



Energy Wholesale Market Review

Week Ending 9th September 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



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 09/09/2022

This week, we observed a relatively mixed picture for wholesale gas and power contracts – with day-ahead contracts registering gains but select front-month contracts and some further dated seasonal contracts retreating.

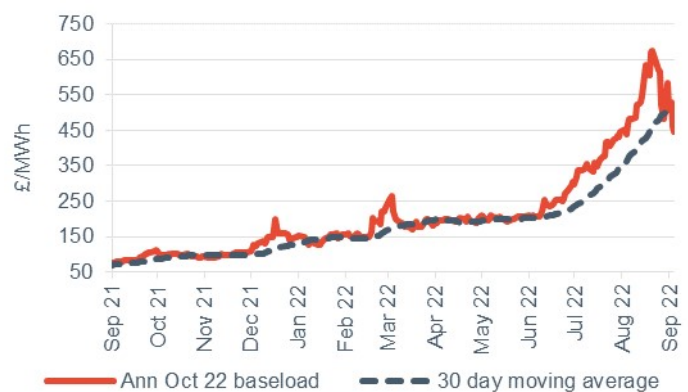
Day-ahead gas rose 15.0% to 345.00p/th, following reports that Russia has suspended flows via Nord Stream 1 indefinitely and periods of lowering Norwegian gas exports during the week. Day-ahead power climbed 4.8% to £330.00/MWh, following gains set from its equivalent gas contract and periods of lower wind outturn in the week. However, October 22 gas was down 1.5% at 400.00p/th, and November 22 gas decreased 0.3% to 497.00p/th. Most of the tracked seasonal gas contracts increased this week, up by 2.6% on average. However, winter 22 gas dropped 11.4% to 525.00p/th, whereas summer 23 gas lifted 10.3% to 472.00p/th. Unlike gas, the majority of seasonal power contracts declined this week, down on average by 2.2%, as winter 22 power decreased 12.7% to £550.00/MWh, while summer 23 expanded 1.5% to £340.00/MWh.

- Baseload electricity Day-ahead power rose 4.8% to £330.00/MWh, following gains set from its equivalent gas contract and periods of lower wind outturn in the week.
- October 22 power slipped 12.9% to £370.00/MWh and November 22 power decreased 8.6% to £650.00/MWh.
- Q422 power moved 13.9% lower to £538.00/MWh.
- The annual October 22 contract lost 7.8% to £445.00/MWh, 461.3% higher than the same time last year (£79.28/MWh).

Forward curve comparison



Annual October contract



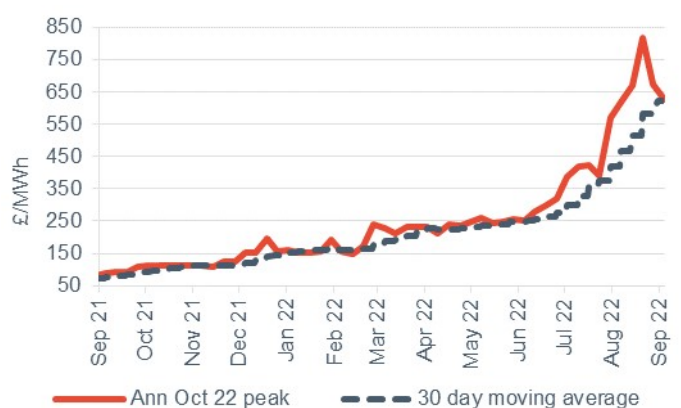
Peak electricity

- Day-ahead peak power was up 0.9% to £390.50/MWh, following baseload power higher.
- October 22 peak power declined 35.0% to £383.5/MWh, and November 22 peak power increased 3.3% to £1120.5/MWh.
- The annual October 22 peak power rose 7.0% to £626.50/MWh.
- This is 618.5% higher than the same time last year (£87.19/MWh).

