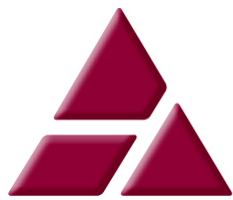




Energy Wholesale Market Review

Week Ending 9th July 2021



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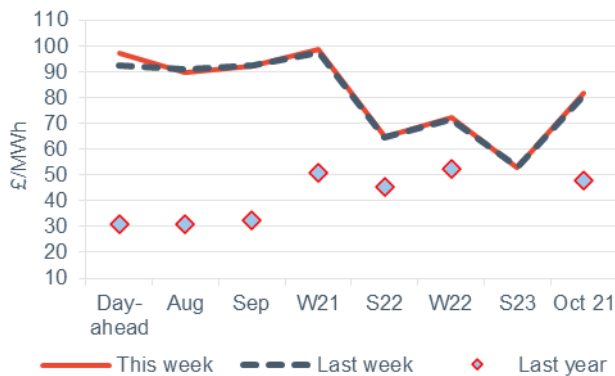
Headlines 09/07/2021

It was a relatively mixed week for pricing fundamentals across gas and power markets this week, with competing bullish and bearish trends observed. Day-ahead gas fell 7.5% to 90.50p/th, but still remained significantly higher than expected for this time of year in what was quite a volatile week for gas prices. Periods of system oversupply, weaker demand and higher UK domestic production weighed on prices. Alternatively, day-ahead power rose 4.9% to £97.0/MWh, continuing its recent bullish run, supported by weak wind output and reduce nuclear availability. August 21 gas was up 0.5% at 88.81p/th, and September 21 gas increased 1.4% to 90.11p/th. Most seasonal gas contracts boosted this week, up by 0.9% on average. Similarly, the majority of seasonal power contracts rose this week, up on average by 0.2%. Brent crude oil crept up 0.4% to average \$75.46/bl this week. Prices reached a fresh two-year high of \$77.32/bl on 6 July. Prices this week primarily followed the direction of OPEC+ supply strategy talks. At the week's start, prices were supported by optimism surrounding the proposed supply strategy for the coming months but later subsided as the week progressed with confidence in these meetings lessened. EU ETS carbon prices fell 2.4% to average €55.11/t. Similarly, UK ETS carbon fell 3.2% to average £45.62/t.

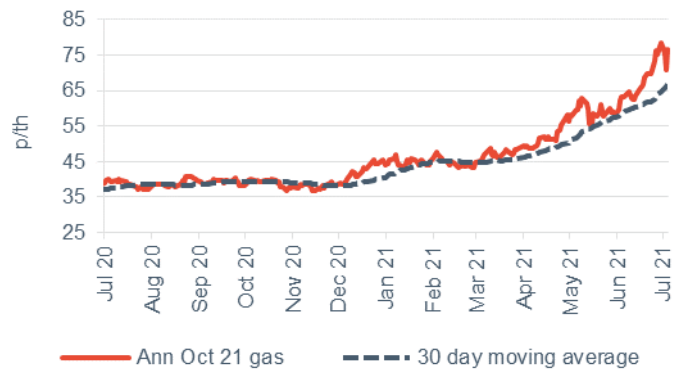
Baseload electricity

- Day-ahead power rose 4.9% to £97.0/MWh, continuing its recent bullish run, supported by weak wind output and reduce nuclear availability in parts.
- August 21 power slipped 1.2% at £89.95/MWh and September 21 power decreased 0.4% to £92/MWh.
- Q421 power moved 1.2% higher to £98.75/MWh.
- The annual October 21 contract rose 0.7% to £81.63/MWh, 70.1% higher than the same time last year (£48/MWh).

