



Energy Wholesale Market Review

Week Ending 10th November 2023



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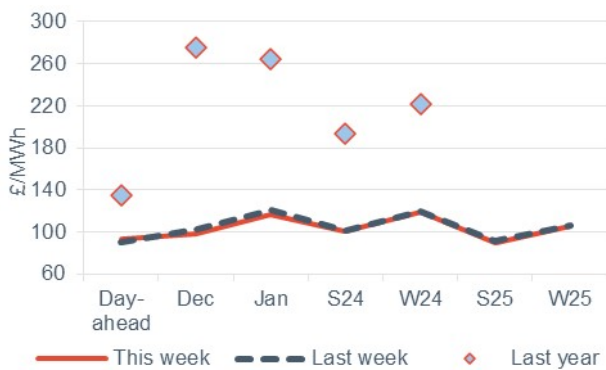
Headlines 10/11/2023

It was a largely bearish week for gas and power contracts this week, continuing the trend of decreasing wholesale prices observed across much of 2023 – however the day-ahead contracts were the exception to this bearish trend. Day-ahead gas rose 2.0% to 100.00p/th, following periods of below-average temperature during the week, acting to increase demand. Likewise, day-ahead power grew 3.3% to £93.00/MWh, taking direction from increases across the near-term gas markets, despite increased wind output during the week. Opposing this however, December 23 gas was down 6.2% at 116.80p/th, and January 24 gas decreased 5.2% to 125.20p/th. All seasonal gas contracts fell this week too, down by 2.4% on average. Summer 24 and winter 24 gas dropped 4.5% and 3.5% respectively, subsiding to 118.00p/th and 132.70p/th. All seasonal power contracts traded lower this week, down on average by 0.9%. Summer 24 and winter 24 power subsided 1.0% and 0.4% respectively, falling to £100.00/MWh and £118.50/MWh.

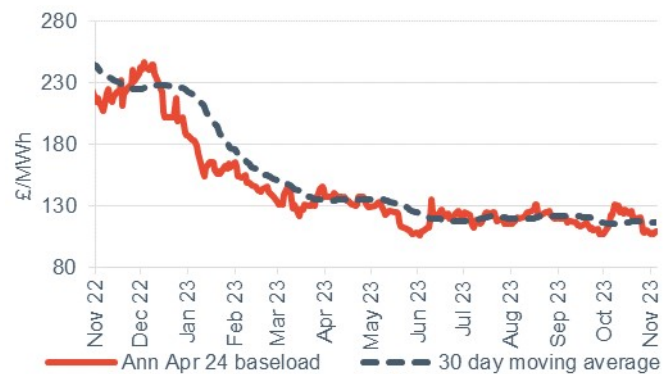
Baseload electricity

- Day-ahead power rose 3.3% to £93/MWh, finding support from its gas counterpart, despite rising wind generation forecasts for Monday
- December 23 power slipped 3.7% at £98.5/MWh and January 24 power decreased 3.9% to £116.5/MWh.
- Q124 power moved 1.9% lower to £114.75/MWh.
- The annual April 24 contract lost 0.7% to £109.25/MWh, 47.3% lower than the same time last year (£207.50/MWh).

Forward curve comparison



Annual April contract



Peak electricity

- Day-ahead peak power was up 25.1% to £122.55/MWh, following its baseload counterpart higher
- December 23 peak power gained 1.1% at £122.34/MWh, and January 24 peak power decreased 4.2% to £144.96/MWh.
- The annual April 24 peak power rose 1.6% to £123.45/MWh
- This is 48.2% lower than the same time last year (238.3/MWh).

