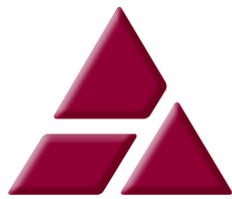




Energy Wholesale Market Review

Week Ending 18th March 2022



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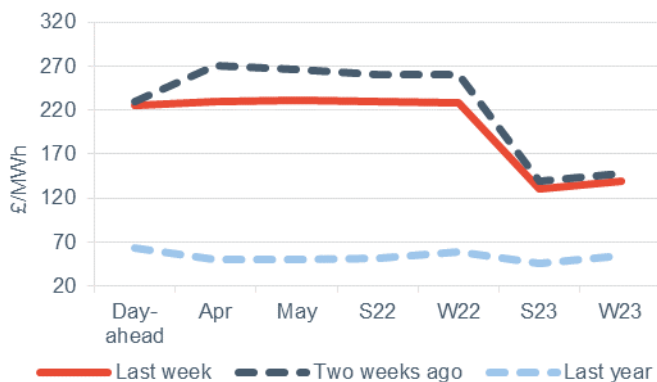
Headlines 18/03/2022

This week represented another largely bearish period for gas and power contracts, both for short-term delivery and further out on the forward curve too – helped by talks of a potential ceasefire in Ukraine, softening future gas disruption concerns amidst the conflict. As such, day-ahead gas fell 16.9% to 245.00p/th, following the aforementioned developments, coupled with warmer weather and increased LNG send-out, helped by US LNG cargoes arriving at UK terminals. Subsequently, day-ahead power fell 2.2% to £225.00/MWh, taking direction from its gas counterpart, and rising levels of wind generation on the system as the week matured. Font month contracts fell too, down April 22 gas was down 19.7% at 254.30p/th, and May 22 gas decreased 19.0% to 256.15p/th. Elsewhere, the majority of seasonal gas contracts dropped this week, with summer 22 to winter 23 falling 17.0% on average. A notable outlier was the summer 24 contract however, rising 128.6% to 96.00p/th, owing in part to better liquidity in forwards gas contracts this week. Similarly, seasonal power contracts also saw losses this week, down on average by 7.6%, as summer 22 power decreased 11.5% to £230.00/MWh, while winter 22 fell 12.3% to £228.00/MWh.

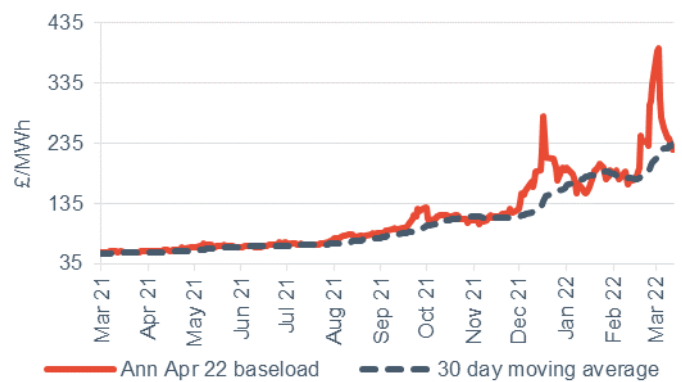
Baseload electricity

- Day-ahead power fell 2.2% to £225.00/MWh, following its gas counterpart contract lower, weighed further by periods of elevated wind outturn as the week progressed.
- April 22 power slipped 14.8% at £230.00/MWh and May 22 power decreased 13.5% to £231.00/MWh.
- Q2-22 power moved 12.3% lower to £229.75/MWh.
- The annual April 22 contract lost 11.9% to £229/MWh, 314.5% higher than the same time last year (£55.25/MWh).

