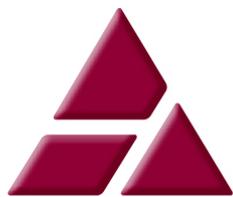




# Energy Wholesale Market Review

Week Ending 28<sup>th</sup> August 2020



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## Headlines 28/08/2020

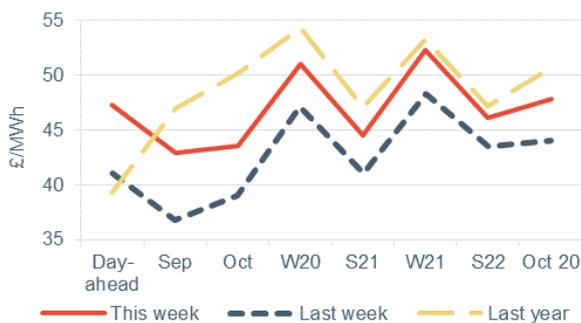
Most power and gas contracts rose significantly this week, continuing rises seen in recent weeks. Day-ahead gas rose 32.5% to 26.50p/th as a result of increased gas for power demand and an outage to the Forties pipeline. Day-ahead power rose 15.2% to £47.25/MWh on decreasing wind generation throughout the latter stages of the week.

September 20 gas was up 26.9% at 26.95p/th, and October 20 gas increased 19.6% to 29.15p/th. All seasonal gas contracts boosted this week, up by 7.7% on average, while both winter 20 and summer 21 gas increased 9.4% and 11.0% respectively, lifting to 38.65p/th and 34.20p/th. All seasonal power contracts followed the gas markets higher, up on average by 6.8%, as winter 20 and summer 21 expanded 8.3% and 8.6% respectively, rising to £51.00/MWh and £44.55/MWh. Brent crude oil prices remained relatively unchanged last week averaging \$45.37/bl, with prices now settled following recent spikes. Market oversupply issues have been overshadowed this week amongst growing concern surrounding Hurricane Laura, which has this week been upgraded to a Category 4.

## Baseload electricity

- Day-ahead power rose 15.2% to £47.25/MWh on decreasing wind generation throughout the latter stages of the week
- September 20 power climbed 16.9% at £42.95/MWh and October 20 power increased 11.4% to £43.5/MWh.
- Q420 power moved 8.5% higher to £49.00/MWh.
- The annual October 20 contract rose 8.4% to £47.78/MWh, 5.7% lower than the same time last year (£50.69/MWh)

### Forward curve comparison



### Annual October contract



## Peak electricity

- Day-ahead peak power was up 2.2% to £47.00/MWh
- September 20 peak power gained 8.4% at £46.09/MWh, and October 20 peak power increased 3.8% to £48.65/MWh
- The annual October 20 peak power lost 4.6% to £52.89/MWh
- This is 7.8% lower than the same time last year (£57.34/MWh)

### Forward curve comparison



### Annual October contract





## Seasonal power prices

### Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 6.8%
- Winter 20 and summer 21 expanded 8.3% and 8.6% respectively, rising to £51.00/MWh and £44.55/MWh

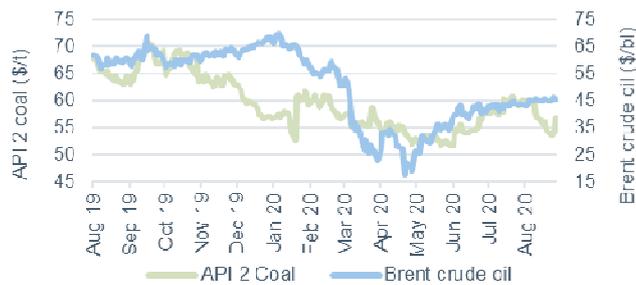
### Seasonal baseload power curve



- All seasonal peak power contracts rose this week, up 4.0% on average
- Winter 20 and summer 21 peak power increased 4.6% and 4.6% respectively, rising to £58.02/MWh and £47.75/MWh

