



Energy Wholesale Market Review

Week Ending 20th January 2023



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	6
About EDW Technology Limited	7

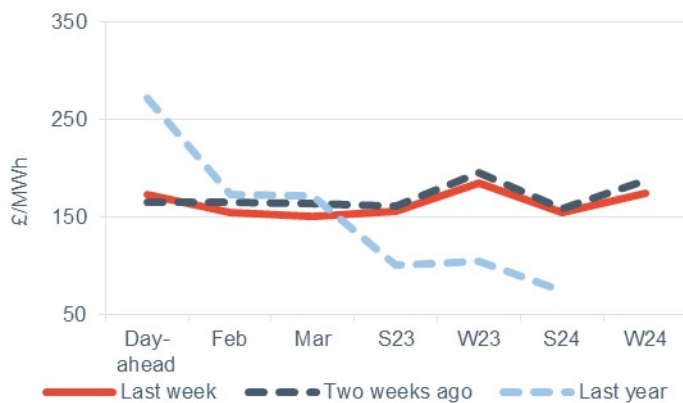


Headlines 20/01/2023

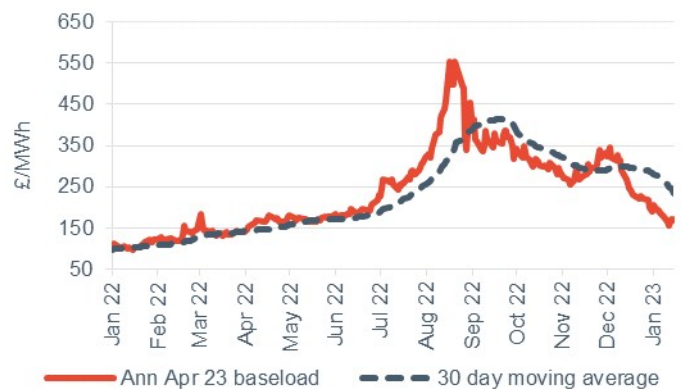
The majority of wholesale gas and power contracts experienced week-on-week losses this week, with day-ahead baseload power being the notable outlier. We continue to see the downturn of wholesale energy prices, particularly in comparison to pre-Christmas levels. Furthermore, day-ahead gas fell 5.1% to 157.50p/th, following the continued receipt of higher levels of LNG deliveries to the UK, coupled with strong levels of EU gas in storage – easing concerns over future supply and demand balancing into the remainder of the winter season. On the contrary, day-ahead power rose 4.5% to £172.50/MWh, due to lower levels of wind outturn observed across the middle of the week. February 23 gas was down 4.3% at 156.00p/th, and March 23 gas decreased 4.9% to 156.00p/th. Elsewhere, all seasonal gas contracts declined last week, down by 2.9% on average. Summer 23 and winter 23 gas dropped 4.8% and 4.4% respectively, subsiding to 161.00p/th and 185.50p/th. Like gas, seasonal power contracts declined this week, down on average by 4.3%, as summer 23 power decreased 3.1% to £156.00/MWh, while winter 23 fell 5.6% to £185.00/MWh.

- Baseload electricity Day-ahead power rose 4.5% to £172.50/MWh, following periods of lower wind outturn observed, particularly in the middle of this week.
- February 23 power slipped 6.1% to £155.00/MWh and March 23 power decreased 7.9% to £151.00/MWh.
- Q223 power moved 3.4% lower to £156.00/MWh.
- The annual April 23 contract lost 4.5% to £170.50/MWh, 66.3% higher than the same time last year (£102.50/MWh).

Forward curve comparison



Annual October contract



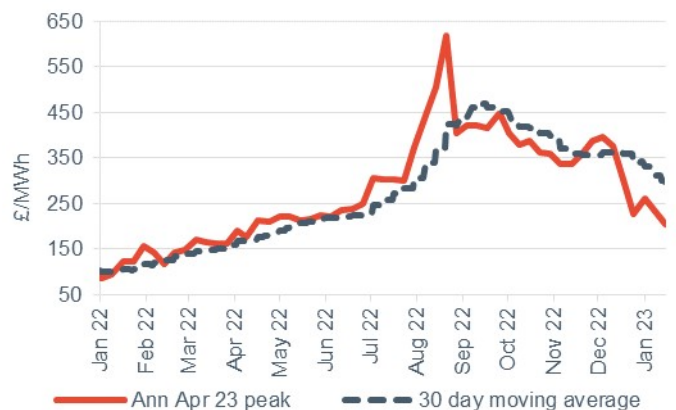
Peak electricity

- Day-ahead peak power was down 0.2% to £183.00/MWh, following baseload power lower
- February 23 peak power declined 8.7% to £192.00/MWh, and March 23 peak power decreased 10.7% to £171.00/MWh.
- The annual April 23 peak power rose 12.4% to £204.50/MWh.
- This is 66.9% higher than the same time last year (£122.50/MWh).