Forward curve comparison



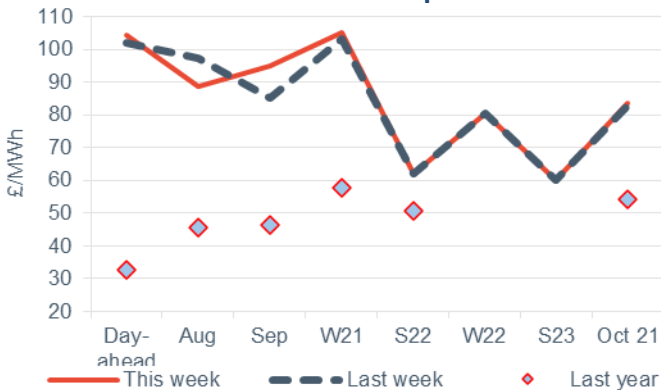
Annual October contract



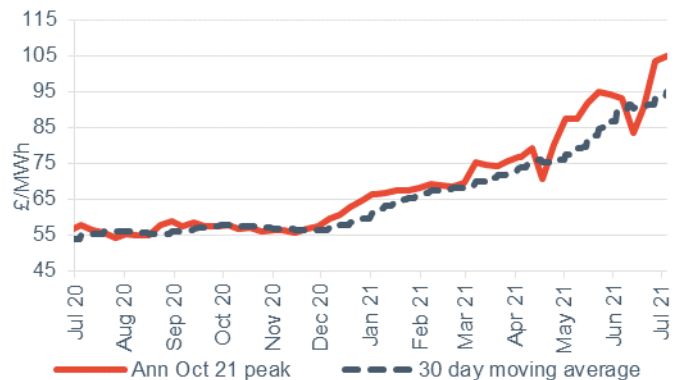
Peak electricity

- Day-ahead peak power was up 2.3% to £104.35/MWh, following its baseload counterpart higher.
- August 21 peak power declined 8.5% at £88.89/MWh, and September 21 peak power increased 11.7% to £94.97/MWh.
- The annual October 21 peak power lost 1.0% to £83.5/MWh
- This is 54.1% lower than the same time last year (£54.17/MWh).

Forward curve comparison



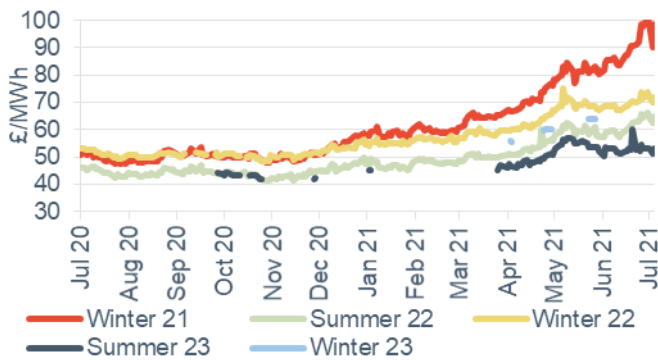
Annual October contract





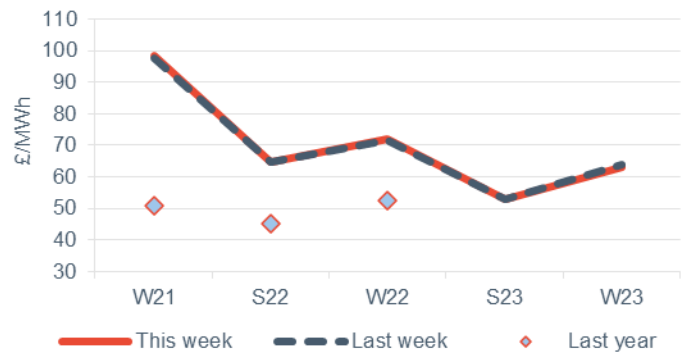
Seasonal power prices

Seasonal baseload power contracts



- Most seasonal power contracts rose this week, on average by 0.2%.
- Winter 21 and summer 22 expanded 0.9% and 0.4% respectively, rising to £98.50/MWh and £64.75/MWh.

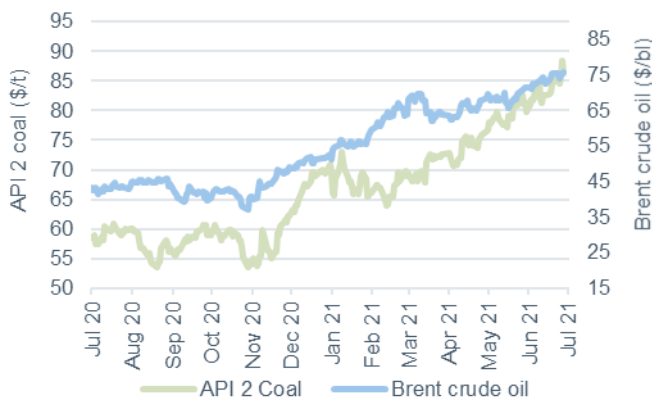
Seasonal baseload power curve



- Most seasonal peak power contracts grew this week, up 0.4% on average.
- Winter 21 gas increased 1.6% to £105.00/MWh, while summer 22 peak power dropped 0.0% to £62.00/MWh.

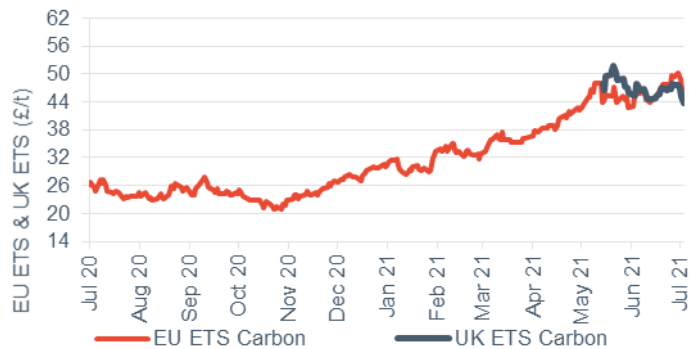
Commodity price movements

Oil and coal



- Brent crude oil crept up 0.4% to average \$75.46/bbl this week. Prices reached a fresh two-year high of \$77.32/bbl on 6 July.
- Prices this week primarily followed the direction of OPEC+ supply strategy talks. At the week's start, prices were supported by optimism surrounding the proposed supply strategy for the coming months and trying to resolve UAE opposition of output cuts.
- However, as the week matured – these talks appeared to have broken down and we consequently saw prices fall on consecutive days for the remainder of the week

