



Energy Wholesale Market Review

Week Ending 23rd April 23rd April 2021



edw technology

EDW House, Radian Court, Knowlhill, Milton Keynes, MK5 8PJ.

Phone: +44 (0)8448 802 489
Email: info@edwtech.com
Website: edwtech.com



Contents

Baseload electricity	3
Peak electricity	3
Seasonal power prices	4
Commodity price movements	4
Supplier tariff movements	4
Wholesale price snapshot	5
About EDW Technology Limited	6



Headlines 23/04/2021

It was a mixed week in terms of pricing fundamentals across gas and power markets this week, with majority of baseload power contracts rising, with the opposite said for gas contracts. Day-ahead gas fell 1.7% to 55.80p/th, following periods of system oversupply, strong LNG sendout and warmer weather. Conversely, day-ahead power rose 2.3% to £67/MWh, supported by periods of increased demand and reductions in available nuclear capacity at the weeks start. May 21 gas was up 0.6% at 52.26p/th, and June 21 gas increased 1.5% to 53.15p/th. All seasonal gas contracts declined this week, down by 0.9% on average, while both winter 21 and summer 22 gas dropped 0.5% and 0.8% respectively, subsiding to 59.32p/th and 43.18p/th. Most seasonal power contracts rose this week, up on average by 0.6%, as winter 21 and summer 22 expanded 1.8% and 0.8% respectively, rising to £71.00/MWh and £52.90/MWh. Brent crude oil prices saw gains, rising 1.7% to average \$66.17/bl. At the weeks start, prices were supported by a generally weakening dollar, combined with disruption to Libyan oil exports, alongside an unexpected decline in US crude inventories throughout the week. EU ETS carbon prices rose this week, rising 2.7% to average €45.43/t. Prices broke all-time record highs on more than one occasion but reached its highest peak of €46.70/t on 22 April.

Baseload electricity

- Day-ahead power rose 2.3% to £67/MWh, supported by periods of increased demand and reductions in available nuclear capacity at the weeks start.
- May 21 power climbed 2.4% at £62.89/MWh and June 21 power increased 2.4% to £64/MWh.
- Q321 power moved 1.2% higher to £63/MWh.
- The annual October 21 contract rose 1.3% to £61.95/MWh, 49.6% higher than the same time last year (£41.42/MWh).

Forward curve comparison



Annual April contract



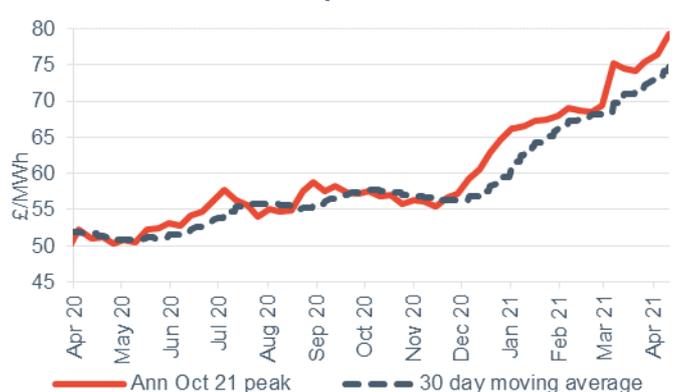
Peak electricity

- Day-ahead peak power was up 11.5% to £71.75/MWh, following its baseload counterpart higher.
- May 21 peak power gained 6.3% at £68.5/MWh, and June 21 peak power increased 4.0% to £69.25/MWh.
- The annual October 21 peak power lost 9.3% to £61.88/MWh.
- This is 30.3% lower than the same time last year (47.5/MWh).