Forward curve comparison



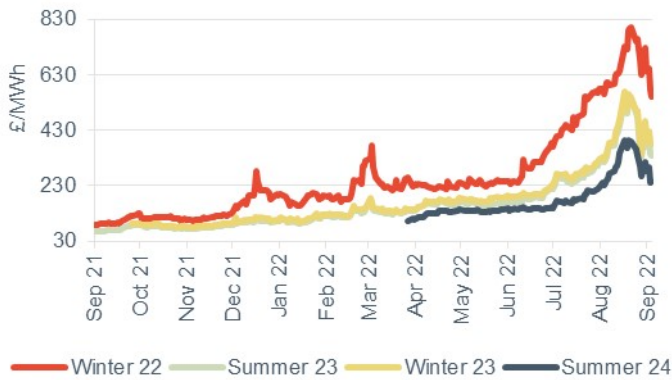
Annual October contract





Seasonal power prices

Seasonal baseload power contracts



Seasonal baseload power curve

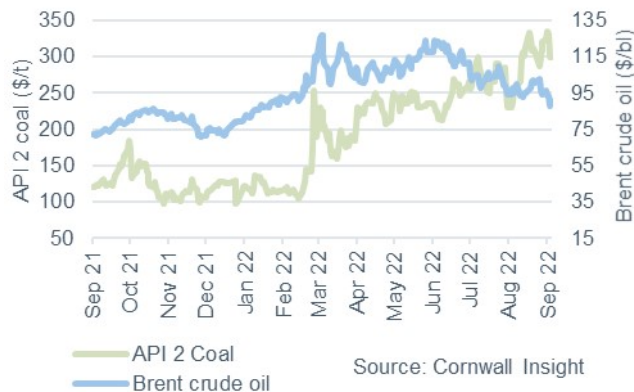


- Seasonal power contracts saw mixed movements this week, but ultimately lost 2.2% on average.
- Winter 22 power decreased 12.7% to £550.00/MWh, while summer 23 expanded 1.5% to £340.00/MWh.

- Most seasonal peak power contracts declined this week, down 0.3% on average.
- Winter 22 and summer 23 peak power dropped 9.5% and 1.1% respectively, falling to £850.50/MWh and £402.50/MWh.

Commodity price movements

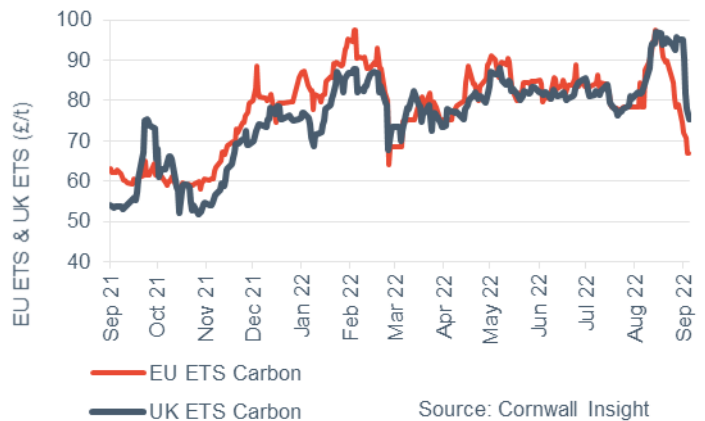
Oil and coal



Source: Cornwall Insight

- Brent crude prices dropped 4.6% this week to average \$92.50/bl, representing a second consecutive week of average price decline.
- Concerns over future demand for the remainder of 2022, as a consequence of an impending global recession, remained a prominent bearish fundamental for Brent crude prices this week.
- Elsewhere, reports that China expects to extend lockdown restrictions to curb the spread of Covid-19 also placed downward pressure on prices towards the back-end of the week.

Carbon (UK and EU ETS)



Source: Cornwall Insight

- EU and UK ETS prices saw collective downward movements this week. EU ETS fell 12.8% to average €70.21/t, whilst UK ETS carbon eased 10.8% to £84.14/t.
- Prices for carbon remain volatile at a time where the uncertainty surrounding fossil fuel supply into Europe and the UK is uncertain.
- Prices across both schemes have taken bearish direction set from the meeting of EU ministers to discuss temporary measures of tackling the energy crisis; including reducing power demand.