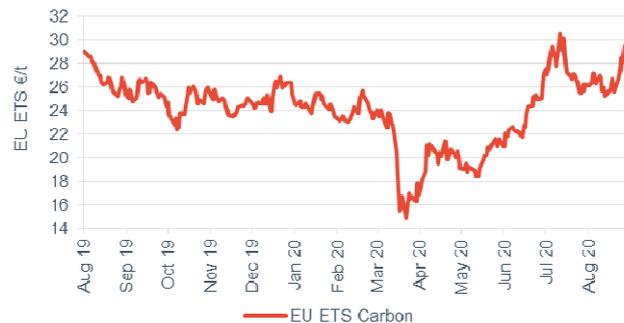
## Commodity price movements

### Oil and coal



- Brent crude oil prices remained relatively unchanged last week averaging \$45.37/bbl, with prices now settled following recent spikes in a near five-month high
- Market oversupply issues have been overshadowed this week amongst growing concern surrounding Hurricane Laura, which has this week been upgraded to a Category 4
- Some oil facilities in the Gulf of Mexico have evacuated pre-empting the early landfall experienced in South-West Louisiana

### Carbon



- API 2 coal prices dropped 2.2% last week to average \$53.98/t
- The UN Secretary general announced India must steer away from coal despite its requirement for cheap energy
- Despite previous weeks of a slipping EU ETS price, prices rose 6.9% to average €27.75/t this week
- The market experienced mixed feedback amid uncertainty surrounding the EUA-December 20 auction

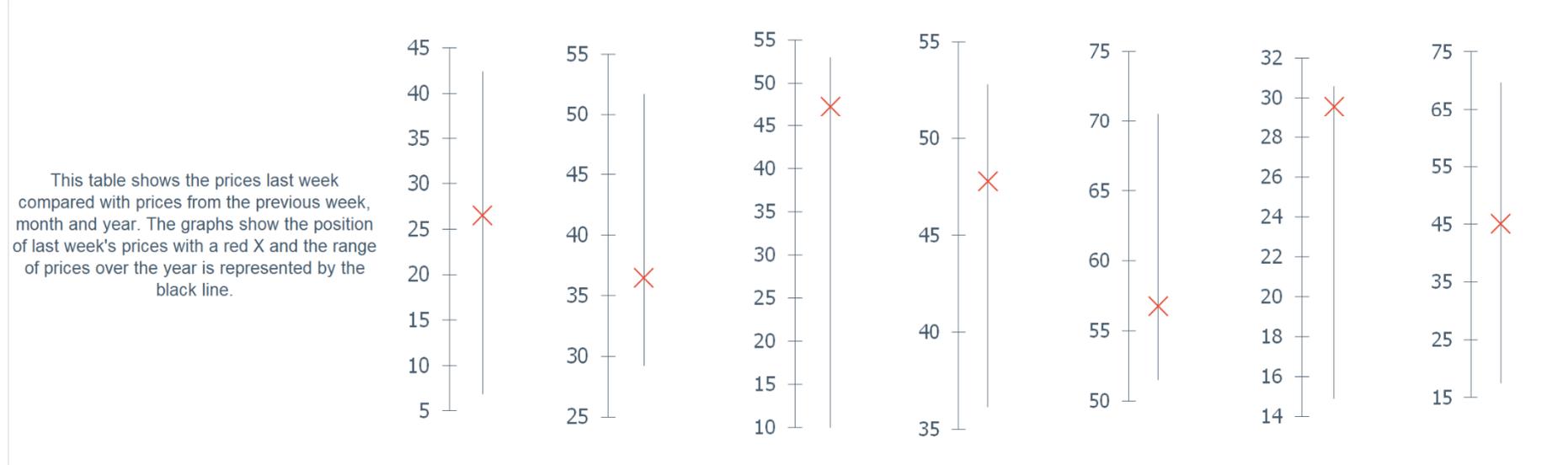
## Supplier tariff movements

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	28 Aug 20	26.50	36.43	47.25	47.78	56.75	29.55	45.10
Last week	21 Aug 20	20.00	33.08	41.00	44.06	54.10	25.65	44.68
Four weeks ago	31 Jul 20	13.00	29.84	35.00	41.86	60.00	26.21	43.26
Last year	29 Aug 19	27.25	48.09	36.70	50.19	63.40	26.01	60.42
Year-on-year % change		-2.8%	-24.2%	28.7%	-4.8%	-10.5%	13.6%	-25.4%
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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