Forward curve comparison



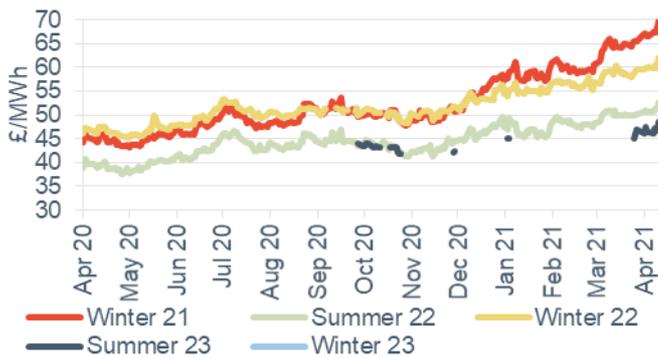
Annual April contract





Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts lifted this week, up on average by 0.6%.
- Winter 21 and summer 22 expanded 1.8% and 0.8% respectively, rising to £71.00/MWh and £52.90/MWh.

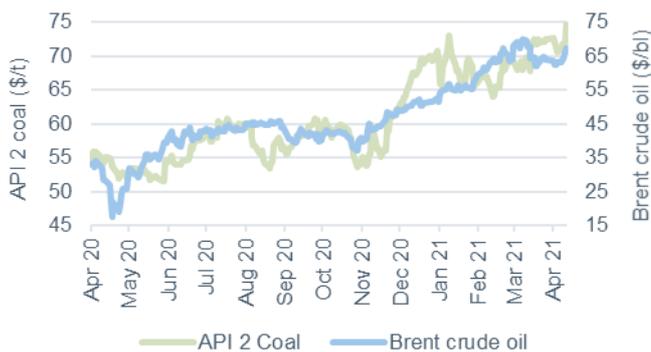
Seasonal baseload power curve



- All seasonal peak power contracts declined this week, down 9.9% on average.
- Winter 21 and summer 22 peak power dropped 11.0% and 7.0% respectively, falling to £70.50/MWh and £53.25/MWh.

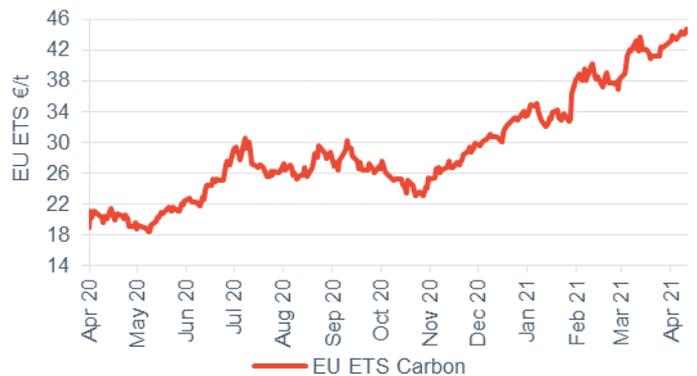
Commodity price movements

Oil and coal



- Brent crude oil prices rose this week, up 1.7% to average \$66.17/bbl.
- A combination of factors contributed to more bullish price movements this week, in continuation of recent upwards trends observed in recent weeks.
- At the weeks start, prices were supported by a generally weakening dollar, combined with disruption to Libyan oil exports alongside unexpected decline in US crude inventories throughout the week.
- Gains made at the weeks start were partially offset by reports of increases in COVID-19 case numbers in many consuming countries such as India and Japan.

Carbon



- EU ETS carbon prices rose this week, rising 2.7% to average €45.43/t. Prices broke all-time record highs on more than one occasion but reached its highest peak of €46.70/t on 22 April.
- Recent cooler weather across much of Europe has supported EU ETS prices again this week. Periods of cold weather has increased fossil fuel demand, feeding through into higher EUA demand.
- Added support came from speculative buying and last-minute compliance demand, along with negotiators agreeing upon the EU's overall 2030 emissions target.

