



# Energy Wholesale Market Review

Week Ending 29<sup>th</sup> April 2022



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## Headlines 29/04/2022

This week, the majority of gas and power contracts reported losses, despite news that Bulgaria and Poland saw gas supplies from Russia cut off on Wednesday, prompting notable bullish price movement mid-week. Day ahead gas dropped 20.9% to 125.00p/th, weighed on by system oversupply following a reduction in exports to Europe, amid maintenance at the IUK interconnector. Following wider movements in global commodity markets, further along the forward curve June 22 gas traded 26.2% lower at 155.05p/th, while summer 23 gas lost 13.4% to 170.50p/th. All power contracts went down last week with the exception of day-ahead power, which was unchanged at £160.00/MWh. The day-ahead power contract remained varied during the week amid forecasts of reduced wind output, but ultimately followed movements in its gas counterpart, peaking at £190.00/MWh on Wednesday. Q322 power slipped 10.6% to £195.00/MWh, summer 23 power reduced 7.9% to £163.00/MWh, and winter 23 power went down 6.6% to £170.00/MWh. EU ETS carbon dropped 2.6% to average €82.65/t, while UK ETS carbon went up 4.0% to average £81.24/t, finding support from lower renewables output this week.

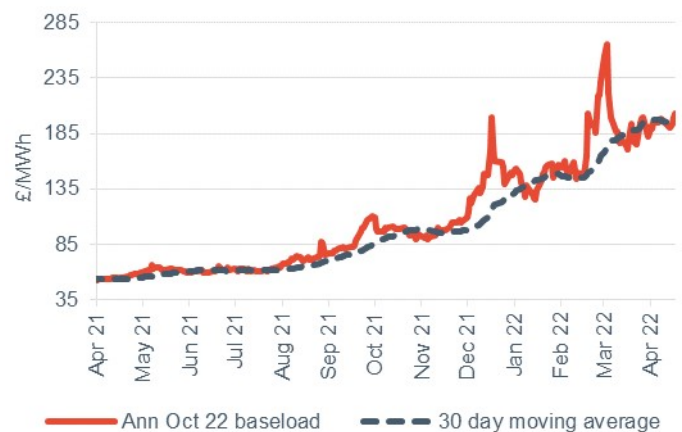
### Baseload electricity

- Day-ahead power was unchanged at £160.00/MWh, with prices varying during the week amid forecasts of reduced wind output.
- May 22 power fell 16.0% to £152.00/MWh and June 22 followed suit, down 15.8% to £168.50/MWh.
- Q322 power lost 10.6% lower to £195.00/MWh.
- The annual October 22 contract declined 3.5% to £196.00/MWh.

#### Forward curve comparison



#### Annual October contract



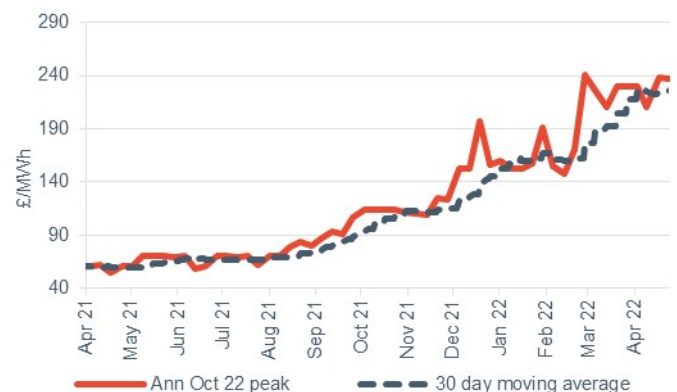
### Peak electricity

- Day-ahead peak power saw gains across the week, rising 4.2% to £172.00/MWh.
- May 22 peak power fell 12.9% to £172.30/MWh, and June 22 peak power eased 14.8% to £184.70/MWh.
- The annual October 22 peak power lifted 0.9% to £236.63/MWh.
- This is 229.7% higher than the same time last year (£60.50/MWh).

#### Forward curve comparison

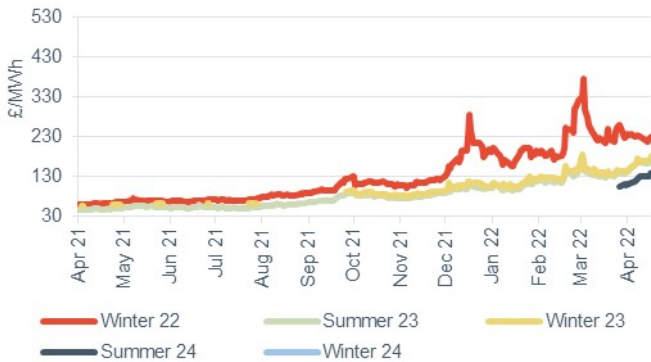


#### Annual October contract



## Seasonal power prices

### Seasonal baseload power contracts



- All seasonal power contracts saw losses this week, easing on average by 4.3%.
- Winter 22 dropped 0.1% to £229.00/MWh and summer 23 slipped 7.9% to £163.00/MWh.

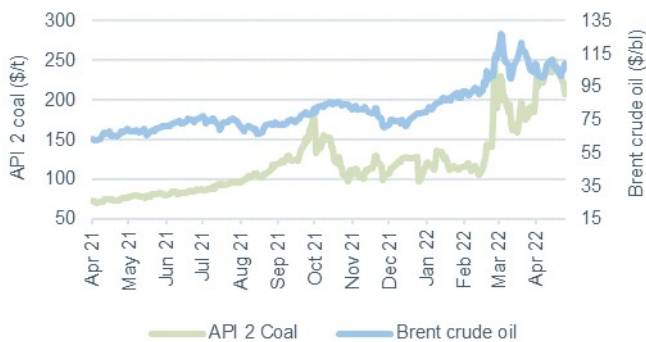
### Seasonal baseload power curve



- Most seasonal peak power contracts also moved lower this week, down 1.4% on average.
- Winter 22 peak power increased 2.1% to £286.00/MWh, whilst the summer 23 contract fell 5.1% to £187.25/MWh.

