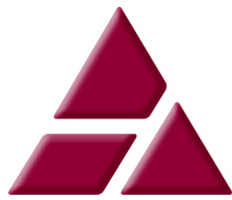




Energy Wholesale Market Review

Week Ending 22nd April 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



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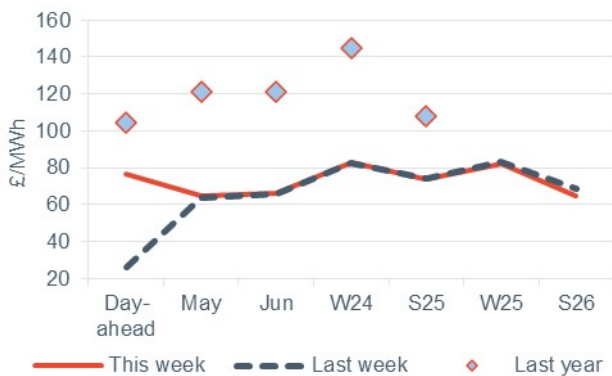
Headlines 22/04/2024

Across the week ending 19 April, tracked gas and power contracts predominantly registered gains, however some of those further out on the forward curve saw losses. Day-ahead gas rose 6.3% to 77.05p/th, due to higher gas-for-power forecasts following lower wind generation projections and below-average temperatures. Likewise, day-ahead power rose 189.8% to £76.81/MWh, returning to a more typical price after the notably high wind generation over the past two weeks, finding support from the movements registered across its gas counterpart, and the aforementioned lower wind generation forecasts, which will increase the reliance on more expensive forms of power generation. Moreover, May 24 gas was up 2.7% at 76.95p/th, and June 24 gas increased 2.1% to 75.85p/th. Most seasonal gas contracts lowered last week, however a 39.9% increase to the winter 26 contract, rising to 113.28p/th, led to overall growth across seasonal contracts, up 6.5% on average. Similarly, most seasonal power contracts declined this week, down on average by 0.6%, as summer 25 fell 1.3% to £73.50/MWh, and winter 25 dropped 1.2% to £82.50/MWh. Brent crude oil and the UK and EU carbon markets continue to be impacted by global geopolitical events, and as such it is expected prices will remain volatile in the week ahead.

Baseload electricity

- Day-ahead power prices on the 19 April rose 189.8% to £76.81/MWh, finding support from notably reduced wind generation levels for 22 April, acting to tighten system margins
- Moreover, May 24 power climbed 2.0% to £65.00/MWh and June 24 power increased 0.4% to £66.25/MWh
- Q324 power moved 0.7% higher to £69.00/MWh.
- However, the annual October 24 contract fell 0.3% to £78.35/MWh, 38.1% lower than the same time last year (£126.50/MWh)

Forward curve comparison



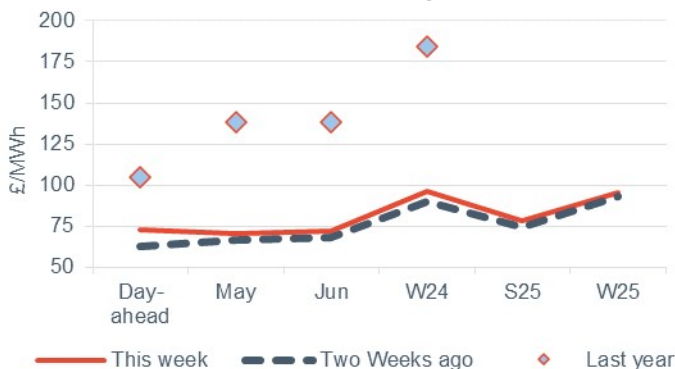
Annual October contract



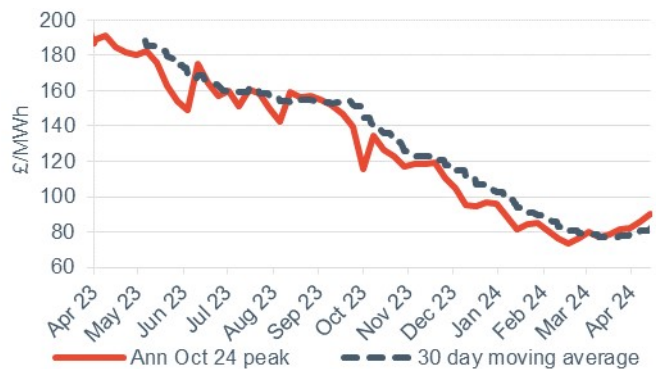
Peak electricity

- Day-ahead peak power was up 16.4% to £73.00/MWh, finding influence from the movement registered across its baseload counterpart
- May 24 peak power gained 6.7% to £70.50/MWh, and June 24 peak power increased 5.1% to £71.75/MWh
- The annual October 24 peak power rose 5.1% to £90.02/MWh
- However, this is 51.2% lower than the same time last year (£184.50/MWh)

