



Energy Wholesale Market Review

Week Ending 14th April 2022



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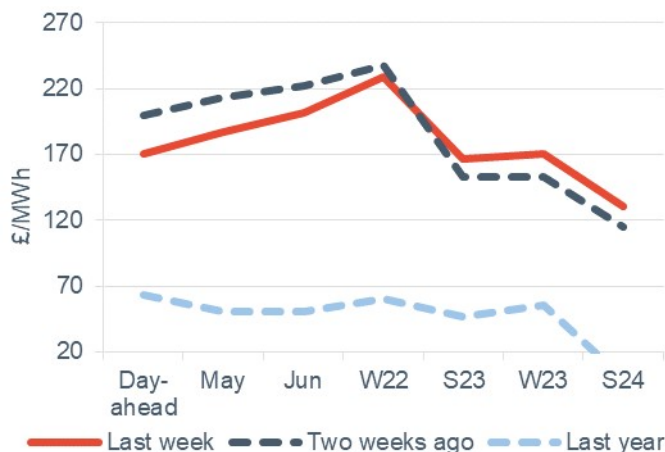
Headlines 14/04/2022

Continuing last week's trend, all near-term gas and power contracts saw losses this week, while the majority of seasonal contracts reported gains. Day-ahead gas fell 25.5% to 178.00p/th, weighed by system oversupply in the week, amid soft heating demand and stronger LNG sendout. May 22 gas was down 17.6% at 199.51p/th, and Q322 gas moved 9.8% lower to 233.88p/th. Seasonal gas prices remain sensitive to geopolitical developments, supported by continued concerns over future Russian gas supply. As a result, most seasonal gas contracts boosted last week, up by 5.8% on average. Winter 22 gas dropped 3.7% to 249.60p/th, while summer 23 gas increased 14.2% to 188.50p/th. Day-ahead power fell 15.0% to £170.00/MWh, weighed on by bearish gas prices and forecasts of soft demand over the Easter Bank Holiday. June 22 power decreased 9.0% to £202.00/MWh and Q322 power moved 8.3% lower to £218.21/MWh. Most seasonal power contracts went up last week, up on average by 7.3%, following seasonal gas contracts higher. Summer 23 grew 8.9% to £166.00/MWh and winter 23 rose 11.1% to £170.00/MWh.

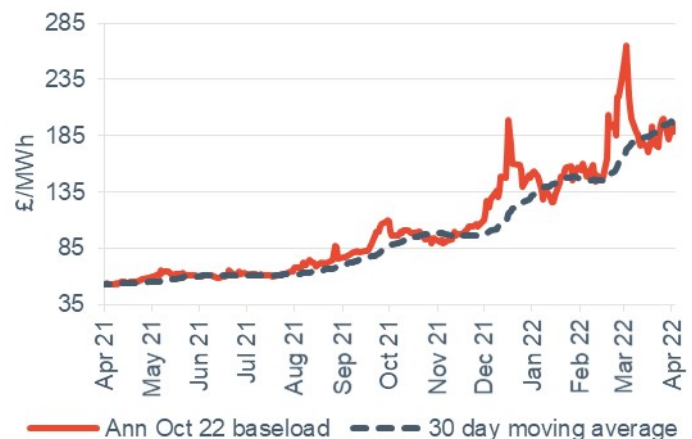
Baseload electricity

- Day-ahead power fell 15.0% to £170.00/MWh, weighed on by bearish gas prices and forecasts of soft demand over the Easter Bank Holiday
- May 22 power lost 12.2% to £187.00/MWh and June 22 power declined 9.0% to £202.00/MWh.
- Q3-22 power moved 8.3% lower to £218.21/MWh.
- The annual October 22 contract rose 1.2% to £197.50/MWh, the contract remains significantly higher year-on-year

Forward curve comparison



Annual October contract



Peak electricity

- Day-ahead peak power followed its baseload counterpart lower, easing 18.6% to £175.00/MWh.
- May 22 peak power dropped 3.7% to £207.40/MWh, and June 22 peak power decreased 3.9% to £221.80/MWh.
- The annual October 22 peak power rose 2.8% to £236.33/MWh
- This is 290.8% higher than the same time last year (60.48/MWh).