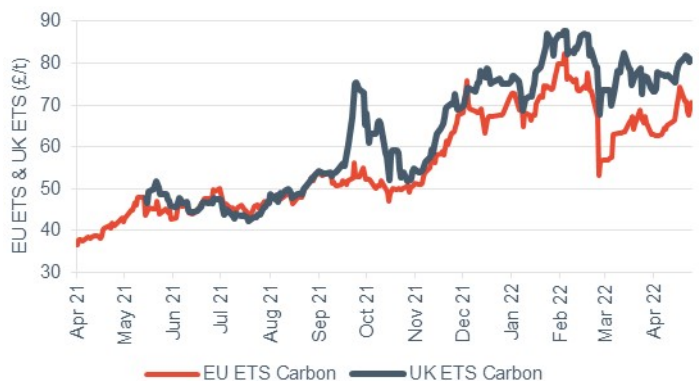
## Commodity price movements

### Oil and coal



- Furthering losses reported last week, Brent crude oil eased 3.5% to average \$104.81/bbl
- Oil prices were weighed on by concerns over a weaker demand outlook, amid prolonged lockdown measures in China, and potential increases in US interest rates.
- Bearish sentiment also stemmed from the expectation that OPEC+ members will agree to increase output for June 2022, with members due to meet on 5 May

### Carbon (UK and EU ETS)



- EU ETS carbon dropped 2.6% to average €82.65/t, while UK ETS carbon went up 4.0% to average £81.24/t, finding support from lower renewables output this week.
- Carbon prices followed many wider energy markets lower, as traders seek clarity on how to pay for Russian gas supplies, without breaching EU sanctions.
- Towards the end of the week EU ETS prices lost any gains due to low trading volumes as the market moved into a long bank holiday weekend.

## Supplier tariff movements

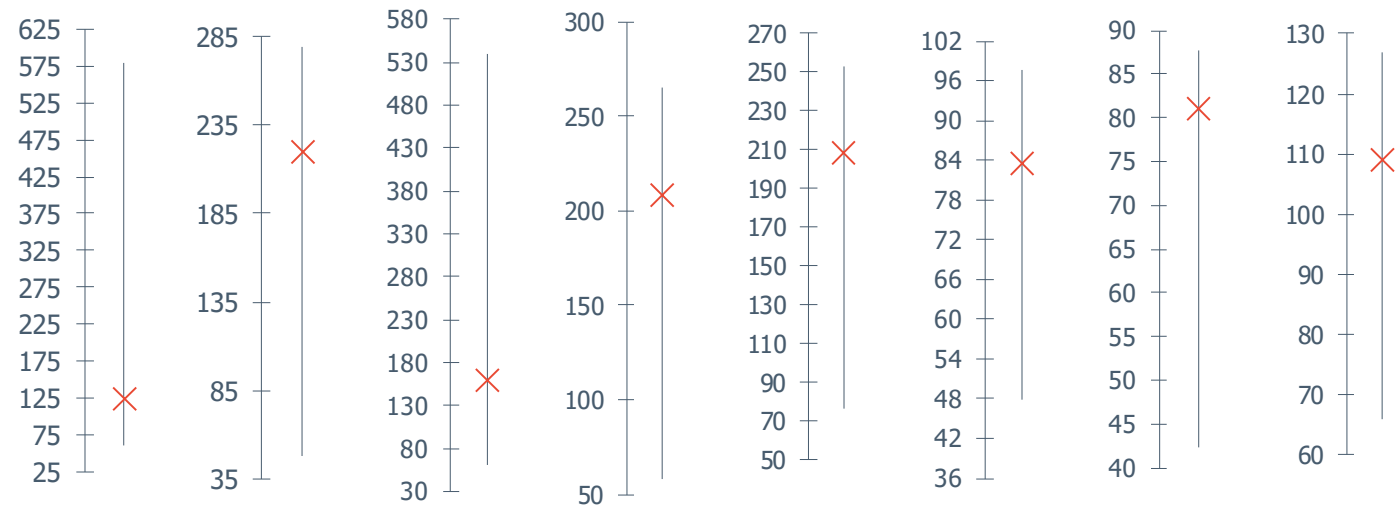
Ovo Energy continued to offer the cheapest fixed tariff on the market with its 2 Year Fixed tariff, priced at £2,799/year on average at 16 April. Ovo Energy also continued to offer the cheapest short fix tariff, priced at £2,800/year on average. No suppliers changed the price of their cheapest available 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	29 Apr 22	125.00	220.01	160.00	208.25	208.00	83.50	81.00	108.99
Last week	22 Apr 22	158.00	220.11	160.00	203.08	242.00	88.50	80.00	106.74
Four weeks ago	1 Apr 22	298.00	223.45	245.00	200.00	192.00	78.30	76.75	105.53
Last year	30 Apr 21	61.75	47.51	62.00	57.67	75.85	47.90	N/A	67.75
Year-on-year % change		102.4%	363.1%	158.1%	261.1%	174.2%	74.3%	N/A	60.9%
12-month high		580.00	279.07	540.00	265.00	253.00	97.61	87.75	126.84
12-month low		61.00	47.51	62.00	57.67	75.85	47.90	42.40	65.86

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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