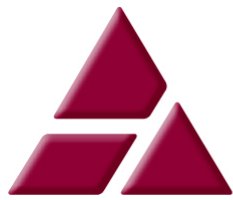




# Energy Wholesale Market Review

Week Ending 23<sup>rd</sup> September 2022



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## Headlines 23/09/2022

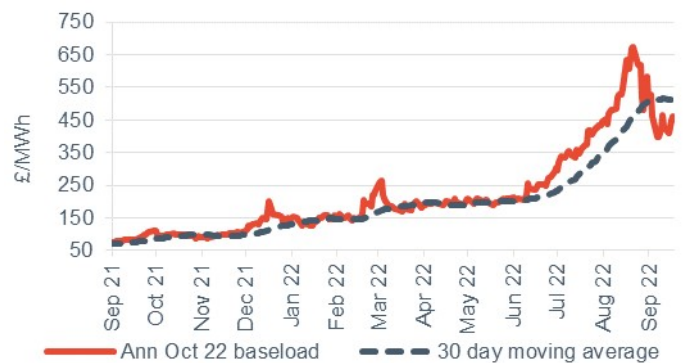
This week, we observed the majority of wholesale gas and power contracts in GB retreat, in what continues to be a volatile period for wholesale energy prices, both in the UK as well as European markets. EU intervention on the current energy crisis continues to provide bearish sentiment for prices. As a result, day-ahead gas fell 11.5% to 230.00p/th, with some specific bearish drivers such as higher wind outturn seen at points during the week leading to reduced demand for gas-for-power generation. Some sentiment-based decline can also be put on the downward movement of prices, as the EU looks to tackle the on-going energy supply crisis. Day-ahead power fell 34.9% to £192.00/MWh, largely following the strong bearish movements of gas prices. October 22 gas was down 14.9% at 290.34p/th, and November 22 gas decreased 10.8% to 422.54p/th. Most seasonal gas contracts declined last week, down by 4.5% on average, as winter 22 and summer 23 gas dropped 6.1% and 3.6% respectively, subsiding to 481.00p/th and 432.55p/th. Some seasonal power contracts fell this week, but more significant rises in winter 22 and summer 24 prices week-on-week, tilted average prices to climb – up 3.9% on average.

- Baseload electricity Day-ahead power fell 34.9% to £192.00/MWh, following the strong downward movements set from its equivalent gas contract.
- October 22 power slipped 10.6% to £295.00/MWh and November 22 power increased 1.7% to £610.00/MWh.
- Q422 power moved 11.3% higher to £540.00/MWh.
- The annual October 22 contract rose 6.9% to £457.5/MWh, 416.9% higher than the same time last year (£88.5/MWh).

