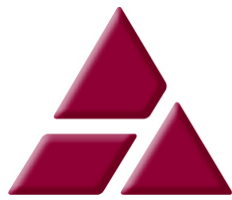




Energy Wholesale Market Review

Week Ending 9th December 2022



edw technology

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Headlines 09/12/2022

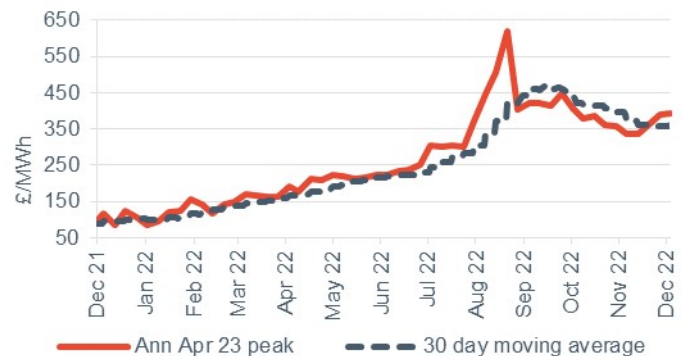
This week saw the continuation of bullish price movements across most gas and power wholesale contracts. We continue to note ongoing pricing disparity between day-ahead contracts and those further out on the forward curve, with contracts into Q1-23 generally higher than shorter dated contracts. Subsequently, we saw the majority of gas and power contracts rise week-on-week. Day-ahead gas rose 8.5% to 358.00p/th, following the continuation of colder temperatures encouraging higher demand from gas-fired assets to meet higher trending demand. Day-ahead power rose 11.0% to £394.00/MWh, mirroring trends set from its gas equivalent contract and helped further by lower levels of wind generation currently being experienced more generally. Furthermore, January 23 gas was up 1.2% at 343.00p/th, and February 23 gas increased 0.9% to 347.00p/th. The majority of seasonal gas contracts saw gains this week, up by 3.3% on average, while both summer 23 and winter 23 gas increased 3.4% and 2.9% respectively, lifting to 339.00p/th and 352.00p/th. Like gas, most seasonal power contracts boosted this week, up on average by 2.4%, as summer 24 power rose 3.4% to £230.00/MWh, while winter 24 climbed 6.3% to £255.00/MWh.

- Baseload electricity Day-ahead power rose 11.0% to £394.00/MWh, following mirroring the bullish trends set from its gas equivalent contract and lower trending levels of wind outturn observed across the week.
- January 23 power slipped 18.2% at £450.00/MWh and February 23 power decreased 16.7% to £450/MWh.
- Q1 23 power moved 14.4% lower to £411.00/MWh.
- The annual April 23 contract remained unchanged at £320.5/MWh, though is 225.4% higher than the same time last year (£98.50/MWh).

Forward curve comparison



Annual October contract



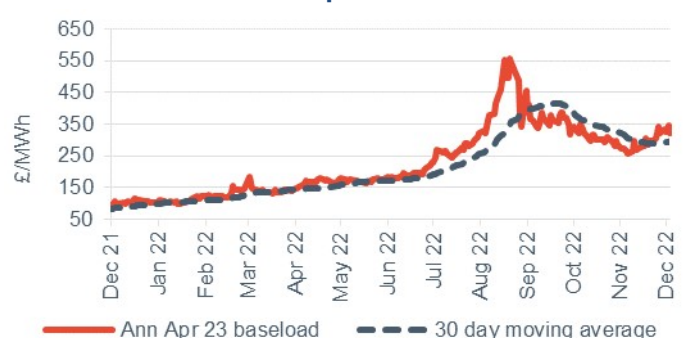
Peak electricity

- Day-ahead peak power was up 44.2% to £627.50/MWh, following baseload power higher.
- January 23 peak power declined 11.0% at £797.20/MWh, and February 23 peak power decreased 12.3% to £732.47/MWh.
- The annual April 23 peak power rose 1.7% to £395.00/MWh.
- This is 241.0% higher than the same time last year (£115.83/MWh).