Supplier tariff movements

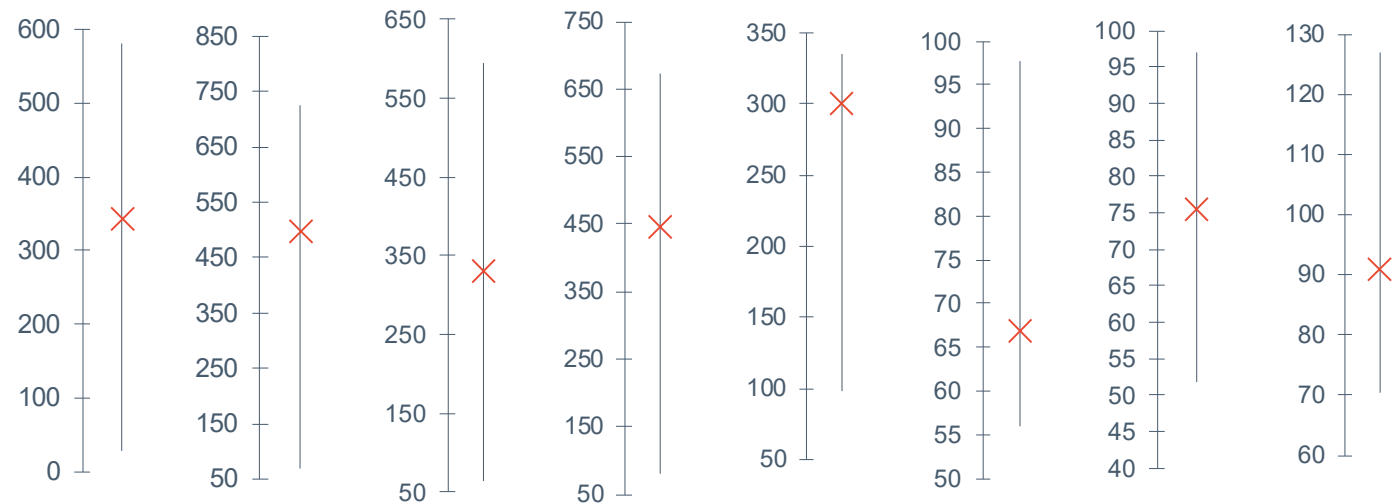
Octopus Energy and its white label brand Co-operative Energy offered the cheapest short fixed tariffs on the market at 3 September with their Loyal Octopus 12M Fixed August 2022 v1 and Co-op Loyal 12M Fixed August 2022 v1 tariffs, both priced at £4,500/year on average. British Gas increased the price of its cheapest fixed tariff by £788/year to £4,599/year on average between 27 August and 3 September. Utility Warehouse increased the price of its cheapest fixed tariff, Green Fixed, by £550/year to £4,200/year on average between 27 August and 3 September.



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	9 Sep 22	345.00	498.50	330.00	445.00	300.00	66.75	75.50	91.00
Two weeks ago	2 Sep 22	300.00	510.28	315.00	482.50	320.00	78.98	95.00	94.52
Four weeks ago	12 Aug 22	340.00	479.00	325.00	480.50	260.00	87.70	84.00	100.00
Last year	10 Sep 21	138.75	70.25	171.00	79.28	122.00	62.66	53.65	72.01
Year-on-year % change		148.6%	609.7%	93.0%	461.3%	145.9%	6.5%	40.7%	26.4%
12-month high		580.00	724.49	595.00	672.50	335.00	97.61	97.00	126.84
12-month low		28.00	70.25	63.00	79.28	97.60	55.85	51.75	70.50

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

Copyright © 2022 EDW Technology Limited. All rights reserved.

No part of this publication may be reproduced, transmitted, transcribed, stored in a retrieval system, or translated into any language, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission from EDW Technology Limited.

All copyright, confidential information, patents, design rights and all other intellectual property rights of whatsoever nature contained herein are and shall remain the sole and exclusive property of EDW Technology Limited. The information furnished herein is believed to be accurate and reliable. However, no responsibility is assumed by EDW Technology Limited for its use, or for any infringements of patents or other rights of third parties resulting from its use.