



Energy Wholesale Market Review

Week Ending 19th August 2022



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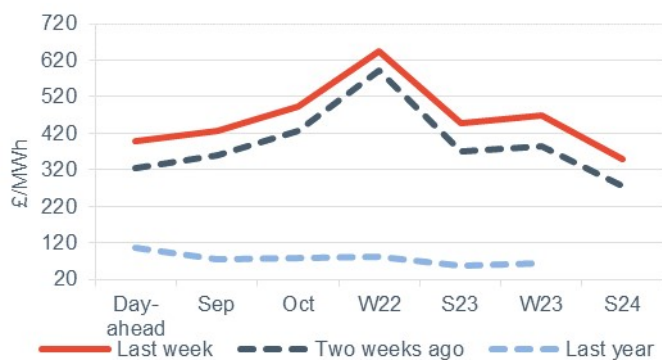


Headlines 19/08/2022

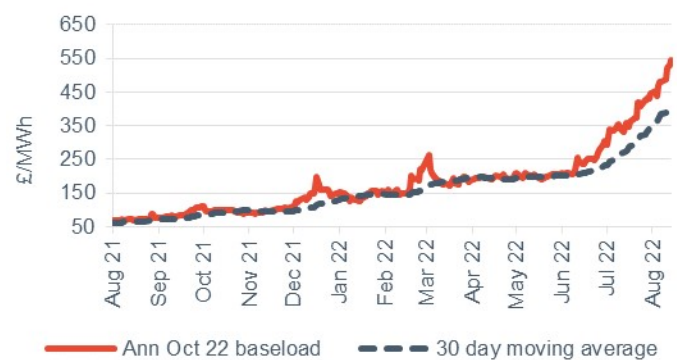
Bullish gas price movements continued this week – with consistent gains seen across all tracked contracts – a likely consequence of the continued uncertainty surrounding Russian gas flows into Europe as we move closer towards the winter season. Subsequently, day-ahead gas rose 11.8% to 380.00p/th, supported by periods of lower Norwegian flows into GB as maintenance works on the Norwegian Continental Shelf continued. Similarly, September 22 gas was up 16.8% at 460.09p/th, and October 22 gas increased 19.6% to 526.08p/th. All seasonal gas contracts rose by 20.8% on average, with both winter 22 and summer 23 gas rising 19.0% and 21.2% respectively, lifting to 604.48p/th and 545.55p/th. Like gas, wholesale power contracts shared week-on-week price increases both on shorter-dated contracts and further out on the forward curve too. Day-ahead power rose 23.1% to £400.00/MWh, following gains set from its equivalent gas contract and periods of low wind outturn coupled with higher gas-for-power demand at select periods in the week. All seasonal power contracts boosted this week too, up on average by 19.8%, as winter 22 and summer 23 expanded 9.1% and 21.1% respectively, rising to £645.00/MWh and £448.00/MWh.

- Baseload electricity Day-ahead power rose 23.1% to £400.00/MWh, following gains from equivalent gas contract and periods of lower wind outturn coupled with higher gas-for-power demand at select periods in the week.
- September 22 power climbed 18.5% at £426.55/MWh and October 22 power increased 16.5% to £495.00/MWh.
- Q422 power moved 8.2% higher to £650.00/MWh.
- The annual October 22 contract rose 13.7% to £546.50/MWh, 687.7% higher than the same time last year (£69.38/MWh).

Forward curve comparison



Annual October contract



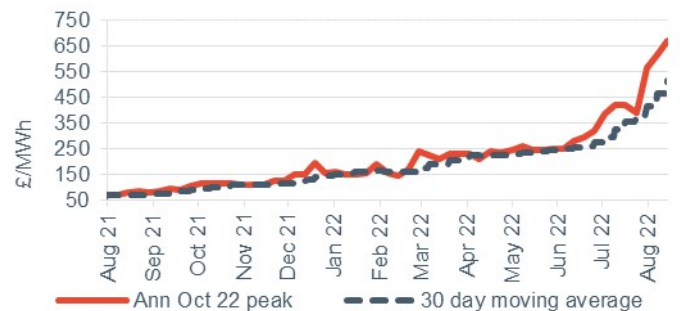
Peak electricity

- Day-ahead peak power was up 21.2% to £400.00/MWh, following baseload higher.
- September 22 peak power gained 42.3% at £585.25/MWh, and October 22 peak power decreased 14.1% to £458.25/MWh.
- The annual October 22 peak power rose 8.6% to £669.25/MWh
- This is 753.7% higher than the same time last year (£78.39/MWh).

