



Energy Wholesale Market Review

Week Ending 5th August 2022



edw technology

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

Phone: +44 (0)8448 802 489
Email: info@edwtech.com
Website: edwtech.com



Contents

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



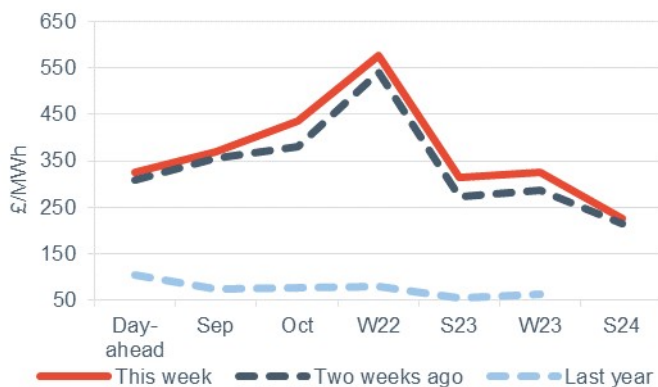
Headlines 05/08/2022

Weekly gains were seen across most tracked gas and power contracts this week. The exception to this trend was observed in day-ahead gas which saw prices fall 7.5% to 285.00p/th. Day-ahead gas prices eased amid periods of system oversupply and on the expectation of higher Norwegian production early next week. In contrast, Day-ahead power increased 4.8% to £325.00/MWh, with French nuclear supply issues ongoing, and with the news that Norway is considering limiting interconnector exports this winter. Forward gas contracts were bullish amid ongoing uncertainty about Russian gas supplies along Nord Stream I, though gains were pegged back by healthy LNG arrivals. September 22 gas rose 1.3% to 377.77p/th, while October 22 gas traded 6.3% higher at 424.84p/th. Seasonal gas contracts continue to extend their upward price trajectory, increasing on average by 10.9% out to Summer 24. Elsewhere, September 22 power gained 4.2% to £370.00/MWh, and October 22 power went up 14.0% to £435.00/MWh. Meanwhile, seasonal power contracts increased by 9.8% on average this week.

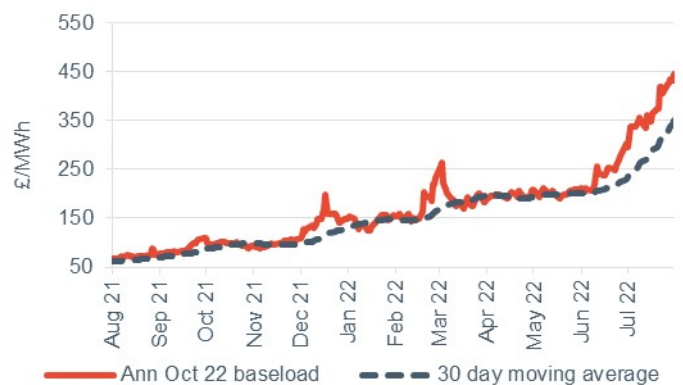
Baseload electricity

- Day-ahead power rose 4.8% to £325.00/MWh. Supported by French nuclear supply concerns, high exports to France and news of a possible curb on Norwegian electricity exports this winter.
- September 22 power gained 4.2% to £370.00/MWh, and October 22 power went up 14.0% to £435.00/MWh.
- The annual October 22 contract grew 9.6% to £445.50/MWh. This represents a 560.0% increase on the price observed this time last year (£67.50/MWh).
- The same contract has also seen month-on-month gains of 32.0%, up from £337.50/MWh.