Carbon (UK and EU ETS)



- EU ETS carbon prices fell 2.4% to average €55.11/t. Similarly, UK ETS carbon dropped 3.2% to average £45.62/t.
- It was a collectively bearish week for carbon markets this week.
- The primary driver for the downward pressure places on prices was the release of free EUA allocation to industry which persisted into the closing stages of the week.
- Any sustained losses were capped by generally low wind output on the continent.

Supplier tariff movements

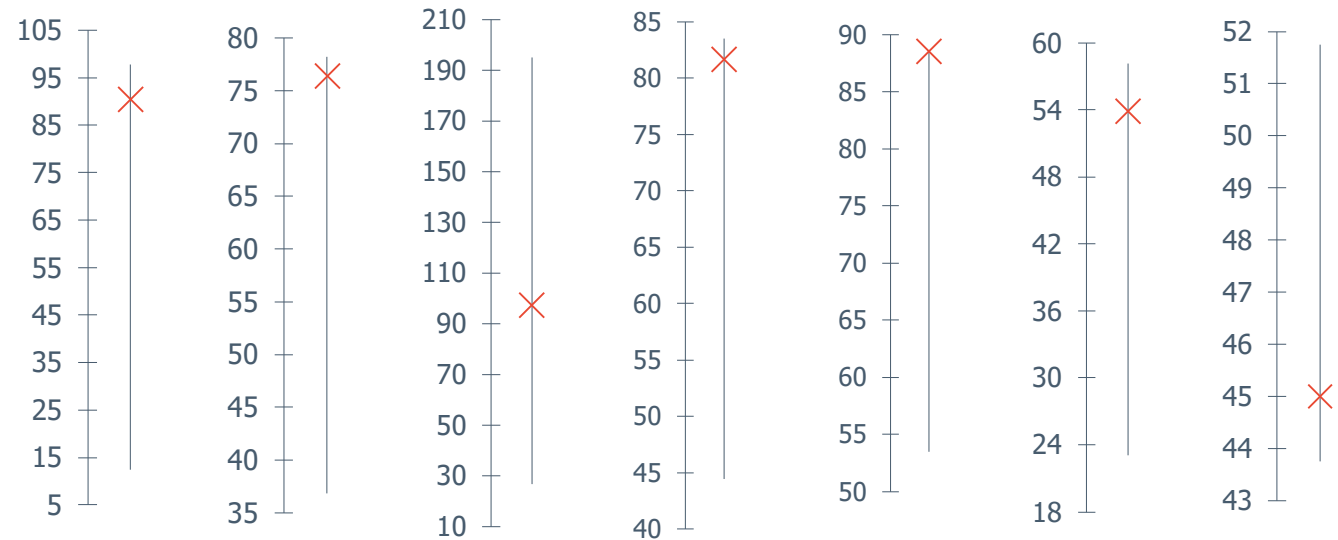
Seven suppliers increased the price of their cheapest available tariff between 26 June and 3 July. Igloo Energy increased its cheapest tariff by the greatest amount with an increase of £1111/year to £1,078/year and the supplier moved from having the 10th cheapest tariff on the market to the 28th cheapest tariff. Octopus Energy increased its cheapest tariff by £40/year to £1,026/year on average, while its white label suppliers, Affect Energy and Co-op Energy, increased their cheapest tariffs both by £39/year to £1,025/year on average. No suppliers reduced the price of their cheapest tariff between 26 June and 3 July.



Wholesale price snapshot

		Gas (p/th)		Electricity (£/MWh)		Coal (\$/t)	EUA carbon (€/t)	UKA carbon (£/t)
		Day-ahead	Year-ahead	Day-ahead	Year-ahead			
This week	9 Jul 21	90.50	76.44	97.00	81.63	88.50	53.88	45.00
Last week	2 Jul 21	97.85	75.07	92.50	81.08	86.30	57.55	47.60
Four weeks ago	11 Jun 21	69.40	63.55	76.00	72.50	84.45	53.30	46.50
Last year	10 Jul 20	13.25	39.17	30.75	48.00	57.40	27.79	N/A
Year-on-year % change		583.0%	95.2%	215.4%	70.1%	54.2%	93.9%	N/A
12-month high		97.85	78.26	195.00	83.50	88.60	58.16	51.75
12-month low		12.40	36.85	26.70	44.45	53.50	23.02	43.75

This table shows the prices last 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 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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