



Energy Wholesale Market Review

Week Ending 25th March 2022



EDW House, Radian Court, Knowlhill, Milton Keynes, MK5 8PJ.

Phone: +44 (0)8448 802 489
Email: info@edwtech.com
Website: edwtech.com



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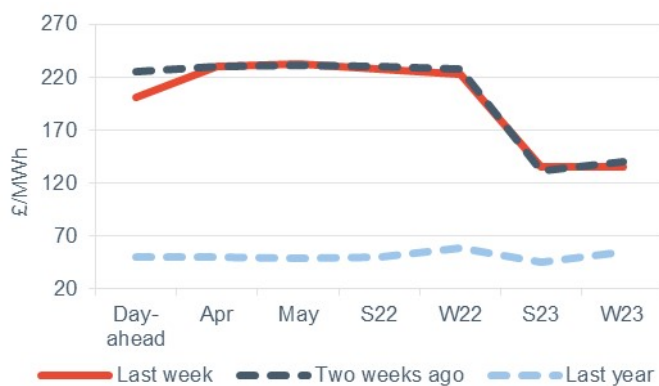
Headlines 25/03/2022

This week represented a relatively mixed outcome for gas and power prices, with conflicting market fundamentals dictating the movement of prices. Firstly, day-ahead gas rose 4.9% to 257.00p/th, following Russia announcing it will be looking to seek payment for its gas sold to 'unfriendly' countries in Roubles, sparking fears of exacerbated gas supply disruption on the continent. However, day-ahead power fell 10.7% to £201.00/MWh, afflicted by periods of higher wind outturn in the week, softening supply margins – compounded by losses in UK ETS carbon prices week-on-week. Elsewhere, April 22 gas was up 4.2% at 265.00p/th, and May 22 gas increased 4.6% to 268.00p/th – following near-term contracts higher. The majority of seasonal gas contracts rose this week, up by 11.0% on average, with both summer 22 and winter 22 gas up 5.4% and 6.1% respectively, lifting to 271.00p/th and 266.00p/th. Most seasonal power contracts declined this week, down on average by 1.9%, as summer 22 power decreased 0.9% to £228.00/MWh, while winter 22 fell 2.2% to £223.00/MWh. Carbon markets saw mixed movements from the week previous. UK ETS prices fell 3.4% week-on-week to average £77.21/t. However, EU ETS carbon prices rose 4.8% to average €78.97/t.

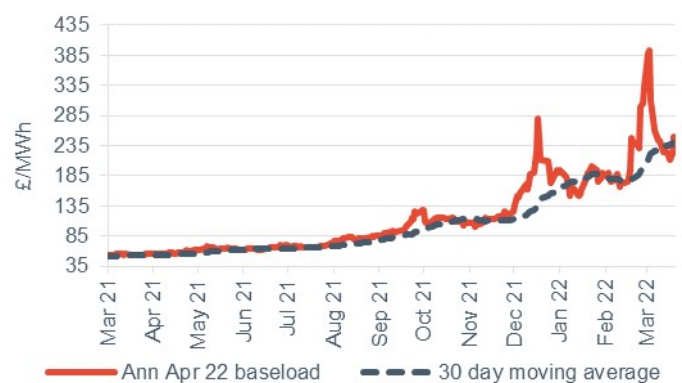
Baseload electricity

- Day-ahead power fell 10.7% to £201.00/MWh, following following periods of higher wind outturn in the week, softening supply margins – compounded by losses in UK ETS carbon prices.
- April 22 power climbed 0.2% at £230.50/MWh and May 22 power increased 0.6% to £232.50/MWh.
- Q2-22 power moved 0.1% higher to £230.00/MWh.
- The annual April 22 contract lost 1.5% to £225.50/MWh, 314.3% higher than the same time last year (£54.43/MWh).

Forward curve comparison



Annual April contract



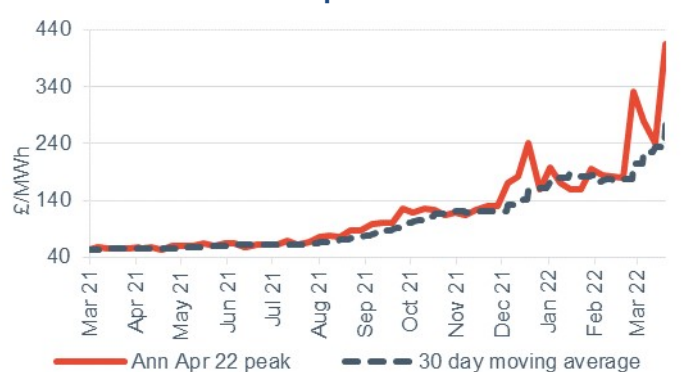
Peak electricity

- Day-ahead peak power was down 2.1% to £230.00/MWh, following baseload power lower.
- April 22 peak power gained 1.2% at £247.00/MWh, and May 22 peak power increased 1.9% to £244.79/MWh.
- The annual April 22 peak power rose 43.1% to £366.47/MWh
- This is 500.00% higher than the same time last year (£61.08/MWh).

