



# Energy Wholesale Market Review

Week Ending 22<sup>nd</sup> April 2022



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

**Phone:** +44 (0)8448 802 489  
**Email:** [info@edwtech.com](mailto:info@edwtech.com)  
**Website:** [edwtech.com](http://edwtech.com)



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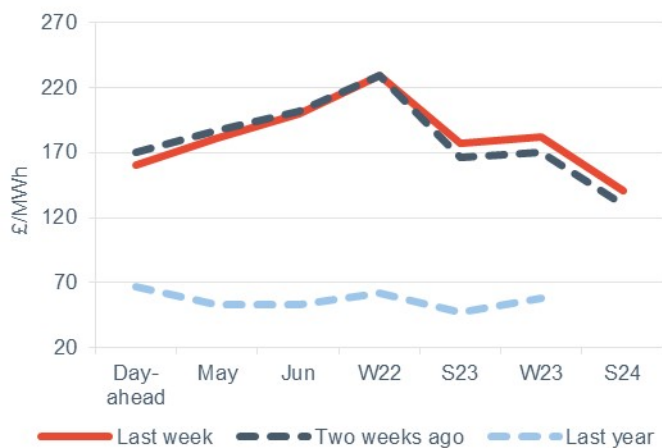
## Headlines 22/04/2022

Near-term gas and power contracts moved lower this week, while most seasonal contracts continued to increase. Day-ahead gas dropped 11.2% to 158.00p/th, with warmer temperatures leading to reduced demand towards the end of the week. Month-ahead gas lost 7.2% to 185.16p/th and June 22 gas slipped 4.1% to 209.97p/th. Seasonal gas contracts rose 3.8% on average. The winter 22 contract was the only contract to move lower week-on-week, declining 2.8% to 243.36p/th, while summer 23 gas gained 4.4% to 196.85p/th. Power prices followed their gas counterparts closely, with day-ahead power losing 5.9% to £160.00/MWh. May 22 power dropped 3.2% to £181.00/MWh and the June 22 contract slipped 1.0% to £200.00/MWh. All seasonal power contracts increased this week, rising 7.8% on average. Winter 22 power edged 0.1% higher to £229.16/MWh and summer 23 power climbed 6.6% to £177.00/MWh. Brent crude oil gained 4.5% to average \$108.66/bl, despite concerns of weaker global growth and wavering demand due to further Covid lockdowns in China. EU ETS carbon jumped 9.9% to average €84.83/t, while UK ETS gained 1.2% to average £78.13/t.

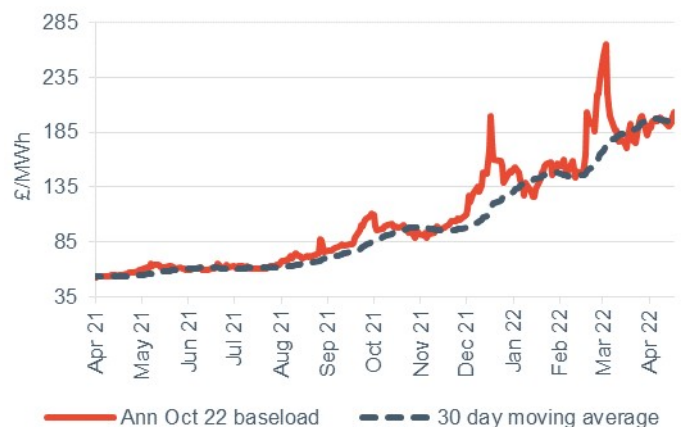
## Baseload electricity

- Day-ahead power lost 5.9% to £160.00/MWh, following its gas counterpart lower
- May 22 power dropped 3.2% to £181.00/MWh and June 22 power declined 1.0% to £200.00/MWh.
- Q322 power edged 0.1% lower to £218.00/MWh.
- The annual October 22 contract rose 2.8% to £203.08/MWh.