Forward curve comparison



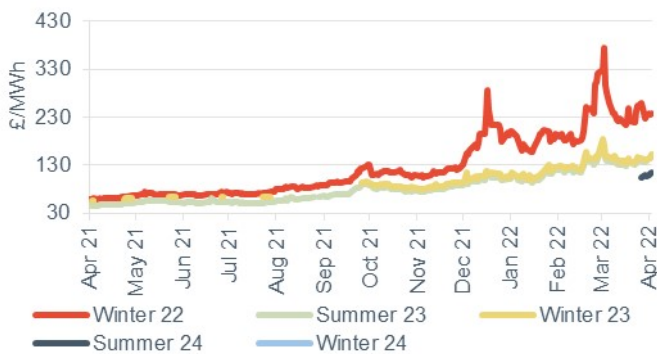
Annual October contract





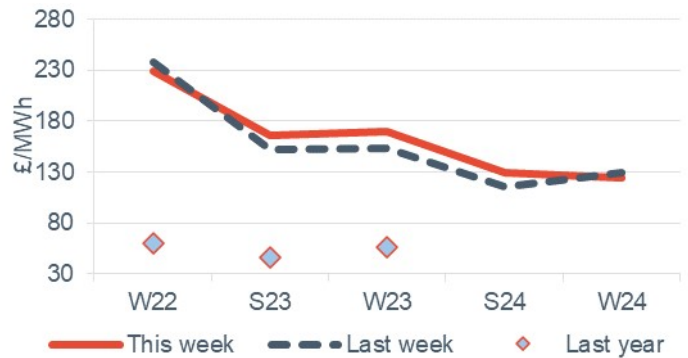
Seasonal power prices

Seasonal baseload power contracts



- The majority of seasonal power contracts saw gains this week, rising on average by 7.3%.
- Summer 23 grew 8.9% to £166.00/MWh and winter 23 rose 11.1% to £170.00/MWh.

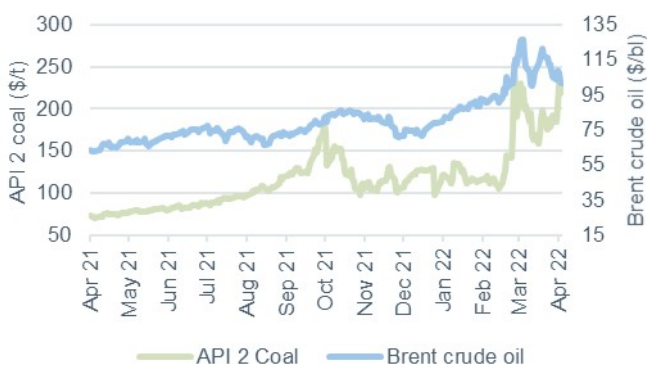
Seasonal baseload power curve



- Most seasonal peak power contracts boosted this week, up 6.4% on average.
- Summer 23 peak power increased 8.3% to £190.65/MWh whilst the winter 23 contract saw similar gains, up 8.9% to £224.40/MWh.

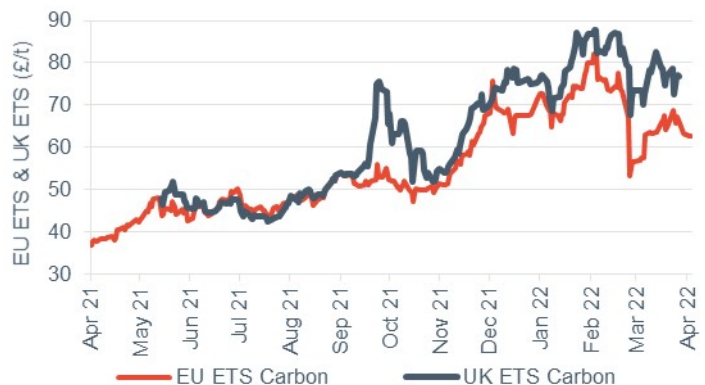
Commodity price movements

Oil and coal



- Brent crude prices halted losses seen last week, rising 7.0% to average \$108.36/bbl.
- Despite gains, oil prices were pegged back by thin trading towards the end of the week ahead of public holidays. Rising crude supply was reported by the EIA, along with easing Chinese demand due to fresh COVID-19 restrictions, all of which weighed on prices.
- Elevated prices for Brent crude oil are likely to remain, given the tight global supply/demand picture at present – however the market is showing some signs of resilience towards the conflict in Ukraine and subsequent supply chain disruption, softening prices over the last three weeks.

