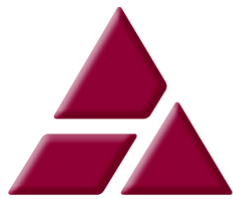




Energy Wholesale Market Review

Week Ending 2022



edw technology

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Contents

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

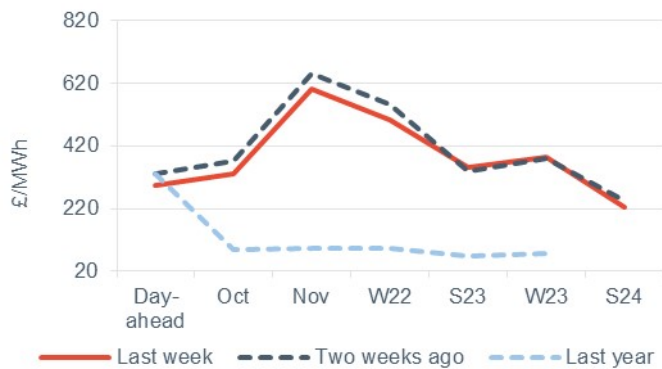


Headlines 16/09/2022

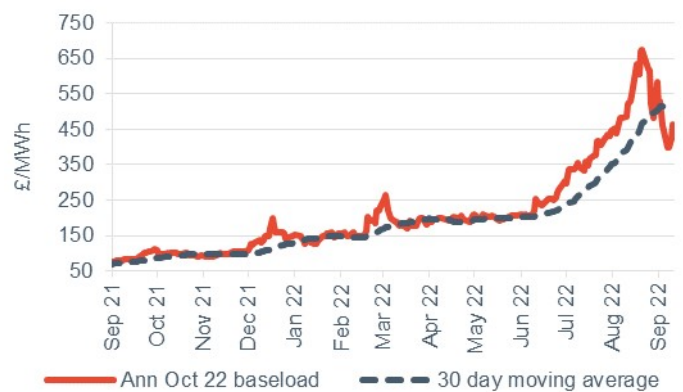
This week, we observed the continuation of downward price movements across most tracked wholesale gas and power contracts. EU intervention on the current energy crisis continues to provide bearish sentiment for prices. There were also some bearish pricing levers for GB specifically this week as follows. Subsequently, day-ahead gas fell 24.6% to 260.00p/th, following system oversupply on multiple days, with steady flows of gas imports via our interconnectors and LNG deliveries in tandem. Day-ahead power fell 10.6% to £295.00/MWh, following its gas equivalent contract lower, coupled with periods of higher wind outturn seen at points during the week. Near-term bearish fundamentals influenced the price direction of contracts further out on the curve too. October 22 gas was down 14.7% at 341.04p/th, and November 22 gas decreased 4.7% to 473.73p/th. Most seasonal gas contracts declined this week, down by 4.0% on average, while both winter 22 and summer 23 gas dropped 2.4% and 4.9% respectively, subsiding to 512.45p/th and 448.70p/th. The majority seasonal power contracts declined this week too, down on average by 2.9%.

- Baseload electricity Day-ahead power fell 10.6% to £295.00/MWh, following its gas equivalent contract lower, coupled with periods of recorded higher wind outturn.
- October 22 power slipped 10.8% at £330.00/MWh and November 22 power decreased 7.7% to £600.00/MWh.
- Q422 power moved 9.9% lower to £485.00/MWh.
- The annual October 22 contract lost 10.8% to £397/MWh, 387.1% higher than the same time last year (£81.5/MWh)