Forward curve comparison



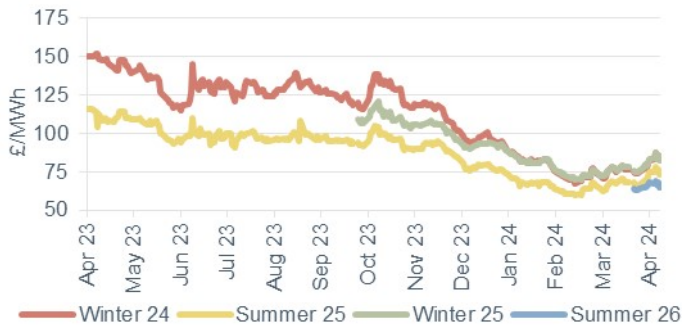
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts declined this week, down on average by 0.6%
- Summer 25 power fell 1.3% to £73.50/MWh, and winter 25 lost 1.2% to £82.50/MWh

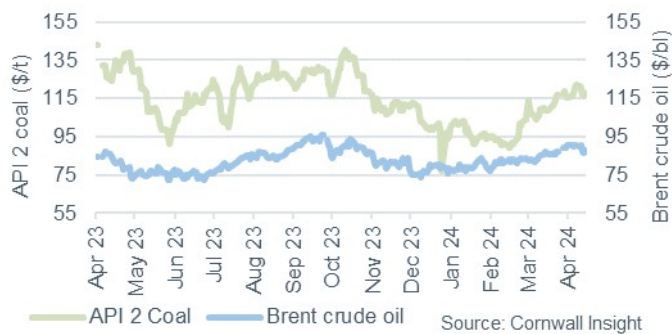
Seasonal peak power curve



- All seasonal peak power contracts boosted this week, up 6.3% on average
- Winter 24 and summer 25 peak power increased 7.0% and 5.6% respectively, rising to £96.05/MWh and £78.50/MWh

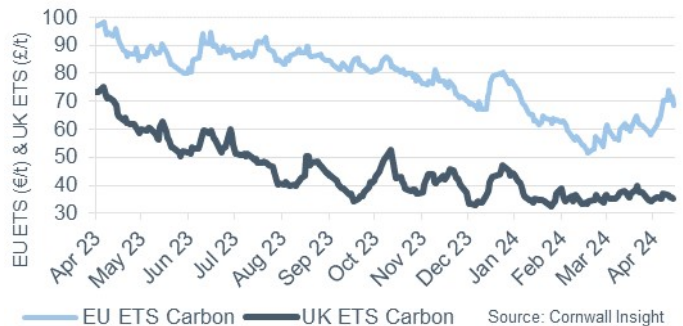
Commodity price movements

Oil and coal



- Across the reporting period, Brent crude opposed recent bullish adjustments, falling 1.9% week-on-week to average \$88.66/b despite news of an attack on Iran boosting supply concerns, due to its status as one of the largest oil exporters on the global market
- Likewise, news of the US reimposing sanctions on Venezuela's oil and gas exports supported the bullish market sentiment
- However, the price losses were the result of Brent crude finding bearish influence from a rise in US crude inventories, increasing by 2.7 million barrels in the week ending April 12, and concerns surrounding Chinese demand following weak economic data released from the country
- Elsewhere, Goldman Sachs has increased its Brent crude forecast for the second half of 2024 to \$86.00/b
- This is \$1.00/b higher than the previous forecast, citing reduced US supply and geopolitical factors as price influencers

Carbon (UK and EU ETS)



