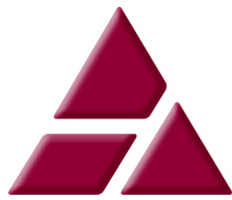




Energy Wholesale Market Review

Week Ending 22nd 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 22/07/2022

This week we observed a relatively mixed picture for the movements of wholesale gas and power contracts. Generally, we saw near-term gas contracts climb, whereas the power equivalent contract observed notable losses week-on-week. The week saw day-ahead gas prices rise 38.6% to 282.00p/th, following an unplanned outages at Norway's FLAGS exist terminal, reducing Norwegian gas flows into GB and compiling greater levels of system undersupply during select periods in the week. Conversely, day-ahead power fell 30.3% to £233.5/MWh, amid reduced demand seen across the week amid continued higher temperatures and periods of heightened wind output. Most seasonal gas contracts declined this week, down by 0.7% on average, with winter 22 gas dropping 3.1% to 410.05p/th, whereas summer 23 gas increased 2.2% to 291.05p/th. Elsewhere, seasonal power contracts saw gains, up on average by 4.5%, as winter 22 and summer 23 expanded 7.9% and 2.0% respectively, rising to £478.00/MWh and £250.00/MWh.

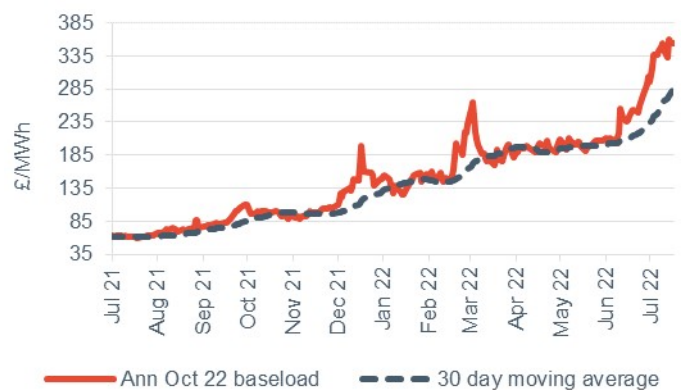
Baseload electricity

- Day-ahead power fell 30.3% to £233.5/MWh, following reduced demand seen across the week amid continued higher temperatures and periods of heightened wind output.
- August 22 power climbed 19.2% at £292.0/MWh and September 22 power rose 6.1% to £350.0/MWh.
- The annual October 22 contract rose 3.1% to £354.5/MWh, 488.4% higher than the same time last year (£60.25/MWh).

Forward curve comparison



Annual October contract



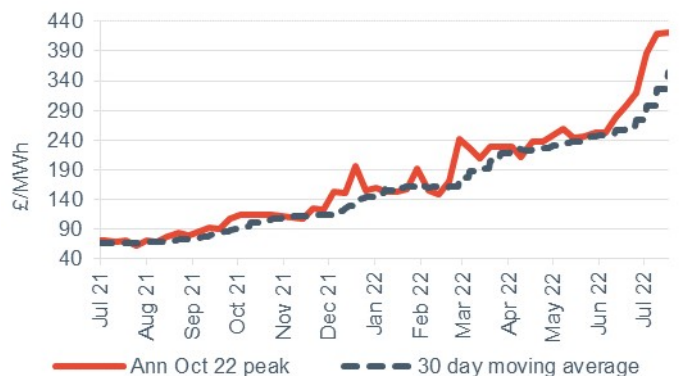
Peak electricity

- Day-ahead peak power was down 40.7% to £240.00/MWh, following baseload power lower.
- August 22 peak power gained 10.3% at £314.5/MWh, and September 22 peak power increased 3.0% to £375.25/MWh.
- The annual October 22 peak power rose 0.5% to £421.63/MWh
- This is 499.4% higher than the same time last year (70.34/MWh).

Forward curve comparison



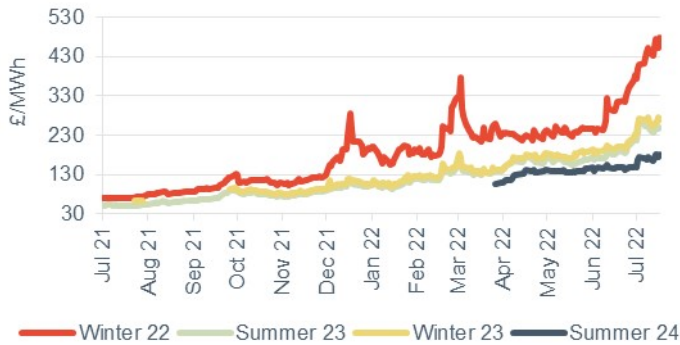
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

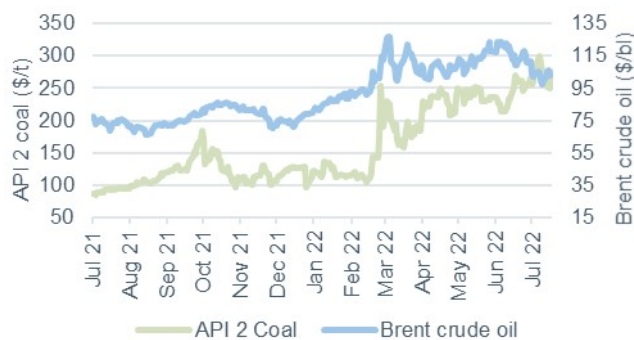


- All tracked seasonal power contracts experienced gains this week, up on average by 4.5%.
- Winter 22 and summer 23 expanded 7.9% and 2.0% respectively, rising to £478.00/MWh (a record high) and £250.00/MWh.

