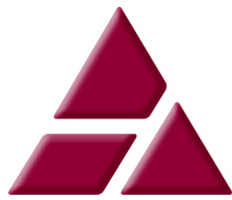




Energy Wholesale Market Review

Week Ending 11th November 2022



edw technology

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Contents

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 11/11/2022

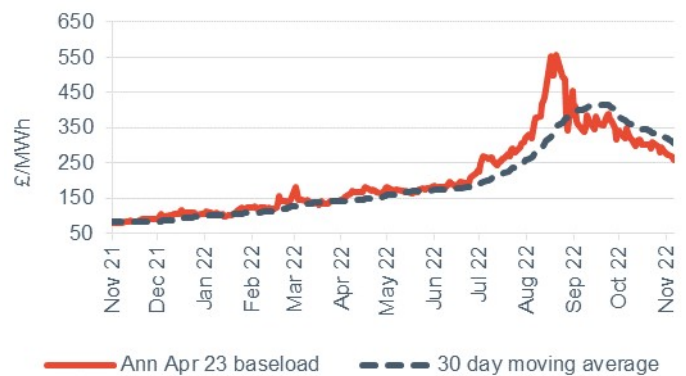
This week saw the continuation of predominately bearish price trends across gas and power wholesale contracts, noting the on-going marked disparity between day-ahead contracts and those further out on the forward curve. All tracked GB wholesale contracts saw losses week-on-week, the noteworthy exception being the day-ahead power contract. Day-ahead gas fell 6.4% to 102.00p/th, amid continued higher levels of LNG imports reaching UK terminals, softening the near-term gas supply balance and periods of warmer weather reducing heating consumption on average. On the contrary, day-ahead power rose 28.6% to £135.00/MWh, with periods of lower wind outturn tightening system margins. Elsewhere, December 22 gas was down 18.6% at 245.00p/th, and January 23 gas decreased 13.8% to 290.00p/th. All seasonal gas contracts declined this week, down by 6.5% on average, while both summer 23 and winter 23 gas dropped 11.9% and 6.1% respectively, subsiding to 260.00p/th and 294.00p/th. Like gas, seasonal power contracts declined this week, down on average by 8.9%, as summer 23 power decreased 13.0% to £235.00/MWh, while winter 23 fell 7.3% to £278.00/MWh.

- Baseload electricity Day-ahead power rose 28.6% to £135.00/MWh, despite losses from its equivalent gas contracts, but was ultimately supported by much lower wind outturn – expected to extend into next week.
- December 22 power slipped 23.0% at £258.00/MWh and January 23 power decreased 25.2% to £505.00/MWh.
- Q1 23 power moved 27.9% lower to £400.00/MWh.
- The annual April 23 contract lost 10.0% to £256.50/MWh, 222.6% higher than the same time last year (£79.50/MWh).

Forward curve comparison



Annual October contract



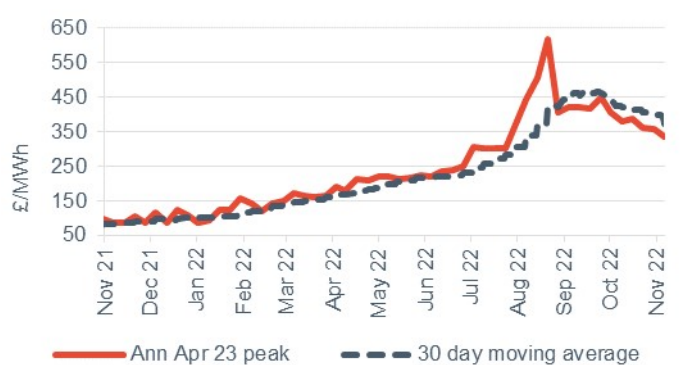
Peak electricity

- Day-ahead peak power was down 13.4% to £155.80/MWh, following baseload power lower.
- December 22 peak power declined 14.4% at £376.85/MWh, and January 23 peak power decreased 16.1% to £910.5/MWh.
- The annual April 23 peak power rose 5.8% to £337.33/MWh
- This is 289.1% higher than the same time last year (£86.7/MWh).

