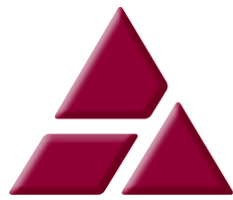




Energy Wholesale Market Review

Week Ending 17th March 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	5
About EDW Technology Limited	6



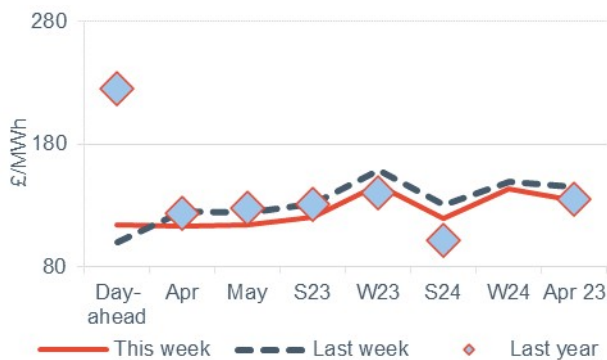
Headlines 17/03/2023

This week saw a more bearish pricing trend, with most tracked wholesale gas and power contracts in GB registering week-on-week price losses. Ongoing milder weather and increased wind power generation have kept near-term prices lower this week, while longer-dated contracts have taken price direction from wider movements in the commodity markets. Day-ahead gas fell 14.4% to 101.00p/th, following strikes at French refineries and LNG terminals. Day-ahead power rose 14.0% to £114.00/MWh, finding support earlier in the week from news of new reactor defects found at several French nuclear sites. Following wider movements in the commodity markets, April 23 gas was down 8.1% at 108.00p/th, and May 23 gas decreased 8.2% to 109.00p/th. All seasonal gas contracts declined last week, down by 4.4% on average. Summer 23 and winter 23 gas dropped 6.9% and 5.6% respectively, to 111.75p/th and 135.00p/th. All seasonal power contracts also reported losses this week, down on average by 6.7%, as summer 23 power traded 7.6% lower at £121.00/MWh, while winter 23 fell 7.5% to £147.00/MWh.

Baseload electricity

- Baseload electricity Day-ahead power rose 14.0% to £114.00/MWh, despite forecasts of increased wind power generation next week
- April 23 power dropped 9.4% to £113.00/MWh and May 23 power decreased 8.4% to £114.00/MWh
- Q223 power moved 8.6% lower to £117.00/MWh
- The annual April 23 contract saw a decrease of 7.6% to £134.00/MWh, 1.5% lower than the same time last year (£135.50/MWh)

Forward curve comparison



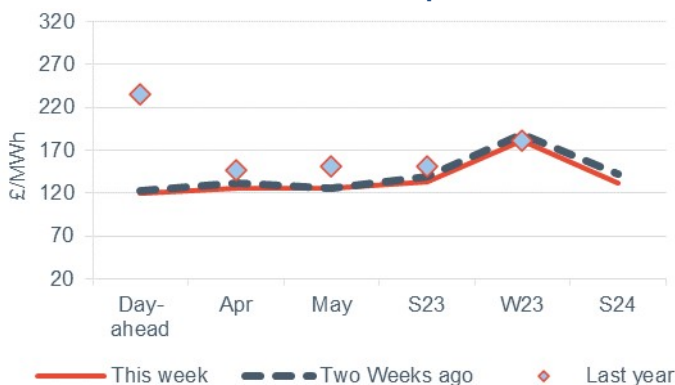
Annual April contract



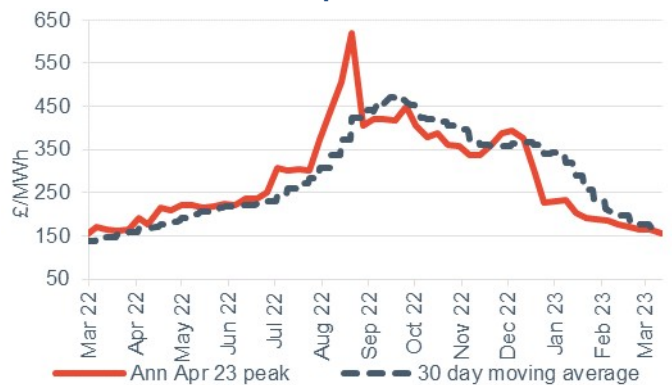
Peak electricity

- Day-ahead peak power was down 2.5% to £120.25/MWh, following baseload power lower
- April 23 peak power declined 4.3% at £126.00/MWh, and May 23 peak power decreased 0.2% to £126.00/MWh
- The annual April 23 peak power rose 4.3% to £156.9/MWh
- This is 5.4% lower than the same time last year (165.9/MWh)

