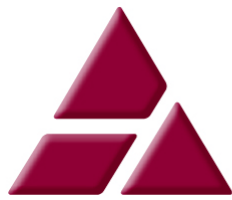




# Energy Wholesale Market Review

Week Ending 20<sup>th</sup> May 2022



**edw** technology

**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)



## Contents

<b>Baseload electricity</b> .....	<b>3</b>
<b>Peak electricity</b> .....	<b>3</b>
<b>Seasonal power prices</b> .....	<b>4</b>
<b>Commodity price movements</b> .....	<b>4</b>
<b>Supplier tariff movements</b> .....	<b>4</b>
<b>Wholesale price snapshot</b> .....	<b>5</b>
<b>About EDW Technology Limited</b> .....	<b>6</b>



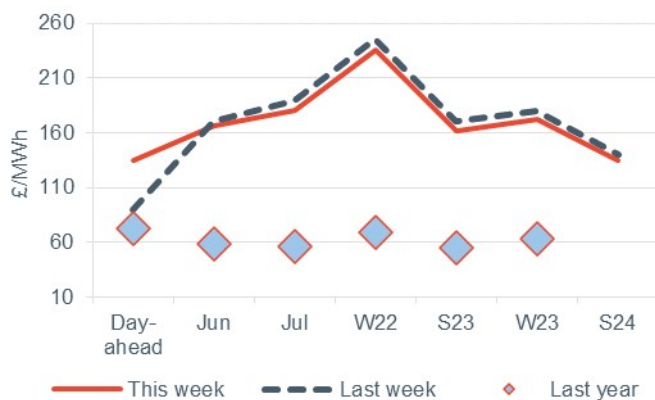
## Headlines 20/05/2022

The majority of gas and power contracts decreased this week. The day-ahead contracts were an exception with day-ahead gas jumping 96.0% to 98.00p/th. Day-ahead gas was supported early in the week by lower levels of LNG send-out and restricted Norwegian supply as a result of maintenance. Month-ahead gas lifted 2.3% to 158.55p/th while the July contract slipped 3.0% to 176.48p/th. Seasonal gas contracts lost 8.9% on average. Winter 22 gas fell 7.0% to 234.70p/th and summer 23 gas dropped 9.8% to 165.05p/th. Day-ahead power gained 50.0% to £135.00/MWh, supported by higher gas prices and forecasts of low wind generation on Monday. June 22 power lost 2.8% to £166.16/MWh and July 22 power declined 4.2% to £181.06/MWh. Seasonal power contracts dropped 4.2% on average. Winter 22 power fell 3.9% to £235.75/MWh while the summer 23 contract lost 5.0% to £161.50/MWh. Brent crude oil climbed 4.7% to average \$111.91/bl, driven higher by the prospect of an EU embargo on Russian oil. EU ETS carbon lost 1.5% to average €86.88/t, weighed on by weak auction results and an EU proposal to sell more than 200mn EUAs from the Market Stability Reserve. Meanwhile, UK ETS carbon fell 3.3% to average £83.75/t.

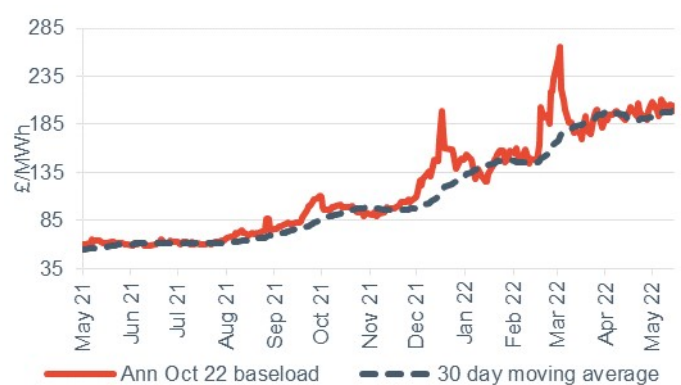
## Baseload electricity

- Day-ahead power jumped 50.0% to £135.00/MWh, supported by higher gas prices and forecasts of low wind generation on Monday.
- June 22 power lost 2.8% to £166.16/MWh and July 22 power decreased 4.2% to £181.06/MWh.
- Q322 power slipped 1.8% to £204.56/MWh.
- The annual October 22 contract lost 4.3% to £198.63/MWh, but was 220.7% higher than the same time last year (£61.93/MWh).

