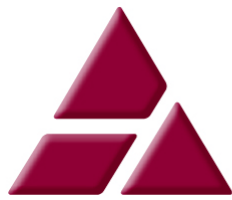




# Energy Wholesale Market Review

Week Ending 21<sup>st</sup> July 2023



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## Headlines 21/07/2023

Most power and gas contracts rose this week, following low periods of wind outturn, flow interruptions from Norwegian gas fields and an outage at Tolmount gas field which restricted UK Continental Shelf flows, all acting to tighten system margins. Subsequently, day-ahead gas rose 6.7% to 71.50p/th, amid lower renewable forecast output for next week, increasing gas for power demand and tightening margins. Day-ahead power rose 5.0% to £84.00/MWh, following its gas counterpart higher, buoyed by increasing demand projections for next week. Similarly, August 23 gas was up 7.8% at 73.60p/th, and September 23 gas increased 4.4% to 76.50p/th. All seasonal gas contracts boosted last week, up by 4.5% on average, while both winter 23 and summer 24 gas increased 7.1% and 9.1% respectively, lifting to 128.50p/th and 132.00p/th. All seasonal power contracts boosted this week, up on average by 4.5%, as winter 23 and summer 24 expanded 2.5% and 4.5% respectively, rising to £122.00/MWh and £115.00/MWh.

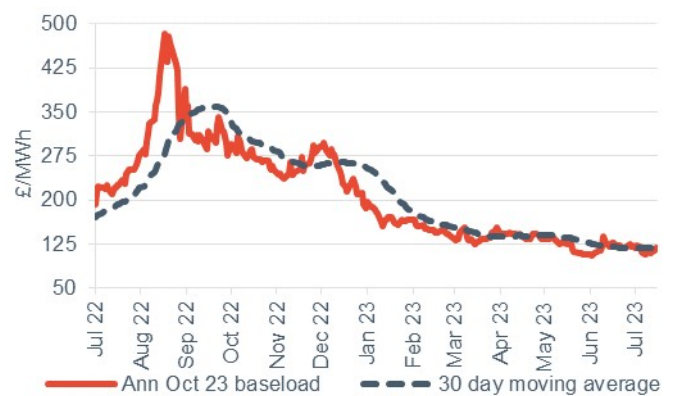
## Baseload electricity

- Day-ahead power rose 5.0% to £84.00/MWh, following reduced renewable output and increased demand forecasts into next week.
- August 23 power was static at £77.00/MWh and September 23 power decreased 0.3% to £83.75/MWh.
- Q423 power moved 3.1% higher to £115.00/MWh.
- The annual October 23 contract rose 3.5% to £118.50/MWh, 47.6% lower than the same time last year (£226.00/MWh).

### Forward curve comparison



### Annual October contract



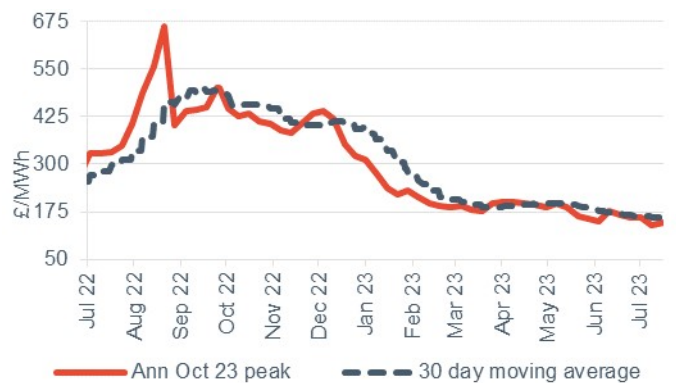
## Peak electricity

- Day-ahead peak power was down 2.7% to £72.00/MWh, despite price rises observed from its baseload counterpart.
- August 23 peak power gained 0.7% at £79.50/MWh, and September 23 peak power decreased 0.6% to £94.00/MWh.
- The annual October 23 peak power rose 6.2% to £134.83/MWh
- This is 59.4% lower than the same time last year (£332.00/MWh).

