



Energy Wholesale Market Review

Week Ending 13th January 2023



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Headlines 13/01/2023

This week, we continued to broadly observe the downturn of wholesale gas and power prices, with outliers being day-ahead contracts. Recent milder weather has eased demand in the UK, allowing prices to soften. Added to this, the present gas storage picture on the continent remains strong. Withdrawals over the winter period have been less intensive, with thanks to the milder weather. European storage levels were c30% higher compared to last year as of 30 December, and 12% higher than the equivalent 5-year average. However, day-ahead gas rose 1.2% to 166.00p/th, with some short-lived periods of system undersupply. Day-ahead power rose 18.7% to £165.00/MWh, amid lowering wind outturn forecasts for early next week. February 23 gas was down 11.9% at 163.00p/th, and March 23 gas decreased 11.8% to 164.00p/th. All seasonal gas contracts declined last week, down by 4.7% on average. Like gas, all seasonal power contracts declined this week, down on average by 10.6%, as summer 23 power decreased 14.2% to £161.00/MWh, while winter 23 fell 12.5% to £196.00/MWh.

- Baseload electricity Day-ahead power rose 18.7% to £165.00/MWh, after a relatively bearish week overall, but outweighed by strong recorded gains on Friday 13 January, influenced by low wind output forecast for Monday.
- February 23 power slipped 13.2% to £165.00/MWh and March 23 power decreased 11.4% to £164.00/MWh.
- Q223 power moved 14.1% lower to £161.50/MWh.
- The annual April 23 contract lost 12.6% to £180.00/MWh, 68.2% higher than the same time last year (£107.00/MWh).

Forward curve comparison



Annual October contract



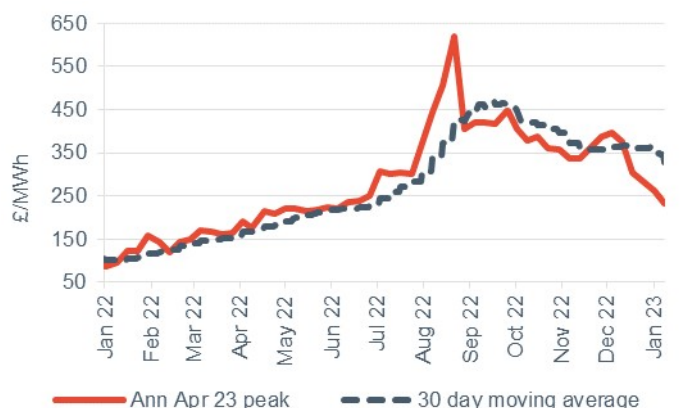
Peak electricity

- Day-ahead peak power was up 26.5% to £183.40/MWh, following baseload power higher.
- February 23 peak power declined 10.4% to £209.40/MWh, and March 23 peak power increased 1.0% to £193.25/MWh.
- The annual April 23 peak power rose 10.7% to £233.35/MWh.
- This is 145.0% higher than the same time last year (£95.25/MWh).

Forward curve comparison



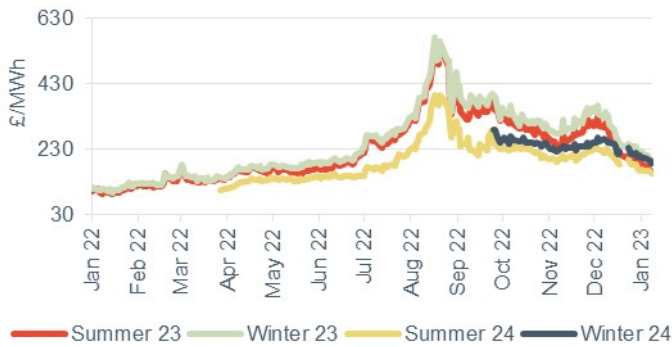
Annual April contract





Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

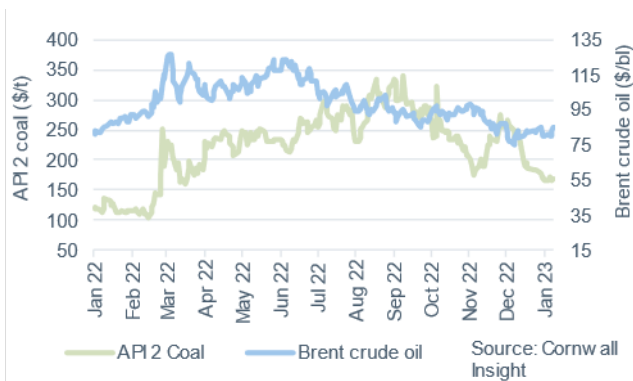


- All tracked seasonal power contracts declined this week, down on average by 10.6%.
- Summer 23 power decreased 14.2% to £161.00/MWh, while winter 23 fell 12.5% to £196.00/MWh.

- Like baseload, all seasonal peak power contracts declined this week, down 10.8% on average.
- Summer 23 and winter 23 peak power dropped 10.9% and 10.7% respectively, falling to £189.30/MWh and £277.40/MWh.