### Forward curve comparison



### Annual October contract



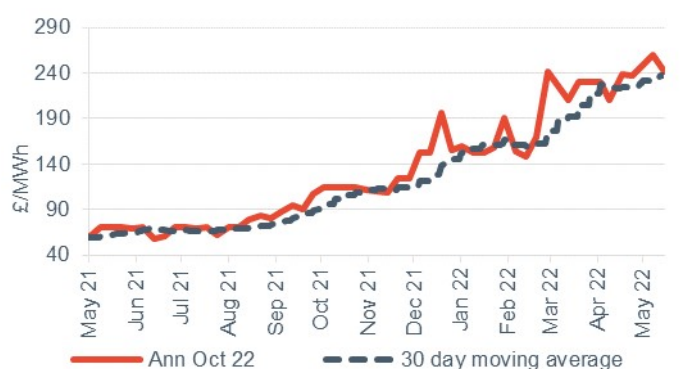
## Peak electricity

- Day-ahead peak power climbed 31.8% to £145.00/MWh.
- June 22 peak power fell 7.8% to £178.05/MWh, and July 22 peak power dropped 8.6% to £195.00/MWh.
- The annual October 22 peak power contract lost 6.9% to £241.63/MWh.
- This is 243.6% higher than the same time last year (£70.33/MWh).

### Forward curve comparison



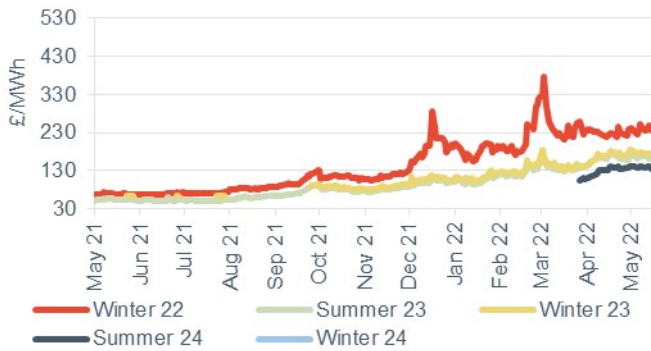
### Annual October contract





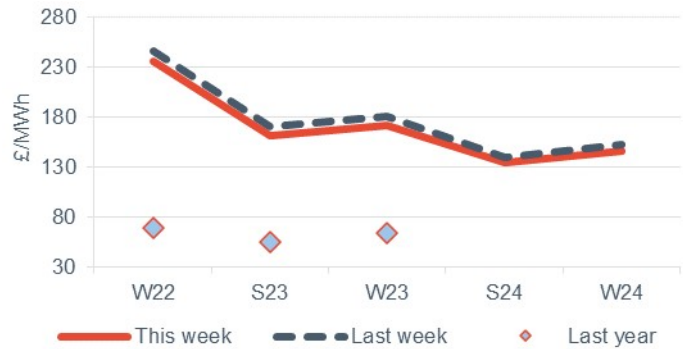
## Seasonal power prices

### Seasonal baseload power contracts



- Seasonal power contracts dropped 4.2% on average this week.
- Winter 22 power fell 3.9% to £235.75/MWh while the summer 23 contract lost 5.0% to £161.50/MWh.

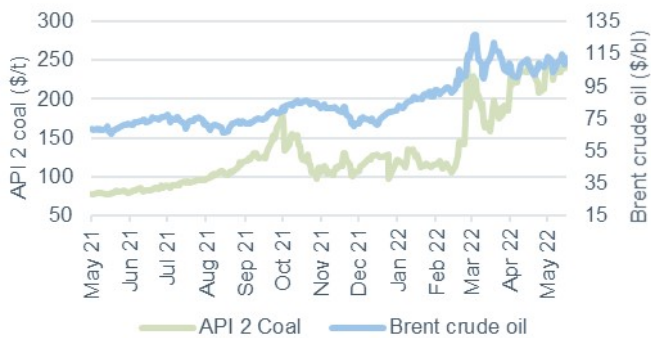
### Seasonal baseload power curve



- Seasonal peak power contracts lost 5.0% on average, this week.
- Winter 22 peak power dropped 7.1% to £297.00/MWh and summer 23 peak power fell 6.5% to £232.45/MWh.

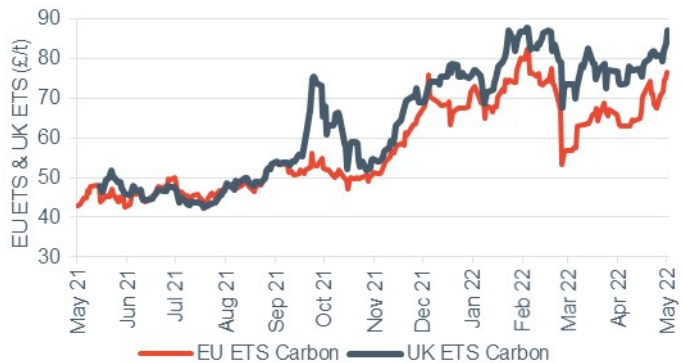
## Commodity price movements

### Oil and coal



- Brent crude oil climbed 4.7% to average \$111.91/bl, this week.
- Prices were predominantly driven higher by the prospect of an EU embargo on Russian oil.
- In contrast, concerns over slowing economic growth provided some downward pressure on prices towards the end of the week.