Forward curve comparison



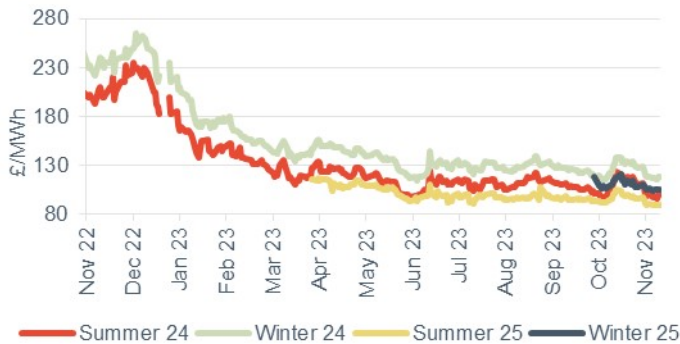
Annual April contract





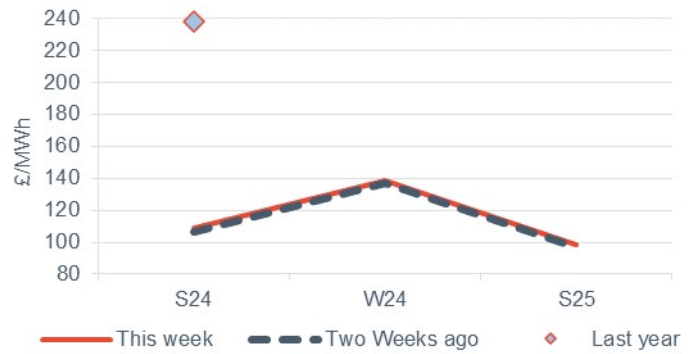
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts declined this week, down on average by 0.9%.
- Summer 24 power decreased 1.0% to £100.00/MWh, while winter 24 fell 0.4% to £118.50/MWh.

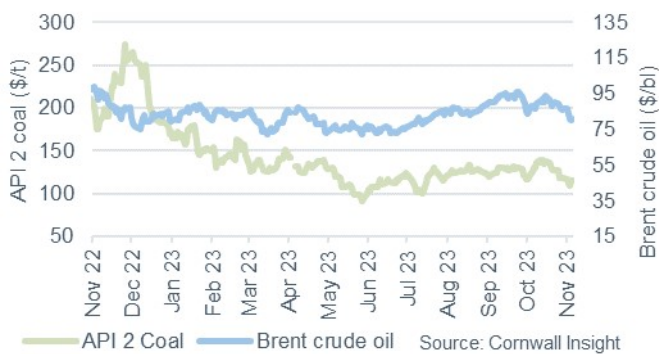
Seasonal peak power curve



- All Seasonal peak power contracts boosted this week, up 1.6% on average.
- Summer 24 and winter 24 peak power increased 1.9% and 1.4% respectively, falling to £108.50/MWh and £138.40/MWh.

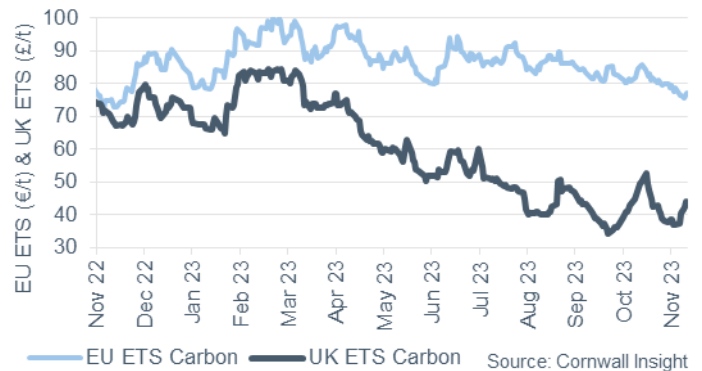
Commodity price movements

Oil and coal



- Prices dropped amid a rise in U.S crude inventories, indicating weakening demand from the major consumer – with Brent crude registering a week-on-week loss of 5.8% to average \$82.32/bl and experiencing the lowest price since July 2023 on 09 November at \$80.01/bl
- Easing export demand in China, providing further bearish sentiment
- Likewise, Chinese economic data has been trending lower-than-anticipated, acting to offset price gains influenced by supply cuts from Saudi Arabia and Russia
- Stronger bearish movements were offset to some extent, as market attention turns to an upcoming OPEC+ meeting
- Through the remainder of 2023, uncertainty surrounding the Israel-Hamas conflict continues to influence prices, in tandem with continued OPEC+ supply cuts adding further value to the commodity

