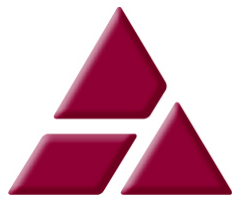




# Energy Wholesale Market Review

Week Ending 25<sup>th</sup> November 2022



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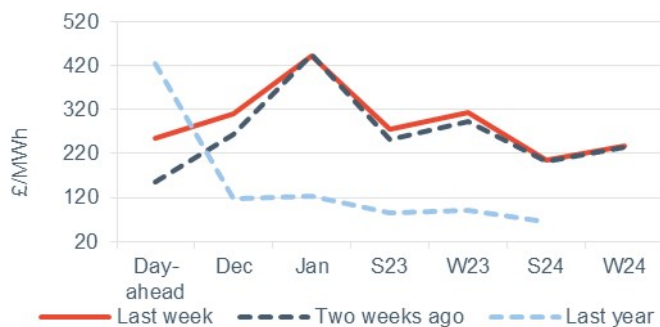


## Headlines 25/11/2022

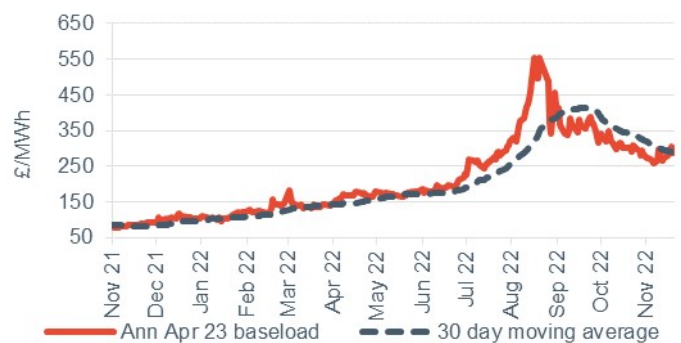
This week saw the continuation of bullish price movements across gas and power wholesale contracts, but we continue to note the ongoing pricing disparity between day-ahead contracts and those further out on the forward curve. Day-ahead gas rose 11.8% to 152.00p/th, following the gradual decline in seasonal average temperatures this week, placing higher demand on gas-fired assets to meet demand coupled with select periods of system undersupply observed throughout the week. Day-ahead power rose 64.5% to £255.00/MWh, following the upward price direction of its gas equivalent contract and forecasts of significantly tightened system margins expected early next week - driving a £113.00/MWh price rise from 24 into 25 November. Elsewhere, December 22 gas was up 10.4% to 286.00p/th, and January 23 gas increased 6.4% to 317.00p/th. The majority of seasonal gas contracts boosted last week, up by 2.0% on average, while both summer 23 and winter 23 gas increased 9.4% and 6.5% respectively, lifting to 304.00p/th and 319.50p/th. All seasonal power contracts saw gains this week, up on average by 5.0%, as summer 23 and winter 23 expanded 9.7% and 7.7% respectively, rising to £277.00/MWh and £315.00/MWh.

- Baseload electricity Day-` power rose 64.5% to £255.00/MWh, predominately driven by a significant upturn in price on Friday 25 November, with the ESO forecasting notably tight system conditions early next week.
- December 22 power climbed 18.1% at £310.00/MWh and January 23 power decreased 0.7% to £442.00/MWh.
- Q123 power moved 12.2% higher to £415.00/MWh.
- The annual April 23 contract rose 8.6% to £296/MWh, 234.5% higher than the same time last year (£88.5/MWh).