Forward curve comparison



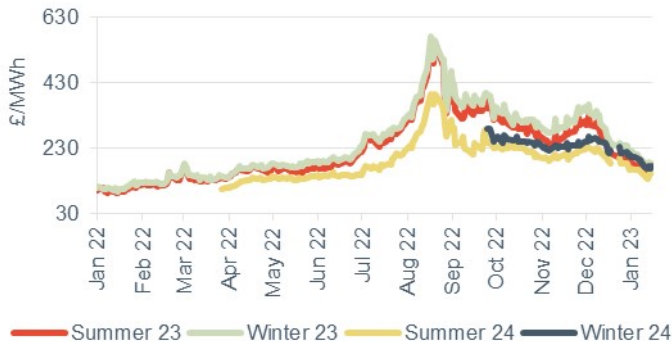
Annual April contract



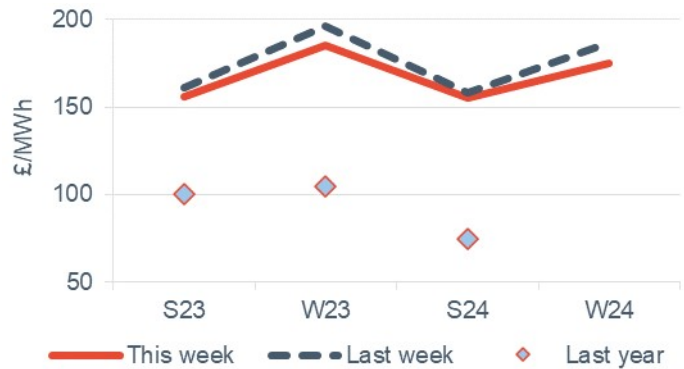


Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

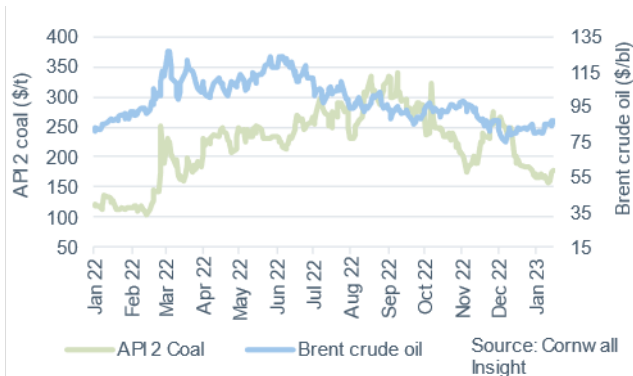


- All seasonal power contracts declined this week, down on average by 4.3%.
- Summer 23 power decreased 3.1% to £156.00/MWh, while winter 23 fell 5.6% to £185.00/MWh.

- All seasonal peak power contracts declined this week, down 11.9% on average.
- Summer 23 and winter 23 peak power dropped 9.1% and 14.6% respectively, falling to £172.00/MWh and £237.00/MWh.

