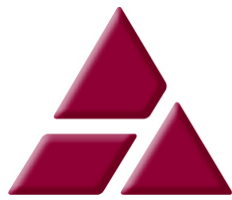




Energy Wholesale Market Review

Week Ending 1st March 2024



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- Friday-on-Friday	5
About EDW Technology Limited	6



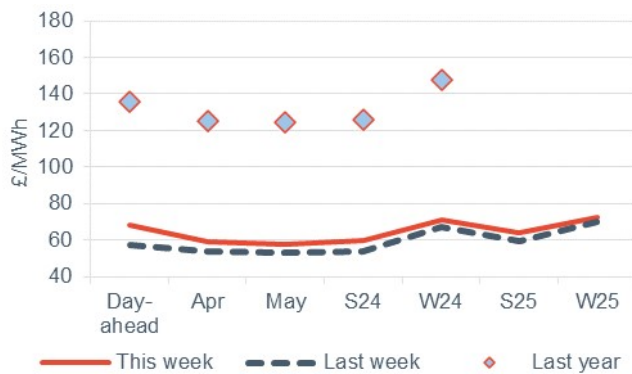
Headlines 01/03/2024

All power and gas contracts increased this week, amid lower temperatures boosting gas heating demand, and low wind outturn in the latter half of the week. Day-ahead gas rose 13.5% to 64.60p/th, following colder temperatures supporting rising gas heating demand, coupled with low LNG send out from the South Hook terminal on Friday. Day-ahead power rose 18.3% to £68.00/MWh, following its gas counterpart, with further gains supported by easing wind outturn projections, increasing reliance on gas-fired generation. Similarly, April 24 gas was up 13.7% at 62.80p/th, and May 24 gas increased 11.4% to 62.50p/th. All tracked seasonal gas contracts boosted this week too, up by 9.3% on average, while both summer 24 and winter 24 gas increased 12.4% and 8.2% respectively, lifting to 63.50p/th and 77.50p/th. All seasonal power contracts boosted this week, up on average by 6.7%, as summer 24 and winter 24 expanded 10.2% and 5.6% respectively, rising to £59.50/MWh and £71.30/MWh.

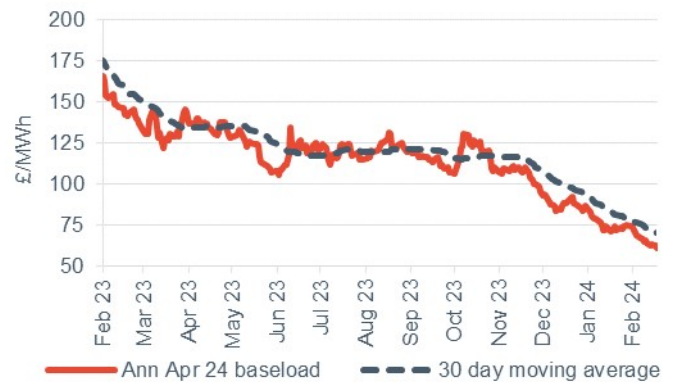
Baseload electricity

- Day-ahead power rose 18.3% to £68.00/MWh, following reduced wind outturn throughout the week.
- April 24 power climbed 10.3% at £59.00/MWh and May 24 power increased 9.0% to £58.00/MWh.
- Q224 power moved 10.4% higher to £58.25/MWh.
- The annual April 24 contract rose 7.7% to £65.4/MWh, 52.3% lower than the same time last year (£137/MWh).

