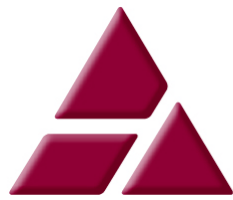




# Energy Wholesale Market Review

Week Ending 6<sup>th</sup> May 2022



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## Headlines 06/05/2022

This week saw mixed price movements; near-term gas and power contracts recorded strong losses, whilst longer dated seasonal contracts increased. Day-ahead gas fell 48.0% to 65.00p/th, following a prominent decline in price observed on Friday 6 May. Prices were driven by strong system oversupply aided by higher Norwegian flows alongside reduced LDZ demand, amid forecasts of seasonally-high temperatures across the UK. Following the strong drop on the gas day-ahead contract, the day-ahead power contract followed, falling 40.6% to £95.00/MWh. The aforementioned near-term bearish drivers fed through to the June 22 gas contract, which was down 4.8% at 147.63p/th, but the July 22 gas increased 5.5% to 184.62p/th. Longer dated seasonal contracts enjoyed stronger price growth, up by 14.4% on average, with winter 22 and summer 23 gas increasing 6.0% and 9.6% respectively, lifting to 246.00p/th and 186.85p/th, remaining volatile amid the ongoing future gas supply concerns. Following their gas counterparts, all seasonal power contracts boosted this week, up on average by 6.6%, as winter 22 and summer 23 grew 5.7% and 7.4% respectively, rising to £242.00/MWh and £175.00/MWh.

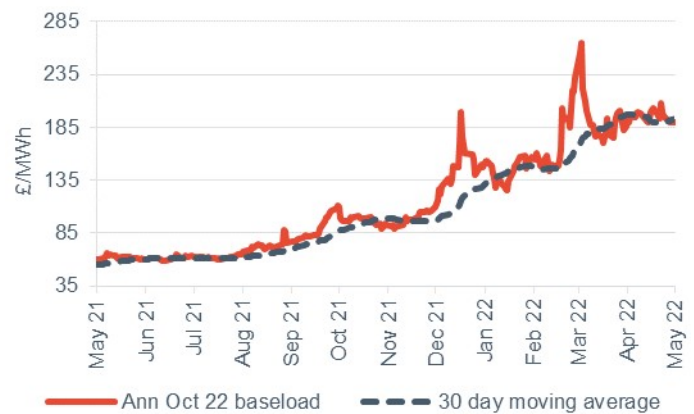
### Baseload electricity

- Day-ahead power fell 40.6% to £95.00/MWh, following strong bearish movements set from its gas counterpart contract.
- June 22 power slipped 0.9% to £167.00/MWh while July 22 power increased 8.2% to £197.00/MWh.
- Q322 power moved 10.3% higher to £215.00/MWh.
- The annual October 22 contract lost 3.4% to £189.25/MWh, 214.0% higher than the same time last year (£60.27/MWh).

Forward curve comparison



Annual October contract



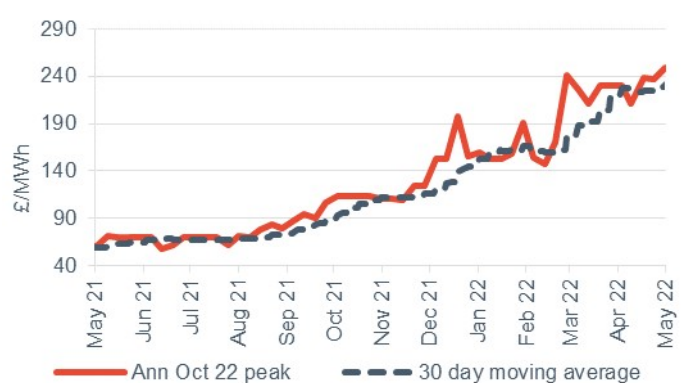
### Peak electricity

- Day-ahead peak power was down 36.0% to £110.00/MWh, following baseload power lower.
- June 22 peak power gained 5.4% at £194.65/MWh, and July 22 peak power increased 12.0% to £219.80/MWh.
- The annual October 22 peak power rose 5.0% to £248.50/MWh
- This is 310.7% higher than the same time last year (60.5/MWh).

