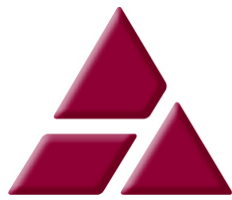




Energy Wholesale Market Review

Week Ending 2022



edw technology

EDW House, Radian Court, Knowlhill, Milton Keynes, MK5 8PJ.

Phone: +44 (0)8448 802 489
Email: info@edwtech.com
Website: edwtech.com



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 23/12/2022

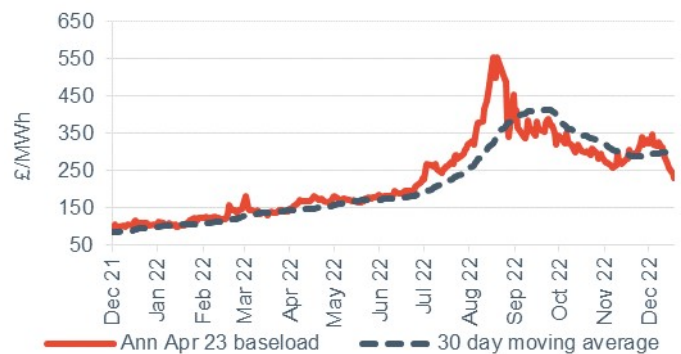
This week saw the continuation of lowering gas and power prices, moving down further from bearish price points set a fortnight ago. As we head to the Christmas period, demand is generally trending lower with the closure of industrial plant. Similarly, we are also observing slightly warmer temperatures compared with recent weeks which is also suppressing demand slightly. Subsequently, day-ahead gas fell 41.8% to 173.00p/th, following much milder weather, lower demand levels and a steady supply of LNG continuing to reach UK shores. Day-ahead power fell 25.3% to £145.00/MWh, following the bearish movements of its equivalent gas contract. January 23 gas was down 31.7% at 209.00p/th, and February 23 gas decreased 30.1% to 217.50p/th. All seasonal gas contracts declined last week, down by 19.5% on average, as summer 23 and winter 23 gas dropped 25.8% and 24.6% respectively, subsiding to 224.00p/th and 238.00p/th. Like gas, all seasonal power contracts declined this week, down on average by 17.3%. Summer 23 power decreased 21.9% to £216.00/MWh, while winter 23 fell 19.3% to £246.00/MWh.

- Baseload electricity Day-ahead power fell 25.3% to £145.00/MWh, following the bearish price direction of its equivalent gas contract, and lower trending demand heading into the Christmas period.
- January 23 power slipped 20.3% to £247.00/MWh and February 23 power decreased 23.7% to £248.00/MWh.
- Q1 23 power moved 28.6% lower to £223.00/MWh.
- The annual April 23 contract lost 20.6% to £231.00/MWh, but remains 110.0% higher than the same time last year (£110.00/MWh).

Forward curve comparison



Annual October contract



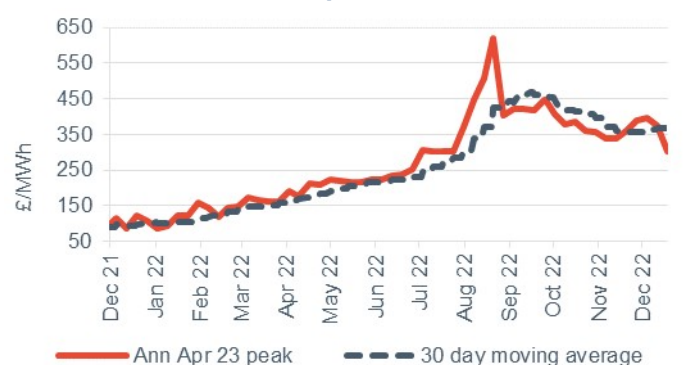
Peak electricity

- Day-ahead peak power was down 44.5% to £167.25/MWh, following baseload power lower.
- January 23 peak power declined 35.8% to £345.60/MWh, and February 23 peak power decreased 34.5% to £352.46/MWh.
- The annual April 23 peak power rose 19.2% to £304.25/MWh.
- This is 147.9% higher than the same time last year (£122.73/MWh).

Forward curve comparison



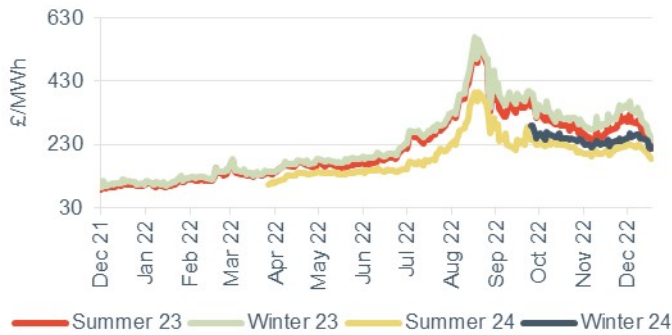
Annual April contract





Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

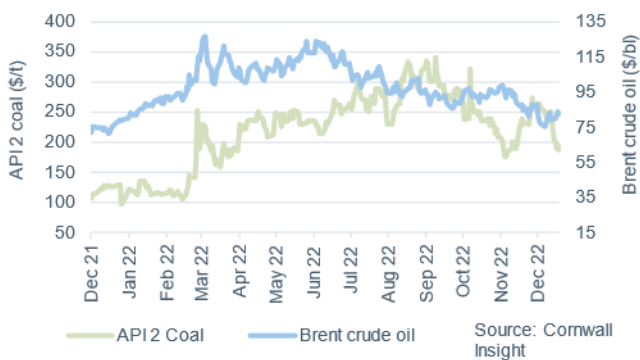


- All seasonal power contracts declined this week, down on average by 17.3%.
- Summer 23 power decreased 21.9% to £216.00/MWh, while winter 23 fell 19.3% to £246.00/MWh.