### Forward curve comparison



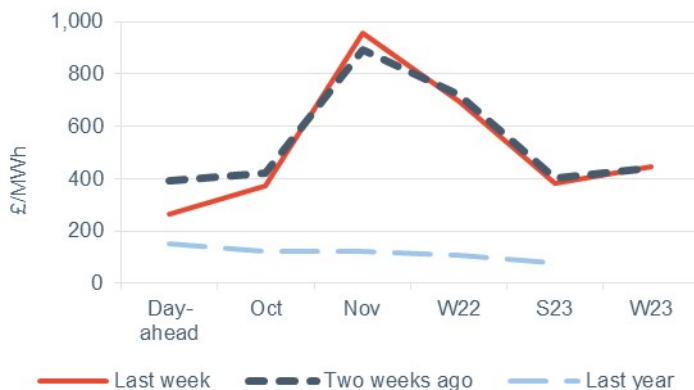
### Annual October contract



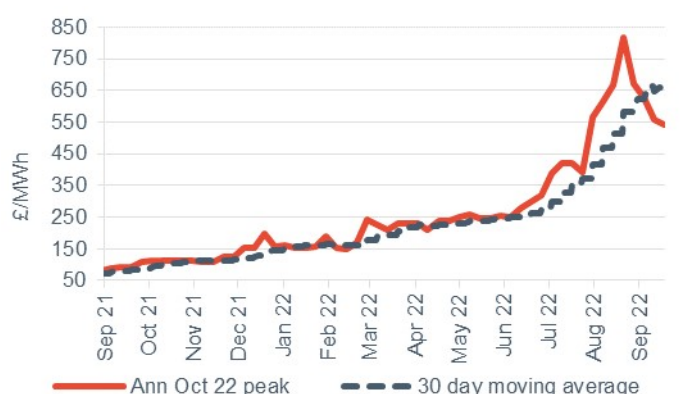
## Peak electricity

- Day-ahead peak power was down 32.3% to £264.25/MWh, following baseload power lower.
- October 22 peak power declined 12.4% to £370.25/MWh, and November 22 peak power increased 7.1% to £959.25/MWh.
- The annual October 22 peak power rose 3.5% to £540.75/MWh.
- This is 496.7% higher than the same time last year (£90.63/MWh).

### Forward curve comparison



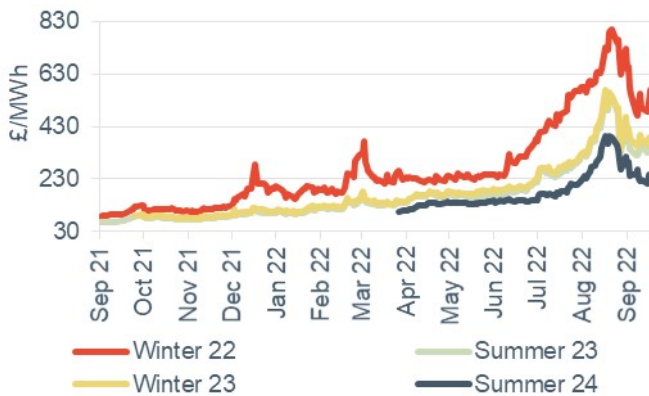
### Annual October contract





## Seasonal power prices

### Seasonal baseload power contracts



### Seasonal baseload power curve



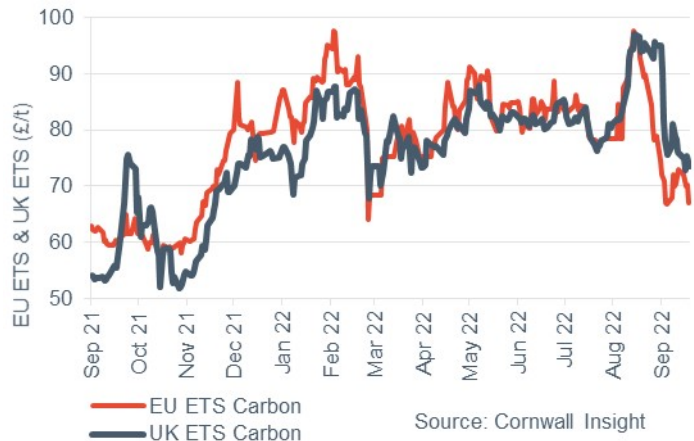
- Most seasonal power contracts boosted this week, up on average by 3.9%.
- Winter 22 power expanded 13.3% to £570.00/MWh, while summer 23 fell 2.3% to £345.00/MWh.
- The majority of seasonal peak power contracts declined this week too, down 1.9% on average.
- Winter 22 and summer 23 peak power dropped 3.2% and 4.0% respectively, falling to £697.25/MWh and £384.25/MWh.

## Commodity price movements

### Oil and coal



### Carbon (UK and EU ETS)



- Brent crude prices fell 2.6% this week to average \$90.98/b.
- Concerns over future demand for the remainder of 2022, as a consequence of an impending global recession, remained a prominent bearish fundamental for Brent crude prices last week and has continued to do so for many recent weeks.
- However, sustained losses were capped by some bullish price influence in the week, with reports that Russian president Vladimir Putin announced a partial military mobilisation, escalating the war in Ukraine.
- EU and UK ETS prices saw downward movements this week. EU ETS fell 1.3% to average €69.79/t, whilst UK ETS carbon eased 5.2% to £74.14/t.
- Prices for carbon remain volatile at a time where the uncertainty surrounding fossil fuel supply into Europe and the UK is a prominent lever for price movement, particularly as Russia has reportedly escalated its war efforts.
- Like many other commodity markets, fears of a global recession are prompting financial traders of EUA's to 'sell-off'.