Forward curve comparison



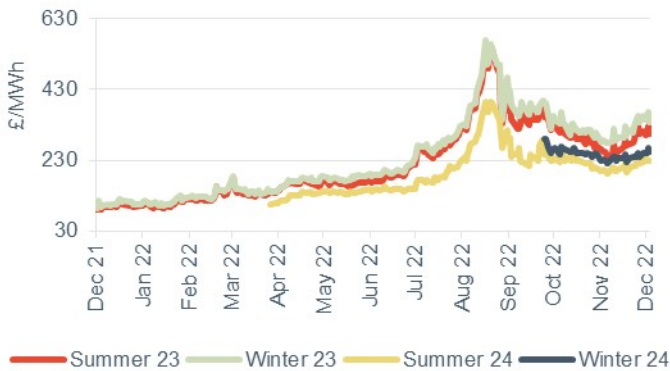
Annual April contract



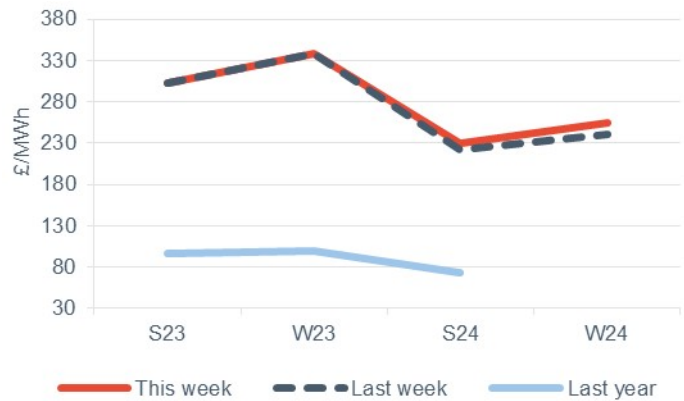


Seasonal power prices

Seasonal baseload power contracts



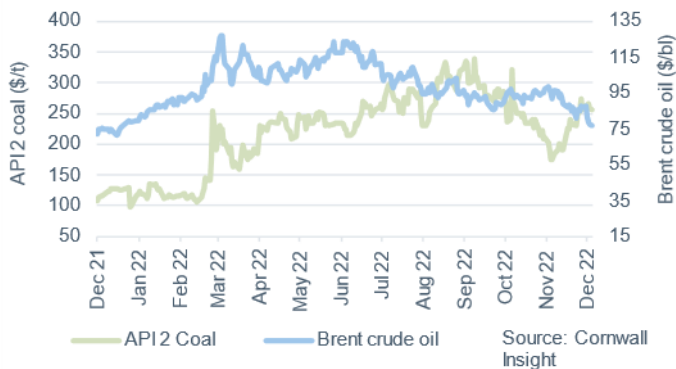
Seasonal baseload power curve



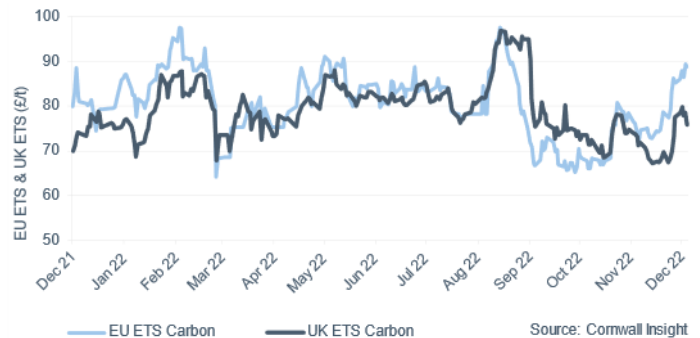
- Most seasonal power contracts saw gains this week, rising on average by 2.4%, however we note the summer 23 and winter 23 contracts remained unchanged week-on-week
- However, summer 24 rose 3.4% to £230.00/MWh.
- Like baseload contracts, seasonal peak power contracts boosted this week, up 1.7% on average.
- Summer 23 and winter 23 peak power increased 1.4% and 2.0% respectively, rising to £350.00/MWh and £440.00/MWh.