Forward curve comparison



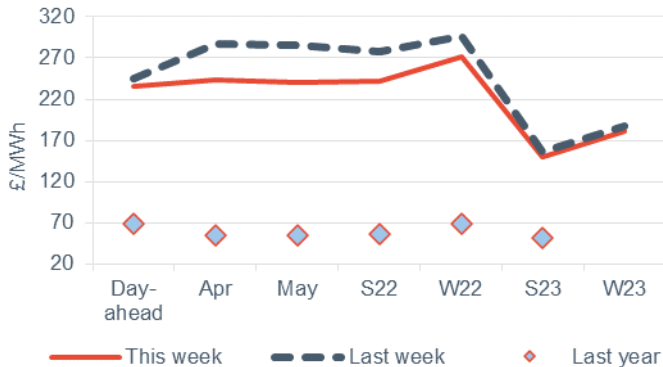
Annual April contract



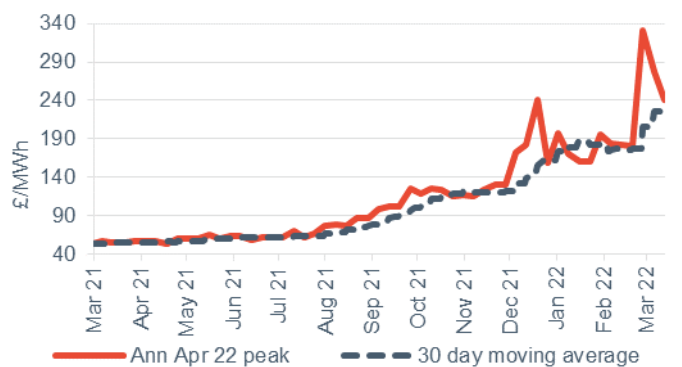
Peak electricity

- Day-ahead peak power was down 4.1% to £235.00/MWh, following baseload power lower.
- April 22 peak power declined 14.8% at £244.10/MWh, and May 22 peak power decreased 15.9% to £240.3/MWh.
- The annual April 22 peak power rose 11.0% to £256.15/MWh.
- This is 315.8% higher than the same time last year (£61.61/MWh).

Forward curve comparison



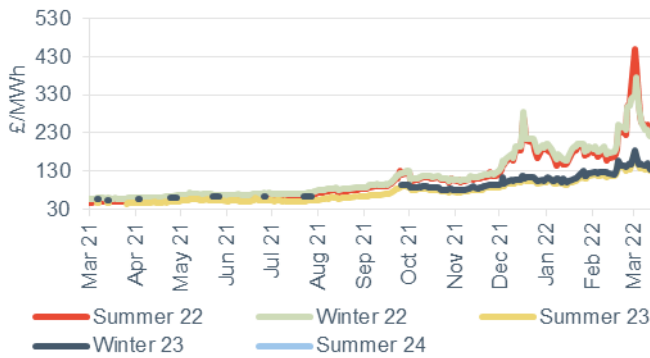
Annual April contract





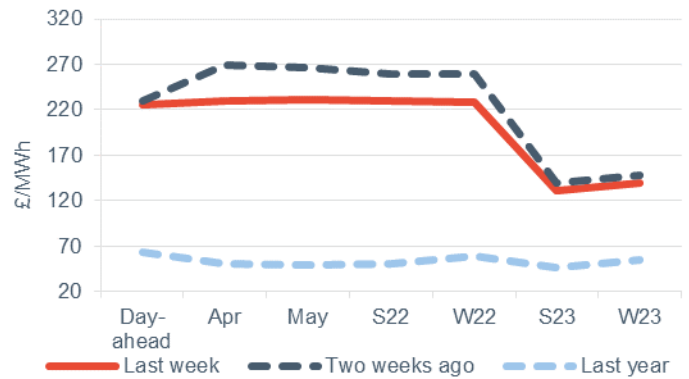
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts declined this week, down on average by 7.6%.
- Summer 22 power decreased 11.5% to £230.00/MWh, while winter 22 fell 12.3% to £228.00/MWh.

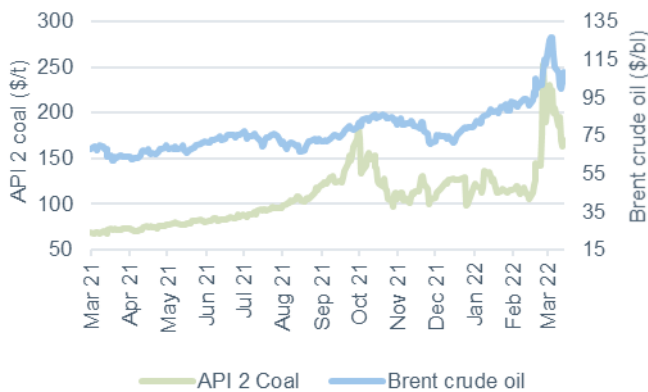
Seasonal baseload power curve



- All seasonal peak power contracts fell this week, down 7.2% on average.
- Summer 22 and winter 22 peak power dropped 13.3% and 8.8% respectively, falling to £241.50/MWh and £270.80/MWh.

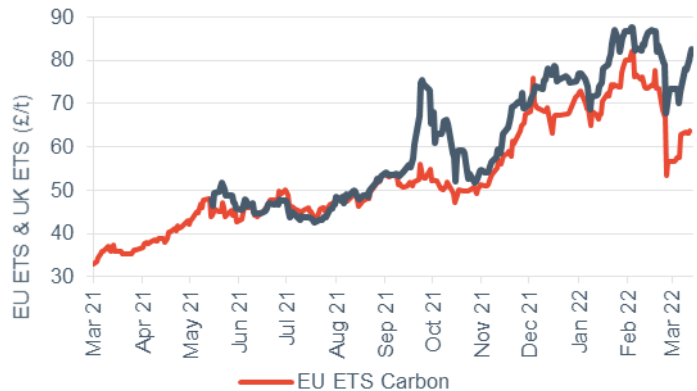
Commodity price movements

Oil and coal



- Brent crude prices declined week-on-week for the first time in several weeks, down 14.4% to average \$103.98/bbl.
- This week represented a largely bearish week for Brent crude prices, with consecutive losses across most days.
- Furthermore, progressive talks over a potential ceasefire in Ukraine eased future supply disruption concerns within the market, allowing prices to retreat slightly.
- Elsewhere, the potential for Saudi Arabia to increase oil output into the market has also subdued prices slightly, softening the on-going tight landscape.

