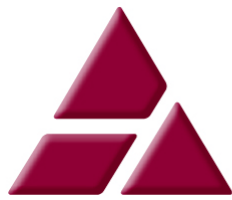




Energy Wholesale Market Review

Week Ending 8th September 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

Baseload electricity	3
Peak electricity	3
Seasonal power prices	4
Commodity price movements	4
Supplier tariff movements	4
Wholesale price snapshot	5
About EDW Technology Limited	6



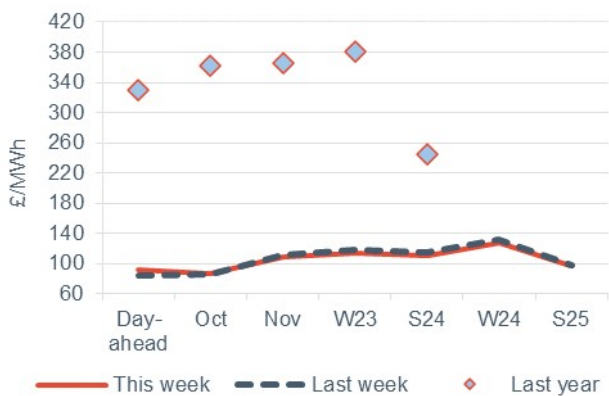
Headlines 08/09/2023

Wholesale gas contracts experienced mixed price movements this week, whereas all tracked power contracts, with day-ahead and October 23 baseload the exception, registered week-on-week price losses. Subsequently, day-ahead gas rose 8.7% to 87.00p/th, in anticipation of supply reduction due to planned industrial action at Chevron's Australian LNG facilities, in tandem with reduced Norwegian exports following extended maintenance at the Troll gas field. Similarly, day-ahead power rose 9.5% to £92.00/MWh, with upward price movement attributed, in part, to lower wind outturn during the week, and gains across its gas counterpart. Unlike the day-ahead baseload power contract, the front month contracts experienced bearish sentiment – with October 23 remaining level at £86.00/MWh, and November 23 power decreasing 2.7% to £108.00/MWh. Similar downward price movements were seen across all seasonal power contracts, falling on average by 2.7%, with winter 23 down 3.0% to £114.50/MWh and the summer 24 contract dropping 2.6% to £111.00/MWh. Likewise, most individual seasonal gas contracts decreased this week, however seasonal gas contracts recorded an overall gain - up by 0.4% on average. Both summer 24 and winter 24 gas dropped 0.2% and 0.9% respectively, subsiding to 128.50p/th and 143.75p/th – whereas summer 25 rose 2.6% to 114.90p/th.

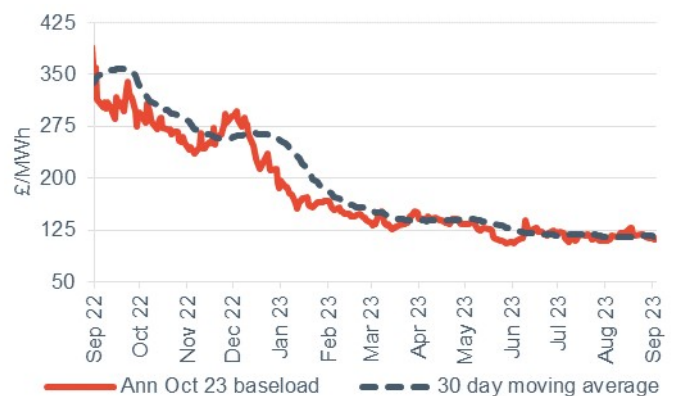
Baseload electricity

- Day-ahead power rose 9.5% to £92.00/MWh, following its gas counterpart higher, however, further gains were mitigated by increased wind outturn projections
- October 23 power remained level at £86.00/MWh and November 23 power decreased 2.7% to £108.00/MWh
- Q423 power moved 2.8% lower to £104.00/MWh
- The annual October 23 contract lost 2.8% to £112.75/MWh, 63.9% lower than the same time last year (£312.50/MWh).