### Forward curve comparison



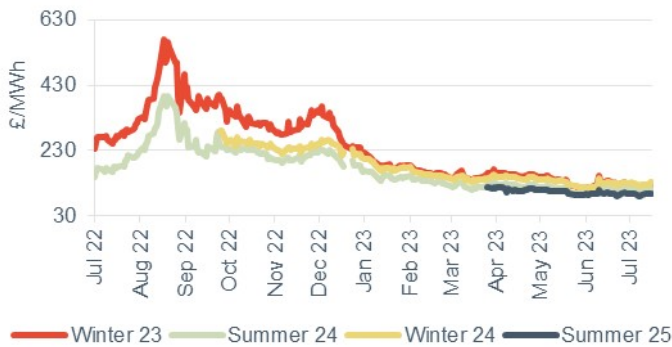
### Annual October contract





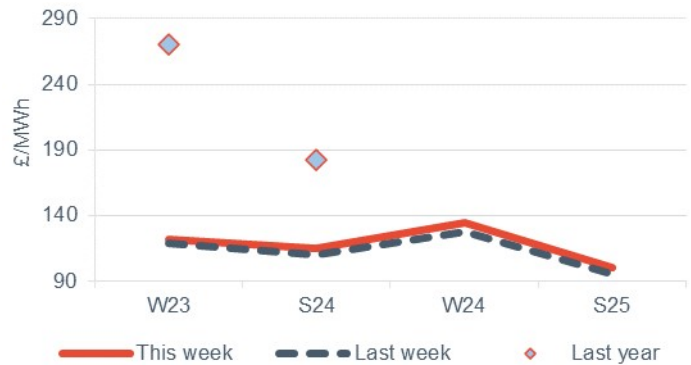
## Seasonal power prices

### Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 4.5%.
- Winter 23 and summer 24 expanded 2.5% and 4.5% respectively, rising to £122.00/MWh and £115.00/MWh.

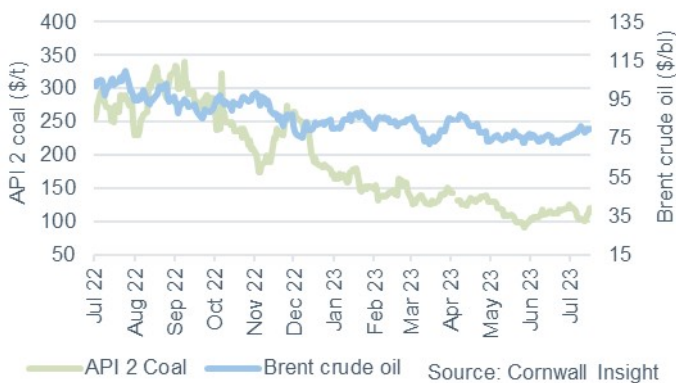
### Seasonal baseload power curve



- All Seasonal peak power contracts boosted this week, up 6.4% on average.
- Winter 23 and summer 24 peak power increased 4.4% and 8.4% respectively, rising to £146.65/MWh and £123.00/MWh.

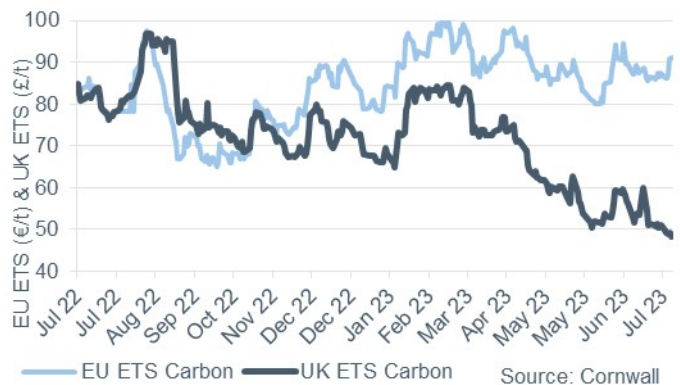
## Commodity price movements

### Oil and coal



- Brent crude oil prices were virtually unchanged week-on-week.
- Prices fell at the start of the week, primarily driven by the partial resumption of Libyan oil production and news of weaker than expected Chinese economic growth.
- This trend had reversed by the end of the week, buoyed by expectations of tighter supplies with US crude inventories falling and Russia and Saudi Arabia to cut output in August.