Carbon (UK and EU ETS)



- Carbon markets reversed what had been two consecutive weeks of losses this week, both rising week-on-week. The UK ETS lifted 10.1% to average £79.95/t, with the EU ETS sharing similar growth, up 8.0% to average £75.35/t.
- Carbon markets remain sensitive to wider geopolitical developments, particularly that of the conflict between Russia and Ukraine. Primarily, potential changes in future fossil fuel supply and consumption, and moving over to renewable generation will place less demand on fossil-fuel fired plant. Elsewhere, financial markets remain particularly volatile, with financial traders who hold EUA's still selling off volumes.

Supplier tariff movements

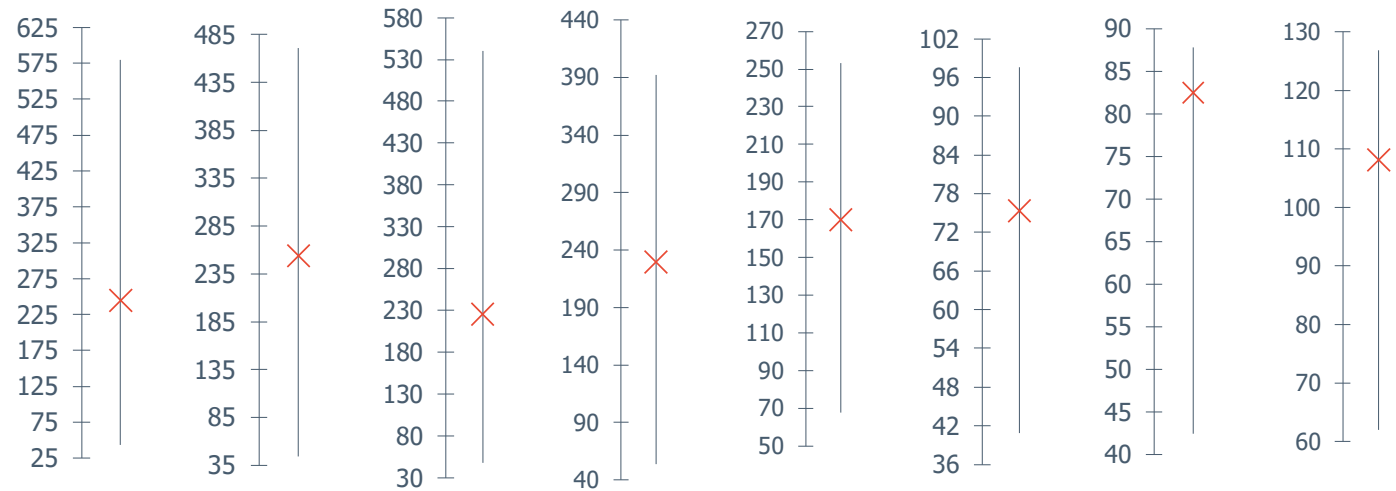
Ovo Energy continued to offer the cheapest fixed tariff on the market with its 2 Year Fixed tariff, priced at £2,290/year on average at 12 March. Between 5 and 12 March, Nabuh Energy, Shell Energy and Utilita increased their SVT prices by £693/year, in line with the new default tariff cap (£1,971/year on average). Utilita's SVT is now priced at £1,969/year, £2 below the cap, whilst Nabuh Energy and Shell Energy are priced at £1,971/year.



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	18 Mar 22	245.00	253.90	225.00	229.00	170.00	75.35	82.50	108.13
Last week	11 Mar 22	295.00	304.53	230.00	260.00	205.00	75.00	72.50	111.20
Four weeks ago	18 Feb 22	170.00	176.99	132.00	172.60	105.00	88.00	86.50	90.72
Last year	18 Mar 21	47.00	45.48	63.75	55.25	67.82	43.63	N/A	67.82
Year-on-year % change		421.3%	458.3%	252.9%	314.5%	150.7%	72.7%	N/A	59.4%
12-month high		580.00	470.47	540.00	392.50	253.00	97.61	87.75	126.84
12-month low		43.25	44.32	47.75	53.95	67.82	40.85	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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