- This week saw the continuation of recent upwards movements, with both EU ETS and UK ETS carbon prices rising, up 13.2% and 2.3% to €70.83/t and £36.13/t respectively. Prices found support from colder-than-average temperatures and lower wind generation across the UK and EU
- Likewise, EU ETS prices remain strongly linked to Dutch TTF prices, with gas playing a role in shaping carbon prices. Because of this, the rising geopolitical tensions in the Middle East throughout the week led to higher prices across the EU ETS
- Stronger gains were limited because coal prices were up, which limits EUA demand as the higher prices act to weaken profit margins for coal plants and allowance demand in turn
- UK ETS prices are expected to remain bullish in the short-term, finding support from notably reduced wind generation levels in the week ahead, and below-average temperatures

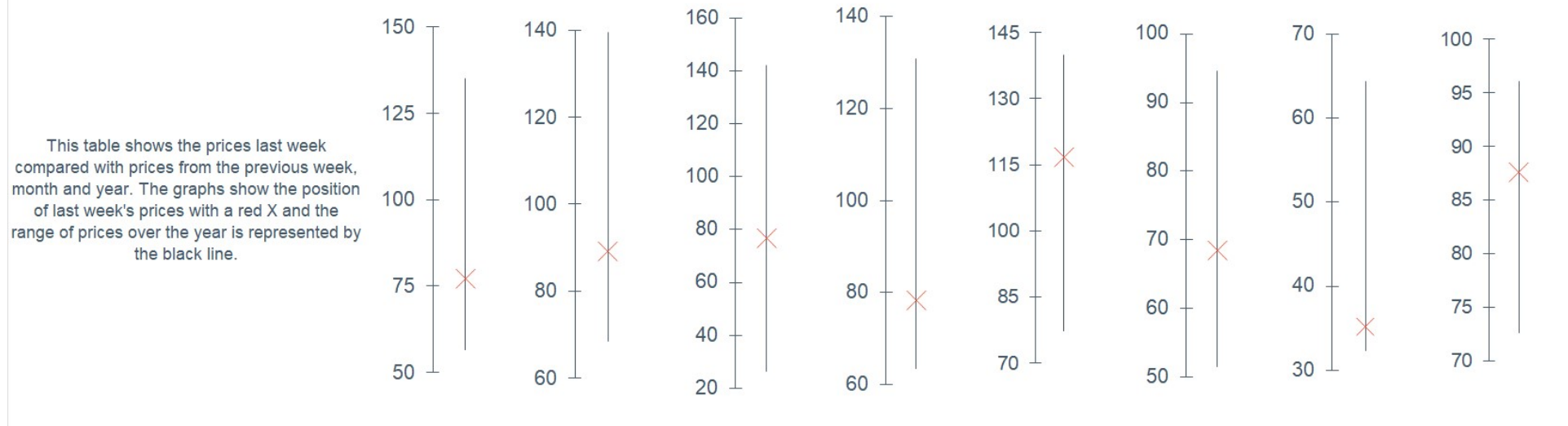
Supplier tariff movements

Octopus Energy and its white label brand Co-op Energy offered the cheapest prepayment tariff in our dataset this week, with their Octopus Key and Card/Co-op Key and Card tariffs, priced at £1,628/year on average. Tulo Energy continued to offer the cheapest variable tariff in our dataset with its Tulo Vari-One tariff, priced at £1,576/year on average, £114/year below the default tariff cap.



Wholesale price snapshot– Friday-on-Friday

		Gas (p/th)		Electricity (£/MWh)		Coal (\$/t)	EUA carbon (€/t)	UKA carbon (£/t)	Brent crude (\$/bl)
		Day-ahead	Year-ahead	Day-ahead	Year-ahead				
Last week	19 Apr 24	77.05	89.23	76.81	78.35	116.70	68.45	35.23	87.58
Two weeks ago	12 Apr 24	72.50	89.25	26.50	78.55	122.00	70.42	37.20	90.60
Four weeks ago	22 Mar 24	71.00	77.88	65.00	71.80	109.45	60.85	36.80	85.90
Last year	21 Apr 23	99.50	131.25	104.50	126.50	135.00	91.15	64.40	81.10
Year-on-year % change		-22.6%	-32.0%	-26.5%	-38.1%	-13.6%	-24.9%	-45.3%	8.0%
12-month high		135.00	139.50	142.00	130.88	140.00	94.55	64.40	96.05
12-month low		56.70	68.43	26.50	63.50	77.30	51.60	32.30	72.60





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

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