



# Energy Wholesale Market Review

Week Ending 10<sup>th</sup> February 2023



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

**Phone:** +44 (0)8448 802 489  
**Email:** [info@edwtech.com](mailto:info@edwtech.com)  
**Website:** [edwtech.com](http://edwtech.com)



## Contents

<b>Peak electricity</b> .....	<b>3</b>
<b>Seasonal power prices</b> .....	<b>4</b>
<b>Commodity price movements</b> .....	<b>4</b>
<b>Supplier tariff movements</b> .....	<b>4</b>
<b>Wholesale price snapshot</b> .....	<b>5</b>
<b>About EDW Technology Limited</b> .....	<b>6</b>



## Headlines 10/02/2023

It was a bearish week as all power and gas contracts decreased across the week. Day-ahead gas fell 9.3% to 136.00p/th, amid higher temperatures forecast for next week. Day-ahead power fell 17.6% to £140.00/MWh, influenced mainly by its gas counterpart, amid low wind forecast outturn. March 23 gas was down 9.6% at 133.75p/th, and April 23 gas decreased 10.3% to 135.00p/th. All seasonal gas contracts declined last week, down by 9.3% on average, while both summer 23 and winter 23 gas dropped 11.0% and 9.8% respectively, subsiding to 137.00p/th and 163.00p/th. All seasonal power contracts also experienced losses this week, declining on average by 6.7%, as summer 23 power decreased 7.6% to £145.00/MWh, while winter 23 fell 8.1% to £170.00/MWh.

- Baseload electricity Day-ahead power fell 17.6% week-on-week to £140.00/MWh, amid increased wind levels forecasted for the beginning of next week.
- March 23 power slipped 5.7% at £139.5/MWh and April 23 power decreased 8.4% to £142/MWh.
- Q223 power moved 9.0% lower to £142/MWh.
- The annual April 23 contract lost 7.9% to £157.5/MWh, 29.6% higher than the same time last year (£121.5/MWh).

### Forward curve comparison



### Annual October contract



## Peak electricity

- Day-ahead peak power declined 20.1% to £152.00/MWh, following its baseload equivalent
- March 23 peak power eased 7.1% at £156.54/MWh, and April 23 peak power decreased 10.8% to £155.87/MWh.
- The annual April 23 peak power slipped 8.7% to £185.75/MWh
- This is 30.4% higher than the same time last year (142.5/MWh).

### Forward curve comparison



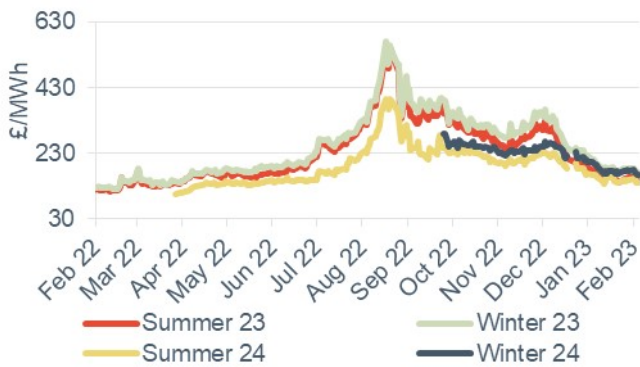
### Annual April contract





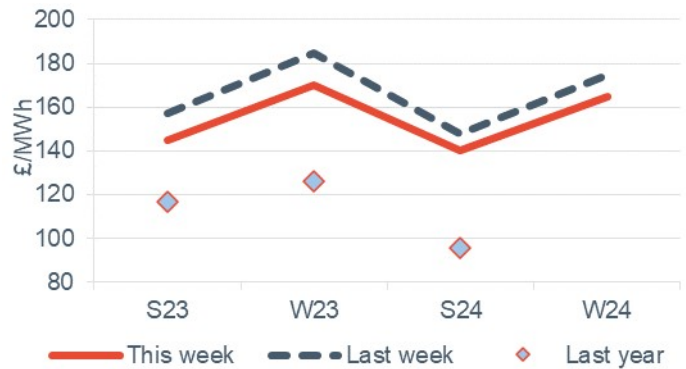
## Seasonal power prices

### Seasonal baseload power contracts



- All seasonal power contracts declined this week, down on average by 6.7%.
- Summer 23 power decreased 7.6% to £145.00/MWh, while winter 23 fell 8.1% to £170.00/MWh.

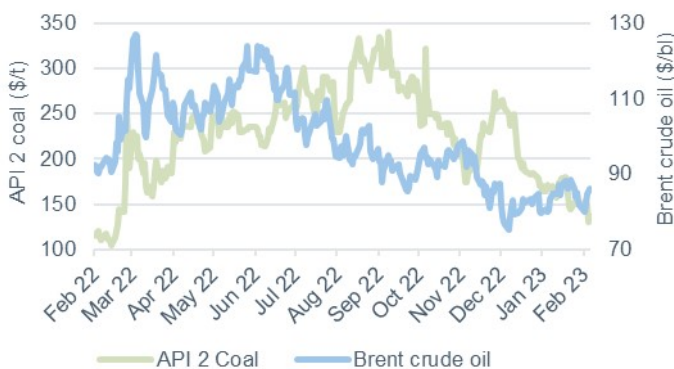
### Seasonal baseload power curve



- All seasonal peak power contracts also saw losses this week, down 8.8% on average.
- Summer 23 and winter 23 peak power dropped 10.0% and 7.7% respectively, falling to £158.00/MWh and £213.50/MWh.

