



# Energy Wholesale Market Review

Week Ending 17<sup>th</sup> November 2023



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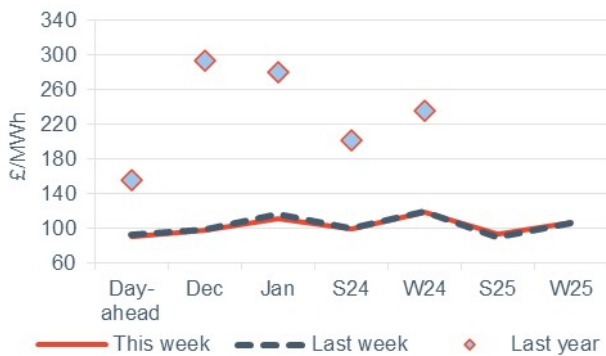
## Headlines 17/11/2023

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. Oposing this however, day-ahead gas rose 4.5% to 104.50p/th, despite being influenced by higher wind outturn projections for Monday acting to reduce gas-for-power demand. However, a notably short system offset losses this morning. Conversely, day-ahead power lost 3.2% to £90.00/MWh, with increasing wind generation projections acting to loosen system margins. Similarly, December 23 gas was down 1.9% at 114.60p/th, and January 24 gas decreased 3.4% to 121.20p/th. Most seasonal gas contracts fell this week too, however a 9.8% increase across the summer 26 gas contract led to seasonal gas prices increasing by 1.2% on average. Summer 24 and winter 24 gas dropped 1.9% and 1.3% respectively, subsiding to 115.80p/th and 131.00p/th. We observed a mixed adjustment across individual seasonal power contracts this week, up on average by 0.8%. Summer 24 and winter 24 power subsided 1.0% and 0.4% respectively, falling to £99.00/MWh and £118.00/MWh, whereas summer 25 and winter 25 rose 3.6% and 0.9% respectively, rising to £93.25/MWh and £106.50/MWh.

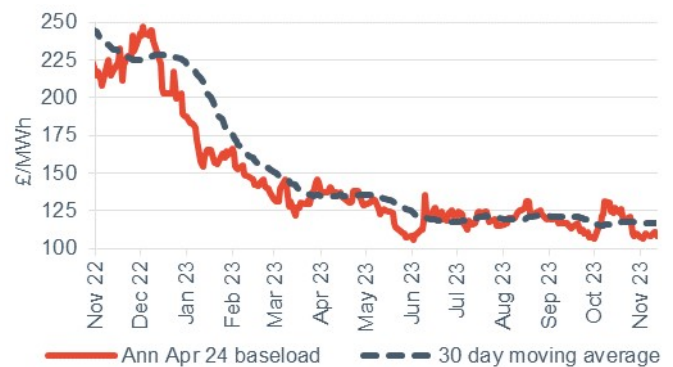
### Baseload electricity

- Day-ahead power fell 3.2% to £90.00/MWh, amid a sharp increase in projected wind outturn for Monday, with further losses supported by a falling demand forecast.
- December 23 power slipped 1.3% at £97.25/MWh and January 24 power decreased 4.7% to £111.00/MWh.
- Q124 power moved 3.5% lower to £110.75/MWh.
- The annual April 24 contract lost 0.7% to £108.50/MWh, 50.3% lower than the same time last year (£218.50/MWh).

#### Forward curve comparison



#### Annual April contract



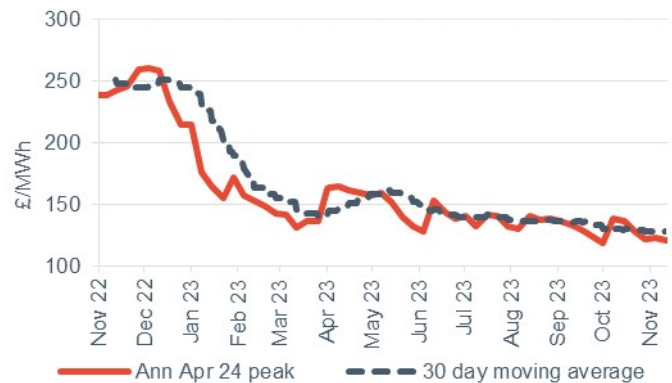
### Peak electricity

- Day-ahead peak power was down 11.5% to £108.50/MWh, following its baseload counterpart lower.
- December 23 peak power declined 5.7% at £115.33/MWh, and January 24 peak power decreased 7.1% to £134.74/MWh.
- The annual April 24 peak power fell 1.8% to £121.25/MWh.
- This is 50.0% lower than the same time last year (242.30/MWh).

