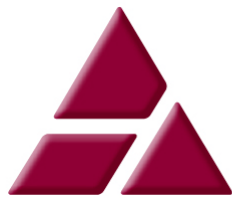




Energy Wholesale Market Review

Week Ending 29th July 2022



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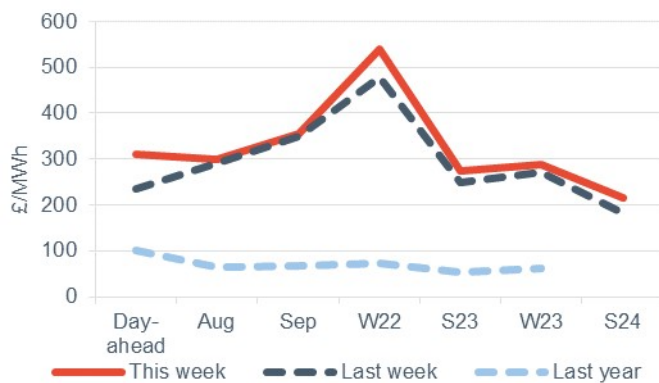
Headlines 29/07/2022

The majority of gas and power contracts reported gains this week. Day-ahead gas grew 9.2% to 308.0p/th, finding continued price support from disruption to European supply via the Nord Stream 1 pipeline, while also being bolstered by higher gas-for-power demand. August 22 gas lost 2.0% to 315.0p/th, while September 22 gas traded 3.7% higher at 372.8p/th. Amid ongoing volatility, seasonal gas contracts continued their recent bullish momentum, increasing by an average of 9.2% week-on-week. Following its gas counterpart, day-ahead power climbed 32.8% to £310.0/MWh, being buoyed further by low wind output mid-week. August 22 power rose 2.7% to £300.0/MWh, and September 22 power went up 1.4% to £355.0/MWh. Further along the forward curve, seasonal power contracts increased by 11.7% on average this week with the summer 24 contract reporting the greatest price increase, up 18.1% to £215.0/MWh. Brent crude oil gained 2.5% to average \$106.68/bl amid ongoing tight supply concerns. EU ETS carbon lost 4.6% to average €77.70/t and UK ETS carbon slipped 5.2% to average £77.24/t.

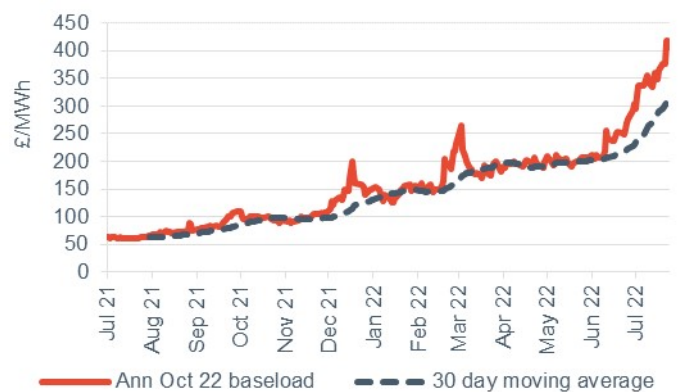
Baseload electricity

- Day-ahead power jumped 32.8% to £310.0/MWh, supported by a mixture of low wind generation, strong exports to France and continued high gas prices.
- August 22 power went up 2.7% to £300.0/MWh and September 22 power rose 1.4% to £355.0/MWh.
- The annual October 22 contract raised 11.7% to £406.5/MWh. This represents a 551.7% increase on the price point observed this time last year (£62.4/MWh).