Forward curve comparison



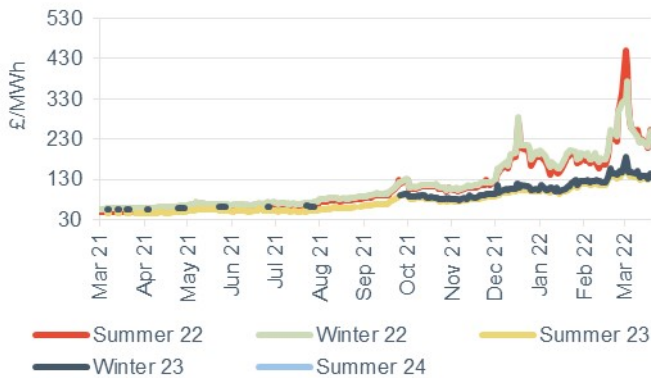
Annual April contract





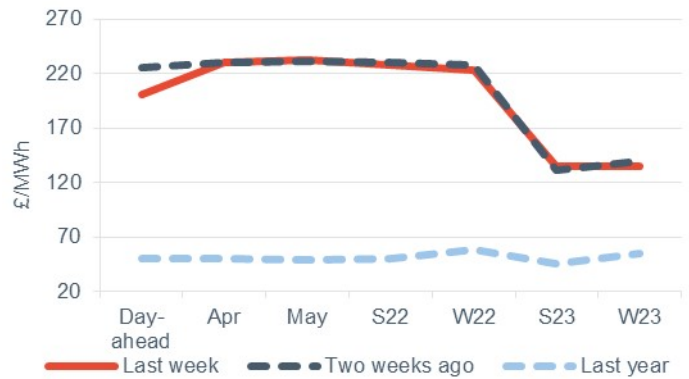
Seasonal power prices

Seasonal baseload power contracts



- The majority of seasonal power contracts declined this week, down on average by 1.9%.
- Summer 22 power decreased 0.9% to £228.00/MWh, while winter 22 fell 2.2% to £223.00/MWh.

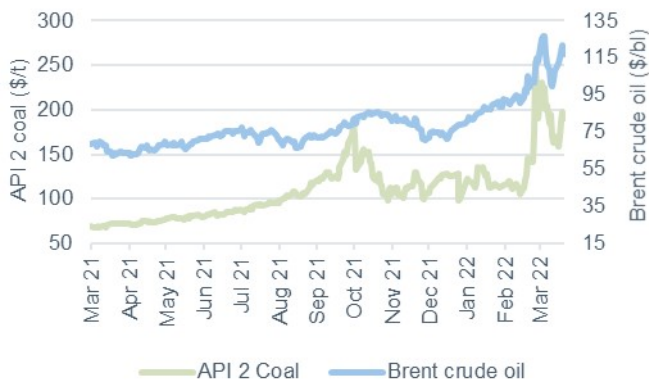
Seasonal baseload power curve



- Most seasonal peak power contracts saw gains this week, up 20.9% on average.
- Summer 22 and winter 22 peak power increased 72.0% and 17.2% respectively, rising to £415.50/MWh and £317.43/MWh.

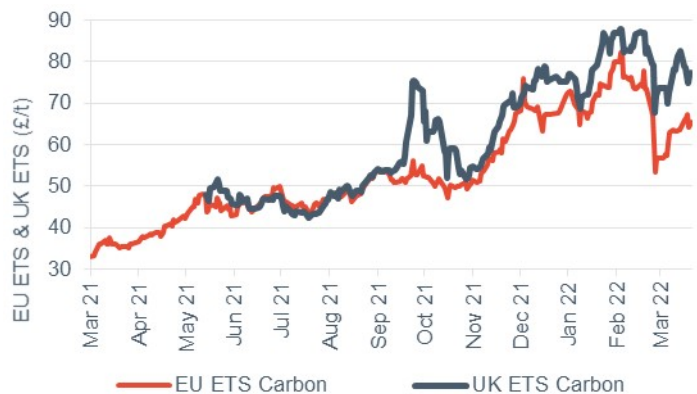
Commodity price movements

Oil and coal



- Brent crude prices rose week-on-week, reversing the previous week's decline. As a result, prices lifted 12.3% week-on-week, to average \$116.72/bbl
- At the week's start, prices were buoyed by the prospect of EU nations joining the US in a Russian oil embargo, adding into future market tightness and supply disruption amid a lack of alternative sources of supply
- Elsewhere, prices gained further support from the disruption of Russian exports via the Caspian pipeline