### Forward curve comparison



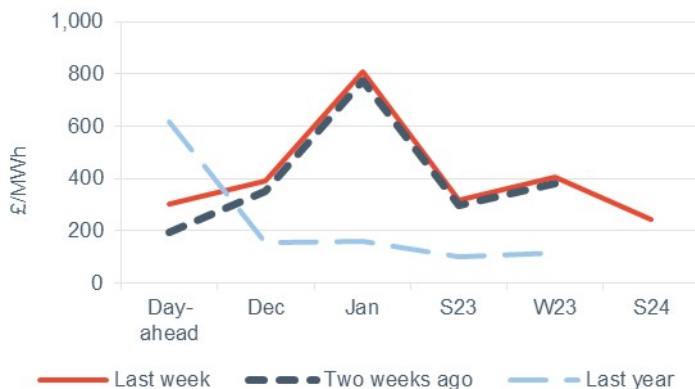
### Annual October contract



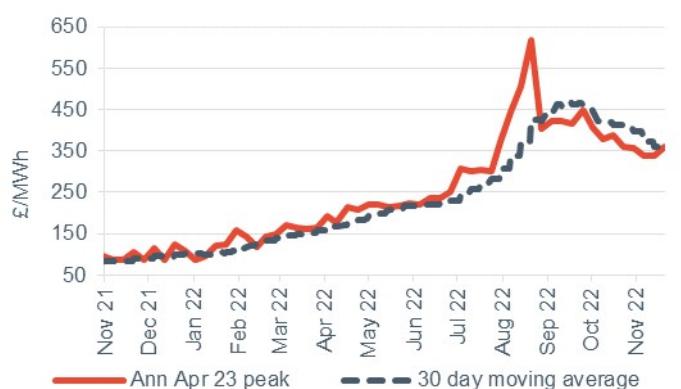
## Peak electricity

- Day-ahead peak power was up 53.7% to £300.25/MWh, following baseload power higher.
- December 22 peak power gained 11.3% at £392.25/MWh, and January 23 peak power increased 4.5% to £810.25/MWh.
- The annual April 23 peak power rose 6.5% to £360.25/MWh
- This is 238.6% higher than the same time last year (£106.38/MWh).

### Forward curve comparison



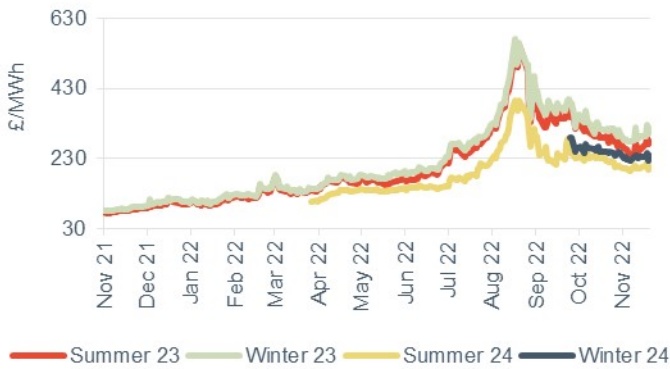
### Annual October contract





## Seasonal power prices

### Seasonal baseload power contracts



### Seasonal baseload power curve

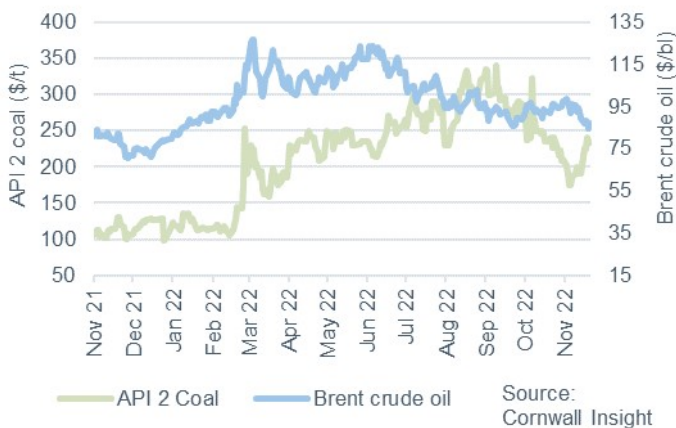


- All seasonal power contracts increased this week, up 5.0% on average.
- Summer 23 and winter 23 expanded 9.7% and 7.7% respectively, rising to £277.00/MWh and £315.00/MWh.

- Most seasonal peak power contracts also experienced gains this week, up 6.6% on average.
- Summer 23 and winter 23 peak power increased 7.1% and 6.0% respectively, rising to £316.25/MWh and £404.25/MWh.

