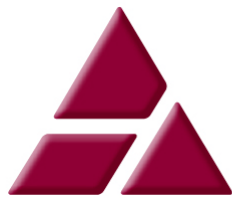




Energy Wholesale Market Review

Week Ending 27th January 2023



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Headlines 27/01/2023

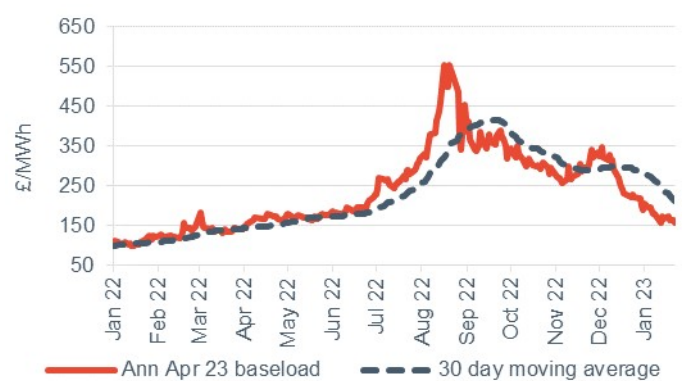
All wholesale gas and power contracts experienced week-on-week losses this week, as we continue to observe the continual decline of wholesale energy prices in the early part of 2023 to date. Day-ahead gas fell 12.4% to 138.00p/th, following warmer weather trends, particularly as the week progressed – coupled with higher levels of renewable generation, reducing demand from gas-fired assets. Day-ahead power fell 33.3% to £115.00/MWh, following the bearish movements of day-ahead gas prices, coupled with higher wind and renewable outturn seen across the week. Subsequently, February 23 gas was down 11.5% at 138.00p/th, and March 23 gas decreased 11.5% to 138.00p/th. All seasonal gas contracts declined this week, down by 8.9% on average, while both summer 23 and winter 23 gas dropped 11.8% and 8.9% respectively, subsiding to 142.00p/th and 169.00p/th. Like gas, all seasonal power contracts declined this week, down on average by 6.8%, as summer 23 power decreased 9.1% to £141.75/MWh, while winter 23 fell 6.8% to £172.50/MWh.

- Baseload electricity Day-ahead power fell 33.3% to £115/MWh, following the introduction of warmer weather returning mid-week and periods of higher wind outturn.
- February 23 power slipped 11.0% at £138/MWh and March 23 power decreased 8.6% to £138/MWh.
- Q223 power moved 9.6% lower to £141/MWh.
- The annual April 23 contract lost 7.8% to £157.13/MWh, 37.2% higher than the same time last year (£114.5/MWh).

Forward curve comparison



Annual October contract



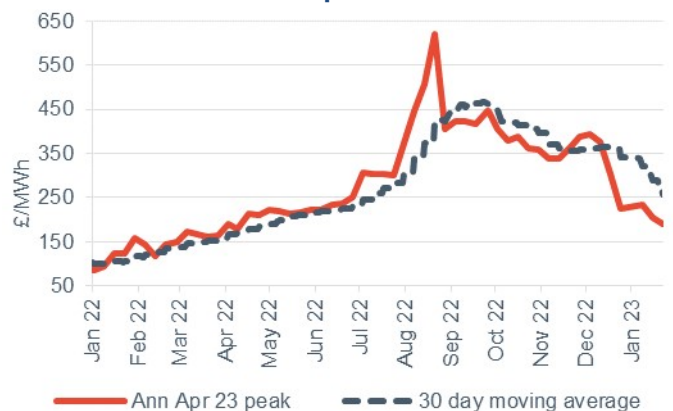
Peak electricity

- Day-ahead peak power was down 19.5% to £147.40/MWh, following baseload power lower
- February 23 peak power declined 18.5% at £156.5/MWh, and March 23 peak power decreased 11.0% to £152.2/MWh.
- The annual April 23 peak power rose 6.9% to £190.4/MWh
- This is 53.5% higher than the same time last year (124/MWh).

