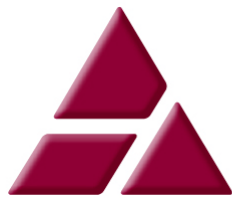




Energy Wholesale Market Review

Week Ending 24th November 2023



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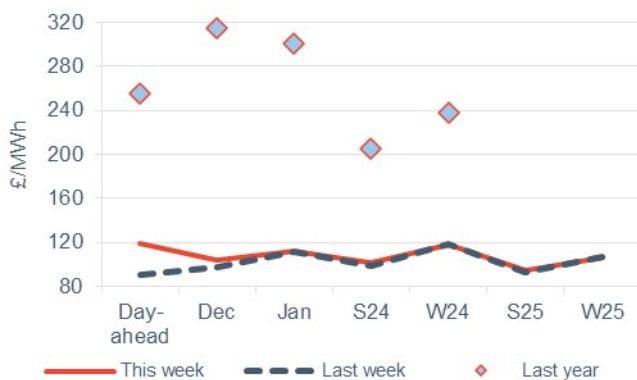
Headlines 24/11/2023

It was a mostly bullish week for gas and power contracts this week, with day-ahead contracts registering the largest gains. Following this, day-ahead gas rose 18.2% to 123.50p/th, as reduced temperatures forecast across the week acted to boost gas-for-heating demand. Following its gas counterpart higher, day-ahead power rose 32.2% to £119/MWh, with strong support from decreased wind output projections, alongside increased consumption forecasts throughout the week creating a bullish pricing sentiment. Likewise, December 23 gas was up 4.3% at 119.50p/th, and January 24 gas increased 1.2% to 122.50p/th. Most seasonal gas contracts declined last week, down by 1.2% on average, while summer 24 gas increased 1.0% to 117.00p/th and winter 24 gas was unchanged at 131.00p/th. Most seasonal power contracts boosted this week, up on average by 1.0%, as summer 24 power expanded 3.0% to £102.00/MWh, while winter 24 was static at £118.00/MWh.

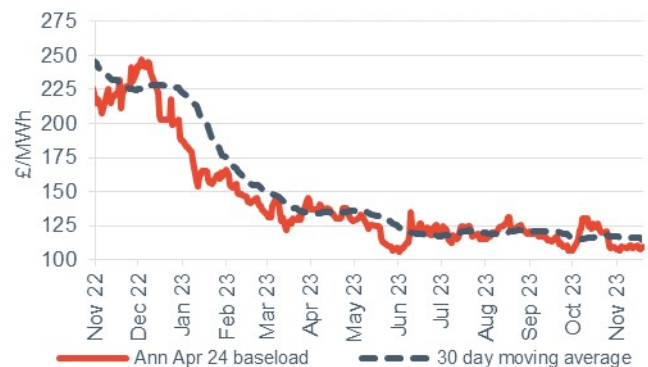
Baseload electricity

- Day-ahead power rose 32.2% to £119/MWh, following a rapid decrease in wind generation projections acting to tighten system margins.
- December 23 power climbed 6.4% at £103.5/MWh and January 24 power increased 0.7% to £111.75/MWh.
- Q124 power moved 0.2% lower to £110.5/MWh.
- The annual April 24 contract rose 1.4% to £110/MWh, 50.3% lower than the same time last year (£221.25/MWh).

Forward curve comparison



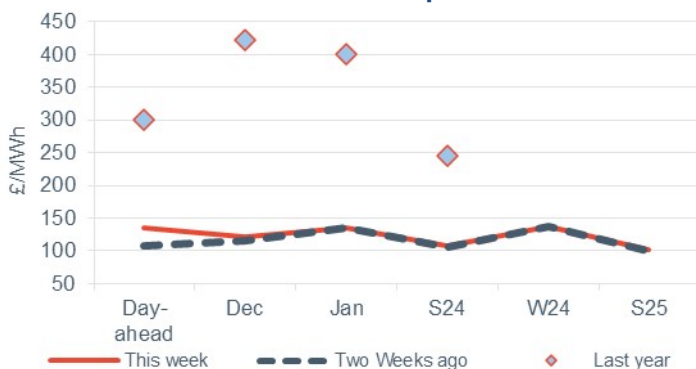
Annual April contract



Peak electricity

- Day-ahead peak power was up 23.9% to £134.40/MWh, following its baseload counterpart higher.
- December 23 peak power gained 5.0% at £121.08/MWh, and January 24 peak power increased 1.1% to £136.17/MWh.
- The annual April 24 peak power rose 1.2% to £122.7/MWh.
- This is 50.0% lower than the same time last year (245.25/MWh).