Forward curve comparison



Annual October contract



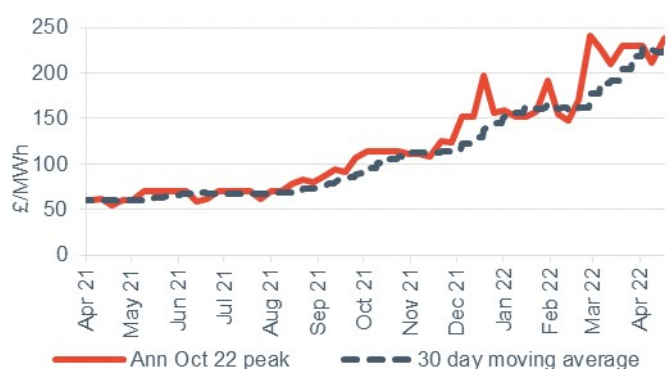
## Peak electricity

- Day-ahead peak power followed its baseload counterpart lower, losing 5.7% to £165.00/MWh.
- May 22 peak power fell 4.6% to £197.80/MWh, and June 22 peak power decreased 2.3% to £216.70/MWh.
- The annual October 22 peak power jumped 13.1% to £238.73/MWh
- This is 335.6% higher than the same time last year (£54.80/MWh).

Forward curve comparison



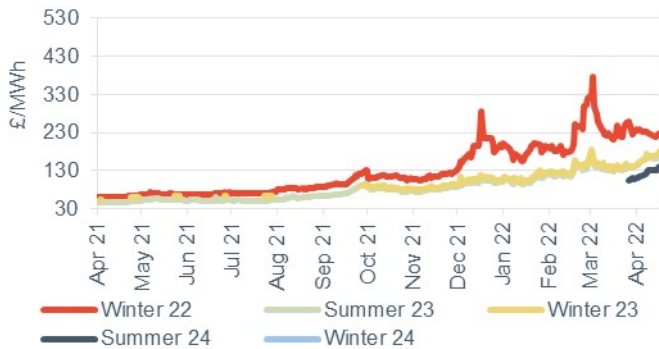
Annual October contract





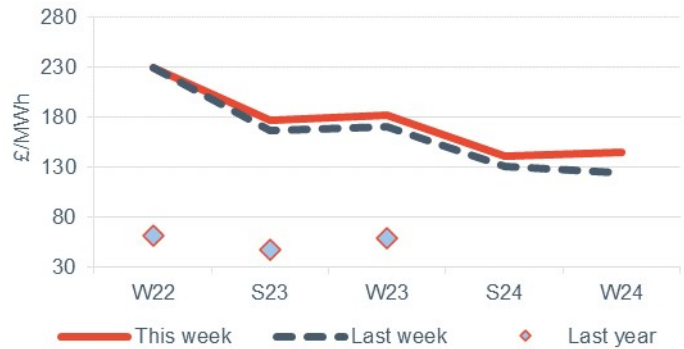
## Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts saw gains this week, rising on average by 7.8%.
- Winter 22 lifted 0.1% to £229.16/MWh and summer 23 rose 7.1% to £177.00/MWh.

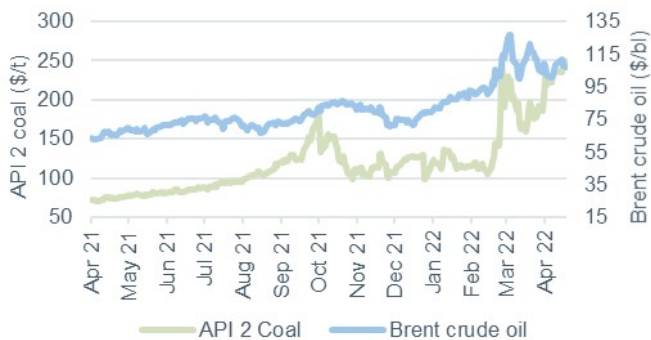
Seasonal baseload power curve



- All seasonal peak power contracts also moved higher this week, up 27.2% on average.
- Summer 23 peak power increased 39.0% to £197.35/MWh whilst the winter 23 contract saw similar gains, up 8.5% to £231.05/MWh.

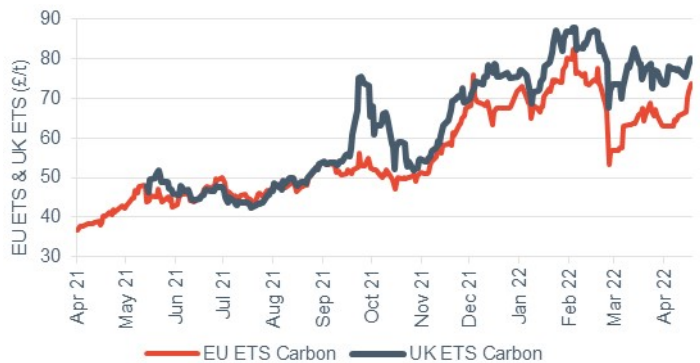
## Commodity price movements

Oil and coal



- Brent crude oil gained 4.5% to average \$108.66/bl this week.
- Despite averaging higher than last week, Brent prices moved steadily throughout the week, amid concerns of weaker global growth and wavering demand due to further Covid-19 restrictions in China.
- Elevated prices for Brent crude oil are likely to remain, given the tight global supply/demand picture at present.