Forward curve comparison



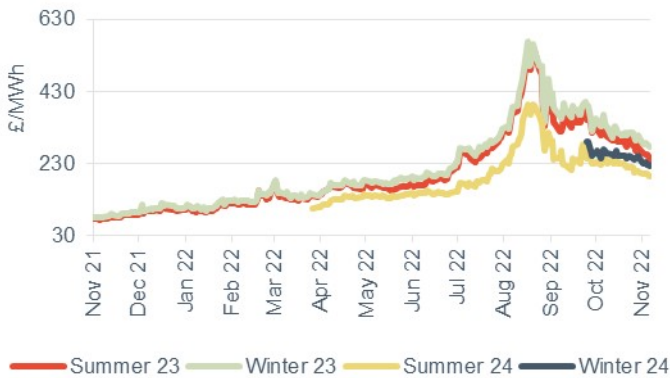
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

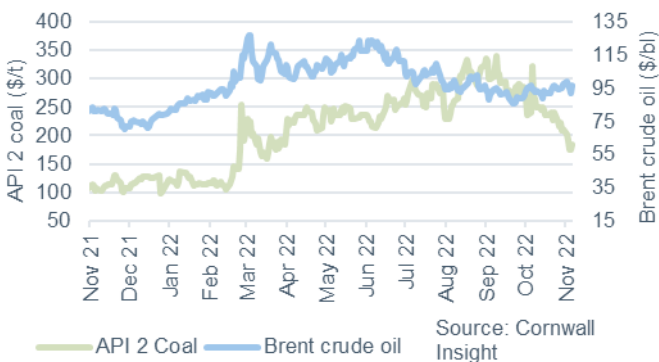


- All tracked seasonal power contracts declined this week, down on average by 8.9%.
- Summer 23 power decreased 13.0% to £235.00/MWh, while winter 23 fell 7.3% to £278.00/MWh.

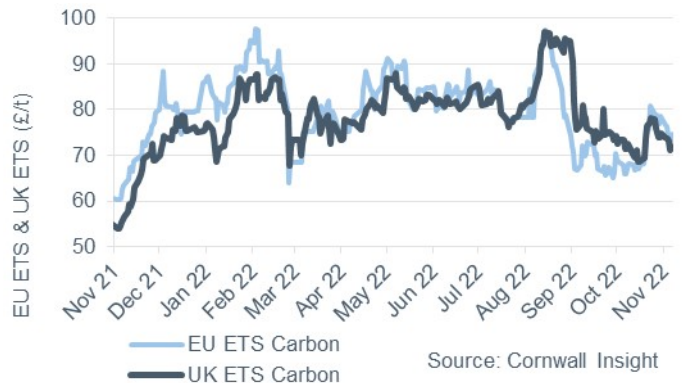
- Most seasonal peak power contracts declined this week too, down 6.1% on average. Summer 23 and winter 23 peak power dropped 7.8% and 4.4% respectively, falling to £286.35/MWh and £388.30/MWh.

Commodity price movements

Oil and coal



Carbon (UK and EU ETS)



- Brent crude prices climbed marginally, up 0.7% to average \$95.83/b, a third consecutive week of average price rises.
- Higher Chinese crude imports supported prices in the week, noting China is the largest crude importer globally. Easing Covid-19 restrictions in the week also helped ease previous concerns over a drop in demand.
- Elsewhere, a prominent lever of price rises for Brent crude remains centred around the 2mn/bpd cuts introduced from 1 November introduced by OPEC+ members.

