



Energy Wholesale Market Review

Week Ending 16th April 2021



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Headlines 16/04/2021

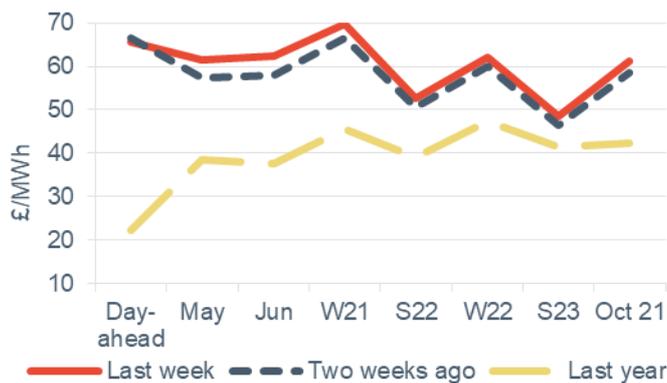
It was a collectively bullish week for gas and power contracts this week, building on price rises in recent weeks.

Day-ahead gas rose 7.5% to 56.75p/th, following higher gas for power demand at the weeks start amid colder temperatures. Day-ahead power fell 1.5% to £65.5/MWh, on wavering demand as the week progressed and steadily rising temperatures. May 21 gas was up 9.1% at 51.96p/th, and June 21 gas increased 9.7% to 52.34p/th. All seasonal gas contracts rose this week, up by 5.1% on average, while both winter 21 and summer 22 gas increased 6.8% and 5.5% respectively, lifting to 59.64p/th and 43.55p/th. Elsewhere, seasonal power contracts saw similar gains, up on average by 3.8%, as winter 21 and summer 22 expanded 4.9% and 3.8% respectively, rising to £69.75/MWh and £52.50/MWh. Brent crude oil prices fell this week, down 1.4% to average \$63.10/bl. Bearishness stemmed from demand concerns and easing of OPEC+ supply cuts. Prices at the weeks start were largely impacted by the continued uncertainty surrounding COVID-19 travel restrictions, impacting future oil demand growth. EU ETS carbon prices rose this week, rising 4.0% to average €43.32/t. Prices also broke a fresh all-time high again on 15 April at €44.19/t, driven by strong auction EUA demand.

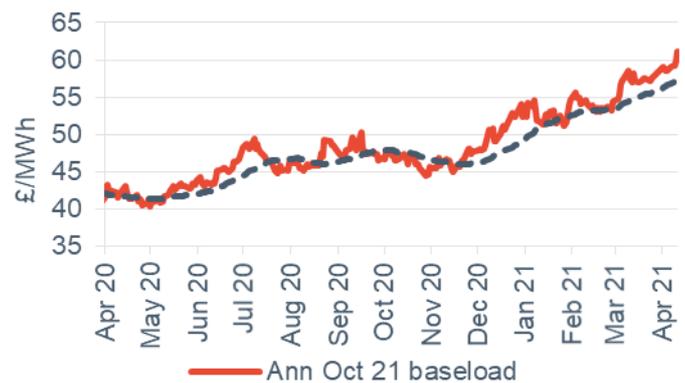
Baseload electricity

- Day-ahead power fell 1.5% to £65.5/MWh, on account of wavering demand as the week progressed and steadily rising temperatures.
- May 21 power climbed 7.3% at £61.43/MWh and June 21 power increased 7.7% to £62.5/MWh.
- Q321 power moved 6.8% higher to £62.23/MWh.
- The annual October 21 contract rose 4.4% to £61.13/MWh, 44.4% higher than the same time last year (£42.33/MWh).