Forward curve comparison



Annual October contract



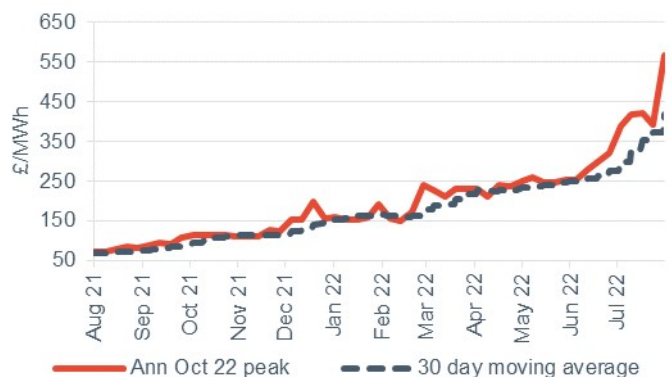
Peak electricity

- Day-ahead peak power remained unchanged this week, static at £345.00/MWh, despite the growth in its baseload counterpart.
- September 22 peak power increased 15.7% to £409.41/MWh, while October 22 peak power grew 16.0% to £521.99/MWh.
- The annual October 22 peak power leapt 44.7% to £568.08/MWh.
- The latest price point sees the contract 703.6% higher than the same time last year (£497.39/MWh).

Forward curve comparison



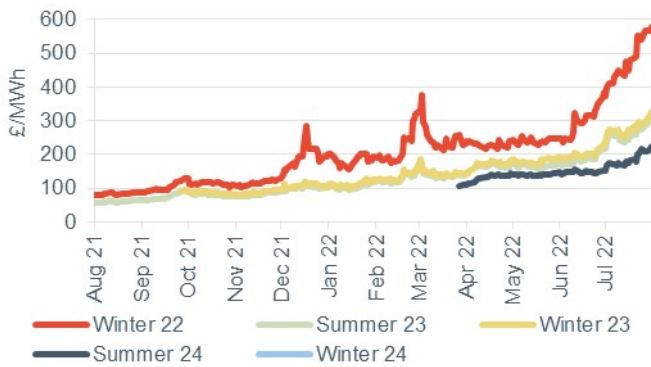
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



- All tracked seasonal power contracts extended higher, rising on average by 9.8%.
- Winter 22 rose 6.9% to £577.00/MWh, the highest price for a winter baseload contract since at least 2009. Elsewhere, Summer 23 went up 15.0% to £314.00/MWh.

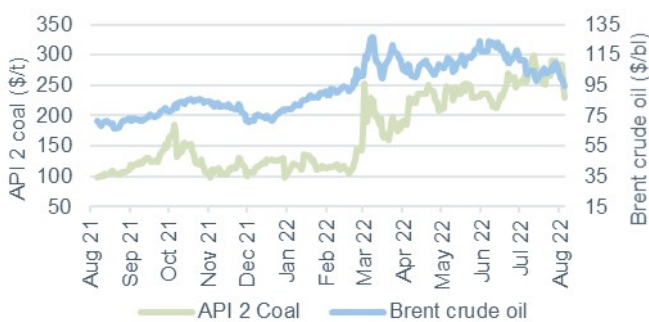
Seasonal baseload power curve



- All seasonal peak power contracts saw upward movements this week, rising 33.5% on average.
- Winter 22 peak power went up 50.0% to £794.96/MWh, while summer 23 peak power asended 33.8% to £341.19/MWh.

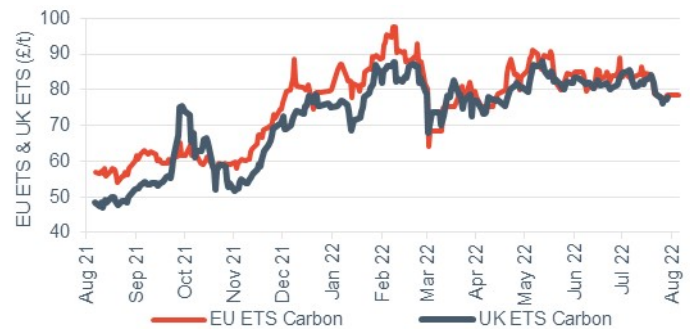
Commodity price movements

Oil and coal



- Brent crude oil declined 7.6% to \$98.58/bl as concern over a recession-driven demand downturn continues to weigh on prices.
- OPEC+ members met yesterday to decide upon output for September. The group agreed a small oil production increase of 100,000 barrels per day for September.
- The increase is the second smallest hike in OPEC's history and news of the modest increase – despite US pressure for higher production – led to an uptick in oil prices after the announcement as concerns about supply rage on.
- API 2 coal fell by 20.6% to average \$230.00/t.

