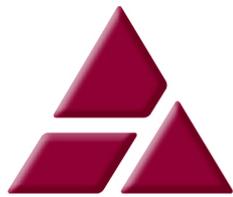




Energy Wholesale Market Review

Week Ending 2nd October 2020



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Headlines 02/10/2020

Nearly all power and gas contracts declined this week, as seasonal contracts were weighed upon by lower Brent crude oil and EU ETS carbon prices. Day-ahead power lost 6.4% to £44.00/MWh, amid high levels of wind generation for much of the week. The new month-ahead contract (November 20) dropped 4.2% to £49.95/MWh and December 20 power slipped 0.9% to £50.50/MWh. Summer 21 power moved 1.1% lower to £42.69/MWh, while winter 21 power lost 1.8% to £49.58/MWh. Day-ahead gas lifted 2.2% to 32.00p/th, with colder temperatures outweighing the impact of an oversupplied system throughout the week. November 20 gas edged 0.8% lower to 35.76p/th and December 20 gas dropped 3.8% to 38.46p/th. Summer 21 gas fell 1.6% to 32.65p/th and the winter 21 contract declined 2.1% to 41.95p/th. Brent crude oil fell 1.7% to average \$41.19/bl, with the continuation of demand concerns amid a second wave of COVID-19. On Friday, prices dropped below \$40.0/bl, reacting to news that President Trump had tested positive for COVID-19 and a significant increase in Libyan oil production. EU ETS lost 1.0% to average €26.63/t, pressured by increased expectations of a 'hard Brexit' and drops in other global markets.

Baseload electricity

- Day-ahead power fell 6.4% to £44.00/MWh, amid high levels of wind generation for much of the week.
- November 20 dropped 4.2% to £49.95/MWh and December 20 power slipped 0.9% to £50.50/MWh.
- Q121 power lost 1.7% to £51.50/MWh.
- The annual April 21 contract slipped 1.5% to £46.14/MWh, 3.6% lower than the same time last month (£47.86/MWh), and 5.0% lower than the same time last year (£48.58/MWh).

Forward curve comparison



Annual April contract



Peak electricity

- Day-ahead peak power went down 4.8% to £49.50/MWh.
- November 20 peak power rose 1.7% to £64.32/MWh, and December 20 peak power lifted 0.3% to £60.95/MWh.
- The annual April 21 contract remained static at £52.54/MWh.
- This is 4.5% lower than the same time last year (£55.00/MWh).

Forward curve comparison



Annual April contract





Seasonal power prices

Seasonal baseload power contracts



- Seasonal power contracts declined this week, down 1.8% on average.
- Summer 21 power moved 1.1% lower to £42.69/MWh, while winter 21 power dropped 1.8% to £49.58/MWh.

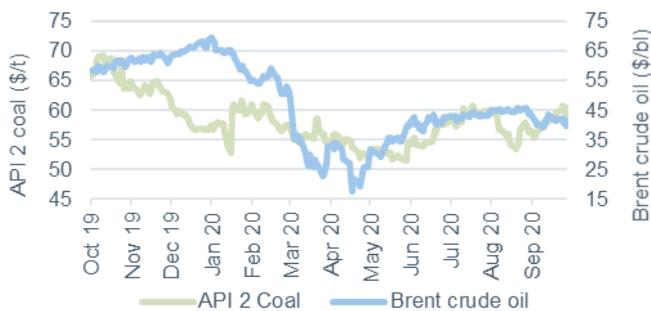
Seasonal baseload power curve



- Seasonal peak power contracts climbed 0.3% on average.
- Summer 21 peak power lifted 0.5% to £47.89/MWh and winter 21 peak power slipped 0.5% to £57.19/MWh.

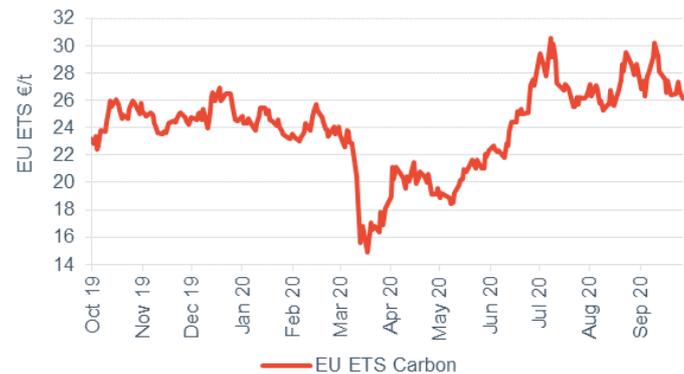
Commodity price movements

Oil and coal



- Brent crude oil declined 1.7% to average \$41.19/bl this week, with the continuation of demand growth concerns amid a second wave of COVID-19.
- On Friday, prices dropped below \$40.0/bl, reacting to news that President Trump had tested positive for COVID-19 and a significant increase in Libyan oil production.
- In contrast, API 2 coal gained 1.6% to average \$60.08/t.