Forward curve comparison



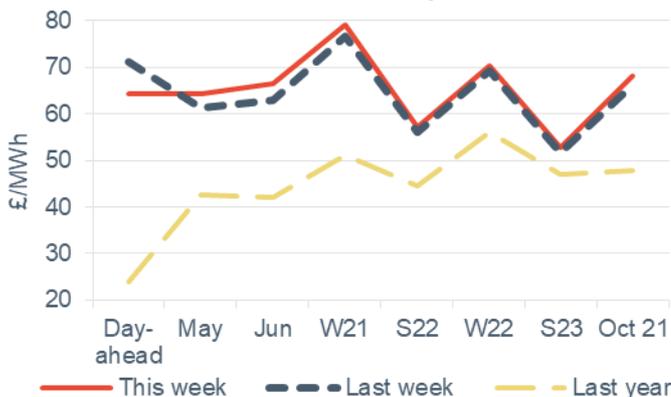
Annual April contract



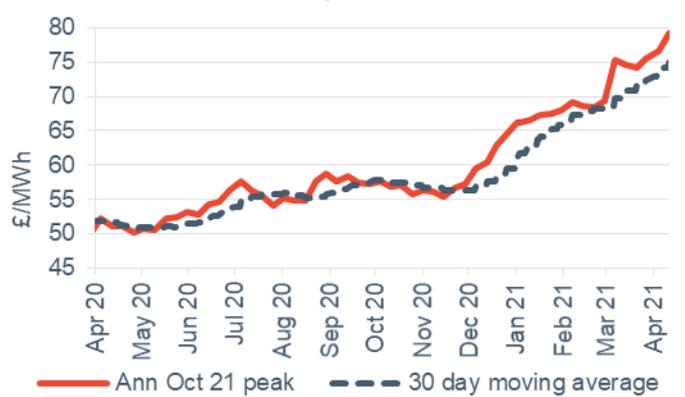
Peak electricity

- Day-ahead peak power was down 9.7% to £64.33/MWh, following its baseload counterpart lower.
- May 21 peak power gained 5.3% at £64.41/MWh, and June 21 peak power increased 6.0% to £66.58/MWh.
- The annual October 21 peak power lost 2.8% to £68.21/MWh.
- This is 42.6% lower than the same time last year (47.83/MWh).

Forward curve comparison



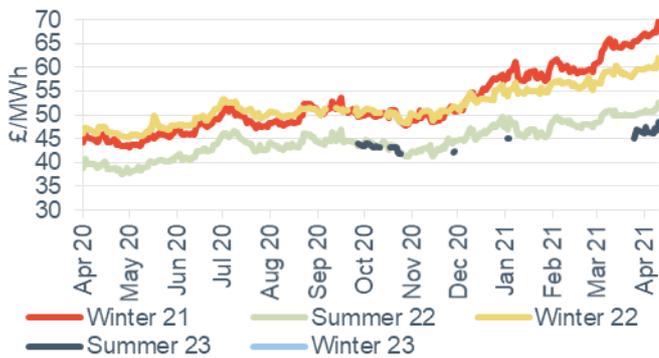
Annual April contract





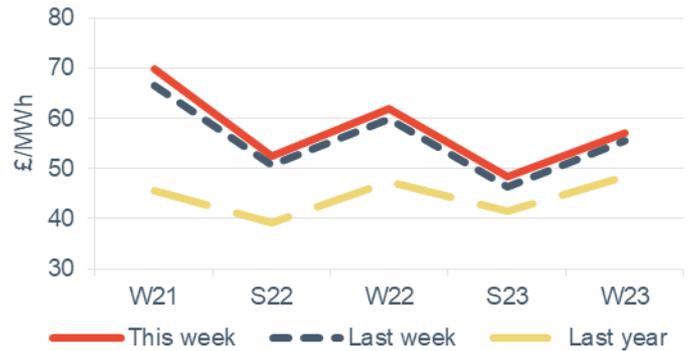
Seasonal power prices

Seasonal baseload power contracts



- All seasonal power contracts boosted this week, up on average by 3.8%.
- Winter 21 and summer 22 expanded 4.9% and 3.8% respectively, rising to £69.75/MWh and £52.50/MWh.

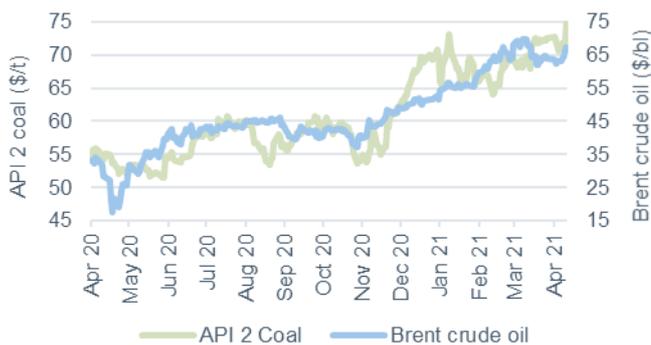
Seasonal baseload power curve



- All Seasonal peak power contracts boosted this week, up 2.2% on average.
- Winter 21 and summer 22 peak power increased 3.5% and 2.0% respectively, falling to £79.19/MWh and £57.23/MWh.