Forward curve comparison



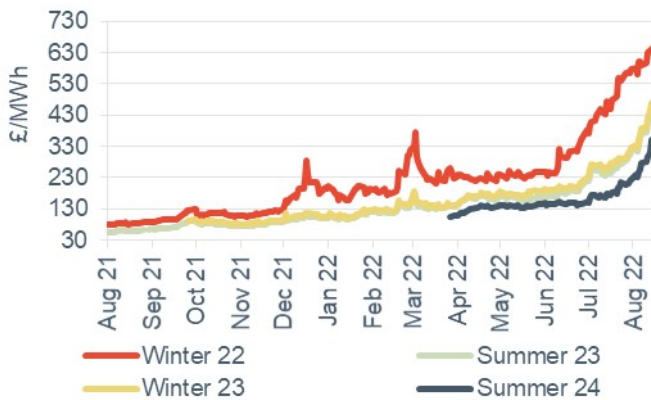
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 19.8%.
- Winter 22 and summer 23 expanded 9.1% and 21.1% respectively, rising to £645.00/MWh and £448.00/MWh.

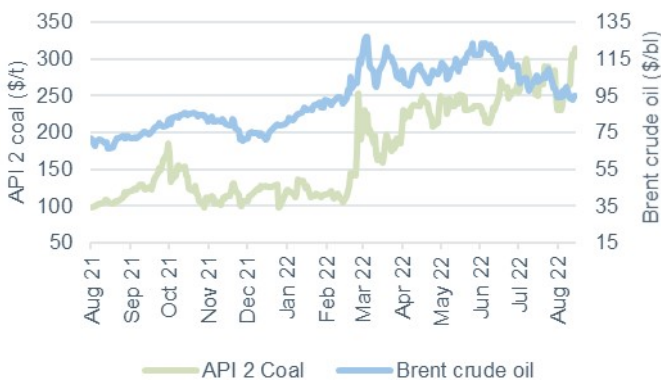
Seasonal baseload power curve



- Every tracked seasonal peak power contracts increased this week, up 11.3% on average.
- Winter 22 and summer 23 peak power gained 6.4% and 13.1% respectively, rising to £880.25/MWh and £458.25/MWh.

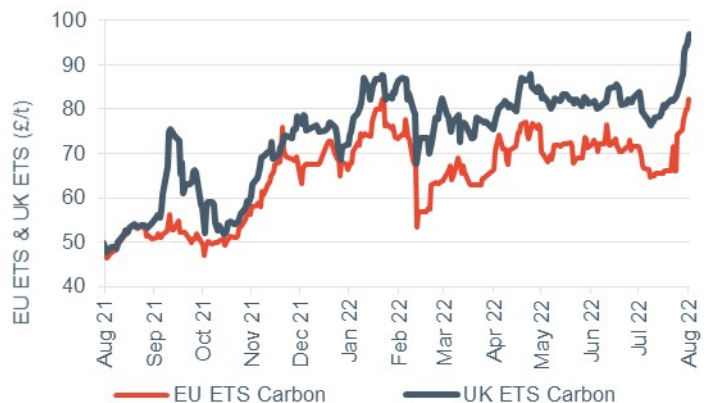
Commodity price movements

Oil and coal



- Brent crude prices lost 3.2% this week to average \$93.93/bl, a third consecutive week of average price decline.
- This week saw the continuation of a recession-driven demand downturn outweigh the tight global supply picture, a consistent trend across much of August so far. As a result, Brent crude prices hit a six-month low on Wednesday 17 August to sit at \$92.70/bl.
- Elsewhere, weak economic growth in China continues to weigh on the global demand outlook for Brent crude this year.
- API 2 coal rose 20.4% to average \$297.60/t.