Carbon (UK and EU ETS)



- This week represented a mixed period for both ETS schemes, with the EU ETS carbon price dropping 3.4% to €76.25/t, whereas the UK ETS carbon rose 9.1% to £41.18/t
- Price support arose from colder seasonal temperatures acting to increase demand for fuelled forms of power generation
- However, stronger gains were limited by increased wind generation across the UK
- Likewise, EU ETS carbon prices reached the lowest price seen in a year on 09 November at €75.74/t due to renewed selling and a further build in speculative short positions
- Power demand is set to rise across the coming months, as temperatures fall and increased pressure for heating is applied. As a result, there will likely be a higher utilisation of fossil fuelled assets – inflating prices across both ETS schemes

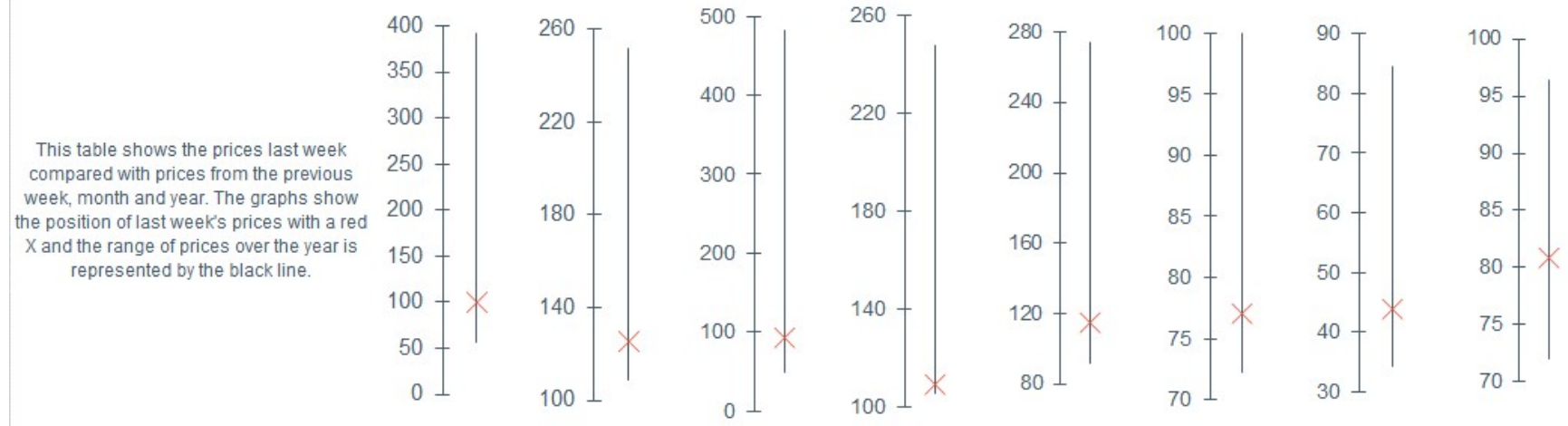
Supplier tariff movements

So Energy offered the cheapest fixed tariff with no additional requirements in our dataset on 04 November with its So Lavender tariff, priced at £1,868/year on average. Home Energy continued to offer the cheapest variable tariff on the market with its Home SVT tariff, priced at £1,763/year in average, £71/year below the price 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)
Last week	10 Nov 23	100.00	125.35	93.00	109.25	115.00	77.00	43.97	80.84
Two weeks ago	3 Nov 23	98.00	130.50	90.00	110.00	118.55	78.90	37.00	86.99
Four weeks ago	13 Oct 23	135.00	147.85	130.00	130.75	136.00	85.85	50.05	89.20
Last year	10 Nov 22	92.00	239.50	89.00	213.00	175.00	72.25	71.10	92.00
Year-on-year % change		8.7%	-47.7%	4.5%	-48.7%	-34.3%	6.6%	-38.2%	-12.1%
12-month high		392.00	252.00	483.00	247.50	274.00	100.00	84.50	96.45
12-month low		57.00	108.80	49.25	105.48	91.50	72.25	34.25	72.05





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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