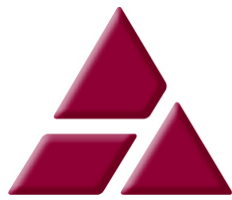




Energy Wholesale Market Review

Week Ending 22nd December 2023



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Headlines 22/12/2023

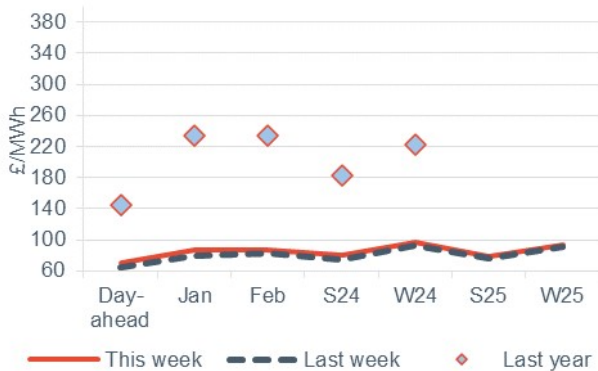
This week, most power and gas wholesale contracts rose, reversing the overall bearish movement seen across contracts throughout 2023 to date. Day-ahead gas rose 2.3% to 77.00p/th, following declining wind generation forecasts, boosting gas-for-power demand. Day-ahead power rose 7.7% to £70.00/MWh, following its gas counterpart, with further gains supported by a strong drop in wind generation projections for next week as Storm Pia passes.

January 24 gas was up 3.8% at 86.60p/th, and February 24 gas increased 3.8% to 87.60p/th. Most seasonal gas contracts declined last week, down by 19.2% on average; however, summer 24 and winter 24 gas increased 2.9% and 0.7% respectively, lifting to 86.40p/th and 103.20p/th. Most seasonal power contracts boosted this week, up on average by 4.6%, as summer 24 and winter 24 expanded 6.8% and 4.1% respectively, rising to £80.00/MWh and £97.10/MWh.

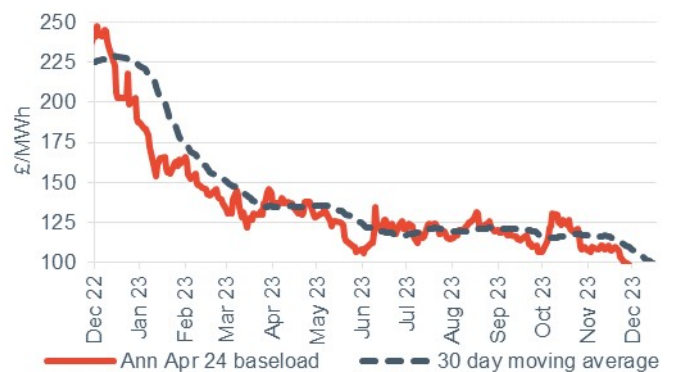
Baseload electricity

- Day-ahead power rose 7.7% to £70.00/MWh, following a strong drop in wind generation projections as Storm Pia passes, tightening system margins for Wednesday.
- January 24 power climbed 8.0% to £86.10/MWh and February 24 power increased 6.4% to £87.50/MWh.
- Q124 power moved 5.9% higher to £85.50/MWh.
- The annual April 24 contract rose 5.3% to £88.55/MWh, 56.3% lower than the same time last year (£202.50/MWh).