Carbon (UK and EU ETS)



- The EU and UK ETS shared strong price gains. EU ETS lifted 15.1% to average €93.77/t whilst UK ETS carbon gained 12.9% to average £93.22/t.
- For the EU ETS prices this week, fossil-fuel consumption on the continent has been slightly elevated, on the back of the recent surge in A/C cooling demand and low French nuclear output, amid continued maintenance issues at French reactors causing a notable shortfall in available nuclear capacity
- For the UK ETS, found support from strong auction demand, coupled with low auction volumes.

Supplier tariff movements

So Energy continued to offer the cheapest medium fixed tariff on the market at 13 August with its So Iris Two Year – Green tariff, priced at £3,221/year on average. The tariff has dual fuel cancellation fees of £120.

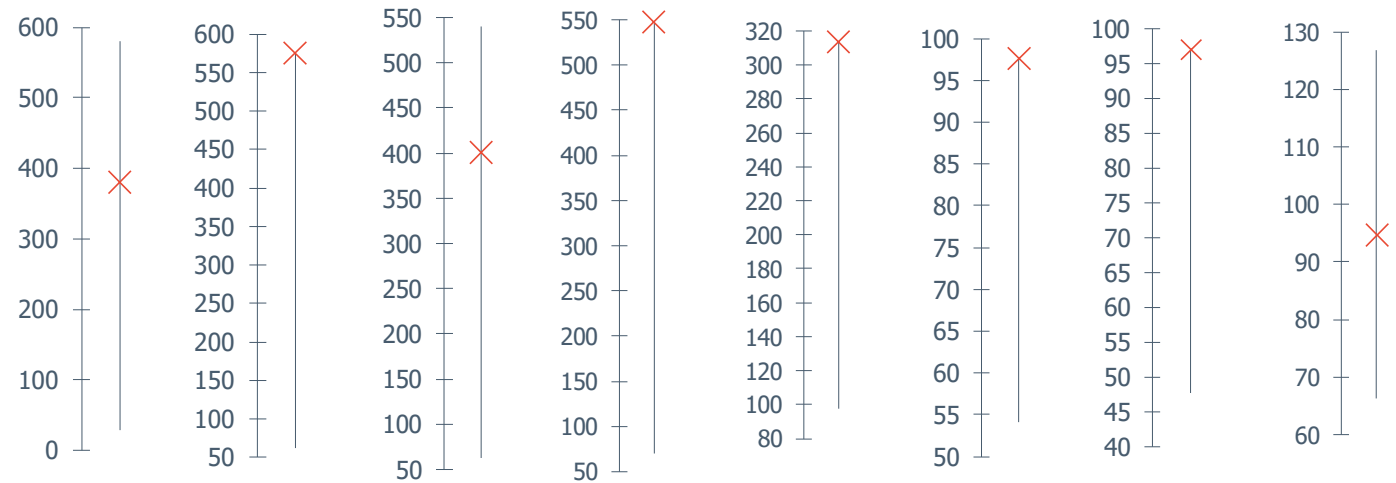
Utility Warehouse increased the price of its cheapest fixed tariff, Green Fixed 34, by £100/year to £2,951/year on average between 6 August and 13 August. Octopus Energy increased the price of its cheapest fixed tariff, Loyal Octopus 12M Fixed August 2022 v1, by £500/year between 6 August and 13 August.



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	19 Aug 22	380.00	575.02	400.00	546.50	314.00	97.57	97.00	94.70
Two weeks ago	12 Aug 22	340.00	479.00	325.00	480.50	260.00	87.70	84.00	100.00
Four weeks ago	22 Jul 22	282.00	341.50	233.50	364.00	275.00	78.45	78.60	103.33
Last year	20 Aug 21	103.25	62.06	107.00	69.38	104.50	54.12	47.75	66.31
Year-on-year % change		268.0%	826.6%	273.8%	687.7%	200.5%	80.3%	103.1%	42.8%
12-month high		580.00	575.02	540.00	546.50	314.00	97.61	97.00	126.84
12-month low		28.00	62.06	63.00	69.38	97.60	54.12	47.75	66.31

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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