Forward curve comparison



Annual October contract



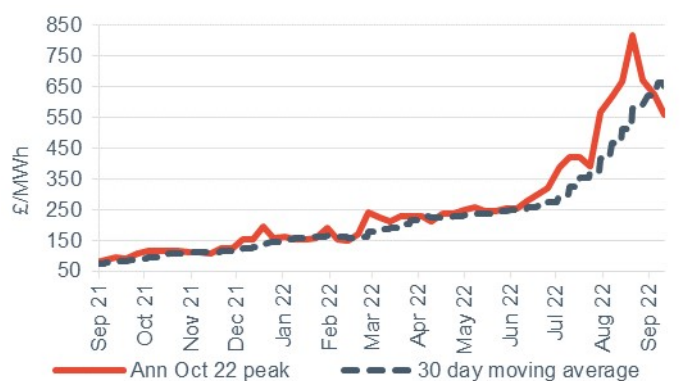
Peak electricity

- Day-ahead peak power was unchanged week-on-week, remaining at £390.50/MWh.
- October 22 peak power gained 10.2% at £422.75/MWh, and November 22 peak power decreased 20.1% to £895.25/MWh.
- The annual October 22 peak power rose 10.6% to £560.25/MWh
- This is 496.8% higher than the same time last year (93.88/MWh).

Forward curve comparison



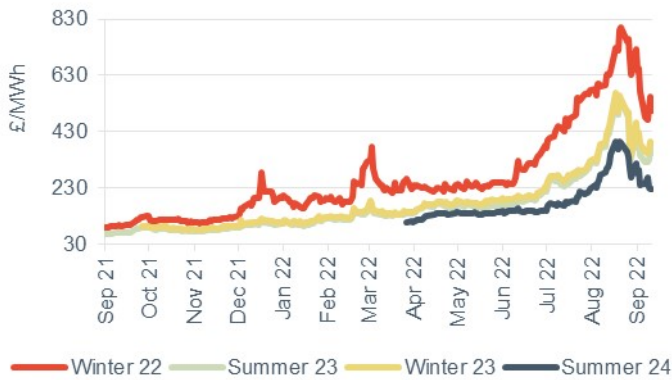
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

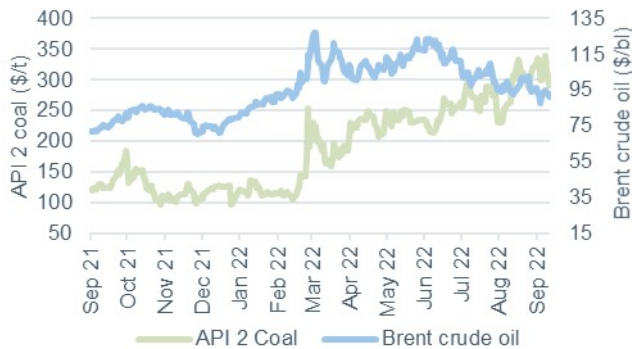


- The majority of seasonal power contracts declined this week, down on average by 2.9%.
- Winter 22 power decreased 8.5% to £503.00/MWh, whereas summer 23 increased 3.8% to £353.00/MWh.

- Like baseload power, most seasonal peak power contracts declined this week, down 5.2% on average.
- Winter 22 and summer 23 peak power dropped 15.3% and 0.6% respectively, falling to £720.25/MWh and £400.25/MWh.

Commodity price movements

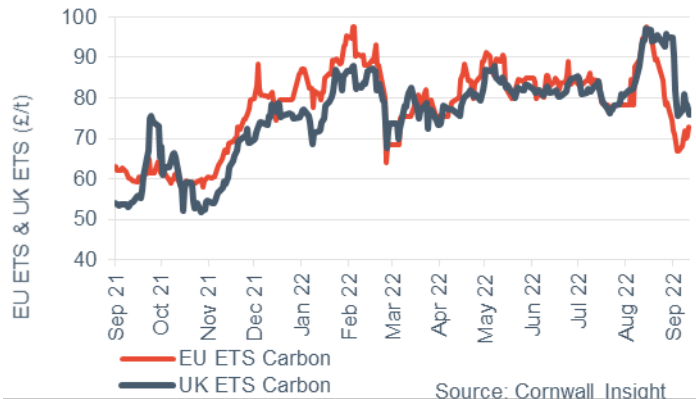
Oil and coal



Source: Cornwall Insight

- Brent crude prices lifted 1.0% this week to average \$93.43/bl, reversing two previous consecutive weeks of average price decline.
- Brent crude prices in the week were relatively mixed, with the front half of the week recording the most notable price rises, with more bearish sentiment introduced as the week progressed.
- On Monday, reports of supply uncertainty as Iranian nuclear talks stalled and expectations of a EU embargo on Russian oil shipments in December saw prices climb higher. Added to this, reports also suggested that U.S. emergency oil stocks fell to their lowest level since 1984 in the previous week.