Forward curve comparison



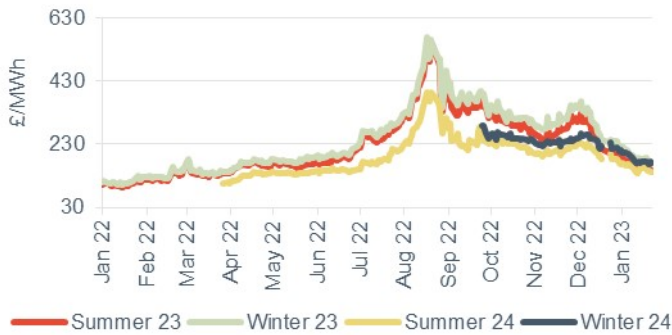
Annual April contract



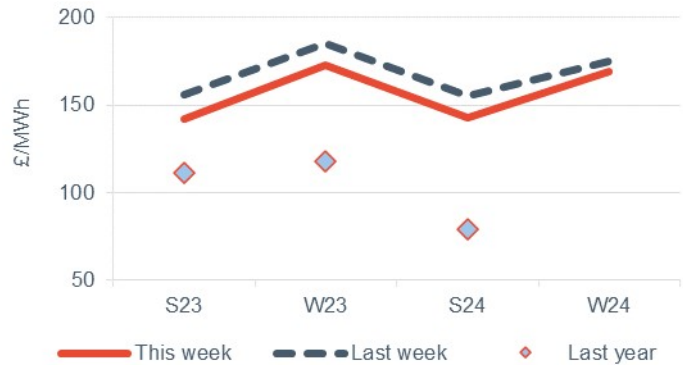


Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

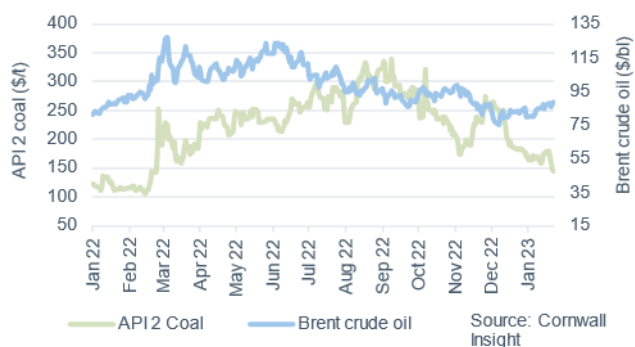


- All seasonal power contracts declined this week, down on average by 6.8%.
- Summer 23 power decreased 9.1% to £141.75/MWh, while winter 23 fell 6.8% to £172.50/MWh.

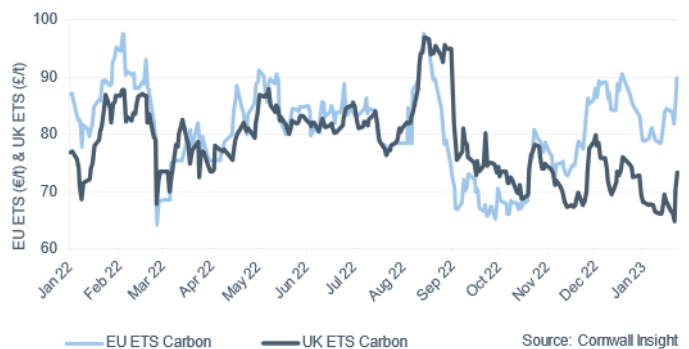
- Like baseload, all seasonal peak power contracts moved lower this week, down 7.0% on average.
- Summer 23 and winter 23 peak power dropped 7.3% and 6.6% respectively, falling to £159.40/MWh and £221.40/MWh.

Commodity price movements

Oil and coal



Carbon (UK and EU ETS)



- Brent crude prices climbed week-on-week, up 2.2% to average \$87.52/bl.
- Future Chinese demand growth has registered signs of price improvement again this week, recognising China as of the largest crude importing countries, supported further by the ending of the majority of national COVID-19 restrictions.
- Similarly, an optimistic inflation recovery outlook from the US towards the back-end of the week also helped prices 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.