## Supplier tariff movements

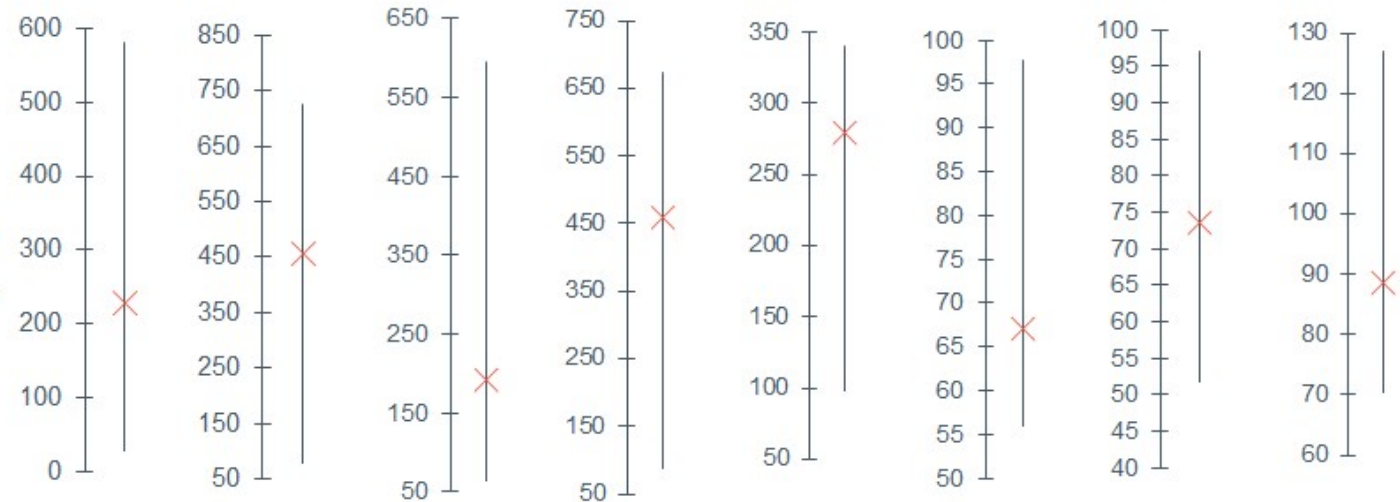
Octopus Energy and its white label brand Co-operative Energy continued to offer the cheapest short fixed tariffs on the market with their Loyal Octopus 12M Fixed August 2022 v1 and Co-op Loyal 12M Fixed August 2022 v1 tariffs, both priced at £4,500/year on average at 17 September. Utility Warehouse's Green Fixed 39, priced at £4,200/year on average at 17 September, remains the cheapest available fixed tariff on the market. Utility Warehouse's Double Gold tariff has been the cheapest variable tariff since 2 April with its price position of £1,872/year on average.



## 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	23 Sep 22	230.00	456.78	192.00	457.50	280.00	66.95	73.53	88.69
Two weeks ago	16 Sep 22	260.00	480.58	295.00	428.00	292.00	73.01	75.95	91.08
Four weeks ago	26 Aug 22	545.00	724.49	500.00	672.50	309.00	89.78	95.50	100.70
Last year	24 Sep 21	166.00	80.18	138.00	88.50	136.00	60.75	60.75	77.55
Year-on-year % change		38.6%	469.7%	39.1%	416.9%	105.9%	10.2%	21.0%	14.4%
12-month high		580.00	724.49	595.00	672.50	340.00	97.61	97.00	126.84
12-month low		28.00	80.18	63.00	88.50	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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