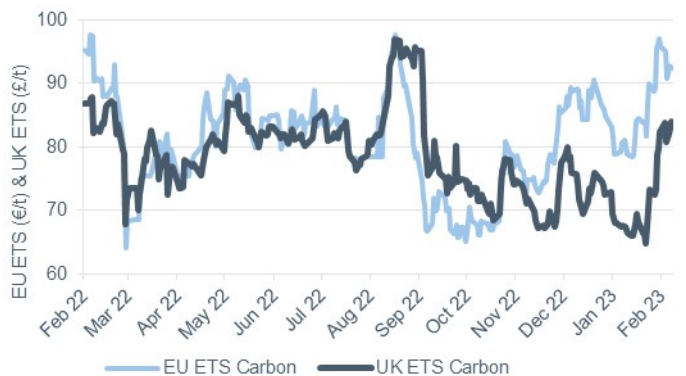
## Commodity price movements

### Oil and coal



- Brent crude oil remained relatively unchanged, easing 0.3% to average \$83.76/bl, this week.
- Prices began the week at \$80.00/bl – their lowest value of the week, before rising consistently from Tuesday towards to Friday's high of \$86.20/bl
- Monday prices fell to a low following federal interest rate hikes in the US, resulting in a stronger US Dollar
- Friday saw crude prices move higher as Russia announced plans to reduce output by 0.5mn bpd in response to western sanctions

### Carbon (UK and EU ETS)



- This week has seen mixed price movements across the carbon markets.
- EU ETS carbon saw mild losses of 0.8%, averaging €92.51/t this week, while UK ETS carbon saw 7.0% growth, averaging £82.71/t
- For much of the week, prices were buoyed by low levels of wind outturn prompting higher levels of gas-fired generation

## Supplier tariff movements

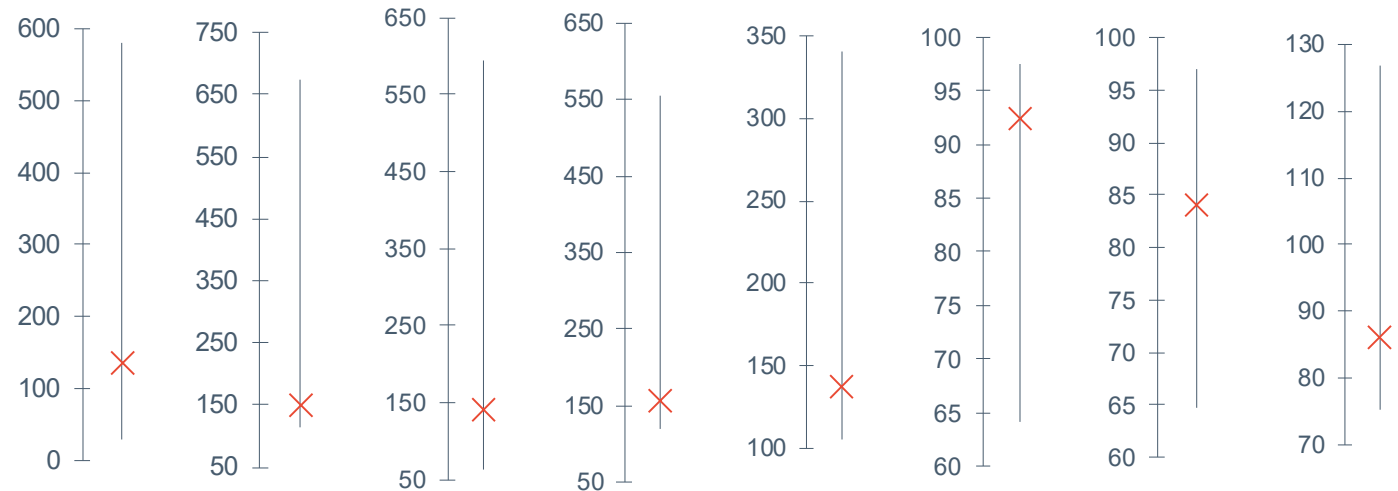
Octopus Energy continued to offer the cheapest variable tariff on the market as of 4 February with its Flexible Octopus October 2022 v1 tariff, priced at £2,485/year on average, £15/year below the Energy Price Guarantee (EPG) level. Additionally, Octopus Energy continued to offer the cheapest prepayment tariff on 4 February with its Flexible Octopus Key and Card October 2022 v1 tariff, priced at £2,544/year on average, £35/year 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	10 Feb 23	136.00	150.00	140.00	157.50	137.00	92.40	84.00	86.20
Last week	3 Feb 23	150.00	167.38	170.00	171.00	152.00	95.85	82.30	81.85
Four weeks ago	13 Jan 23	166.00	181.60	165.00	178.50	170.00	78.85	66.40	84.80
Last year	11 Feb 22	177.20	113.24	157.50	121.50	111.00	90.98	83.00	91.84
Year-on-year % change		-23.3%	32.5%	-11.1%	29.6%	23.4%	1.6%	1.2%	-6.1%
12-month high		580.00	674.50	595.00	555.00	340.00	97.57	97.00	126.84
12-month low		28.00	113.24	63.00	118.75	105.00	64.05	64.75	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](http://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.