- EU and UK ETS prices saw collective bearish movements this week. EU ETS slipped 4.2% to average €74.81/t, whilst UK ETS carbon decreased 3.4% to £72.76/t.
- Reducing gas prices in the UK and the continent drove lower prices across both schemes in part, supporting clean spark spreads.
- On the contrary, we still continue to also observe strong bullish momentum on longer dated EUA contracts, providing some bullish sentiment to prices in the near-term and pegging back any sustained price losses.

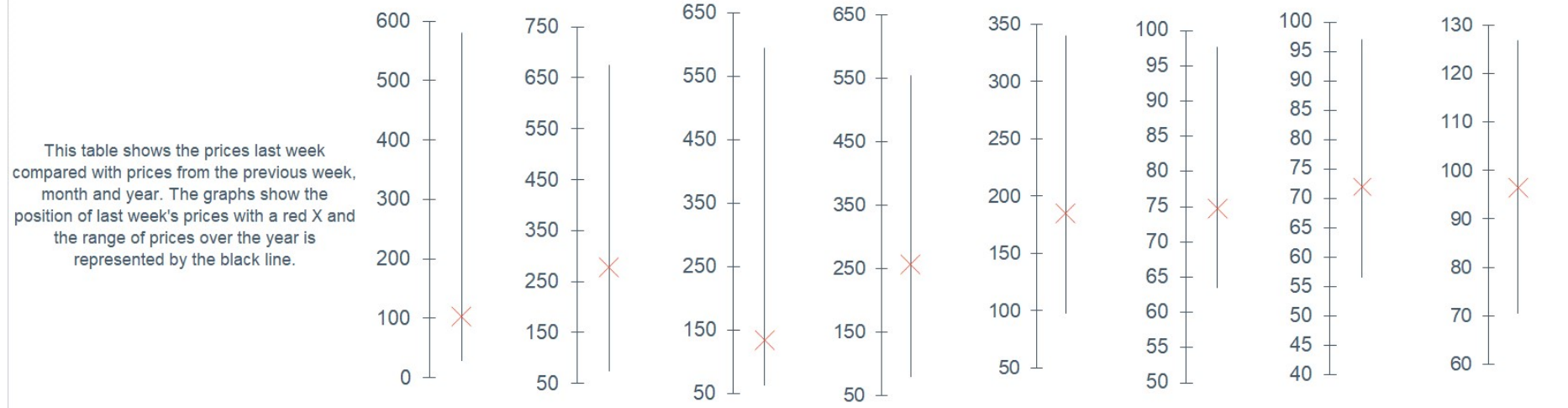
Supplier tariff movements

Utility Warehouse continued to offer the cheapest variable tariff on the market as of 5 November with its Value tariff, priced at £2,487/year on average, £13 below the EPG level. Utility Warehouse's Double Gold tariff, which requires customers to take two other non-energy services from the supplier (mobile, broadband, or insurance), is priced at £2,375/year on average, £125 below the EPG level, while its Gold tariff, which requires customers to take one other service, is priced at £2,437/year on average.



Wholesale price snapshot

		Gas (p/th)		Electricity (£/MWh)		Coal	EUA carbon	UKA carbon	Brent crude
		Day-ahead	Year-ahead	Day-ahead	Year-ahead	(\$/t)	(€/t)	(£/t)	(\$/bl)
This week	11 Nov 22	102.00	277.00	135.00	256.50	185.00	74.75	71.90	96.45
Last week	4 Nov 22	109.00	304.00	105.00	285.00	211.00	78.54	74.75	97.35
Four weeks ago	14 Oct 22	125.00	372.50	150.00	317.50	250.00	68.04	71.90	93.86
Last year	12 Nov 21	177.00	75.43	250.00	79.50	105.00	63.49	56.50	81.68
Year-on-year % change		-42.4%	267.3%	-46.0%	222.6%	76.2%	17.7%	27.3%	18.1%
12-month high		580.00	674.50	595.00	555.00	340.00	97.61	97.00	126.84
12-month low		28.00	75.43	63.00	79.50	97.80	63.49	56.50	70.50





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 21 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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