- EU and UK ETS prices saw bullish price movements this week, a second consecutive week of price rises. EU ETS climbed 4.8% to average €85.25/t, while UK ETS carbon rose 1.0% to £68.18/t.
- For this week more specifically, colder weather at the front-end of the week encouraged higher demand for fossil-fuel fired assets to help manage supply and demand on the system.
- The ESO had issued a notification to the market that they had instructed the warming of winter contingency coal units for potential use on 26 January.
- Later that day however, the ESO confirmed that the coal units instructed were told to stand down.

Supplier tariff movements

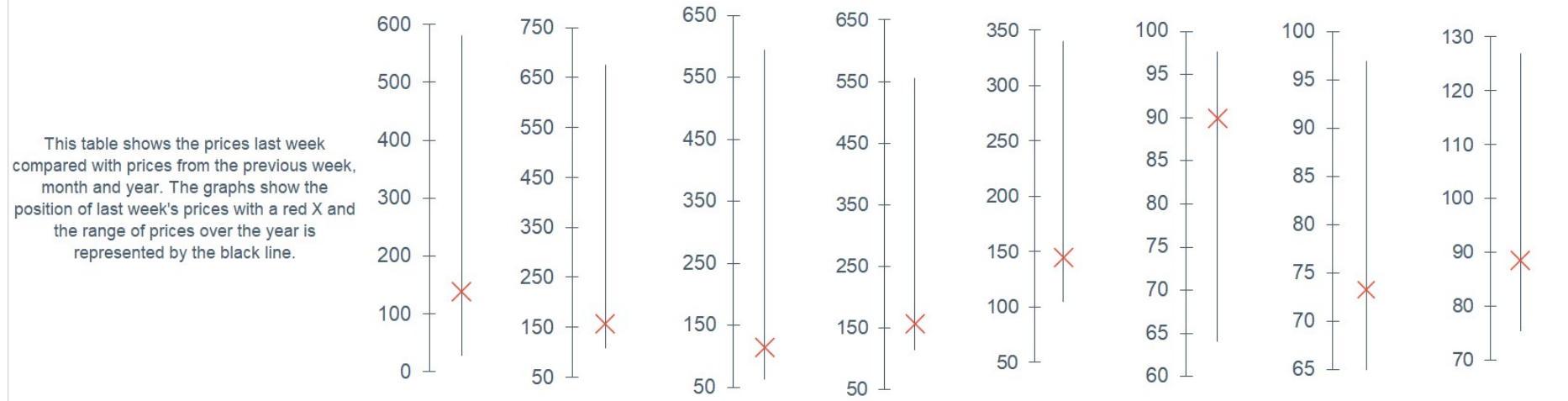
On 17 January, Utility Warehouse announced it is offering a new £100 "Boost" credit for customers taking at least two selected services from the supplier (energy, broadband, mobile, or insurance), and £200 "Boost" credit for customers taking at least three selected services. Ebico Living continued to offer the cheapest prepayment tariff on 21 January with its Ebico Prepayment October 2021 v1 tariff, priced at £2,548/year on average.

Utility Warehouse continued to offer the cheapest variable tariff on the market as of 21 January, with its Value tariff, priced at £2,487/year on average, £13 below the Energy Price Guarantee (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	27 Jan 23	138.00	155.50	115.00	157.13	145.00	89.90	73.28	88.56
Last week	20 Jan 23	157.50	173.25	172.50	170.50	178.00	84.40	68.25	86.70
Four weeks ago	30 Dec 22	178.00	220.38	160.00	221.75	184.00	84.95	72.50	83.50
Last year	28 Jan 22	219.00	113.50	181.00	114.50	117.00	89.50	87.00	89.72
Year-on-year % change		-37.0%	37.0%	-36.5%	37.2%	23.9%	0.4%	-15.8%	-1.3%
12-month high		580.00	674.50	595.00	555.00	340.00	97.61	97.00	126.84
12-month low		28.00	109.38	63.00	114.00	105.00	64.05	64.75	75.35





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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