Carbon (UK and EU ETS)



- EU ETS carbon jumped 9.9% to average €84.83/t, while UK ETS carbon climbed 1.2% to average £78.13/t.
- EU ETS carbon prices were driven higher by a combination of strong auction results and a surge in speculative buying in the second half of the week.
- The continuation of higher gas prices has also increased the levels of gas-to-coal switching, increasing demand for EUAs.

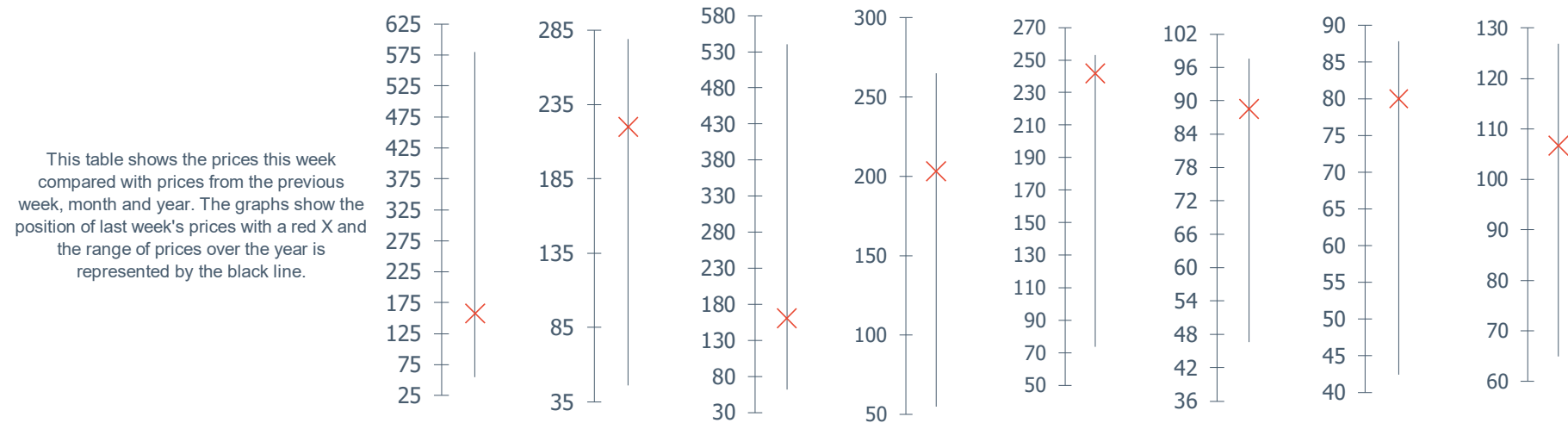
## Supplier tariff movements

Ovo Energy continued to offer the cheapest fixed tariff on the market with its 2 Year Fixed tariff, priced at £2,799/year on average at 16 April. Ovo Energy also continued to offer the cheapest short fix tariff, priced at £2,800/year on average. No suppliers changed the price of their cheapest available tariff between 9 April and 16 April.



## 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	22 Apr 22	158.00	220.11	160.00	203.08	242.00	88.50	80.00	106.74
Two weeks ago	14 Apr 22	178.00	219.05	170.00	197.50	237.00	78.72	77.25	108.36
Four weeks ago	25 Mar 22	257.00	211.50	201.00	179.00	190.00	78.55	77.25	117.00
Last year	23 Apr 21	55.80	45.84	67.00	54.71	74.10	46.64	N/A	65.66
Year-on-year % change		183.2%	380.2%	138.8%	271.2%	226.6%	89.8%	N/A	62.6%
12-month high		580.00	279.07	540.00	265.00	253.00	97.61	87.75	126.84
12-month low		55.00	45.84	62.00	54.71	73.75	46.55	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.

### 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](http://www.edwtech.com)

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