Forward curve comparison



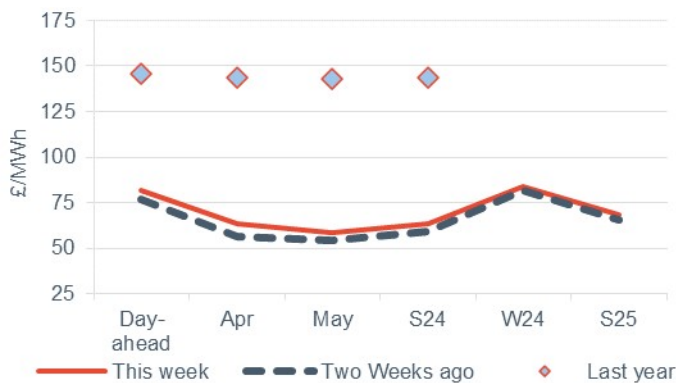
Annual April contract



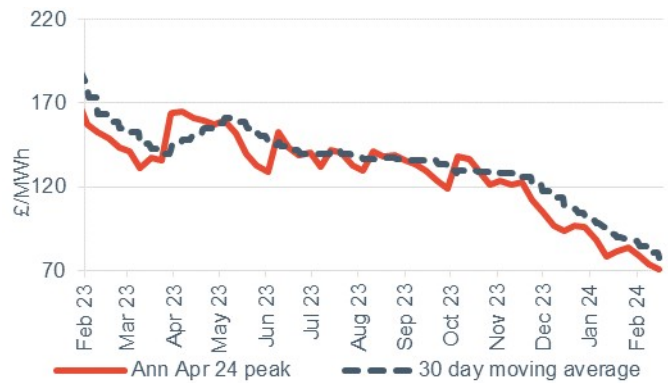
Peak electricity

- Day-ahead peak power was up 6.5% to £82.00/MWh, following its baseload counterpart higher.
- April 24 peak power gained 12.0% at £63.50/MWh, and May 24 peak power increased 7.2% to £58.38/MWh.
- The annual April 24 peak power rose 4.5% to £73.68/MWh.
- This is 48.6% lower than the same time last year (£143.25/MWh).

Forward curve comparison



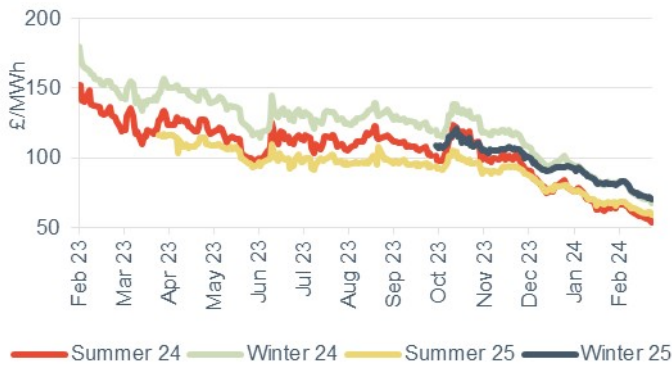
Annual April contract





Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 6.7%.
- Summer 24 and winter 24 expanded 10.2% and 5.6% respectively, rising to £59.50/MWh and £71.30/MWh.

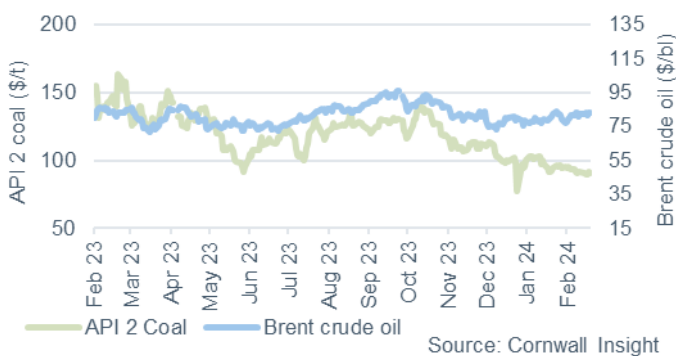
Seasonal peak power curve



- All seasonal peak power contracts boosted this week, up 4.9% on average.
- Summer 24 and winter 24 peak power increased 7.3% and 2.5% respectively, falling to £63.30/MWh and £84.05/MWh.

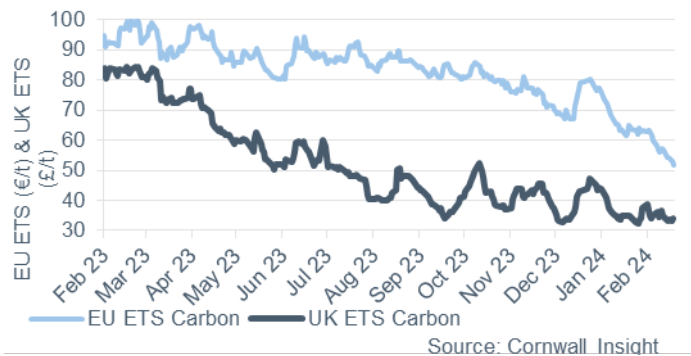
Commodity price movements

Oil and coal



- Throughout the week, Brent crude averaged \$82.67/bl – largely unchanged from the week before, seeing mixed movement throughout the week.
- Slight gains were observed in the early part of the week amid further reported attacks on commercial vessels in the Red Sea region
- Further support came from news of easing Eurozone inflation, boosting the case for interest rates to be reduced by the European Central Bank. However, these drivers were offset on Friday by news that Chinese manufacturing activity fell for the fifth consecutive month
- Looking into the future, projections suggest crude demand is set to rise, pointing to a bullish pricing environment for the year.
- However, the global/supply demand balance will remain dependent on the unfolding events in the Middle East; Chinese economic growth; and US inflationary pressures

Carbon (UK and EU ETS)



- In contrast to the previous week, both carbon markets registered gains in their average prices last week, rising 3.4% on average in the EU ETS and by 5.6% in the UK ETS
- Gains were influenced in large part thanks to the higher usage of gas generation on the electricity grid amid the relatively low levels of renewable generation that were observed this week
- For the UK scheme in particular, the low levels of wind incited higher levels of coal generation during the week – further boosting UK ETS value
- Looking to the future, lower wind generation protections in the week ahead could see carbon prices increase, as higher reliance will be placed on more expensive, and more carbon intensive, forms of power generation.