#### Forward curve comparison



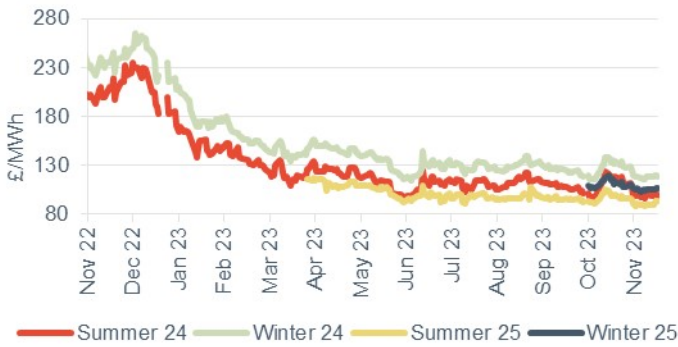
#### Annual April contract





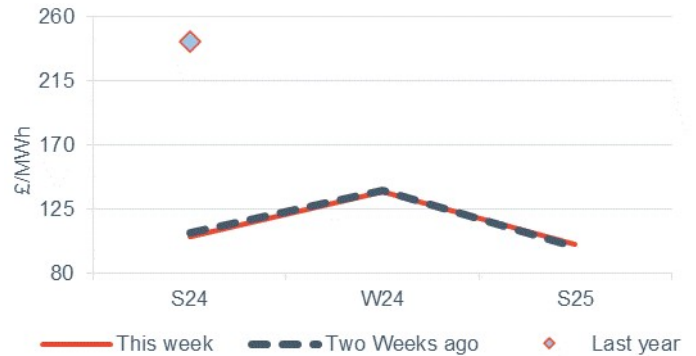
## Seasonal power prices

### Seasonal baseload power contracts



- Most seasonal power contracts boosted this week, up on average by 0.8%.
- Summer 25 power rose 3.6% to £93.25/MWh, and winter 25 grew 0.9% to £106.50/MWh.

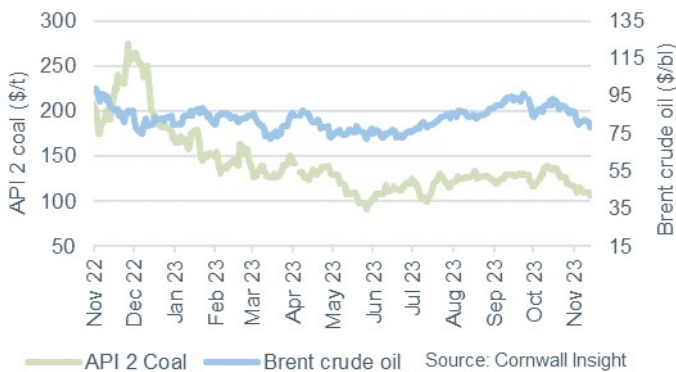
### Seasonal peak power curve



- Most seasonal peak power contracts declined this week, down 1.9% on average.
- Summer 24 and winter 24 peak power dropped 2.5% and 1.2% respectively, falling to £105.75/MWh and £136.75/MWh.