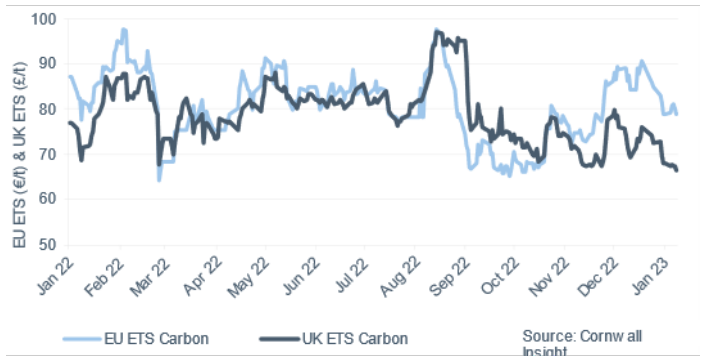
Commodity price movements

Oil and coal



- Brent crude prices climbed marginally week-on-week, up 0.9% to average \$81.94/bl.
- Future Chinese demand growth has registered signs of improvements, recognising China as of the largest crude importing countries, supported further by steadily relaxing national COVID restrictions.
- A recorded slowdown in US interest rates also supported prices as the week matured.
- However, we do recognise that the current global oil market remains volatile, particularly with fears of an impending global recession and subsequent concerns over future global demand.

Carbon (UK and EU ETS)



- EU and UK ETS prices saw bearish price movements this week, for a second consecutive week. EU ETS dropped 0.7% to average €80.00/t, while UK ETS carbon decreased 3.3% to £67.31/t.
- In recent weeks, much of the North-west Europe and the UK has experienced high levels of wind and renewable outturn, easing demand on fossil fuel fired assets to meet demand. Consequently, the demand for EUA's has subsided. This trend also contributed to Friday 13 January's price points for EUA's outturning at their lowest levels of the week.
- Similarly, warmer trending weather is also contributing to lower trending demand in both geographies.

Supplier tariff movements

On 29 December 2022, Logicor Energy launched six new tariffs as part of its rebrand as 'Tomato Energy'. According to the supplier's website, it is offering six tariffs. Some of these new tariffs include: TomatoPrime (Cherries tariff), a flat-rate tariff that features "100% renewable energy" and is available to those with or without



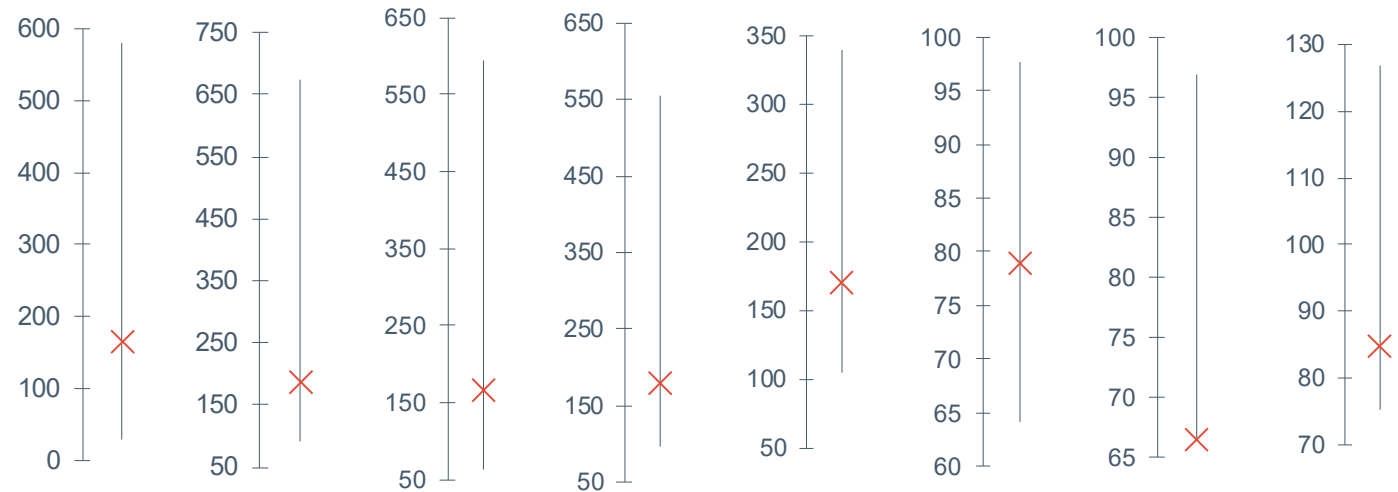
smart meters. TomatoNoBills (Heirloom Tariff), a “sustainable tariff” that reportedly provides “no bills for 12 months”, as customers who buy a solar panel and a battery from the supplier’s sister company Tomato Homes will not be billed for any electricity usage from the grid below 4000kWh for a year.



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	13 Jan 23	166.00	188.50	165.00	180.00	170.00	78.85	66.40	84.80
Last week	6 Jan 23	164.00	206.63	139.00	205.88	165.00	78.82	68.00	79.98
Four weeks ago	16 Dec 22	297.00	308.75	194.00	290.75	250.00	84.30	69.35	79.28
Last year	14 Jan 22	217.00	98.76	239.00	107.00	136.00	81.68	71.50	85.42
Year-on-year % change		-23.5%	90.9%	-31.0%	68.2%	25.0%	-3.5%	-7.1%	-0.7%
12-month high		580.00	674.50	595.00	555.00	340.00	97.61	97.00	126.84
12-month low		28.00	91.76	63.00	97.00	105.00	64.05	66.40	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 22 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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