- Some seasonal peak power contracts saw minor gains this week, up 0.6% on average.
- Winter 22 gas increased 1.2% to £568.00/MWh, while summer 23 peak power dropped 0.9% to £275.25/MWh.

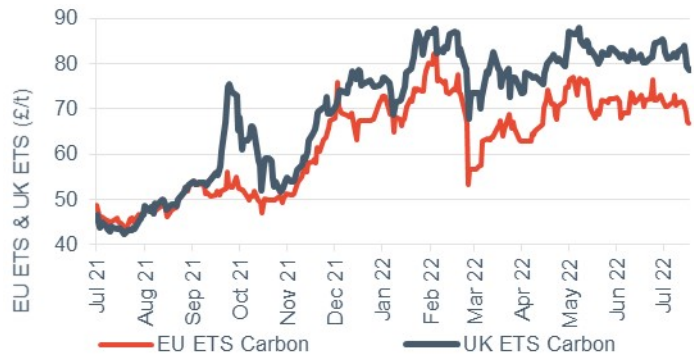
Commodity price movements

Oil and coal



- Brent crude prices rose 2.6% last week to average \$104.03/bl, reversing two consecutive weeks of average price decline.
- Primarily, the continuation of on-going concerns around the tight supply landscape for oil markets pushed prices higher last week.
- The concerns of future oil supply overshadowed potential lowering demand levels prompted by the possibility of a global recession.
- However, any sustained price rises last week were capped later in the week by returning energy supply from Russia and Libya, combined with increased US stockpile levels in parallel.
- API 2 coal fell 8.7% to average \$261.40/t.

Carbon (UK and EU ETS)



- The EU and UK ETS shared price losses last week. The EU ETS fell 3.7% to average €81.44/t whilst the UK ETS went down 0.5% to average £81.50/t.
- For the EU ETS, we observed a noteworthy sell-off in EUA's – a response to prices dropping below key technical levels.
- Similarly, mixed reactions on the back of the European Commission's plans to reduce gas demand ahead of winter could see a reduction in fossil fuel demand more broadly.
- UK ETS prices were weighed by the on-going warmer weather trends we have observed recently, stifling demand for fossil fuel generation.

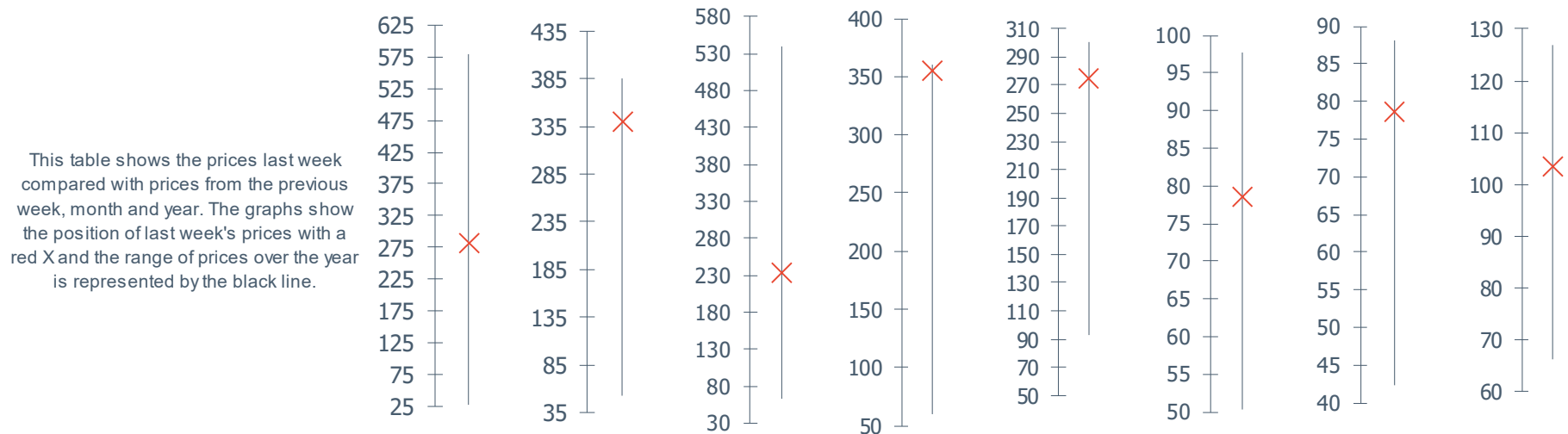
Supplier tariff movements

EDF Energy continued to offer the cheapest medium fixed tariff on the market at 16 July with its Fix Total Service Jul24v3 tariff, priced at £3,050/year on average. So Energy offered the cheapest short fixed tariff on the market at 16 July with its So Iris One Year – Green tariff, priced at £3,221/year on average. Utility Warehouse continued to offer the cheapest variable tariff on the market with its Value tariff, priced at £1,961/year on average at 16 July, £10/year below the default tariff cap.



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	22 Jul 22	282.00	341.50	233.50	354.50	275.00	78.45	78.60	103.33
Last week	15 Jul 22	203.50	354.00	335.00	344.00	272.00	84.46	82.50	99.81
Four weeks ago	24 Jun 22	170.00	275.80	174.00	252.50	260.00	83.78	80.30	111.29
Last year	23 Jul 21	90.00	53.20	96.00	60.25	92.65	50.23	42.40	73.79
Year-on-year % change		213.3%	541.9%	143.2%	488.4%	196.8%	56.2%	85.4%	40.0%
12-month high		580.00	385.35	540.00	360.00	300.00	97.61	88.00	126.84
12-month low		28.00	53.20	63.00	60.25	92.65	50.23	42.40	66.31





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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