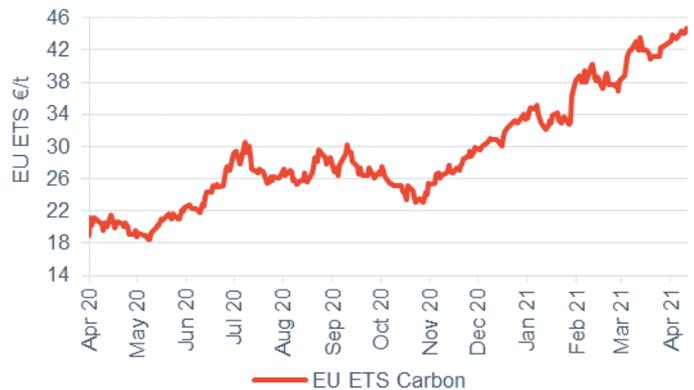
Commodity price movements

Oil and coal



- Brent crude oil prices rose this week, up 3.1% to average \$65.05/bl.
- Reports published throughout the week boosted general market optimism with news of increases in global demand forecast. With strict lockdown restrictions across many global economies to stop the spread of COVID-19, it has often had negative effects on demand with reduced economic activity.
- Offsetting further sustained prices rises were reports of increased COVID-19 cases in India and parts of Europe

Carbon



- EU ETS carbon prices rose this week, rising 2.1% to average €44.23/t. Prices also broke a fresh all-time high again on 15 April at €44.45/t.
- The recent cold weather across much of Europe supported EU ETS prices this week. In these periods of colder weather, heating demand rises, this is typically met by fossil fuelled generation, feeding through into higher EUA demand

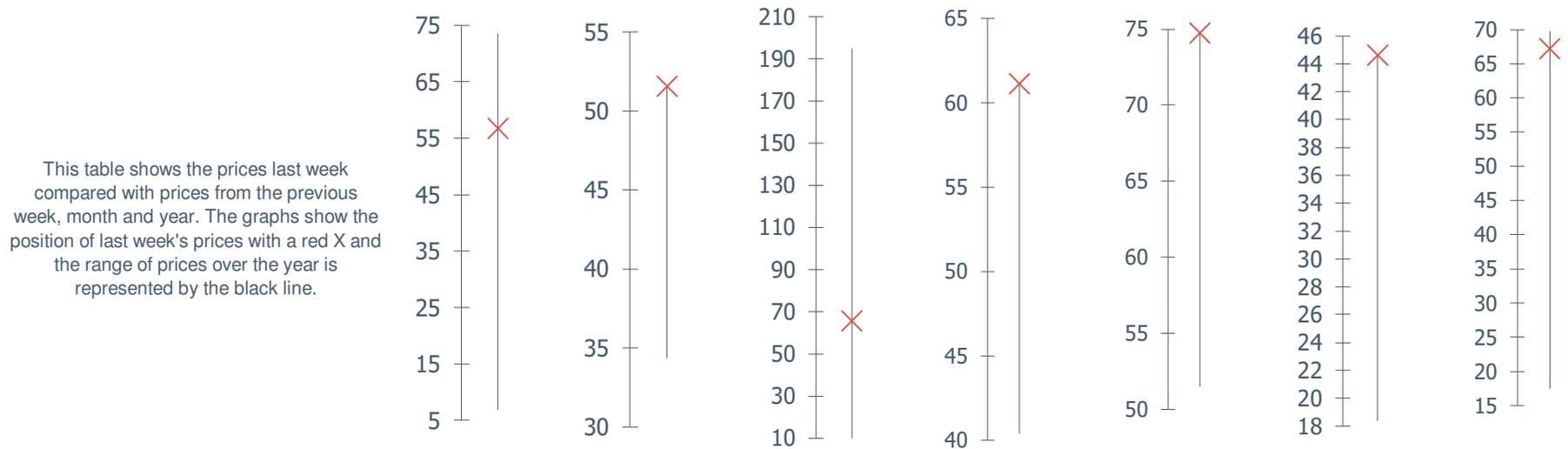
Supplier tariff movements

Two suppliers decreased the price of their cheapest available tariffs between 27 March and 10 April. People's Energy reduced its cheapest tariff by the greatest amount with a decrease of £22/year to £910/year on average. This is a regional tariff for East Lothian residents, therefore does not appear in the cheapest 20 tariffs chart. British Gas Evolve decreased its tariff by £10/year to £985/year on average. Nine suppliers increased the price of their cheapest available tariffs between 27 March and 10 April. SSE increased its cheapest tariff by the greatest amount of £54/year to £1,037/year on average. Zebra Energy had the second greatest increase of £40/year to £1,041/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	16 Apr 21	56.75	51.60	65.50	61.13	74.75	44.62	67.23
Last week	9 Apr 21	52.80	48.56	66.50	58.55	70.65	43.36	63.06
Four weeks ago	19 Mar 21	43.80	46.20	63.58	57.16	71.25	42.00	64.14
Last year	17 Apr 20	13.60	37.09	22.25	42.33	55.20	20.10	27.94
Year-on-year % change		317.3%	39.1%	194.4%	44.4%	35.4%	122.0%	140.6%
12-month high		73.50	51.60	195.00	61.13	74.75	44.62	69.80
12-month low		6.85	34.37	10.00	40.38	51.50	18.40	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 20 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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