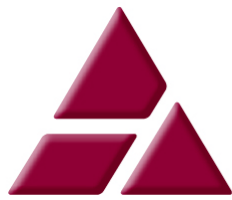




Energy Wholesale Market Review

Week Ending 16th December 2022



edw technology

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Headlines 16/12/2022

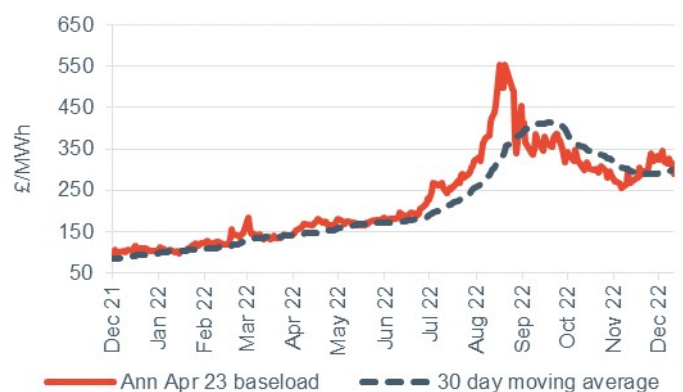
This week saw the reversal of previous consecutive weeks of largely bullish contract movements across both gas and power. This week in particular saw the softening of supply margins, weighing on a lot of the gains from the previous week, particularly in the near-term. We do however, continue to observe strong price disparity between day-ahead contracts and those further out on the forward curve, albeit this deficit has narrowed somewhat this week. Day-ahead gas fell 17.0% to 297.00p/th, helped by the strong influx of LNG continuing to reach UK landing terminals and higher wind outturn, easing demand for gas-fired assets to help bridge the supply/demand gap. Like gas, day-ahead power fell 50.8% to £194.00/MWh, with a significant contributor of this week-on-week decline driven by a £155.00/MWh drop on Friday 16 December versus the day previous – as we expect to see strong wind outturn early next week. Elsewhere, January 23 gas was down 10.8% at 306.00p/th, and February 23 gas decreased 10.4% to 311.00p/th. All seasonal gas contracts declined this week, down by 6.8% on average. Like gas, all seasonal power contracts saw losses this week, down on average by 6.2%, as summer 23 power decreased 8.7% to £276.50/MWh, while winter 23 fell 9.8% to £305.00/MWh.

- Baseload electricity Day-ahead power fell 50.8% to £194.00/MWh, with a significant contributor of this week-on-week decline driven by a £155.00/MWh drop on Friday 16 December versus the day previous.
- January 23 power slipped 31.1% at £310/MWh and February 23 power decreased 27.8% to £325/MWh.
- Q1 23 power moved 24.0% lower to £312.50/MWh.
- The annual April 23 contract lost 9.3% to £290.75/MWh, but remained 177.6% higher than the same time last year (£104.75/MWh).

Forward curve comparison



Annual October contract



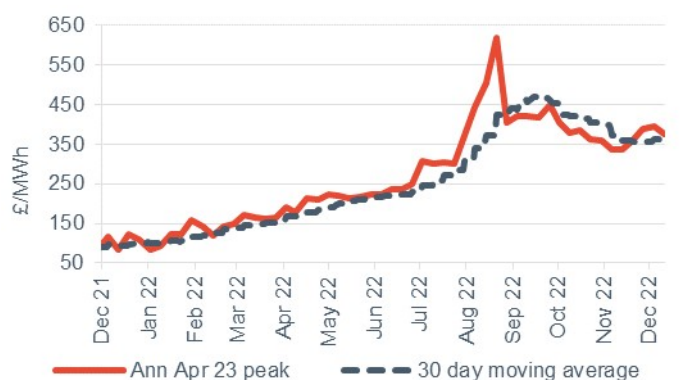
Peak electricity

- Day-ahead peak power was down 52.0% to £301.30/MWh, following baseload power lower.
- January 23 peak power declined 32.5% at £538.25/MWh, and February 23 peak power decreased 26.5% to £538.25/MWh.
- The annual April 23 peak power rose 4.7% to £376.35/MWh
- This is 340.8% higher than the same time last year (£85.38/MWh).

Forward curve comparison



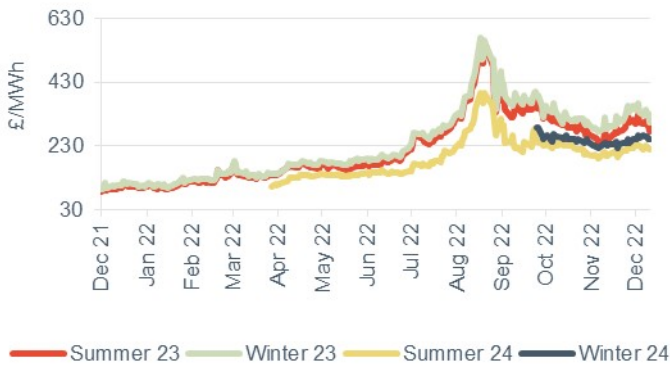
Annual April contract





Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

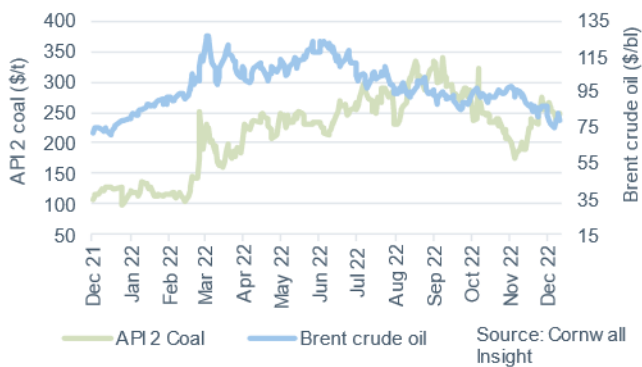


- All seasonal power contracts declined this week, down on average by 6.2%.
- Summer 23 power decreased 8.7% to £276.50/MWh, while winter 23 fell 9.8% to £305.00/MWh.