Forward curve comparison



Annual October contract



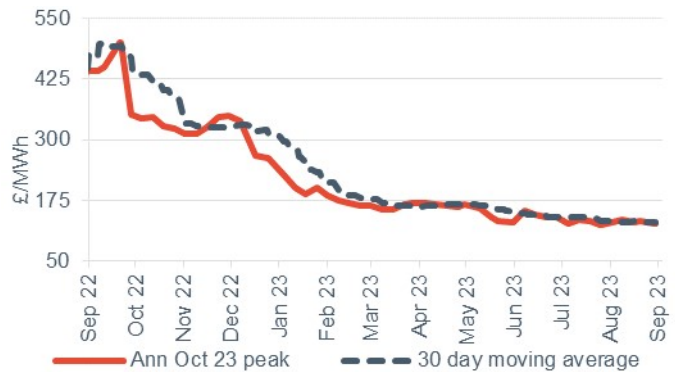
Peak electricity

- Day-ahead peak power was down 3.2% to £84.00/MWh, opposing its baseload counterpart
- October 23 peak power declined 5.5% at £90.84/MWh, and November 23 peak power decreased 12.1% to £127.04/MWh.
- The annual October 23 peak power rose 3.6% to £126.75/MWh
- This is 71.2% lower than the same time last year (440.50/MWh)

Forward curve comparison



Annual October contract





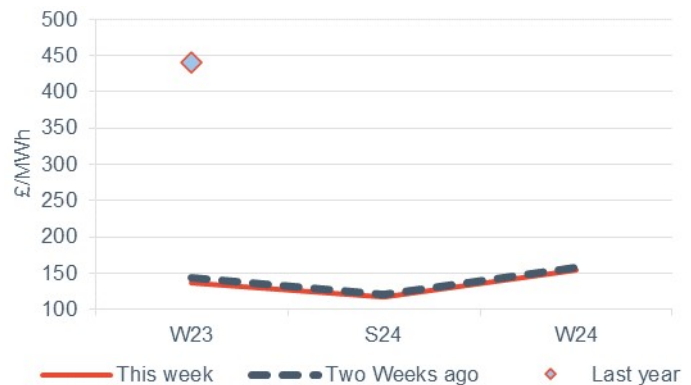
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts declined this week, down on average by 2.7%.
- Winter 23 power decreased 3.0% to £114.50/MWh, while summer 24 fell 2.6% to £111.00/MWh

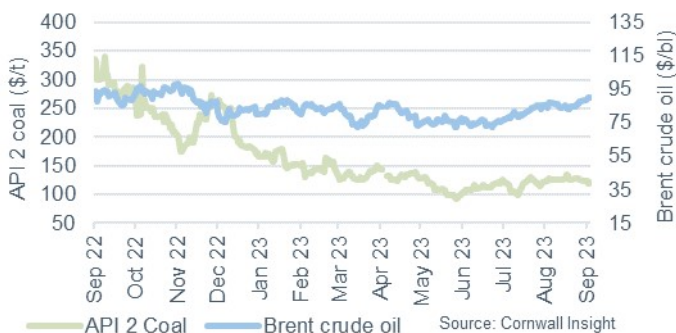
Seasonal peak power curve



- All Seasonal peak power contracts declined this week, down 3.5% on average.
- Winter 23 and summer 24 peak power dropped 4.9% and 2.1% respectively, falling to £136.00/MWh and £117.50/MWh

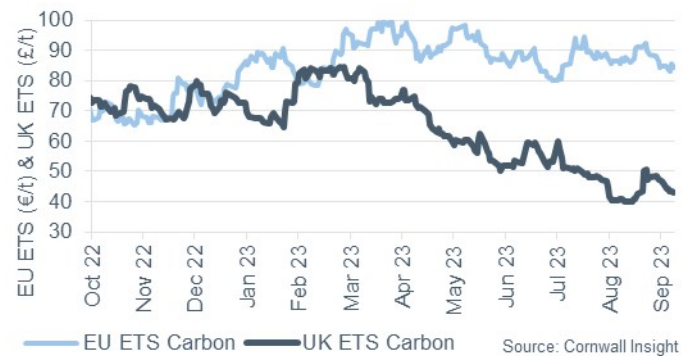
Commodity price movements

Oil and coal



- Brent crude prices experienced another bullish week, with an increase of 3.7% to average \$89.38/bl
- Saudi Arabia extended its cut of one million barrels per day for another three months, and Russia will continue its reduction in oil exports of 300,000 barrels per day until the end of the year
- This bullish sentiment was further helped by news from the U.S. Energy Information Administration, which showed U.S. crude inventories fell by 6.3mn barrels in the week ending 01 September
- However, gains were capped amid concerns over post-pandemic recovery in China - coupled with a weakened economic outlook, according to some economists. We also acknowledge that China is one of the largest importers of crude oil globally
- Oil prices are expected to trend in a bullish direction after the supply cuts from OPEC+, with Goldman Sachs predicting oil prices to hit \$100/bl by the end of 2024