Carbon (UK and EU ETS)



- Carbon markets saw mixed movements from the week previous. UK ETS prices fell 3.4% week-on-week to average £77.21/t. However, EU ETS carbon prices rose 4.8% to average €78.97/t.
- EU ETS carbon prices were supported higher EUA demand amid rising gas demand and news of the EU agreed a deal to replace Russian gas supplies with US LNG. However, towards the end of the week prices did ease due to declining market liquidity
- UK ETS prices eased across the week due to strong wind output and lowering demand

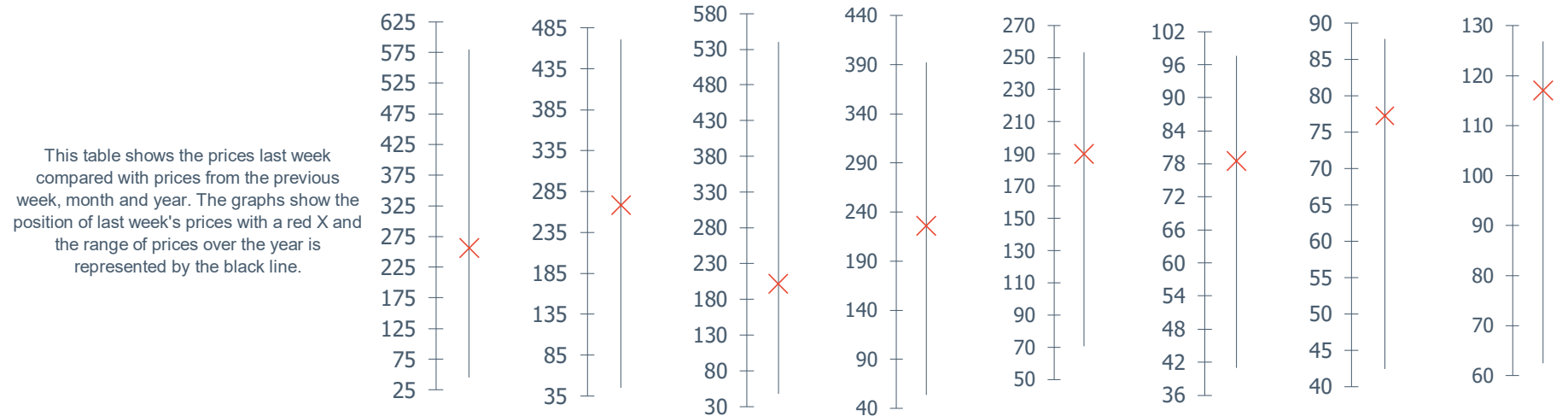
Supplier tariff movements

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 19 March. There have been no tariffs from small suppliers available through Comparison Technologies since 5 March. Square1 Energy's SVT was priced at £1,258/year on average at 19 March. At 19 March, there continued to be 26 dual fuel tariffs available to direct debit customers with 16 available to prepayment customers, down from 17 at 12 March. This compares to 174 dual fuel direct debit tariffs and 31 prepayment tariffs available to customers at 13 March 2021.



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	25 Mar 22	257.00	268.50	201.00	225.50	190.00	78.55	77.25	117.00
Two weeks ago	18 Mar 22	245.00	253.90	225.00	229.00	170.00	75.35	82.50	108.13
Four weeks ago	25 Feb 22	255.00	262.29	227.00	238.13	142.00	87.92	83.50	99.25
Last year	25 Mar 21	46.00	46.05	50.25	54.43	72.40	41.00	N/A	63.80
Year-on-year % change		458.7%	483.1%	300.0%	314.3%	162.4%	91.6%	N/A	83.4%
12-month high		580.00	470.47	540.00	392.50	253.00	97.61	87.75	126.84
12-month low		45.60	44.75	47.75	53.95	70.65	41.00	42.40	62.44





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.

EDW Technology Limited

EDW House

Radian Court

Knowlhill

Milton Keynes

MK5 8PJ

UK

Tel: +44 (0) 8448 802 489

Fax: +44 (0) 8448 802 487

Website: www.edwtech.com

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