



Energy Wholesale Market Review

Week Ending 26th August 2022



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Headlines 26/08/2022

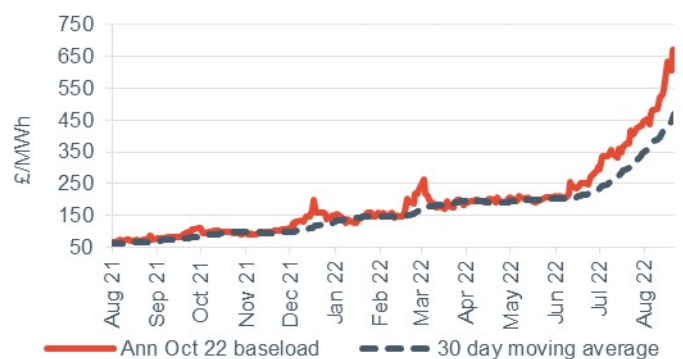
All gas and power contracts increased this week, with many longer-term contracts hitting all-time highs. Gas contracts along the curve were pushed higher following news that Nord Stream I will shut down for three days of maintenance at the end of August. This fuelled concerns of tight supply margins, with Norwegian gas fields and processing plants set to enter a heavy maintenance period in September. Day-ahead gas jumped 43.4% to 545.00p/th. September 22 gas climbed 25.2% to 575.92p/th and October 22 gas rose 22.0% to 641.78p/th. Seasonal gas contracts gained 24.8% on average. Winter 22 gas surged 26.8% to 766.55p/th, while summer 23 gas lifted 25.1% to 682.43p/th. Power prices followed the gas market higher, while low hydro levels in Europe and French nuclear outages continued to provide price support. Day-ahead power rose 25.0% to £500.00/MWh. September 22 power increased 25.4% to £535.00/MWh and October 22 power gained 27.3% to £630.00/MWh. Seasonal power contracts jumped 18.3% on average. Winter 22 power climbed 24.0% to £800.00/MWh and summer 23 power moved 21.7% higher to £545.00/MWh. Brent crude oil rose 6.2% to average \$99.77/bl, while UK ETS carbon edged 1.9% higher to average £95.02/t.

- Baseload electricity Day-ahead power gained 25.0% to £500.00/MWh, following gains in its gas counterpart.
- September 22 power climbed 25.4% to £535.00/MWh and October 22 power increased 27.3% to £630.00/MWh.
- Q422 power jumped 21.5% to £790.00/MWh.
- The annual October 22 contract rose 23.1% to £672.50/MWh, compared to £72.03/MWh this time last year.

Forward curve comparison



Annual October contract



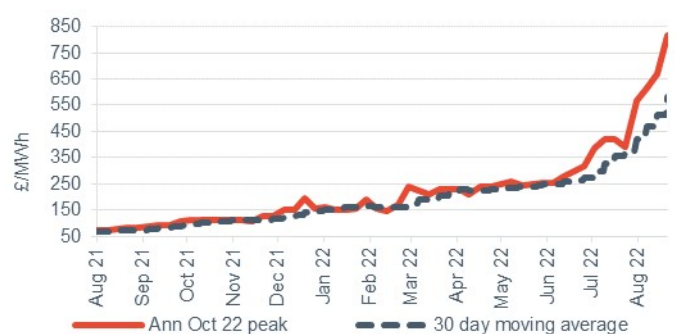
Peak electricity

- Day-ahead peak power surged 60.1% to £640.48/MWh, following its baseload counterpart higher.
- September 22 peak power slipped 2.5% to £570.45/MWh, while October 22 peak power jumped 51.0% to £691.83/MWh.
- The annual October 22 peak power rose 22.1% to £817.12/MWh.
- This is 879.9% higher than the same time last year (£83.39/MWh).

Forward curve comparison



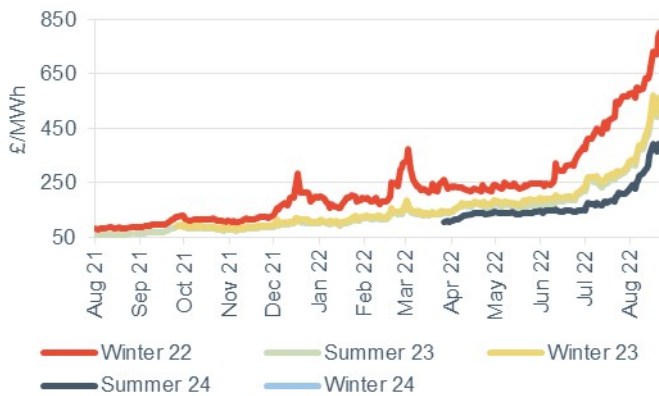
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts increased this week, up on average by 18.3%.
- Winter 22 power climbed 24.0% to £800.00/MWh and summer 23 power moved 21.7 higher to £545.00/MWh.

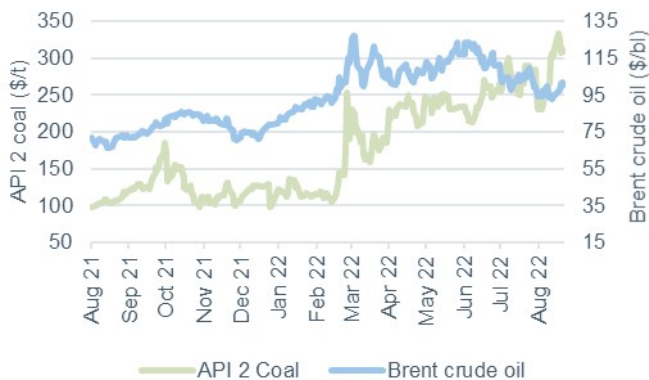
Seasonal baseload power curve



- All tracked seasonal peak power contracts increased this week, up 21.7% on average.
- Winter 22 peak power rose 19.9% to £1,055.70/MWh and summer 23 peak power climbed 26.2% to £578.54/MWh.