Carbon (UK and EU ETS)



- As the trend of decreasing prices continues, both ETS schemes registered losses week-on-week as the EU ETS fell 2.5% to average €84.13/t, and the UK ETS dropped 7.9% down to £43.68/t
- Prices dropped this week, with conflicting sentiments around a scheduled strike at LNG plants in Australia impacting gas prices following a 24-hour delay on 7 September.
- The EU ETS recorded a price of €84.05/t on 07 September – the lowest in a month
- Losses were limited by periods of reduced wind generation however, acting to tighten system margins and increase reliance on more expensive forms of power generation such as gas-fired assets
- As we progress further into the autumn season, and temperatures get colder, auction demand will likely see an increase, which could contribute to higher carbon prices

Supplier tariff movements

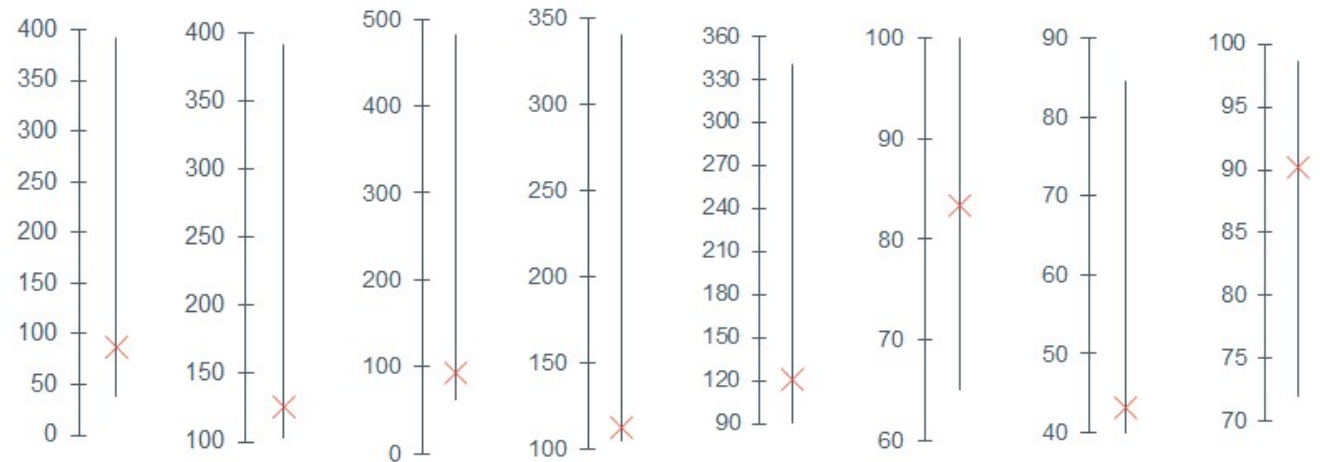
So Energy continued to offer the cheapest fixed tariff available to all customers in our dataset at 02 September with its So Juniper One Year Green tariff priced at £2,047/year on average. Tulo Energy continued to offer the cheapest variable tariff in our dataset with its Tulo Vari-One tariff, priced at £1,984/year on average, £90/year below the default tariff cap.



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	8 Sep 23	87.00	126.25	92.00	112.75	121.00	83.40	43.20	90.20
Last week	1 Sep 23	80.00	126.38	84.00	116.00	126.00	85.70	46.70	87.70
Four weeks ago	11 Aug 23	85.50	129.50	87.00	116.38	125.00	86.35	39.90	86.70
Last year	8 Sep 22	310.00	362.50	288.00	313.50	300.00	67.00	78.00	88.00
Year-on-year % change		-71.9%	-65.2%	-68.1%	-64.0%	-59.7%	24.5%	-44.6%	2.5%
12-month high		392.00	392.10	483.00	340.00	340.00	100.00	84.50	98.70
12-month low		38.75	103.15	62.50	105.10	91.50	65.09	39.90	72.05

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

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