### Carbon (UK and EU ETS)



- The disparity between the EU and UK ETS schemes continued to grow last week, with UK ETS falling to historic lows.
- UK ETS prices fell to a near two-year low of £48.25/t on Friday. In contrast, EU ETS carbon reached a one-month high of €91.22/t.
- The changes in average prices are largely attributed to the spike in UK ETS seen in the beginning half of the prior week following the government proposals to tighten the market from 2024.

## Supplier tariff movements

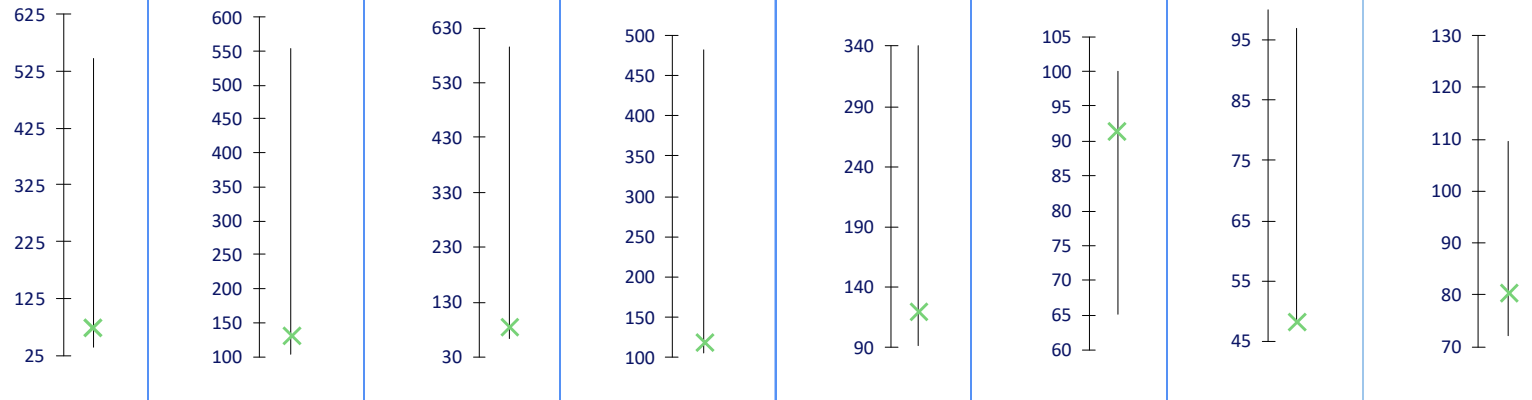
Shell Energy offered the cheapest fixed tariff at 15 July with its new Energy July 2024 v11 one-year fixed tariff priced at £2,065/year on average, available only to existing customers. Outfox the Market continued to offer the cheapest variable tariff with its Fox Standard Dual tariff, priced at £1,985/year on average, £89/year below the July price cap.



## Wholesale price snapshot

		Gas (p/th)		Electricity (£/MWh)		Coal	EUA Carbon	UKA Carbon	Brent crude
		Day-ahead	Oct year-ahead	Day-ahead	Oct year-ahead	(\$/t)	(€/t)	(€/t)	(\$/bbl)
This week	21 Jul 23	71.50	130.25	84.00	118.50	120.00	91.22	48.25	80.25
Last week	14 Jul 23	67.00	120.50	80.00	114.50	105.00	87.60	51.10	81.35
Four weeks ago	23 Jun 23	80.60	127.00	80.00	122.25	113.25	89.90	56.15	72.99
Last year	21 Jul 22	125.00	230.63	290.00	225.00	250.00	78.93	79.40	102.83
Year-on-year % change		-43%	(44%)	-71%	(47%)	(52%)	16%	(39%)	(22%)
12 month high		548.00	554.50	595.00	482.50	340.00	100.00	97.00	109.58
12 month low		38.75	103.15	63.00	105.10	91.50	65.09	48.25	72.05

This table shows the price this week compared with prices from the previous week, month and year. The graphs show the position of this week's prices with a green 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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