



Energy Wholesale Market Review

Week Ending 1st July 2022



edw technology

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

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



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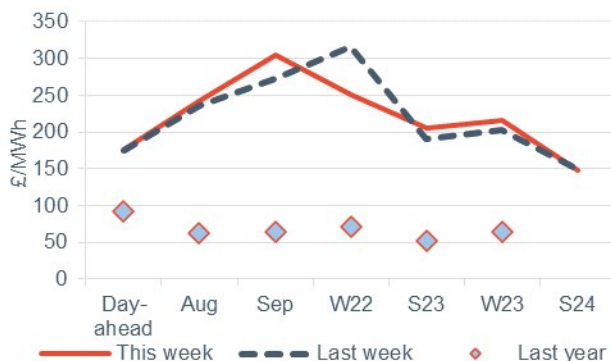
Headlines 01/07/2022

Wholesale gas and power contracts registered gains compared to the previous week, though with some outliers against this trend. Day-ahead gas represented one of small number of contracts which saw prices retreat week-on-week, subsequently falling 5.9% to 160.00p/th, following periods of stronger Norwegian flows into GB, coupled with higher LNG-send out. Conversely, day-ahead power rose 1.1% to £176.00/MWh, amid bullish movements of near-term gas prices at the week's start propping up power prices for the remainder of the week, coupled with periods of low renewables output in tandem. Elsewhere, August 22 gas was up 2.8% at 247.10p/th, and September 22 gas increased 6.5% to 316.69p/th. Similar to front month contracts, seasonal gas contracts boosted this week too, up by 7.2% on average, while both winter 22 and summer 23 gas increased 11.2% and 8.5% respectively, lifting to 375.85p/th and 231.68p/th. Somewhat against their gas counterpart contracts, seasonal power contracts declined this week, down on average by 1.9%, as winter 22 power decreased 20.6% to £250.00/MWh. On the international commodity front, Brent crude prices rose 3.1% this week to average \$115.16/bl, while the EU ETS climbed 1.4% to average €84.96/t and the UK ETS lifted 2.4% to £82.95/t.

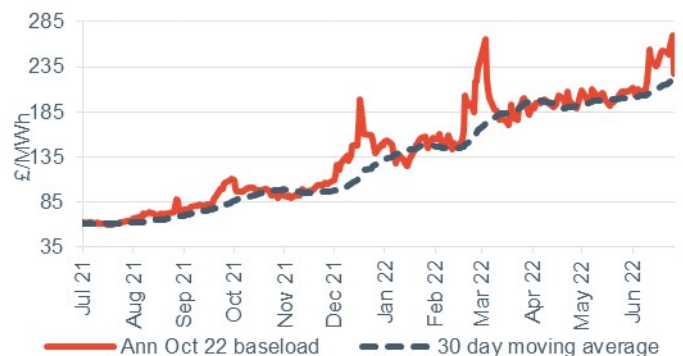
Baseload electricity

- Day-ahead power rose 1.1% to £176.00/MWh, amid bullish movements of near-term gas prices at the week's start propping up power prices for the remainder of the week, coupled with periods of low renewables output in tandem.
- August 22 power climbed 2.5% at £242.00/MWh and September 22 power increased 11.8% to £305.00/MWh.
- Elsewhere, the annual October 22 contract lost 9.9% to £227.50/MWh, 265.8% higher than the same time last year (£62.20/MWh).

Forward curve comparison



Annual October contract



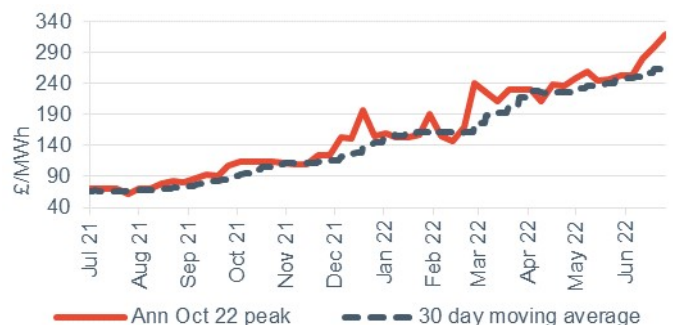
Peak electricity

- Day-ahead peak power was unchanged from the week prior, remaining at £185.00/MWh.
- August 22 peak power gained 1.8% at £250.35/MWh, and September 22 peak power increased 8.9% to £333.8/MWh.
- The annual October 22 peak power rose 7.2% to £319.6/MWh
- This is 354.4% higher than the same time last year (70.34/MWh).