Forward curve comparison



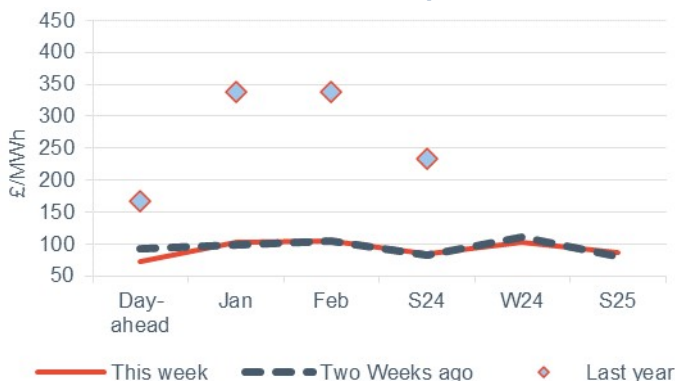
Annual April contract



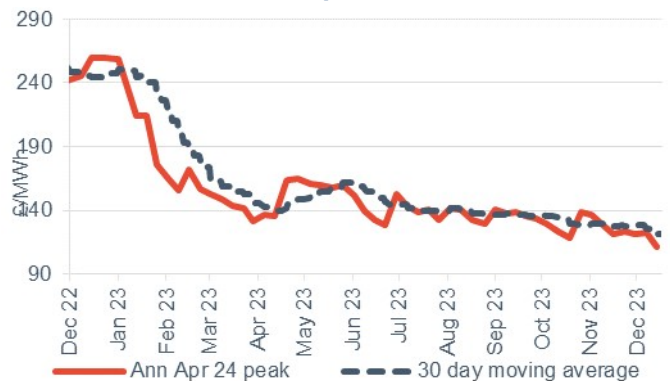
Peak electricity

- Day-ahead peak power dropped 20.4% to £72.81/MWh, opposing its baseload counterpart.
- January 24 peak power gained 4.1% to £103.45/MWh, and February 24 peak power increased 0.2% to £105.50/MWh.
- The annual April 24 peak power contract rose 3.2% to £93.43/MWh.
- This is 59.9% lower than the same time last year (£233.25/MWh).

Forward curve comparison



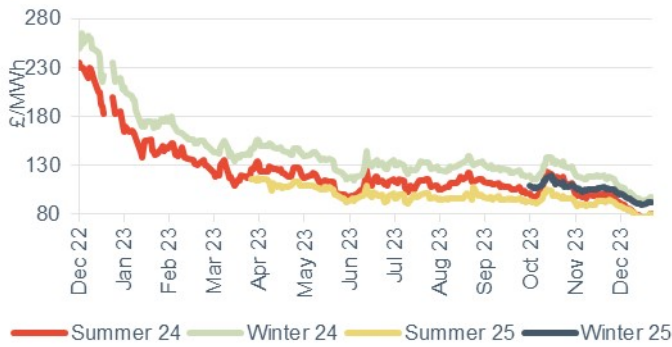
Annual April contract





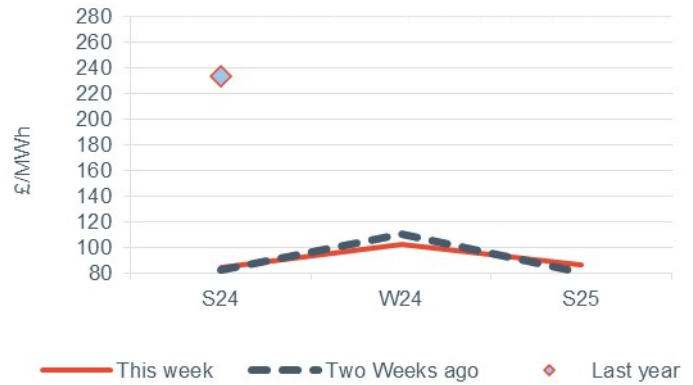
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 4.6%.
- Summer 24 and winter 24 climbed 6.8% and 4.1% respectively, rising to £80.00/MWh and £97.10/MWh.

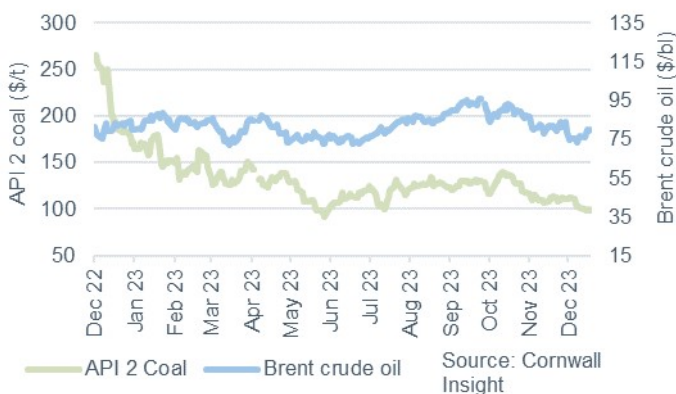
Seasonal peak power curve



- Mixed movements were seen across seasonal peak power contracts this week, down 2.6% on average.
- Summer 24 gas increased 2.2% to £84.50/MWh, while winter 24 peak power dropped 7.3% to £102.35/MWh.