Carbon (UK and EU ETS)



- Carbon markets reported mix movements this week. UK ETS carbon fell 1.0% to average £77.25/t, with the EU ETS observing gains, up 4.0% to average €78.72/t.
- Despite lower trading volumes, prices across carbon markets saw periods of bullishness as the risk of gas supply interruptions from Russia continues to elevate prices. Support also stemmed from softer renewables output.
- The continuation of higher gas prices has also increased the levels of gas-to-coal switching, increasing demand for EUAs.

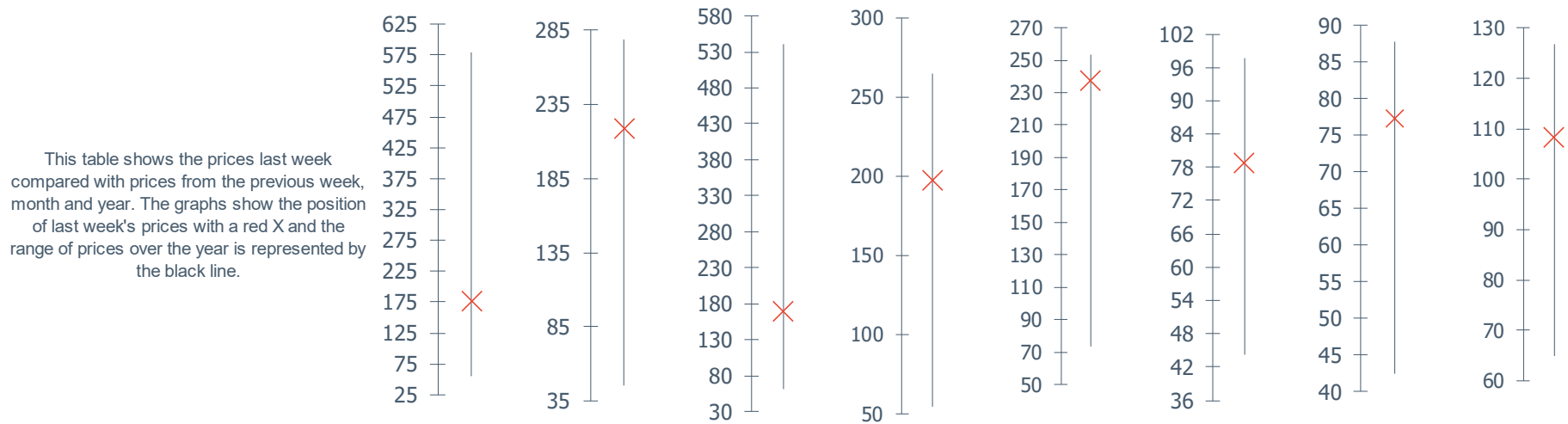
Supplier tariff movements

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 2 April. No suppliers changed the price of their cheapest available tariff between 26 March and 2 April. No suppliers changed the price of their cheapest available tariff between 26 March and 2 April.



Wholesale price snapshot

		Gas (p/th)		Electricity (£/MWh)		Coal (\$/t)	EUA carbon (€/t)	UKA carbon (£/t)	Brent crude (\$/bl)
		Day-ahead	Year-ahead	Day-ahead	Year-ahead				
Last week	14 Apr 22	178.00	219.05	170.00	197.50	237.00	78.72	77.25	108.36
Two weeks ago	8 Apr 22	239.00	212.13	200.00	195.25	228.00	75.35	78.00	101.57
Four weeks ago	18 Mar 22	245.00	189.19	225.00	179.50	170.00	75.35	82.50	108.13
Last year	16 Apr 21	56.75	46.48	65.50	55.24	74.75	44.62	N/A	67.23
Year-on-year % change		213.7%	371.3%	159.5%	257.5%	217.1%	76.4%	N/A	61.2%
12-month high		580.00	279.07	540.00	265.00	253.00	97.61	87.75	126.84
12-month low		55.00	45.51	62.00	53.94	73.75	44.10	42.40	64.91





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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