



Energy Wholesale Market Review

Week Ending 8th July 2022



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Headlines 08/07/2022

Wholesale gas and power contracts shared collective price rises across all tracked contracts this week. Day-ahead gas rose 38.8% to 222.00p/th, following softer LNG-sendout due to maintenance at Dragon terminal, coupled with the threat of oil and gas strike action in Norway at the week's start, in addition to select periods of outages across the UKCS. Day-ahead power rose 61.9% to £285.00/MWh, sharing the strong gains made from its equivalent gas contract, coupled with periods of reduced wind output in the week in parallel. Bullish sentiment in near term contracts was also seen further along the forward curve, with August 22 gas up 21.1% at 299.25p/th, while September 22 gas increased 20.4% to 381.24p/th. All seasonal gas contracts boosted this week, up by 28.0% on average, while both winter 22 and summer 23 gas increased 21.3% and 35.9% respectively, lifting to 455.75p/th and 314.95p/th. Like gas, all seasonal power contracts reported week-on-week gains, up on average by 23.1%, as winter 22 and summer 23 lifted 17.1% and 29.3% respectively, to £410.00/MWh and £265.00/MWh.

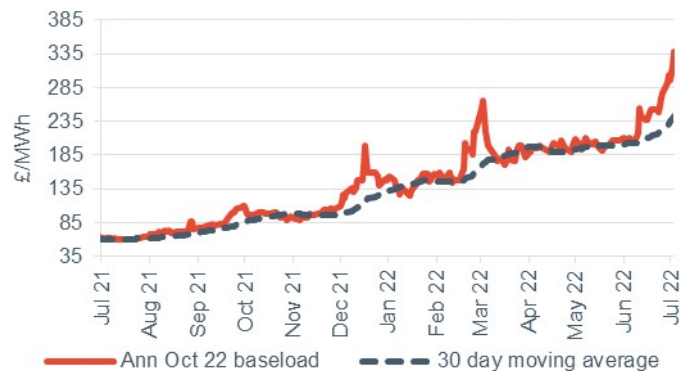
Baseload electricity

- Day-ahead power rose 61.9% to £285.00/MWh, following the gains made from its gas counterpart.
- August 22 power climbed 24.0% to £300.00/MWh and September 22 power increased 18.0% to £360.00/MWh.
- The annual October 22 contract rose 21.6% to £337.5/MWh, 439.7% higher than the same time last year (£62.53/MWh).

Forward curve comparison



Annual October contract



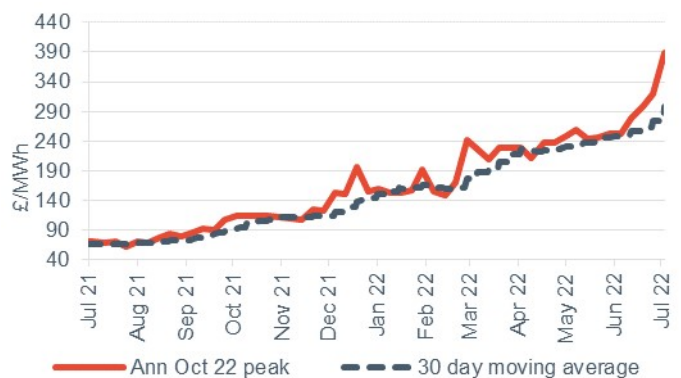
Peak electricity

- Day-ahead peak power was up 59.5% to £295.00/MWh, following baseload power higher.
- August 22 peak power gained 26.2% at £315.85/MWh, and September 22 peak power increased 14.2% to £381.1/MWh.
- The annual October 22 peak power rose 21.4% to £387.88/MWh
- This is 451.4% higher than the same time last year (70.34/MWh).

Forward curve comparison



Annual October contract





Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

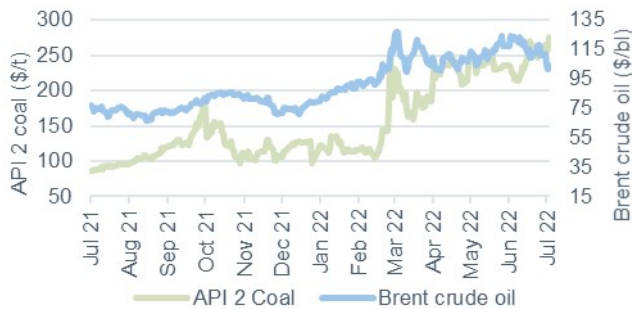


- All seasonal power contracts boosted this week, up on average by 23.1%.
- Winter 22 and summer 23 gained 17.1% and 29.3% respectively, rising to £410.00/MWh and £265.00/MWh.

- Like baseload power, all seasonal peak power contracts reported gains this week, up 21.7% on average.
- Winter 22 and summer 23 peak power increased 18.8% and 26.0% respectively, up to £487.35/MWh and £288.40/MWh.