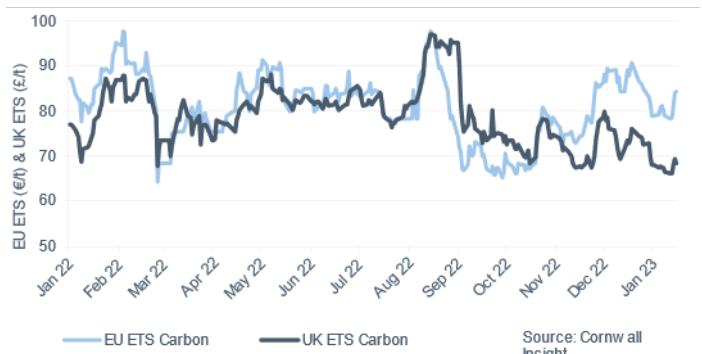
Commodity price movements

Oil and coal



- Brent crude prices climbed week-on-week, up 4.5% to average \$85.61/bl.
- Future Chinese demand growth has registered signs of improvement again this week, recognising China as of the largest crude importing countries, supported further by the ending of the majority of national COVID restrictions.
- Similarly, an optimistic inflation recovery outlook from the US towards the back-end of the week also helped price climb 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 bullish price movements this week, reversing two consecutive weeks of price decline. EU ETS climbed 1.6% to average €81.31/t, while UK ETS carbon rose 0.3% to £67.52/t.
- For this recorded week more specifically, we have experienced the return of a cold snap to the UK and North-West Europe, encouraging higher demand from gas and other fossil fuel fired assets and in turn, increasing demand for EUA's to cover the increase in carbon emissions.
- Periods of lower wind outturn in the week also contributed to higher fossil fuel fired generation.

Supplier tariff movements

On 9 January, Ofgem announced that the Market Stabilisation Charge (MSC) had been triggered, with new rates beginning 11 January of £23.37/MWh for gas and £73.84/MWh for electricity, effective until 23:59 on 17 January. Utility Warehouse continued to offer the cheapest variable tariff on the market as of 14 January with its Value tariff, priced at £2,487/year on average, £13 below the Energy Price Guarantee (EPG) level. Ebico Living



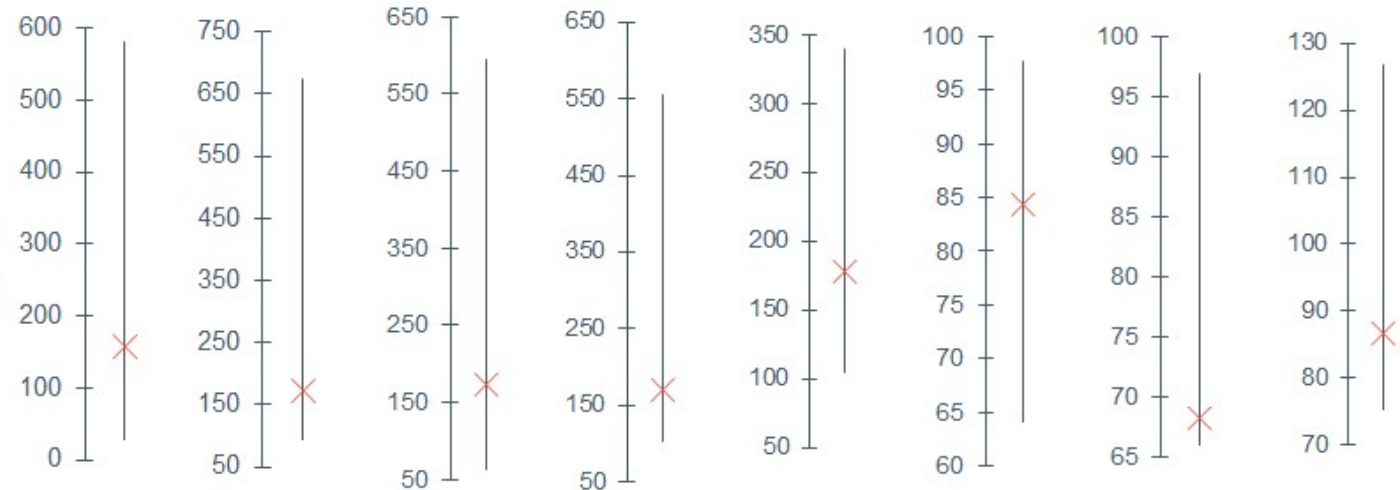
continued to offer the cheapest prepayment tariff as of 14 January, with its Ebico Prepayment October 2021 v1 tariff, priced at £2,548/year on average.



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)
This week	20 Jan 23	157.50	173.25	172.50	170.50	178.00	84.40	68.25	86.70
Last week	13 Jan 23	166.00	181.60	165.00	178.50	170.00	78.85	66.40	84.80
Four weeks ago	23 Dec 22	173.00	231.00	145.00	231.00	187.00	90.58	75.90	82.29
Last year	21 Jan 22	187.00	94.36	272.50	102.50	128.00	84.84	78.00	87.15
Year-on-year % change		-15.8%	83.6%	-36.7%	66.3%	39.1%	-0.5%	-12.5%	-0.5%
12-month high		580.00	674.50	595.00	555.00	340.00	97.61	97.00	126.84
12-month low		28.00	94.36	63.00	102.50	105.00	64.05	66.00	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.

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 © 2023 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.