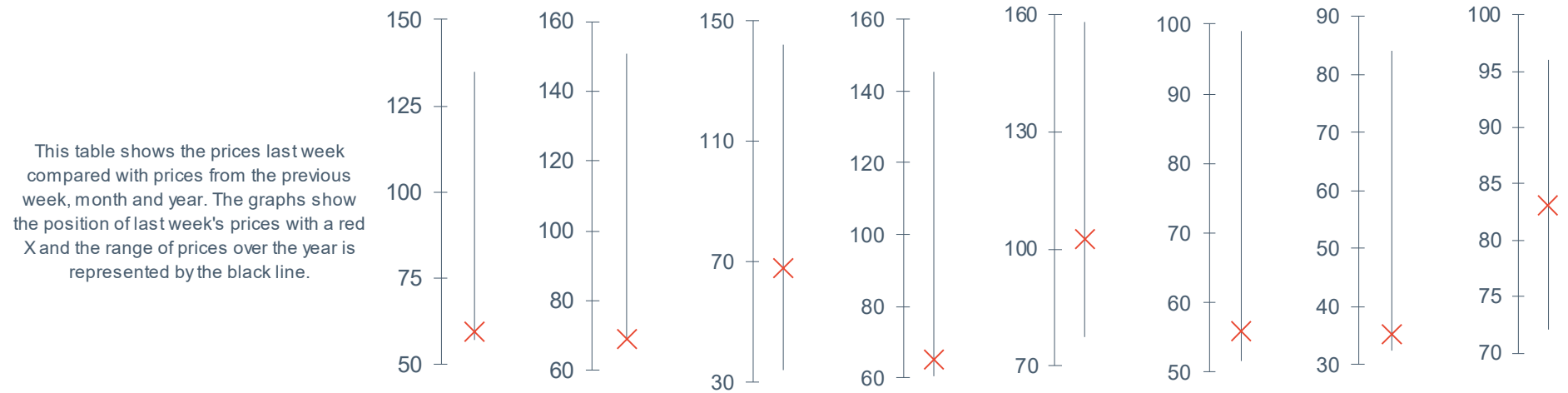
Supplier tariff movements

Home Energy continued to offer the cheapest variable tariff in our dataset with its Home SVT Feb 2024 v1, priced at £1,721/year on average, £207/year below the default tariff cap. Octopus Energy, alongside its white labels Ebico Living and Co-operative Energy, continued to offer the cheapest prepayment (PPM) tariff at 24 February with its Octopus Key and Card tariff, priced at £1,890/year on average, £27/year below the EPG discounted price cap level for PPM (£1,917/year).



Wholesale price snapshot– Friday-on-Friday

		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	1 Mar 24	59.63	69.00	68.00	65.40	102.50	56.04	35.30	83.05
Last week	23 Feb 24	69.00	74.70	57.50	60.75	91.00	51.60	34.25	82.85
Four weeks ago	2 Feb 24	70.00	80.05	53.50	74.80	94.00	63.42	37.25	79.10
Last year	2 Mar 23	130.75	150.00	139.50	139.50	158.00	96.14	83.00	84.65
Year-on-year % change		-54.4%	-54.0%	-51.3%	-53.1%	-35.1%	-41.7%	-57.5%	-1.9%
12-month high		135.00	150.75	142.00	145.50	158.00	99.10	84.00	96.05
12-month low		57.00	69.00	34.00	60.75	77.30	51.60	32.30	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 23 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

Copyright © 2024 EDW Technology Limited. All rights reserved.

No part of this publication may be reproduced, transmitted, transcribed, stored in a retrieval system, or translated into any language, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission from EDW Technology Limited.

All copyright, confidential information, patents, design rights and all other intellectual property rights of whatsoever nature contained herein are and shall remain the sole and exclusive property of EDW Technology Limited. The information furnished herein is believed to be accurate and reliable. However, no responsibility is assumed by EDW Technology Limited for its use, or for any infringements of patents or other rights of third parties resulting from its use.