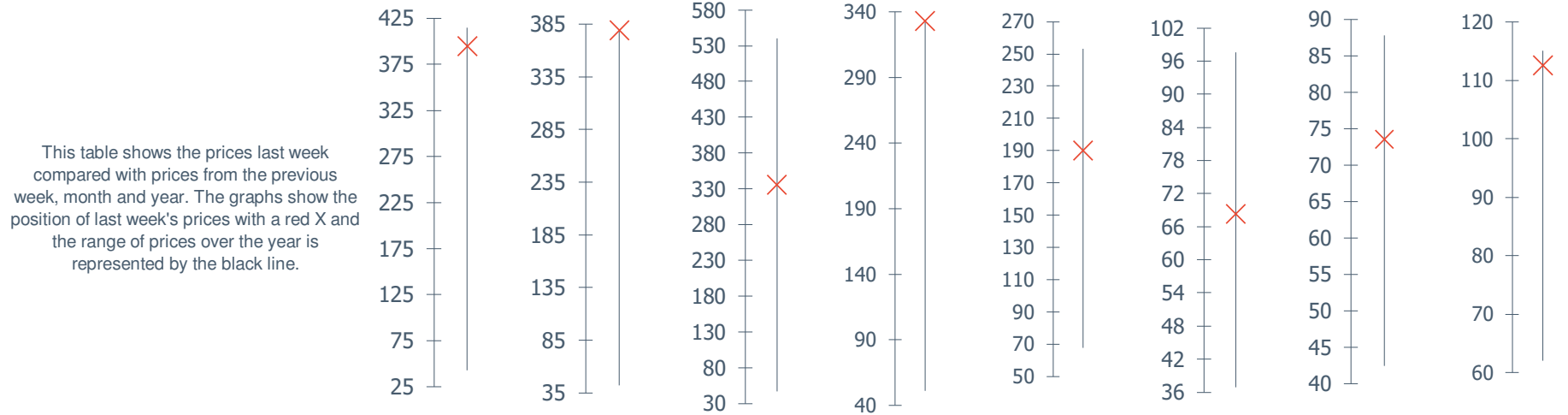
Supplier tariff movements

Scottish Power offered the cheapest fixed tariff on the market with its Fixed Price May 2023 FMI tariff priced at £2,460/year on average at 26 February. Outfox the Market increased the price of its cheapest available tariff by £1,271/year on average between 19 February and 26 February, to £3,731/year. Utility Warehouse's Double Gold tariff was priced at £1,213/year at 26 February. Square1 Energy's Standard Variable Tariff was priced at £1,258/year on average at 26 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	4 Mar 22	395.00	379.65	335.00	333.00	190.00	68.36	73.50	112.55
Last week	25 Feb 22	255.00	262.29	227.00	238.13	142.00	87.92	83.50	99.25
Four weeks ago	4 Feb 22	188.00	198.69	168.00	189.38	115.25	95.26	86.75	92.57
Last year	4 Mar 21	44.60	42.34	77.50	51.41	69.00	36.86	N/A	63.80
Year-on-year % change		785.7%	796.8%	332.3%	547.7%	175.4%	85.5%	N/A	76.4%
12-month high		415.00	379.65	540.00	333.00	253.00	97.61	87.75	115.14
12-month low		43.20	42.34	47.00	51.41	67.82	36.86	42.40	62.00





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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