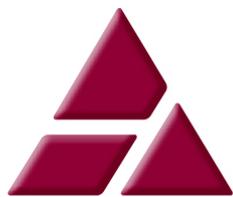




Energy Wholesale Market Review

Week Ending 21st August 2020



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Headlines 21/08/2020

Most power and gas contracts saw gains this week, opposing the trend seen in the previous few weeks. Day-ahead gas rose 8.1% to 20.00p/th ahead of scheduled maintenance to fields on the UKCS at the start of next week. Day-ahead power rose 10.1% to £41/MWh on lower wind generation forecasts at the start of next week. September 20 gas was up 3.1% at 21.24p/th, and October 20 gas increased 5.3% to 24.38p/th. All seasonal gas contracts rose this week, up by 0.8% on average, while winter 20 and summer 21 gas increased 3.3% and 2.7% respectively, lifting to 35.33p/th and 30.82p/th. All seasonal power contracts increased this week, up on average by 1.6%, as winter 20 and summer 21 climbed 2.1% and 2.3% respectively, rising to £47.10/MWh and £41.02/MWh. Brent crude oil prices remained unchanged averaging just over \$45.04/bl this week, amid the easing of lockdown restrictions with a slow COVID-19 recovery. Prices have plateaued signalling the end to a near five-month high with some major crude oil producers seeking to limit supply.

Baseload electricity

- Day-ahead power rose 10.1% to £41.00/MWh following lower wind generation forecasts at the beginning of next week
- September 20 power climbed 1.1% to £36.75/MWh and October 20 power increased 2.7% to £39.04/MWh
- Q420 power moved 2.4% higher to £45.18/MWh
- The annual October 20 contract rose 2.2% to £44.06/MWh, 13.2% lower than the same time last year (£50.77/MWh)

Forward curve comparison



Annual October contract



Peak electricity

- Day-ahead peak power was up 15.0% to £46.00/MWh, following its baseload counterpart higher
- September 20 peak power gained 2.5% to £42.5/MWh, and October 20 peak power increased 4.8% to £46.85/MWh
- The annual October 20 peak power contract lost 2.6% to £50.56/MWh
- This is 11.6% lower than the same time last year (57.2/MWh)

Forward curve comparison



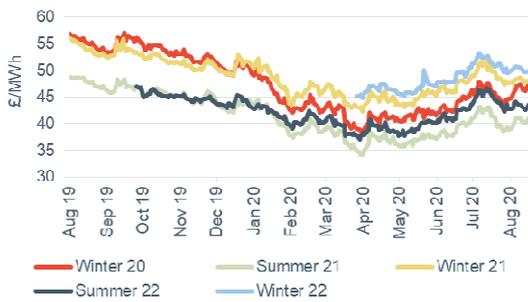
Annual October contract



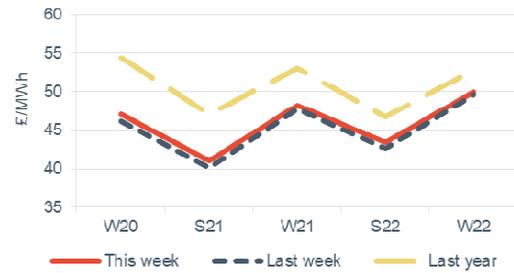


Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve



- All seasonal power contracts rose this week, up on average by 1.6%
- Winter 20 and summer 21 climbed 2.1% and 2.3% respectively, rising to £47.10/MWh and £41.02/MWh

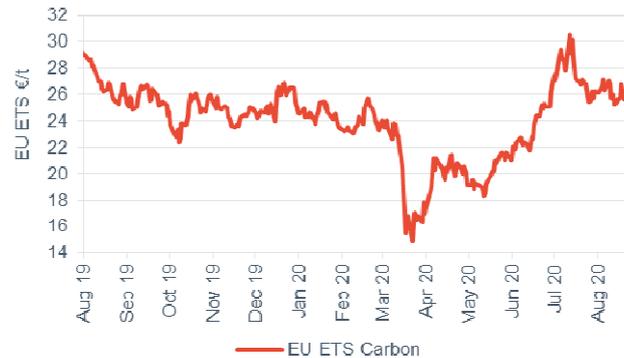
- All seasonal peak power contracts increased this week, up 1.6% on average
- Winter 20 and summer 21 peak power increased 2.8% and 2.4% respectively, rising to £55.48/MWh and £45.63/MWh

Commodity price movements

Oil and coal



Carbon



- Brent crude oil prices remained unchanged averaging just over \$45.04/bl this week, amid the easing of lockdown restrictions with a slow COVID-19 recovery
- Prices have plateaued signalling the end to a near five-month high with some major crude oil producers seeking to limit supply
- Prices remain afflicted with fears of market oversupply and subsequently, some OPEC+ producers have held off increasing demand
- Some OPEC+ members will likely need to cut output to combat recent issues of oversupply
- Similarly, as issues surrounding oversupply remain consistent - OPEC+ members continue to delay resupply with India suggesting a return to higher crude demand in the short term being unlikely

- API 2 coal prices dropped 4.0% this week to average \$55.21/t
- Reports showed that coal imports into the EU dropped for the sixteenth consecutive week
- The EU ETS carbon price followed the previous week's decline, slipping 0.8% to average €25.95/t, falling as a result of weaker demand at EUA auctions
- The markets remained cautious over the number of future EUA's in circulation at auctions
- The carbon price was weighed upon by concerns on wider economy recover due to COVID-19 – whilst this week's outage to the EU ETS registry is expected to be short lived

Supplier tariff movements

Between 29 July and 8 August 10 suppliers reduced the price of their cheapest available tariff. Ebico and Robin Hood Energy decreased the price of their cheapest tariff by the greatest amount, both reducing by £26/year to £821/year on average. In contrast, just two suppliers increased the price of their cheapest available tariff. MoneyPlus Energy increased its cheapest tariff by £15/year to £1,008/year on average, whilst E.ON UK lifted its tariff by £6/year to £858/year on average.



Wholesale price snapshot

		Gas (p/th)		Electricity (£/MWh)		Coal	Carbon	Brent crude
		Day-ahead	Year-ahead	Day-ahead	Year-ahead	(\$/t)	(€/t)	(\$/bl)
This week	21 Aug 20	20.00	33.08	41.00	44.06	54.10	25.65	44.68
Last week	14 Aug 20	18.50	32.10	37.25	43.13	56.70	25.25	44.60
Four weeks ago	24 Jul 20	13.30	30.55	31.50	42.15	60.00	26.80	43.80
Last year	22 Aug 19	29.00	49.38	39.30	51.21	63.50	25.95	60.44
Year-on-year % change		-31.0%	-33.0%	4.3%	-14.0%	-14.8%	-1.2%	-26.1%
12-month high		42.40	51.72	53.00	52.81	70.55	30.57	69.75
12-month low		6.85	29.24	10.00	36.15	51.50	14.90	17.53





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 19 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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