Carbon



- EU ETS carbon lost 1.0% to average €26.63/t.
- A general sentiment of a looming 'hard Brexit' weighed on prices this week, as concerns continue to circulate how the structure of EU ETS carbon trading will continue to function when the UK ultimately removes itself from the European Union. Similarly, reductions in oil prices experienced this week has weighed on the carbon price.

Supplier tariff movements

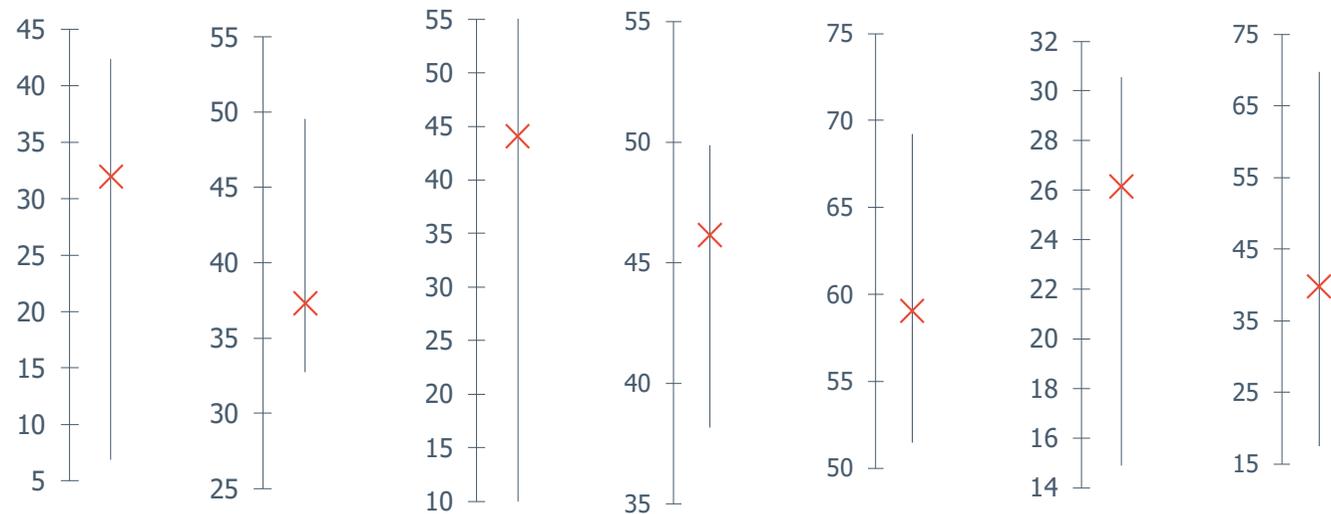
No suppliers reduced the price of their cheapest available tariff between 19 September and 26 September. However, five suppliers increased the price of their cheapest available tariff between these dates. Utility Point put through the highest increase of £89/year to £950/year on average followed by Tonik Energy with an increase of £39/year to £898/year on average. Yorkshire Energy had the cheapest medium-length fixed tariff priced at £920/year. Green Energy offered the cheapest available tariff with its 12-month fixed tariff priced at £859/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	2 Oct 20	32.00	37.30	44.00	46.14	59.05	26.16	39.84
Last week	25 Sep 20	31.30	38.02	47.00	46.82	59.70	26.36	42.30
Four weeks ago	4 Sep 20	29.80	38.72	43.00	47.86	56.75	28.68	44.24
Last year	3 Oct 19	29.10	48.24	37.00	48.97	64.75	23.73	57.49
Year-on-year % change		10.0%	-22.7%	18.9%	-5.8%	-8.8%	10.2%	-30.7%
12-month high		42.40	49.55	58.00	49.86	69.25	30.57	69.75
12-month low		6.85	32.75	10.00	38.16	51.50	14.90	17.53

This table shows the prices this 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 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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