Forward curve comparison



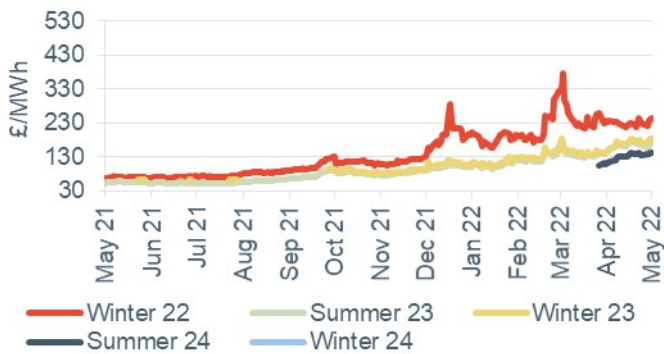
Annual October contract





## Seasonal power prices

### Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 6.6%.
- Winter 22 and summer 23 lifted 5.7% and 7.4% respectively, rising to £242.00/MWh and £175.00/MWh.

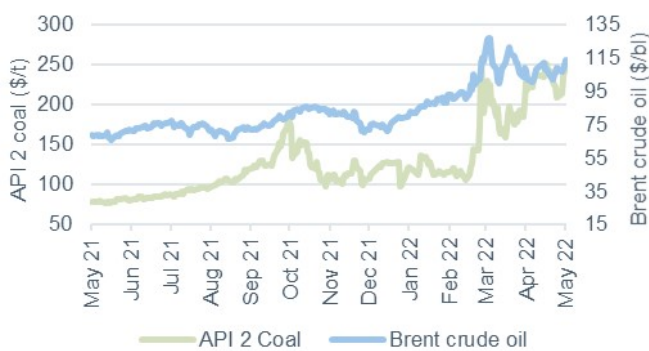
### Seasonal baseload power curve



- All seasonal peak power contracts boosted this week, up 5.5% on average.
- Winter 22 and summer 23 peak power increased 4.6% and 5.6% respectively, rising to £299.20/MWh and £197.80/MWh.

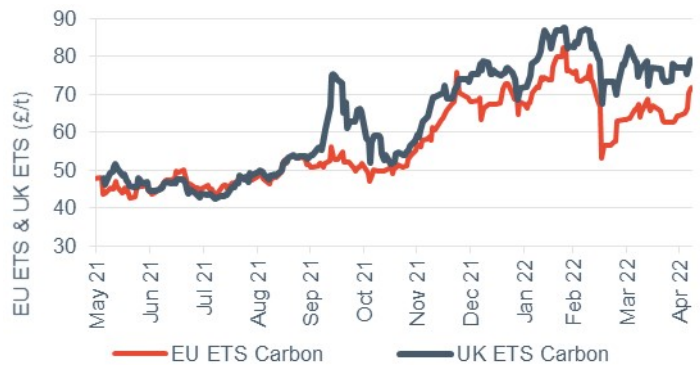
## Commodity price movements

### Oil and coal



- Brent crude prices rose 3.4% this week to average \$109.59/bl.
- Brent crude prices saw price growth across this week, reversing recent trends, with the most prominent period of growth seen in the latter stages of the week.
- Prices were buoyed by news that proposals have been put forward by the EU to implement a phased oil embargo on Russia, feeding future supply concerns in the market, in what is already a tight global landscape for crude supplies.
- However, price rises this week were capped by ongoing lockdown measures implemented in China, weighing on short-term demand growth outlook
- API 2 coal rose 4.8% to average \$235.00/t.