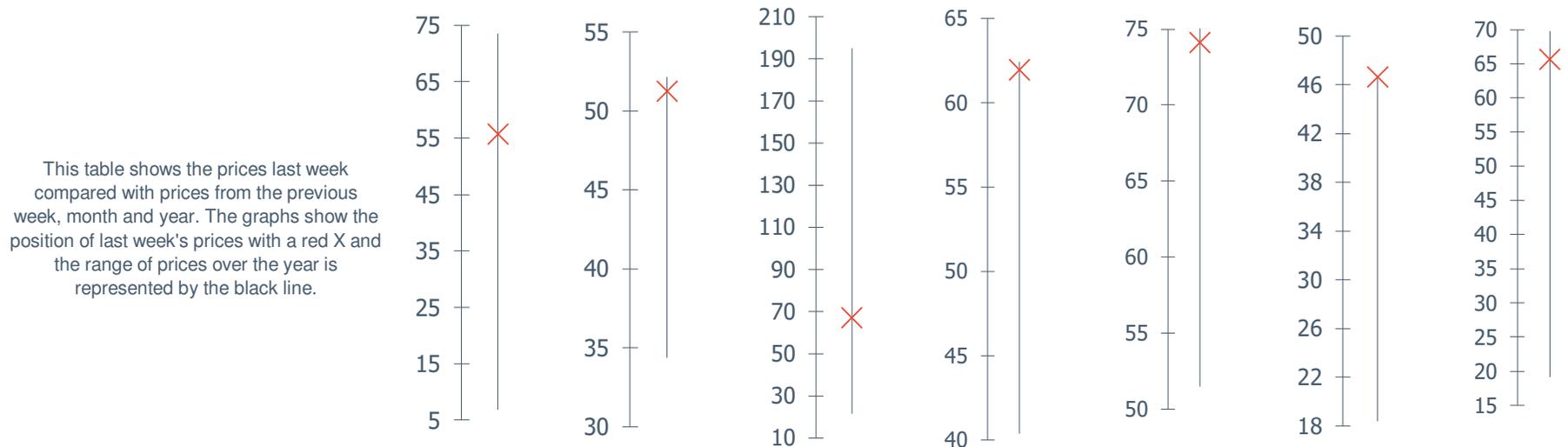
Supplier tariff movements

Four suppliers decreased the price of their cheapest available tariffs between 10 April and 17 April. EDF Energy reduced its cheapest tariff by the largest amount, a decrease of £71/year to £1,011/year on average. Green posted the next greatest price reduction on its cheapest tariff of £8/year, to £896/year on average, which made it the third cheapest tariff on the market at 17 April (up from fourth cheapest) with its Yew variable tariff. Eight suppliers increased the price of their cheapest available tariffs between 10 April and 17 April. Spark and npower increased their tariffs by the greatest amount, both increasing by £96/year to £1,137/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	23 Apr 21	55.80	51.25	67.00	61.95	74.10	46.64	65.66
Last week	16 Apr 21	56.75	51.60	65.50	61.13	74.75	44.62	67.23
Four weeks ago	26 Mar 21	46.50	47.95	47.75	57.45	72.00	41.15	63.00
Last year	24 Apr 20	11.25	35.45	25.60	41.42	53.40	20.75	21.30
Year-on-year % change		396.0%	44.6%	161.7%	49.6%	38.8%	124.8%	208.3%
12-month high		73.50	52.15	195.00	62.44	75.65	46.70	69.80
12-month low		6.85	34.37	21.50	40.38	51.50	18.40	19.12





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.

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

Copyright © 2021 EDW Technology Limited. All rights reserved.

No part of this publication may be reproduced, transmitted, transcribed, stored in a retrieval system, or translated into any language, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission from EDW Technology Limited.

All copyright, confidential information, patents, design rights and all other intellectual property rights of whatsoever nature contained herein are and shall remain the sole and exclusive property of EDW Technology Limited. The information furnished herein is believed to be accurate and reliable. However, no responsibility is assumed by EDW Technology Limited for its use, or for any infringements of patents or other rights of third parties resulting from its use.