Commodity price movements

Oil and coal



Carbon (UK and EU ETS)



- Brent crude prices fell week-on-week, down 5.7% to average \$80.35/bl, a fourth consecutive week of price decline.
- Uncertainty in global commodity markets continue to exacerbate volatility in price, particularly evident over recent months.
- Recent price drops continue to be caused, in part by fears of reduced demand from the China and general bearish market sentiment over economic slowdown.
- EU and UK ETS prices saw bullish price movements this week. EU ETS climbed 6.6% to average €87.74/t, while UK ETS carbon increased 9.6% to £78.17/t.
- EU and UK ETS prices continue to gain support from colder temperatures across both geographies, acting to encourage higher demand for gas and fossil fuel-fired assets.
- An upcoming pause on December auctions from 20 December to 8 January is also providing support to current EUA price levels.

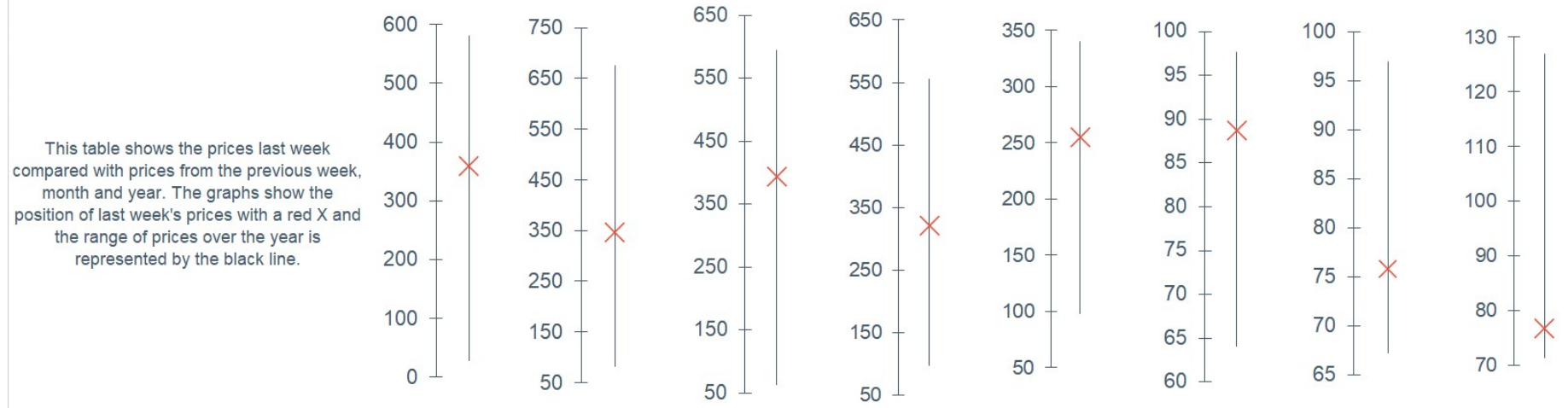
Supplier tariff movements

Utility Warehouse continued to offer the cheapest variable tariff on the market as of 3 December with its Value tariff, priced at £2,487/year on average, £13 below the Energy Price Guarantee (EPG) level. Ebico Living offered the cheapest prepayment tariff with its Ebico Prepayment October 2021 v1 tariff, priced at £2,548/year on average, £11 below the prepayment EPG level.



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	9 Dec 22	358.00	345.50	394.00	320.50	255.00	88.75	75.85	76.62
Two weeks ago	2 Dec 22	330.00	335.00	355.00	320.50	255.00	85.30	77.48	86.85
Four weeks ago	11 Nov 22	102.00	277.00	135.00	256.50	185.00	74.75	71.90	96.45
Last year	10 Dec 21	255.00	88.50	238.00	98.50	117.00	80.90	74.00	74.70
Year-on-year % change		40.4%	290.4%	65.5%	225.4%	117.9%	9.7%	2.5%	2.6%
12-month high		580.00	674.50	595.00	555.00	340.00	97.61	97.00	126.84
12-month low		28.00	83.04	63.00	97.00	97.80	64.05	67.25	71.29





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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