Forward curve comparison



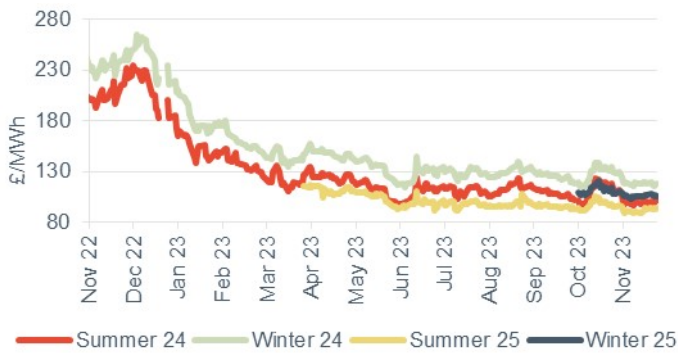
Annual April contract





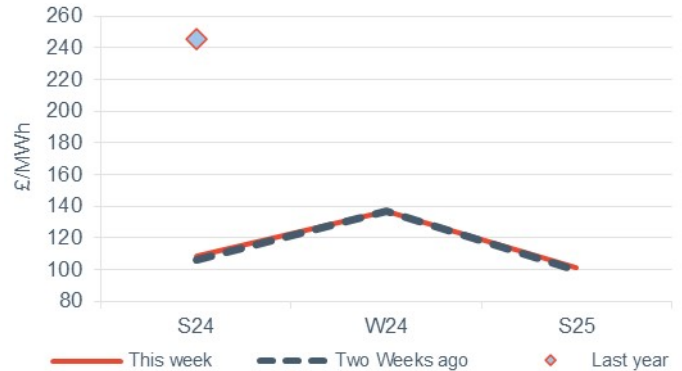
Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts boosted this week, up on average by 1.0%.
- Summer 24 power expanded 3.0% to £102.00/MWh, while winter 24 remained the same, at £118.00/MWh.

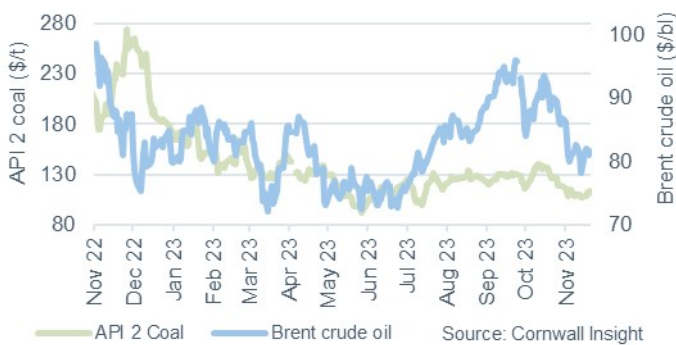
Seasonal peak power curve



- Most Seasonal peak power contracts boosted this week, up 1.3% on average.
- Summer 24 and winter 24 peak power increased 2.5% and 0.2% respectively, increasing to £108.40/MWh and £137.00/MWh.