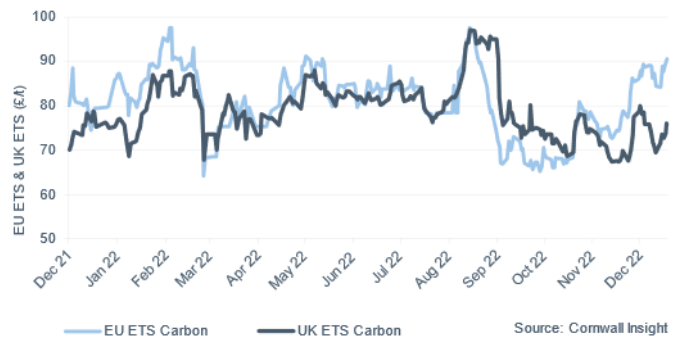
- Like baseload, all seasonal peak power contracts declined this week, down 19.5% on average.
- Summer 23 and winter 23 peak power dropped 22.5% and 16.5% respectively, falling to £258.25/MWh and £350.25/MWh.

Commodity price movements

Oil and coal



Carbon (UK and EU ETS)



- Brent crude prices rose week-on-week, up 2.2% to average \$81.35/bl, after five previous consecutive week of price decline.
- Uncertainty in global commodity markets continue to exacerbate volatility in price, particularly evident over recent months.
- This week in particular, we can attribute price rises, at least in part, to some optimism surrounding future demand heading into 2023.
- Softer Covid-19 lockdown restrictions in China are also contributing to this optimism, recognising China is the largest importer of crude oil globally.

- EU and UK ETS prices saw bullish price movements this week. EU ETS climbed 1.1% to average €88.13/t, while UK ETS carbon increased 1.7% to £73.45/t.
- Uncertainty in global commodity markets continue to exacerbate volatility in price, particularly evident over recent months.
- The current pause in daily auctions is providing a level of support to prices, particularly for the European carbon market.
- Generally colder weather in the winter months is also contributing to higher gas and fossil fuelled fired demand too, despite warmer temperatures of late.

Supplier tariff movements

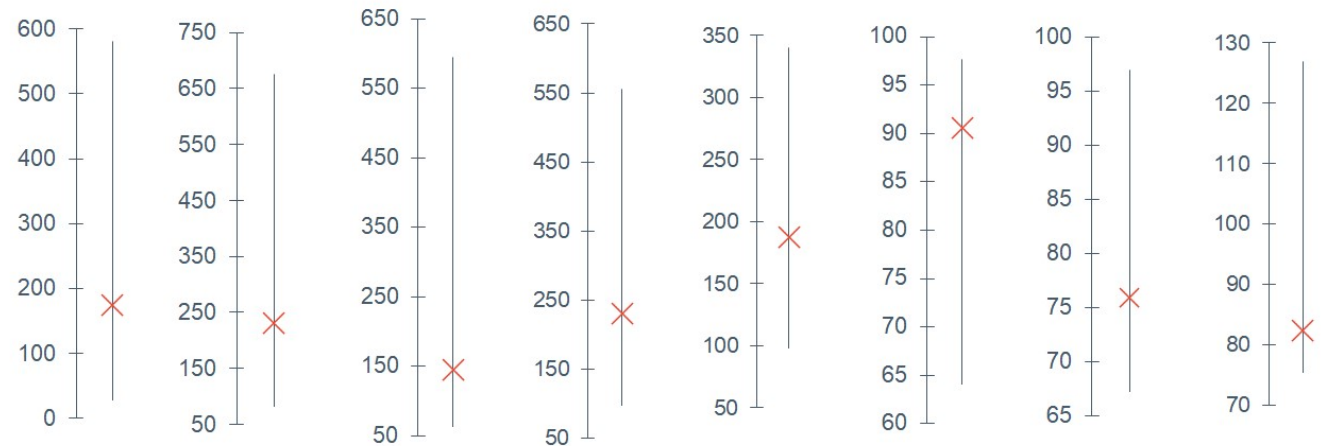
Please note tariff changes remain unchanged from our previous report, due to a pause in our reporting over the Christmas period



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	23 Dec 22	173.00	231.00	145.00	231.00	187.00	90.58	75.90	82.29
Last week	16 Dec 22	297.00	308.75	194.00	290.75	250.00	84.30	69.35	79.28
Four weeks ago	25 Nov 22	152.00	311.75	255.00	296.00	232.50	78.77	69.80	86.78
Last year	24 Dec 21	267.00	91.88	210.00	110.00	126.00	79.38	75.40	76.13
Year-on-year % change		-35.2%	151.4%	-31.0%	110.0%	48.4%	14.1%	0.7%	8.1%
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	75.35

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.

EDW Technology Limited

EDW House

Radian Court

Knowlhill

Milton Keynes

MK5 8PJ

UK

Tel: +44 (0) 8448 802 489

Fax: +44 (0) 8448 802 487

Website: www.edwtech.com

Copyright © 2022 EDW Technology Limited. All rights reserved.

No part of this publication may be reproduced, transmitted, transcribed, stored in a retrieval system, or translated into any language, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission from EDW Technology Limited.

All copyright, confidential information, patents, design rights and all other intellectual property rights of whatsoever nature contained herein are and shall remain the sole and exclusive property of EDW Technology Limited. The information furnished herein is believed to be accurate and reliable. However, no responsibility is assumed by EDW Technology Limited for its use, or for any infringements of patents or other rights of third parties resulting from its use.