Forward curve comparison



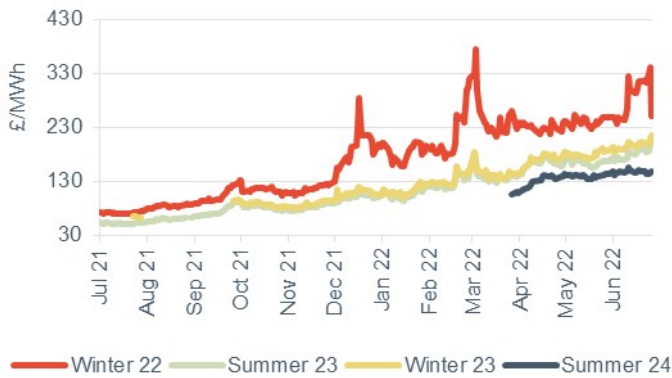
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



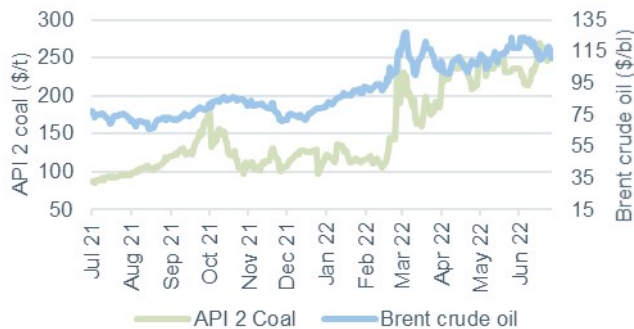
Seasonal baseload power curve



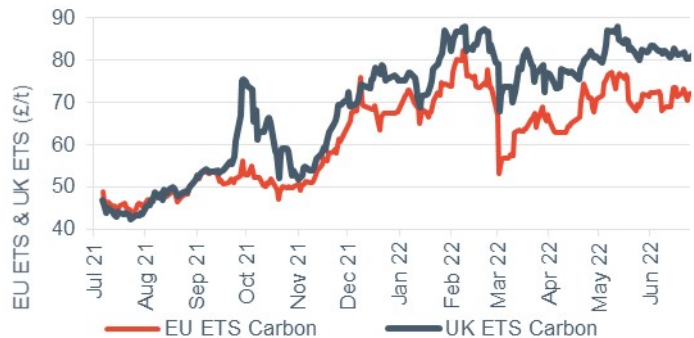
- Most seasonal power contracts declined this week, down on average by 1.9%.
- Winter 22 power decreased 20.6% to £250.00/MWh, while summer 23 expanded 7.9% to £205.00/MWh.
- Like its baseload counterpart, seasonal peak power contracts boosted this week, up 6.4% on average.
- Winter 22 and summer 23 peak power increased 8.1% and 5.4% respectively, rising to £410.40/MWh and £228.80/MWh.

Commodity price movements

Oil and coal



Carbon (UK and EU ETS)



- Brent crude prices rose 3.1% this week to average \$115.16/bbl
- Brent crude prices climbed across the week. At the week's start, prices gained traction from reports that the G7 met to discuss plans on a European wide embargo on Russian oil exports.
- Further into the week, prices climbed in response to news that Saudi Arabia and the UAE would be unlikely to boost output at a significant enough volume to combat the on-going tightness in the oil supply market at present, continuing to feed into concerns about how the market will react to removing Russian oil from the market.
- API 2 coal fell 2.1% to average \$253.10/t.
- The EU and UK ETS experienced similar upward price movements this week. Subsequently, the EU ETS climbed 1.4% to average €84.96/t and the UK ETS lifted 2.4% to £82.95/t.
- Starting with the EU ETS markets, prices this week gained support from 'several' EU countries looking to restart mothballed coal plant to help with the on-going gas supply shortages and with higher subsequent fossil fuel generation, forcing EUA demand higher.
- UK ETS prices this week saw gains amid periods of cooler weather (particularly by comparison to recent week) driving demand higher for gas-fired assets.