Forward curve comparison



Annual October contract



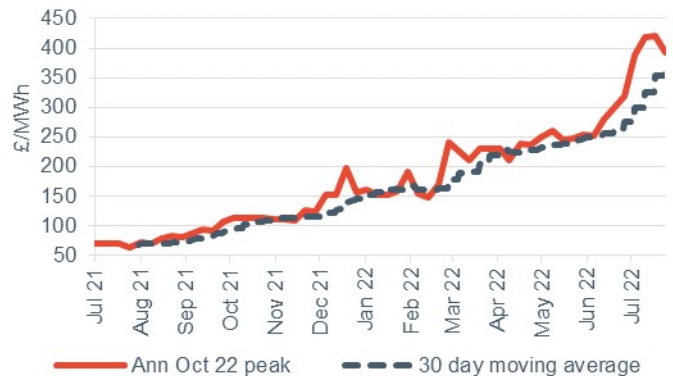
Peak electricity

- Day-ahead peak power reversed the losses observed in the previous week, rising 43.8% to £345.0/MWh, following its baseload counterpart higher.
- August 22 peak power gained 1.7% to £320.0/MWh, while September 22 peak power fell 5.7% to £353.8/MWh.
- The annual October 22 peak power eased 6.9% to £392.5/MWh.
- Despite the losses, the price remains 531.5% higher than the same time last year (£62.5/MWh).

Forward curve comparison



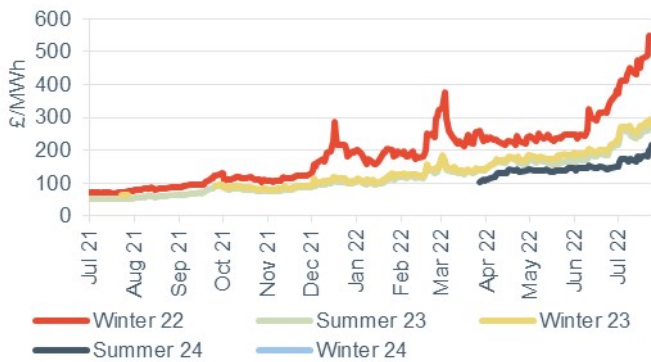
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



- All tracked seasonal power contracts experienced gains this week, up on average by 11.7%.
- Winter 22 rose to a fresh high of £540.0/MWh (up 13.0%). Summer 23 also saw gains, rising 9.2% to £273.0/MWh.

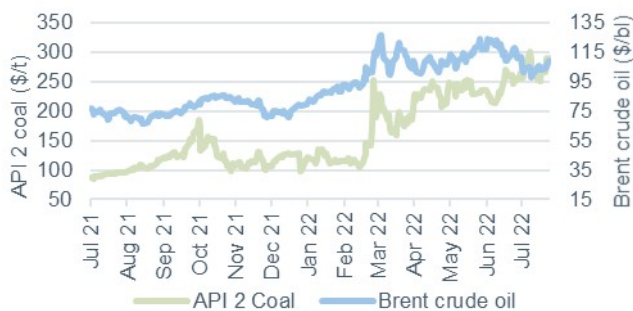
Seasonal baseload power curve



- Seasonal peak power contracts saw mixed movements this week, falling 3.2% on average.
- Winter 22 gas lost 6.7% to £530.0/MWh, while summer 23 peak power declined 7.4% to £255.0/MWh.

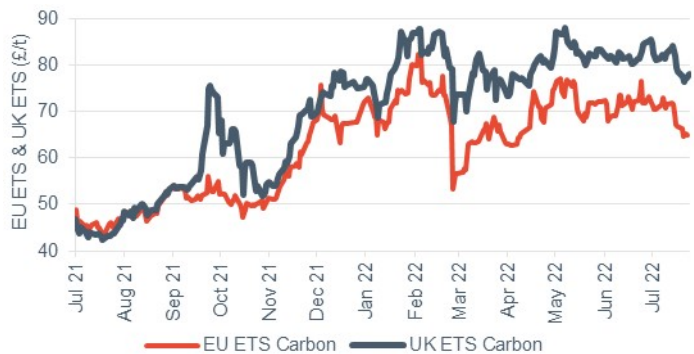
Commodity price movements

Oil and coal



- Brent crude oil gained 2.5% to average \$106.68/bbl amid ongoing tight supply concerns, with speculation that OPEC+ members will decide to not boost supply at next week's meeting.
- News of the US Federal Reserve's further increase in interest rates lent further support, with market participants concerned fuel demand may be weakened if interest rate rises are too aggressive.
- Gains were pegged back by the news that Libyan oil production is expected to increase in the coming two weeks to 1.2mn barrels per day, up from 860,000 barrels per day.
- API 2 coal dropped 8.7% to average \$261.40/t.