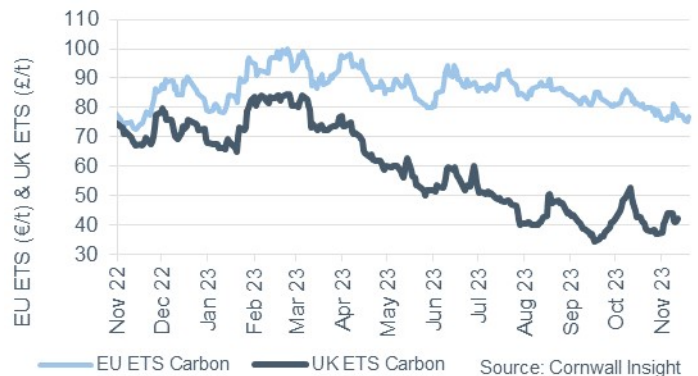
Commodity price movements

Oil and coal



- Overall, oil prices increased this week, as we continue to monitor levels of price volatility— with varying market fundamentals influencing price movement.
- As a result, we saw a 0.6% week-on-week increase across Brent crude, with prices averaging \$81.61/bbl.
- Brent crude prices were weighed this week by emerging concerns surrounding OPEC+ deepening supply cuts into next year. The group have scheduled a meeting on 30 November to determine their decision.
- Despite this, bearish pricing influences arose from a rise in US crude inventories and production across the country.
- Further bearish pricing influences arose due to hopes that Venezuela will soon produce one million barrels of oil a day following US sanctions temporarily lifting, easing OPEC+ 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, high heating demand as a result of colder temperatures weigh bearishly on prices. Looking forward, the government's Autumn Statement reiterated that it would reduce the number of ETS permits available for purchase from government by 45% between 2023 and 2027 within the UK ETS.
- For the EU, an uncertain weather outlook drew bearish pricing sentiment. Despite this, bullish influence largely emerged from speculation that month-long declines are ending with the expire of the December contract approaching.
- This resulted in a mixed picture across carbon prices, with EU ETS carbon easing 3.3% to €76.17/t and UK ETS carbon experiencing a week-on-week increase of 4.4% to £43.82/t.

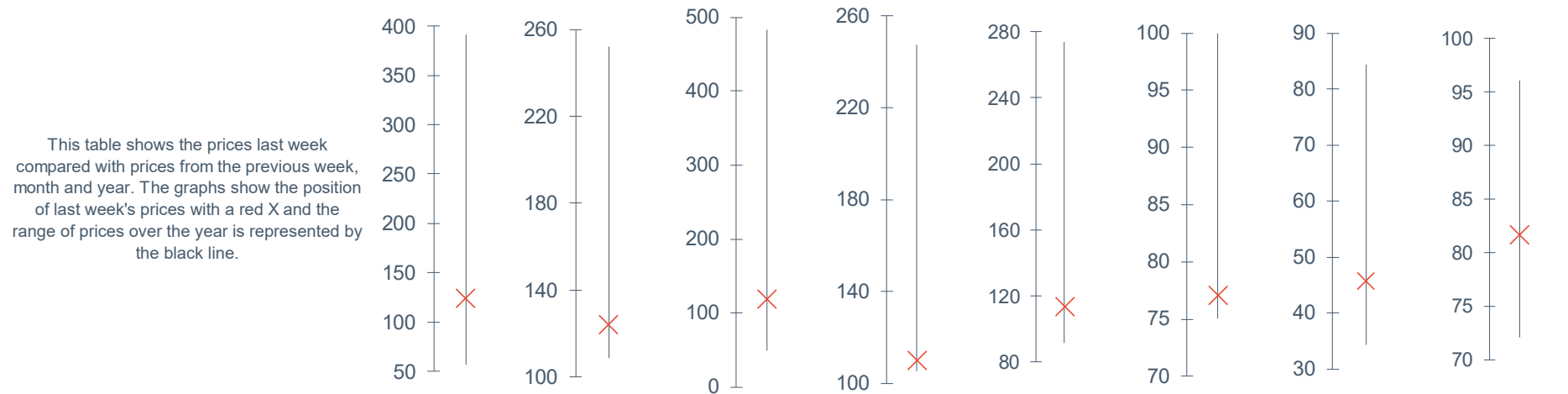
Supplier tariff movements

So Energy offered the cheapest fixed tariff in our dataset on 18 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	24 Nov 23	123.50	124.00	119.00	110.00	113.50	77.10	45.75	81.70
Two weeks ago	17 Nov 23	104.50	123.40	90.00	108.50	107.00	77.13	42.20	78.25
Four weeks ago	27 Oct 23	118.95	142.75	95.00	119.63	127.50	79.90	38.30	90.05
Last year	24 Nov 22	148.00	227.50	142.00	211.00	234.00	77.25	68.50	84.60
Year-on-year % change		-16.6%	-45.5%	-16.2%	-47.9%	-51.5%	-0.2%	-33.2%	-3.4%
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	75.05	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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