Carbon (UK and EU ETS)



Source: Cornwall Insight

- EU and UK ETS prices saw mixed movements this week. EU ETS lifted 0.7% to average €70.71/t, whilst UK ETS carbon eased 7.1% to £78.19/t.
- Prices for carbon remain volatile at a time where the uncertainty surrounding fossil fuel supply into Europe and the UK is uncertain.
- The prospect of EU intervention in the market to shield consumers from rocketing wholesale prices could influence the direction for carbon prices going forward, particularly if power demand reduction is sought as a mechanism to soften prices as has been reported.

Supplier tariff movements

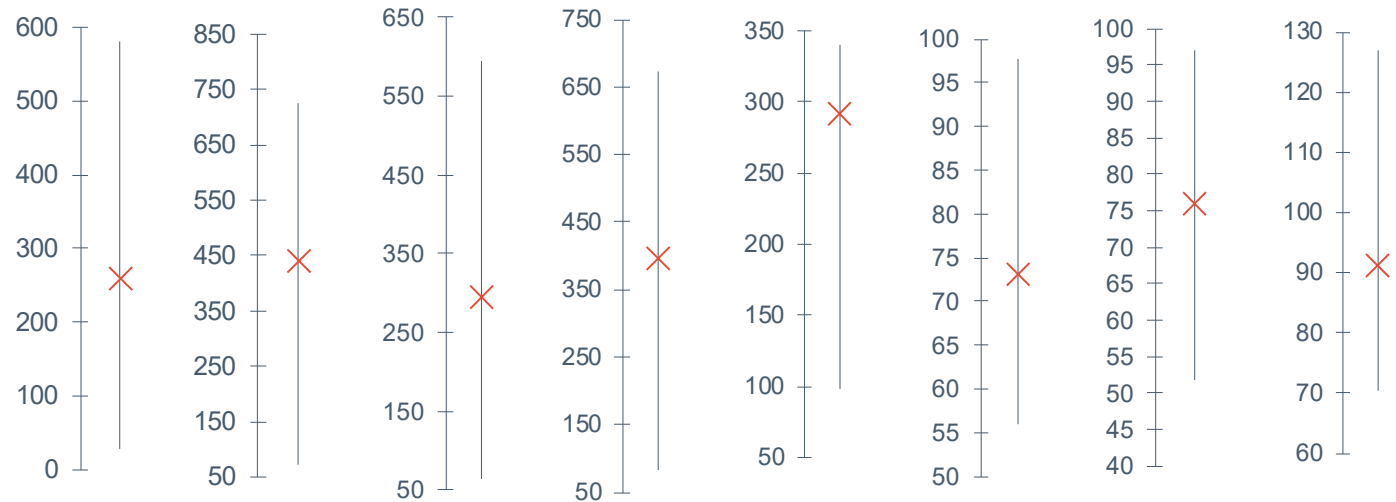
Octopus Energy and its white label brand Co-operative Energy continued to offer the cheapest short fixed tariffs on the market with their Loyal Octopus 12M Fixed August 2022 v1 and Co-op Loyal 12M Fixed August 2022 v1 tariffs, both priced at £4,500/year on average at 10 September. Utility Warehouse's Green Fixed 39, priced at £4,200/year on average at 10 September, remains the cheapest available fixed tariff on the market.



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	16 Sep 22	260.00	441.32	295.00	397.00	292.00	73.01	75.95	91.08
Last week	9 Sep 22	345.00	498.50	330.00	445.00	300.00	66.75	75.50	91.00
Four weeks ago	19 Aug 22	380.00	575.02	400.00	546.50	314.00	97.57	97.00	94.70
Last year	17 Sep 21	160.50	72.54	330.00	81.50	123.00	59.45	54.20	75.17
Year-on-year % change		62.0%	508.4%	-10.6%	387.1%	137.4%	22.8%	40.1%	21.2%
12-month high		580.00	724.49	595.00	672.50	340.00	97.61	97.00	126.84
12-month low		28.00	72.54	63.00	81.50	97.60	55.85	51.75	70.50

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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