### Carbon (UK and EU ETS)



- Carbon markets experienced shared upward price growth this week, with EU ETS carbon up 7.3% to average €88.67/t, and UK ETS carbon rising 2.2% to average £83.01/t.
- EU carbon prices were driven lower by weakening global markets and light trading volumes towards the end of the week, a trend consistent over the last fortnight.
- In addition, general uncertainty within the market, fuelled by the conflict between Russia and Ukraine, continues to prompt some financial traders to sell off their volumes

## Supplier tariff movements

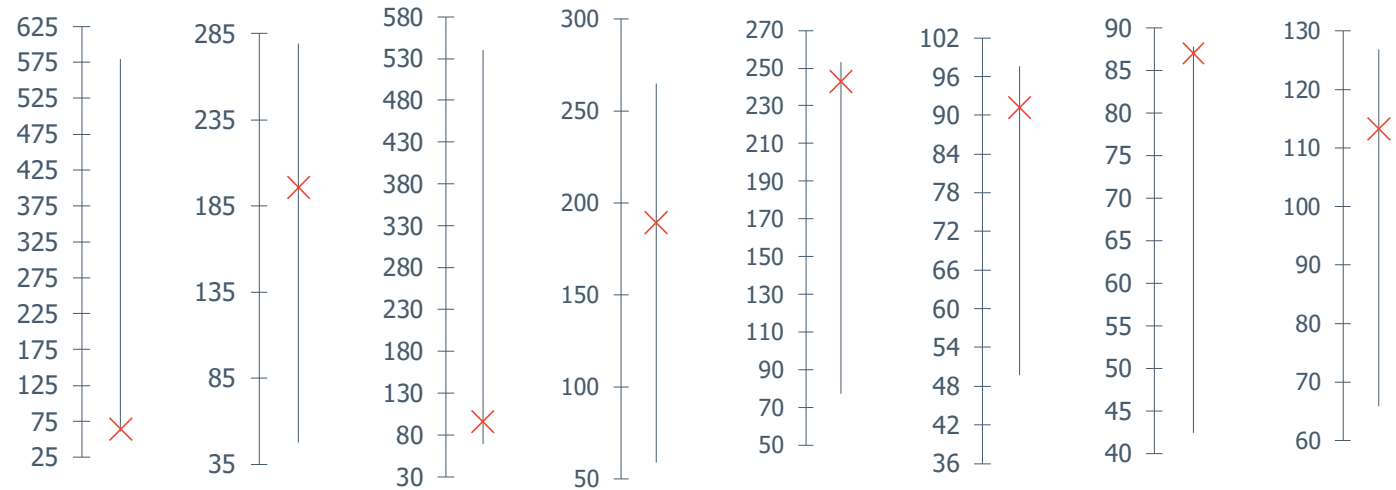
Ovo Energy continued to offer the cheapest fixed tariff on the market, this week with its new Better Energy 28 April 2022 tariff, priced at £2,700/year on average at 30 April, a £99/year decrease on the cheapest fixed tariff on the market at 23 April. Utility Warehouse continued to offer the cheapest variable tariff on the market with its Value tariff, priced at £1,961/year on average at 30 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)
Last week	6 May 22	65.00	195.78	95.00	189.25	243.00	91.20	87.00	113.29
Two weeks ago	29 Apr 22	125.00	201.33	160.00	196.00	208.00	83.50	81.00	108.99
Four weeks ago	8 Apr 22	239.00	212.13	200.00	195.25	228.00	75.35	78.00	101.57
Last year	7 May 21	62.00	49.31	69.25	60.27	77.75	49.94	N/A	68.00
Year-on-year % change		4.8%	297.1%	37.2%	214.0%	212.5%	82.6%	N/A	66.6%
12-month high		580.00	279.07	540.00	265.00	253.00	97.61	87.75	126.84
12-month low		61.00	47.76	69.25	59.00	77.10	49.68	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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