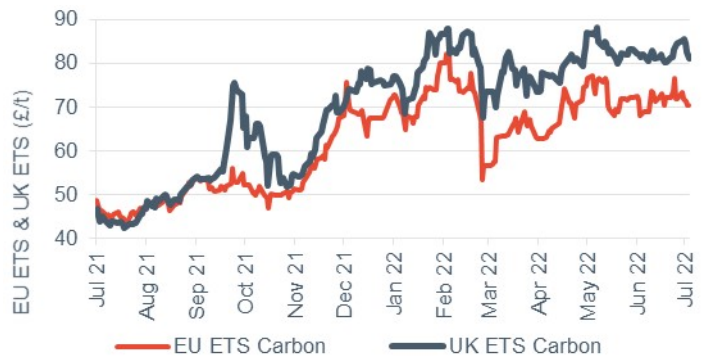
Commodity price movements

Oil and coal



- Brent crude prices fell 7.5% this week to average \$106.55/bl.
- Ongoing concerns surrounding the prospect of a global recession, and the potential impact on future demand growth weighed on prices strongly this week.
- However, the full extent of losses was capped by the current tight global supply picture, amid lower OPEC output, unrest in Libya, and sanctions on Russia.
- API 2 coal rose 2.6% to average \$259.75/t.

Carbon (UK and EU ETS)



- EU ETS carbon and UK ETS carbon experienced diverging price movements this week. EU ETS carbon fell 1.5% to average €83.71/t whilst UK ETS carbon rose 1.0% to average £83.78/t.
- Volatility in the EU ETS carbon market continued this week. The possibility of EU ETS authorities adding surplus allowances into the market to soften price spikes partly facilitated prices falling in the week.
- UK ETS carbon prices were buoyed by periods of lower wind and renewable output in the week seeing favourable coal spreads and increased cooling demand.

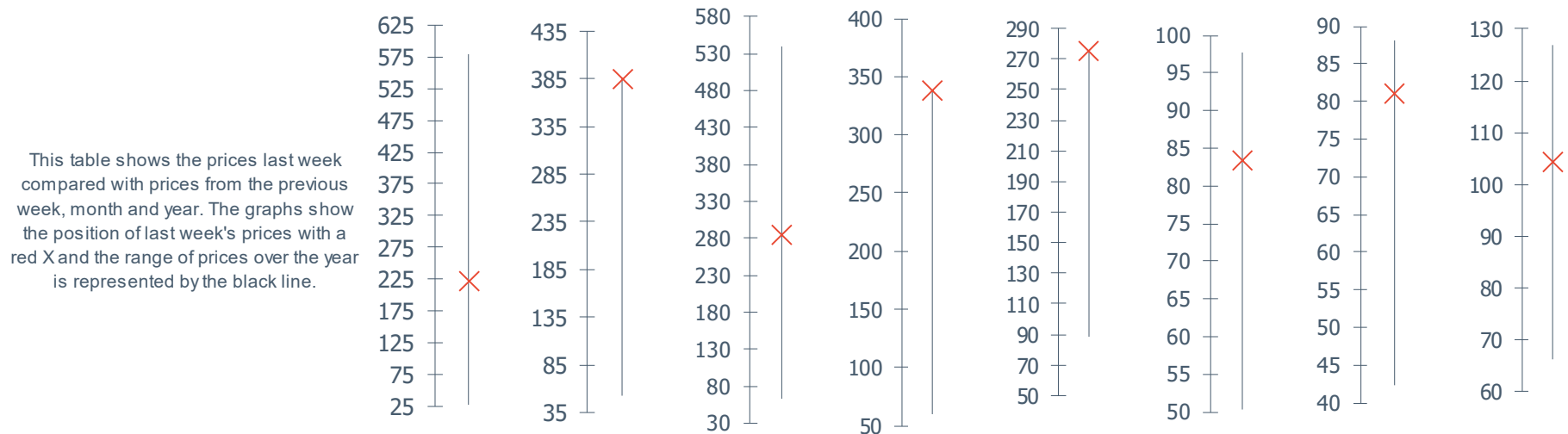
Supplier tariff movements

SSE offered the cheapest medium fixed tariff on the market at 2 July with its 2 Year Fix v18 tariff, priced at £3,100/year on average. Octopus Energy offered the cheapest short fixed tariff at 2 July with its Octopus 12M Fixed April 2022 v1 tariff, priced at £2,894/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 2 July, £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	8 Jul 22	222.00	385.35	285.00	337.50	275.00	83.35	81.00	104.27
Last week	1 Jul 22	160.00	303.77	176.00	277.50	255.00	83.35	84.65	111.05
Four weeks ago	10 Jun 22	80.00	208.43	90.00	208.00	215.00	80.97	82.00	123.44
Last year	9 Jul 21	90.50	53.93	97.00	62.53	88.50	53.88	45.00	74.80
Year-on-year % change		145.3%	614.6%	193.8%	439.8%	210.7%	54.7%	80.0%	39.4%
12-month high		580.00	385.35	540.00	337.50	275.00	97.61	88.00	126.84
12-month low		28.00	52.80	63.00	60.25	88.50	50.23	42.40	66.31





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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