Carbon (UK and EU ETS)



- EU ETS carbon lifted 0.8% to €78.35/t, as auction volumes for August auctions halved. UK ETS carbon rose 3.5% to £79.98/t, with higher coal-fired generation throughout the week.
- As the EU ETS market moved into August, auction volumes fell by 50%, down from 2.4mn per auction in July. This will persist until September, when volumes increase to ~4.0mn.
- Concerns over winter gas supply and the potential for higher coal burn this winter across GB and Europe continue to provide a base of price support for carbon prices.

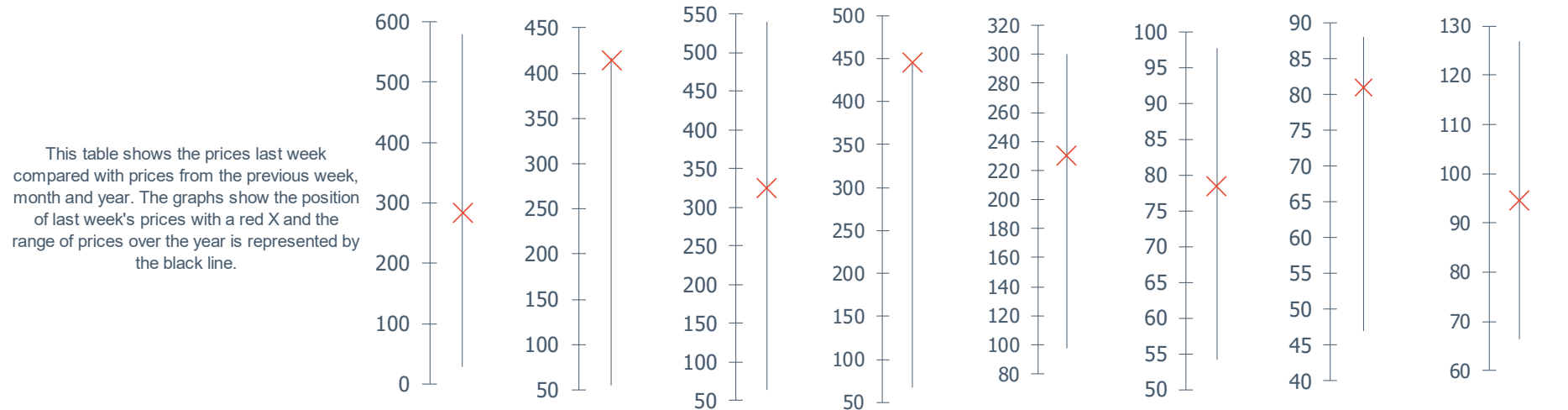
Supplier tariff movements

So Energy continued to offer the cheapest short fixed tariff on the market at 30 July with its So Iris One Year – Green tariff, priced at £3,221/year on average. EDF Energy continued to offer the cheapest medium fixed tariff on the market at 30 July with its Fix Total Service Jul24v6 tariff, priced at £3,050/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 30 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	5 Aug 22	285.00	414.74	325.00	445.50	230.00	78.35	81.00	94.50
Last week	29 Jul 22	308.00	385.02	310.00	406.50	290.00	78.32	78.05	109.58
Four weeks ago	8 Jul 22	222.00	385.35	285.00	337.50	275.00	83.35	81.00	104.27
Last year	6 Aug 21	109.00	59.85	105.00	67.50	98.00	56.74	48.55	71.62
Year-on-year % change		161.5%	593.0%	209.5%	560.0%	134.7%	38.1%	66.8%	31.9%
12-month high		580.00	417.56	540.00	445.50	300.00	97.61	88.00	126.84
12-month low		28.00	55.75	63.00	67.50	97.60	54.12	46.95	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.

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

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.