Forward curve comparison



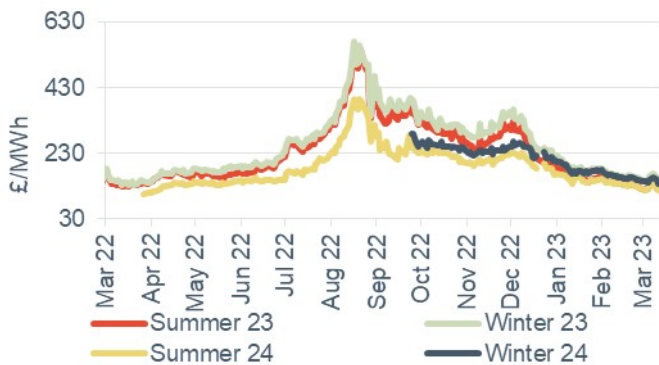
Annual April contract





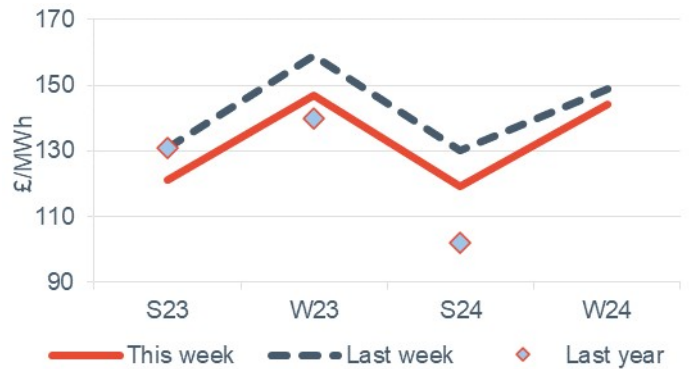
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts dropped this week, down on average by 6.7%
- Summer 23 and winter 23 lowered 7.6% and 7.5% respectively, dropping to £121.00/MWh and £147.00/MWh

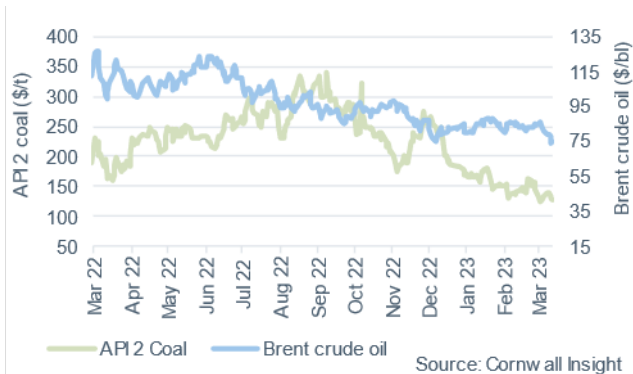
Seasonal baseload power curve



- All seasonal peak power contracts declined this week, down 4.3% on average
- Summer 23 gas dropped 4.6% to £132.60/MWh, and similarly winter 23 peak power decreased 4.1% to £181.30/MWh

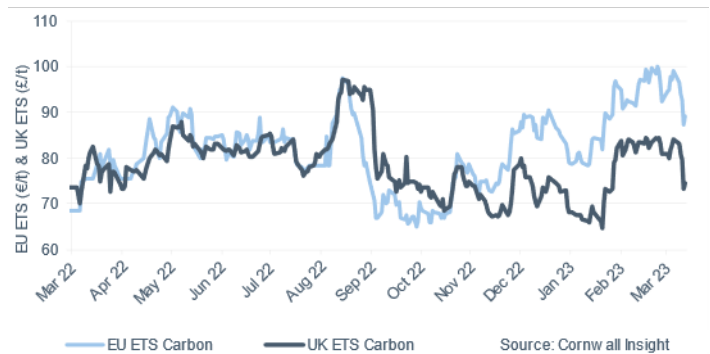
Commodity price movements

Oil and coal



- Brent crude oil fell 8% on the previous week to average \$76.97/bl
- Brent crude saw notable bearish movements during the past seven days, as fresh fears surrounding a new global financial crisis arose after the collapse of the Silicon Valley Bank
- Prices somewhat steadied into the week, following reports of Saudi Arabia and Russia meeting to discuss the OPEC+ group's efforts to maintain market balance, alongside a broader recovery in financial markets