- Like baseload, all seasonal peak power contracts declined this week, down 4.7% on average.
- Summer 23 and winter 23 peak power dropped 4.8% and 4.7% respectively, falling to £333.30/MWh and £419.40/MWh.

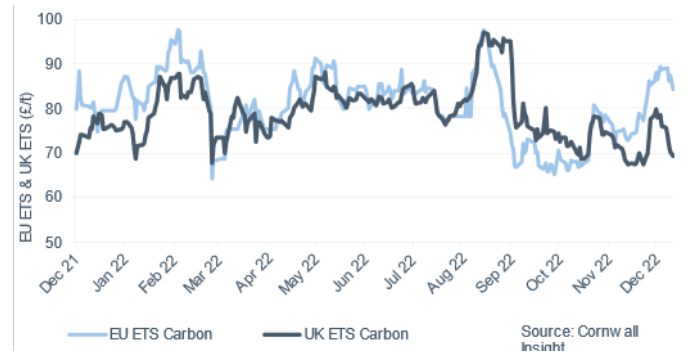
Commodity price movements

Oil and coal



- Brent crude prices fell week-on-week, down 0.9% to average \$79.61/bbl, a fifth 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 and global economic slowdown. Rising interest rates in the week also stifled prices
- Sustained losses were capped by reports that the Keystone pipeline outage will be potentially continuing for weeks to come

Carbon (UK and EU ETS)



- EU and UK ETS prices saw bearish price movements this week. EU ETS slipped 0.6% to average €87.18/t, while UK ETS carbon decreased 7.6% to £72.24/t
- Uncertainty in global commodity markets continue to exacerbate volatility in price, particularly evident over recent months
- After a period of particularly low wind and renewable output seen this week, we saw a notable uplift in wind outturn which took the strain away from gas and fossil fuel generating assets needed to meet demand – in turn reducing demand for EUA's.

Supplier tariff movements

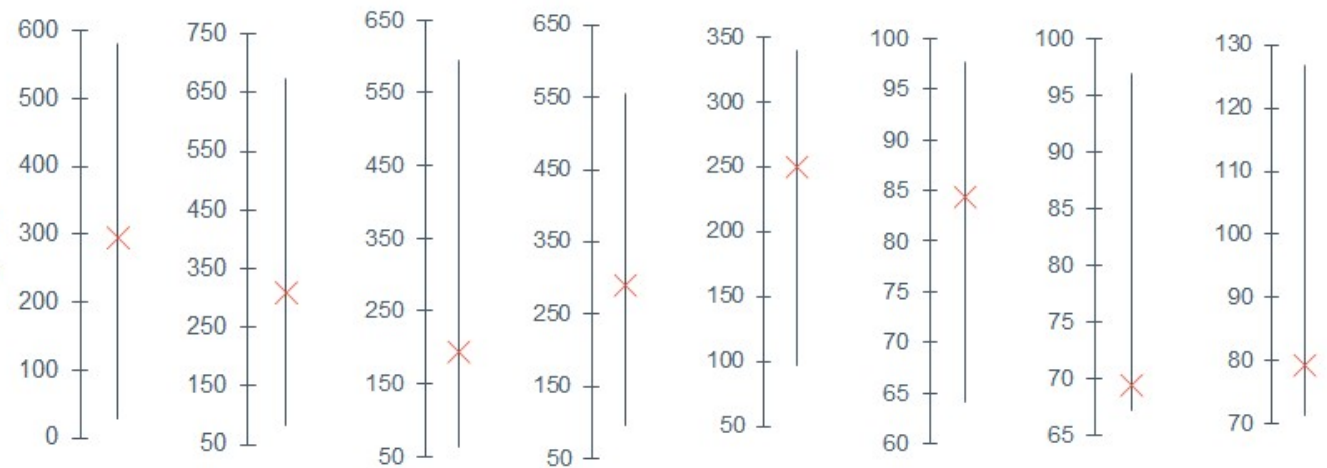
Utility Warehouse continued to offer the cheapest variable tariff on the market as of 10 December, with its Value tariff priced at £2,487/year on average, £13 below the Energy Price Guarantee (EPG) level. Ebico Living continued to offer the cheapest prepayment tariff on 10 December with its Ebico Prepayment 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)
This week	16 Dec 22	297.00	308.75	194.00	290.75	250.00	84.30	69.35	79.28
Last week	9 Dec 22	358.00	345.50	394.00	320.50	255.00	88.75	75.85	76.62
Four weeks ago	18 Nov 22	136.00	289.00	155.00	272.50	190.00	72.68	67.25	89.25
Last year	17 Dec 21	340.00	92.72	400.00	104.75	126.70	81.45	78.25	73.82
Year-on-year % change		-12.6%	233.0%	-51.5%	177.6%	97.3%	3.5%	-11.4%	7.4%
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

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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