Supplier tariff movements

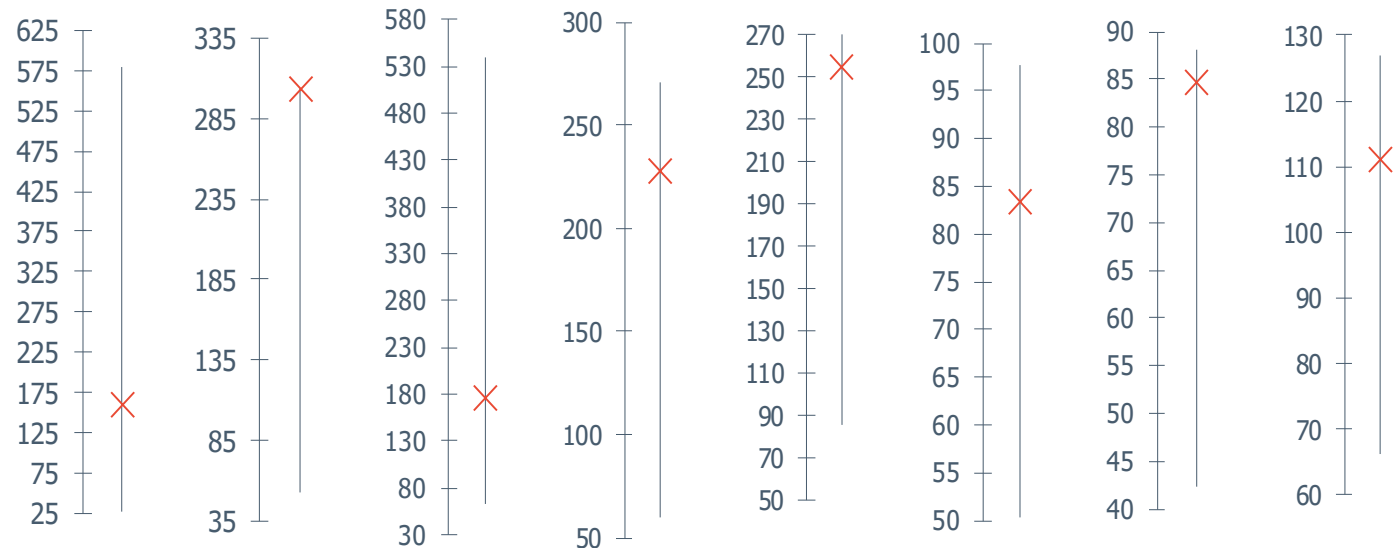
EDF Energy offered the cheapest medium fixed tariff on the market at 25 June with its Fix Total Service Jun24v6 tariff, priced at £2,800/year on average. British Gas offered the cheapest short fixed tariff at 25 June with its Exclusive Nov23v1 tariff, priced at £2,585/year on average. SSE offered the cheapest prepayment tariff at 25 June, priced at £1,990/year on average, down from £2,015 at 4 June, where it had priced alongside other Ovo Energy white label Boost Power.



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	1 Jul 22	160.00	303.77	176.00	227.50	255.00	83.35	84.65	111.05
Last week	24 Jun 22	170.00	275.80	174.00	252.50	260.00	83.78	80.30	111.29
Four weeks ago	3 Jun 22	133.00	211.75	140.00	207.50	235.00	84.80	83.25	117.55
Last year	2 Jul 21	97.85	53.66	92.50	62.20	86.30	57.55	47.60	75.63
Year-on-year % change		63.5%	466.1%	90.3%	265.8%	195.5%	44.8%	77.8%	46.8%
12-month high		580.00	303.77	540.00	270.35	270.00	97.61	88.00	126.84
12-month low		28.00	52.78	63.00	60.25	85.50	50.23	42.40	66.31

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 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.

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

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