Carbon (UK and EU ETS)



- Both EU and UK ETS schemes saw their average price this week fall, with a 5.0% decrease to EU ETS carbon (€91.92/t), and UK ETS carbon seeing a 4.5% decline (£78.24/t)
- After provisionally agreeing on a set of reforms for the EU ETS schemes as part of the Fit for 55 package, on March 14, the European Parliament formally approved these reforms. The Market Stability Reserve of the EU ETS has been extended to 2030 – in order to avoid falling CO₂ prices in response to external shocks

Supplier tariff movements

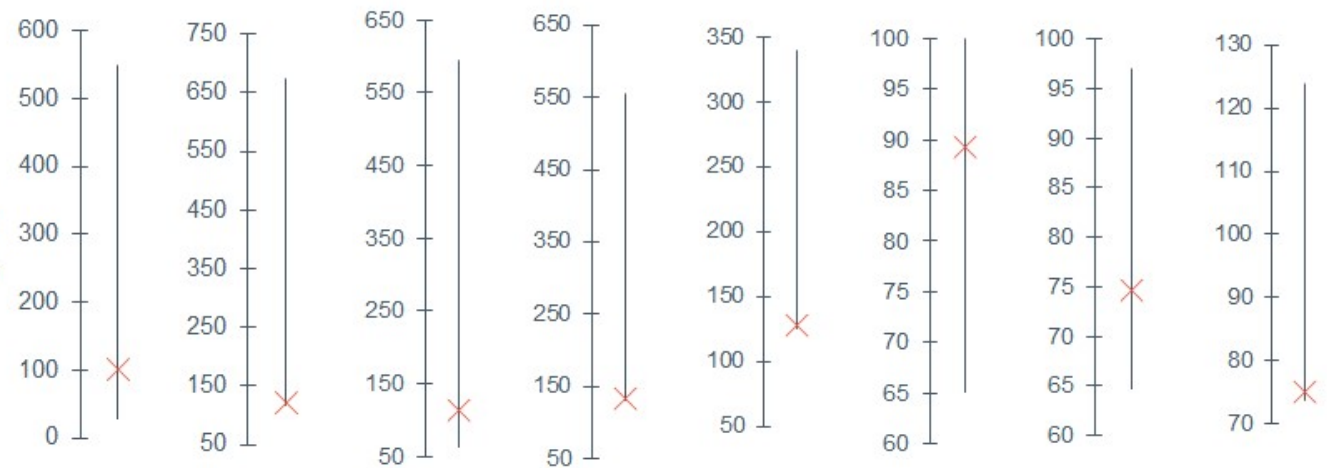
Octopus Energy continued to offer the cheapest variable tariff on the market at 11 March with its Flexible Octopus October 2022 v1 tariff, priced at £2,485/year on average, £15/year below the Energy Price Guarantee (EPG) level. Similarly, Octopus Energy continued to offer the cheapest prepayment tariff at 11 March 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	17 Mar 23	101.00	123.38	114.00	134.00	128.00	89.25	74.65	75.10
Last week	10 Mar 23	118.00	131.50	100.00	145.00	133.00	99.10	84.00	81.00
Four weeks ago	17 Feb 23	119.50	140.13	119.50	149.00	143.00	97.15	83.35	83.43
Last year	18 Mar 22	245.00	128.58	225.00	135.50	170.00	75.35	82.50	108.13
Year-on-year % change		-58.8%	-4.0%	-49.3%	-1.1%	-24.7%	18.4%	-9.5%	-30.5%
12-month high		548.00	674.50	595.00	555.00	340.00	100.00	97.00	123.80
12-month low		28.00	117.20	63.00	130.25	126.00	65.09	64.75	73.75

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.