Carbon (UK and EU ETS)



- EU ETS carbon lost 4.6% to average €77.70/t and UK ETS carbon slipped 5.2% to average £77.24/t, following news of EU nations agreeing to a 15.0% reduction in gas demand as part of emergence regulation for the coming winter season.
- Towards the end of the week EU ETS prices did find some support from the anticipation of a halving of auction volumes in August.

Supplier tariff movements

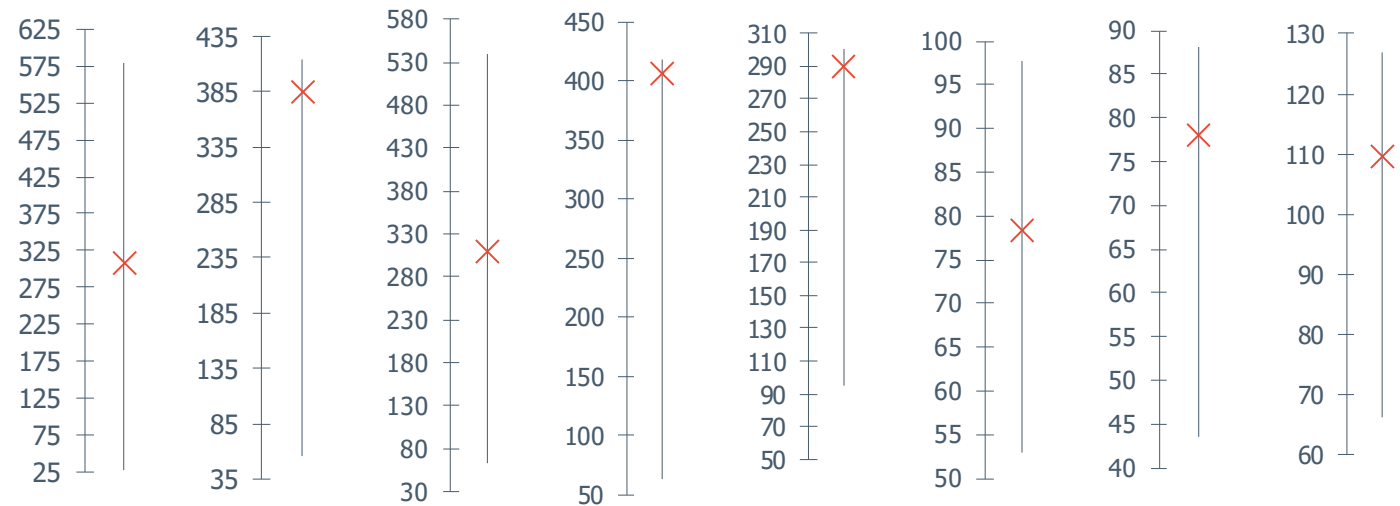
EDF Energy continued to offer the cheapest medium fixed tariff on the market at 23 July with its Fix Total Service Jul24v6 tariff, priced at £3,050/year on average. The v6 version of the tariff was launched this week, replacing Fix Total Service Jul24v3. Utility Warehouse continued to offer the cheapest variable tariff on the market with its Value tariff, priced at £1,961/year on average at 23 July, £10/year below the default tariff cap. OVO Energy reduced the cancellation fee of its 2 Year Fixed 21 July 2022 tariff from £120 to £60 between 16 July and 23 July. Cancellation fees applied to 12 of the 34 dual fuel fixed tariffs on the market at 23 July.



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)
Last week	29 Jul 22	308.00	385.02	310.00	406.50	290.00	78.32	78.05	109.58
Two weeks ago	22 Jul 22	282.00	341.50	233.50	364.00	275.00	78.45	78.60	103.33
Four weeks ago	1 Jul 22	160.00	303.77	176.00	277.50	255.00	83.35	84.65	111.05
Last year	30 Jul 21	102.00	55.83	101.00	62.38	95.50	53.00	43.65	75.95
Year-on-year % change		202.0%	589.7%	206.9%	551.7%	203.7%	47.8%	78.8%	44.3%
12-month high		580.00	414.82	540.00	417.50	300.00	97.61	88.00	126.84
12-month low		28.00	55.75	63.00	62.38	95.25	53.00	43.65	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.

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