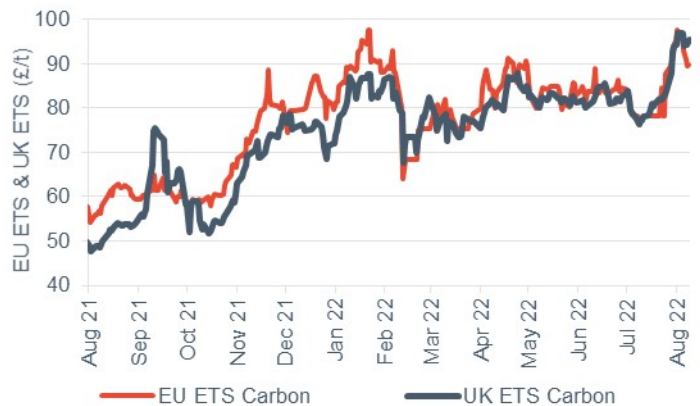
Commodity price movements

Oil and coal



- Brent crude oil rose 6.2% to average \$99.77/bl, this week.
- Signs of increasing fuel demand coupled with better than expected US economic data provided support to prices.
- In addition, prospects of an output cut from OPEC+ members also helped push prices higher.
- API 2 coal gained 6.7% to average \$317.40/t.

Carbon (UK and EU ETS)



- EU ETS slipped 2.1% to average €91.80/t. In contrast, UK ETS carbon gained 1.9% to average £95.02/t.
- Carbon prices saw little movement this week, ahead of the resumption of full auction volumes in September.
- Auction demand remained weak, amid continued concerns of an economic downturn in Europe resulting in lower energy demand.

Supplier tariff movements

So Energy continued to offer the cheapest medium fixed tariff on the market at 20 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.

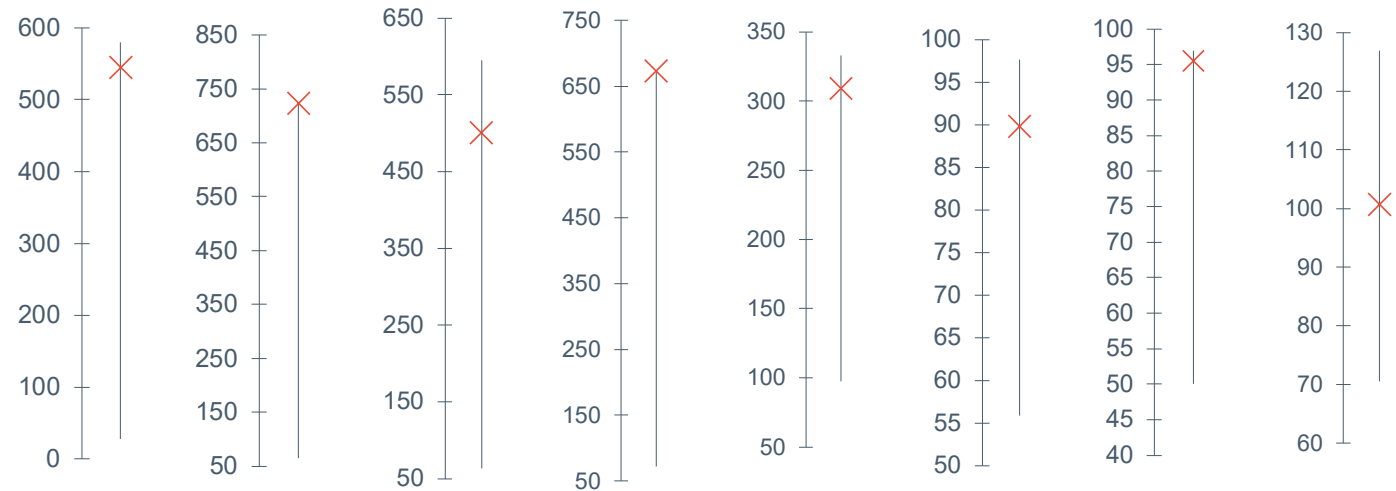
Utility Warehouse increased the price of its cheapest fixed tariff, Green Fixed 35, by £200/year to £3,151/year on average. Scottish Power increased the price of its cheapest fixed tariff by £1,588/year to £5,384/year on average, following the discontinuation of its Green Flexi August 2023 FM2 tariff.



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	26 Aug 22	545.00	724.49	500.00	672.50	309.00	89.78	95.50	100.70
Last week	19 Aug 22	380.00	575.02	400.00	546.50	314.00	97.57	97.00	94.70
Four weeks ago	29 Jul 22	308.00	385.02	310.00	406.50	290.00	78.32	78.05	109.58
Last year	27 Aug 21	116.50	65.15	108.50	72.03	107.50	57.85	50.00	71.90
Year-on-year % change		367.8%	1012.0%	360.8%	833.7%	187.4%	55.2%	91.0%	40.1%
12-month high		580.00	724.49	595.00	672.50	333.00	97.61	97.00	126.84
12-month low		28.00	65.15	63.00	72.03	97.60	55.85	50.00	70.50

This table shows the prices this 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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