### Carbon (UK and EU ETS)



- EU ETS carbon lost 1.5% to average €86.88/t, weighed on by weak auction results and an EU proposal to sell more than 200mn EUAs from the Market Stability Reserve.
- In addition, EEX announced that 2022 EUA auction volumes will be reduced by around 3%, citing a previous calculation error.
- Meanwhile, UK ETS carbon fell 3.3% to average £83.75/t.

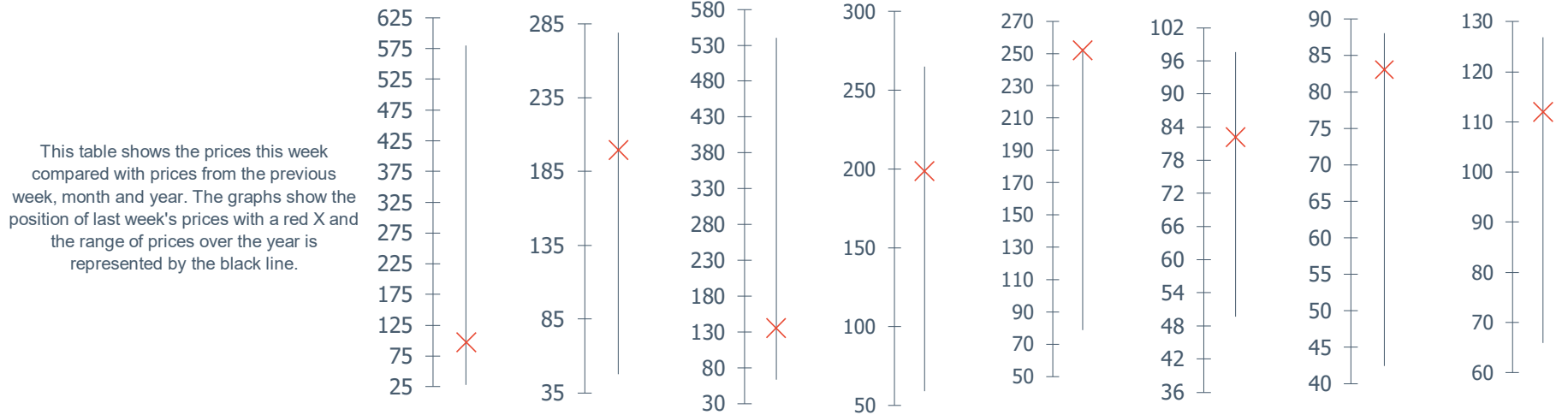
## Supplier tariff movements

Ovo Energy continued to offer the cheapest fixed tariff on the market with its new Better Energy 12 May 2022 tariff, priced at £2,750/year on average at 14 May. Sainsbury's Energy was the only supplier to decrease the price of its cheapest available tariff, reducing it by £550/year to £2,800/year on average. Utility Warehouse continued to offer the cheapest variable tariff on the market with its Value tariff, priced at £1,961/year on average at 14 May, £10/year below the default tariff cap.



## 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	20 May 22	98.00	199.88	135.00	198.63	252.00	82.20	83.00	111.98
Last week	13 May 22	50.00	217.75	90.00	207.63	235.00	89.70	85.00	109.00
Four weeks ago	22 Apr 22	158.00	220.11	160.00	203.08	242.00	88.50	80.00	106.74
Last year	21 May 21	66.00	49.56	73.25	61.93	79.15	52.76	47.80	65.86
Year-on-year % change		48.5%	303.3%	84.3%	220.8%	218.4%	55.8%	73.6%	70.0%
12-month high		580.00	279.07	540.00	265.00	253.00	97.61	88.00	126.84
12-month low		28.00	47.76	63.00	59.00	78.75	49.68	42.40	65.86





## 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)

Copyright © 2022 EDW Technology Limited. All rights reserved.

No part of this publication may be reproduced, transmitted, transcribed, stored in a retrieval system, or translated into any language, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission from EDW Technology Limited.

All copyright, confidential information, patents, design rights and all other intellectual property rights of whatsoever nature contained herein are and shall remain the sole and exclusive property of EDW Technology Limited. The information furnished herein is believed to be accurate and reliable. However, no responsibility is assumed by EDW Technology Limited for its use, or for any infringements of patents or other rights of third parties resulting from its use.