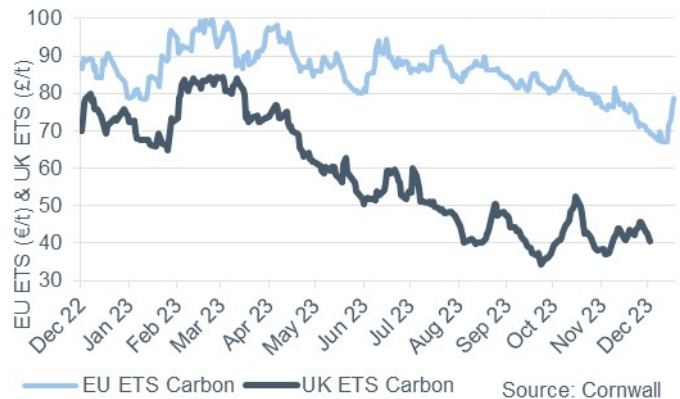
Commodity price movements

Oil and coal



- Brent crude oil rose across the last week, increasing 4.5% to average \$78.69/bl.
- This increase was supported by global supply disruptions to trade routes via the Suez Canal following attacks from Yemeni Houthi militants, resulting in many companies to rerouting to avoid the risk of attack.
- However, further gains were limited as concerns over sluggish demand following larger than expected U.S stocks of the commodity outweighed fears of global trade disruption from geopolitical tensions in the Middle East.
- As a global commodity, oil will remain volatile as geopolitical events play out around the world. Prices are likely to remain stable in the near-term as decreased demand from China offsets supply cuts from OPEC+ countries.

Carbon (UK and EU ETS)



- Last week saw a bullish trend across both carbon markets, with gains supported by the soon approaching expiry of the December auctions over the Christmas period, despite seeing higher wind generation, due to Storm Pia.
- EU ETS carbon rose 7.8% to average €73.49/t, and UK ETS carbon increased 19.5% to average £40.16/t.
- Prices are likely to continue rising with the upcoming expiry of the December auctions over the Christmas period – running from 13 December 2023 to 10 January 2024 for the UK ETS, while the last 2023 auction date EU ETS was held on 18 December.

Supplier tariff movements

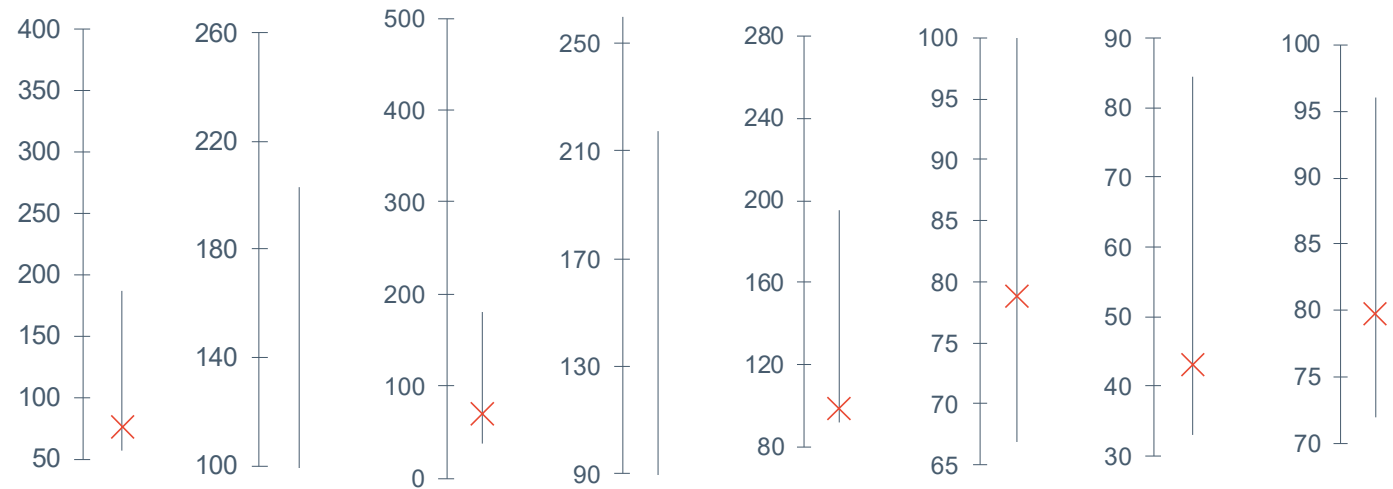
Home Energy continued to offer the cheapest fixed tariff in our dataset on 16 December with its Home FIXED December 2023 v1a tariff, priced at £1,804/year on average. Home Energy also continued to offer the cheapest variable tariff on the market with its Home SVT tariff, priced at £1,763/year in average, £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)
This week	22 Dec 23	77.00	94.80	70.00	88.55	98.70	78.85	43.10	79.85
Last week	15 Dec 23	75.25	93.25	65.00	84.10	102.00	66.95	33.60	76.84
Four weeks ago	24 Nov 23	123.50	124.00	119.00	110.00	113.50	77.10	45.75	81.70
Last year	22 Dec 22	187.00	200.50	172.00	202.50	195.00	89.28	73.64	83.59
Year-on-year % change		-58.8%	-52.7%	-59.3%	-56.3%	-49.4%	-11.7%	-41.5%	-4.5%
12-month high		187.00	203.00	181.00	217.50	195.00	100.00	84.50	96.05
12-month low		57.00	92.10	38.25	84.10	91.50	66.95	32.95	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.

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