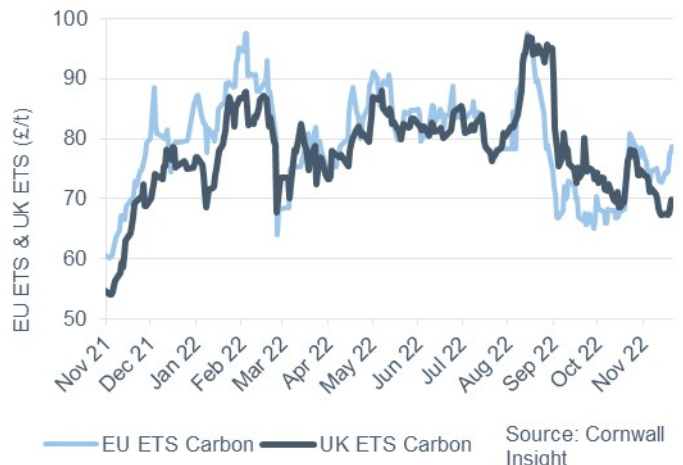
## Commodity price movements

### Oil and coal



- Brent crude prices fell week-on-week, down 6.4% to average \$86.85/bl, a second consecutive week of price decreases
- Uncertainty in global commodity markets continue to exacerbate volatility in price, particularly evident over recent months
- For this week more specifically, Brent crude prices were hit with significant losses early in the week, as reports emerged that OPEC+ nations were considering supply increases, after production was cut by 2mn bpd the organisation last month

### Carbon (UK and EU ETS)



- EU and UK ETS prices saw mixed price movements this week. EU ETS climbed 2.7% to average €75.92/t, whereas UK ETS carbon decreased 1.0% to £68.16/t
- EU ETS prices were supported this week by forecasts of colder upcoming temperatures on the continent, acting to encourage demand for gas and fossil fuel-fired assets

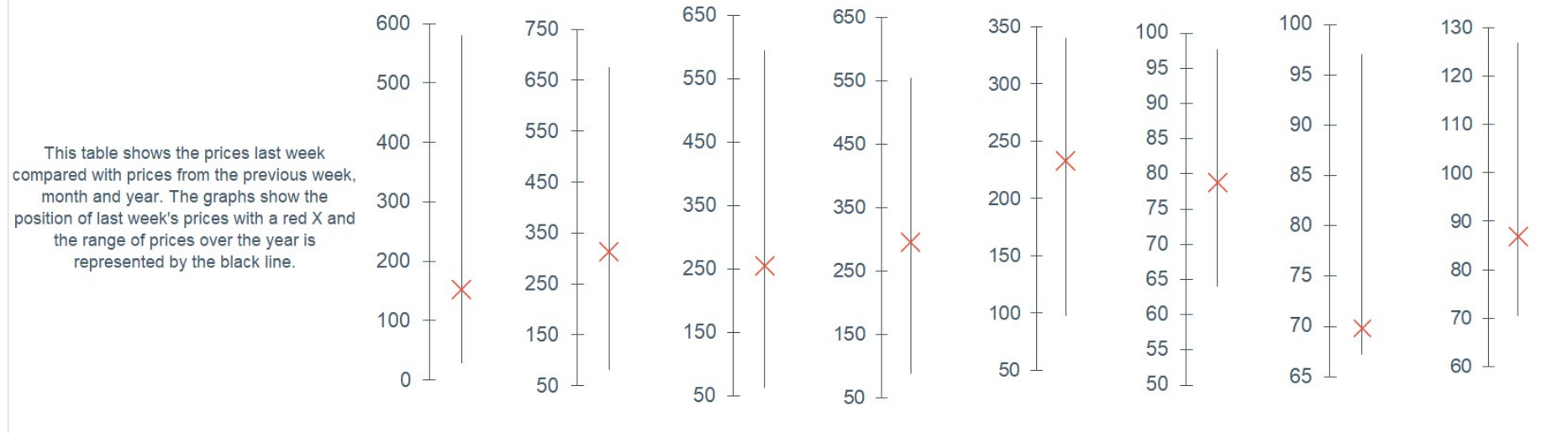
## Supplier tariff movements

Utility Warehouse continued to offer the cheapest variable tariff in the market (as of 19 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	25 Nov 22	152.00	311.75	255.00	296.00	232.50	78.77	69.80	86.78
Last week	18 Nov 22	136.00	289.00	155.00	272.50	190.00	72.68	67.25	89.25
Four weeks ago	28 Oct 22	62.50	338.50	95.00	307.50	240.00	80.80	78.15	96.40
Last year	26 Nov 21	225.00	81.90	425.00	88.50	122.00	72.09	69.45	77.57
Year-on-year % change		-32.4%	280.6%	-40.0%	234.5%	90.6%	9.3%	0.5%	11.9%
12-month high		580.00	674.50	595.00	555.00	340.00	97.61	97.00	126.84
12-month low		28.00	81.90	63.00	88.50	97.80	64.05	67.25	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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