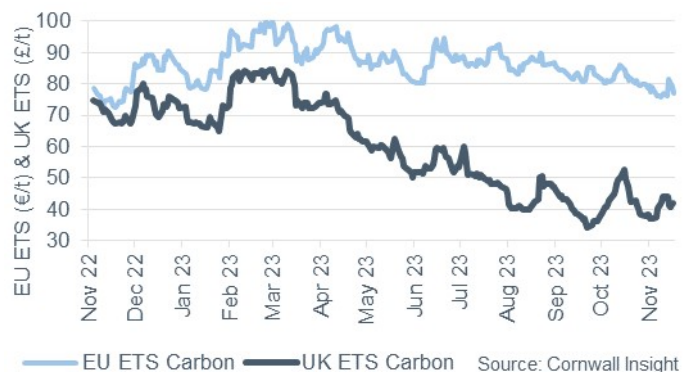
## Commodity price movements

### Oil and coal



- Overall, oil prices fell last week, as we continue to monitor a level of volatility in price – with competing market fundamentals shaping price movement.
- As a result, we saw a 2.3% week-on-week decrease across Brent crude, with prices averaging \$81.64/bl. Moreover, on 17 November, Brent crude prices registered \$78.25/bl – the lowest price since July 2023.
- Brent crude prices were weighed last week, at least in part, by ongoing concerns around China's weakening demand – fuelling concerns over future demand.
- China remains the largest importer of Brent crude globally and therefore, any material shift in consumption can alter the trajectory of prices.
- Further bearish pricing influences arose due to a rise in US crude inventories and production across the country being at record highs – acting to ease supply concerns.

### Carbon (UK and EU ETS)



- Like many other global commodity markets, carbon prices continue to respond sensitively to wider geopolitical uncertainty.
- For the UK more specifically however, lower levels of wind generation, seen as the week progressed, eased demand from fossil fuel fired assets to meet demand
- Likewise, a certain amount of price support remained in place from progressively colder temperatures both in the UK and the EU – acting to increase heating demand both domestically and across the EU during the reporting period.
- This resulted in an overall bullish trend across carbon prices, with EU ETS carbon growing 2.7% to €78.73/t and experiencing a monthly high of €81.35/t on the 14 November, and UK ETS carbon experiencing a larger week-on-week increase of 6.4% to 42.32/t.

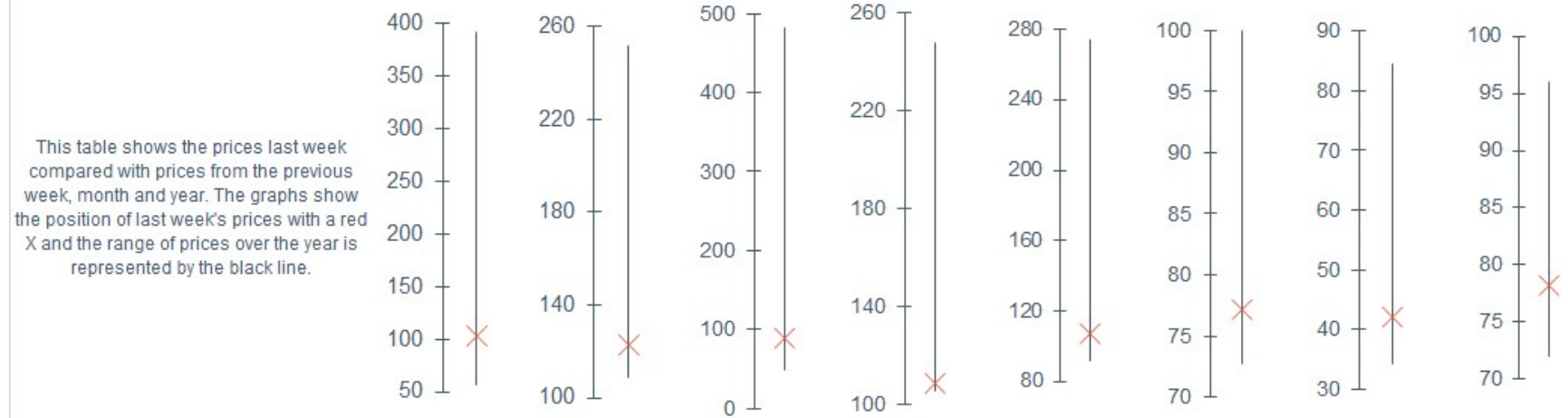
## Supplier tariff movements

So Energy offered the cheapest fixed tariff in our dataset on 11 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	17 Nov 23	104.50	123.40	90.00	108.50	107.00	77.13	42.20	78.25
Two weeks ago	10 Nov 23	100.00	125.35	93.00	109.25	115.00	77.00	43.97	80.84
Four weeks ago	20 Oct 23	114.00	147.90	104.00	126.75	137.25	81.80	42.50	93.55
Last year	17 Nov 22	92.50	230.00	113.00	215.00	190.00	73.00	67.85	92.30
Year-on-year % change		13.0%	-46.3%	-20.4%	-49.5%	-43.7%	5.7%	-37.8%	-15.2%
12-month high		392.00	252.00	483.00	247.50	274.00	100.00	84.50	96.05
12-month low		57.00	108.80	49.25	105.48	91.50	72.68	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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