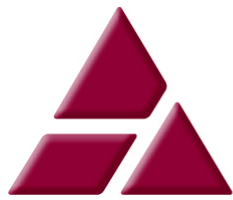




# Energy Wholesale Market Review

Week Ending 24<sup>th</sup> March 2023



**edw** technology

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

**Phone:** +44 (0)8448 802 489  
**Email:** [info@edwtech.com](mailto:info@edwtech.com)  
**Website:** [edwtech.com](http://edwtech.com)



## Contents

|   |          |
|---|----------|
| <b>Peak electricity</b> .....             | <b>3</b> |
| <b>Seasonal power prices</b> .....        | <b>4</b> |
| <b>Commodity price movements</b> .....    | <b>4</b> |
| <b>Supplier tariff movements</b> .....    | <b>4</b> |
| <b>Wholesale price snapshot</b> .....     | <b>5</b> |
| <b>About EDW Technology Limited</b> ..... | <b>6</b> |

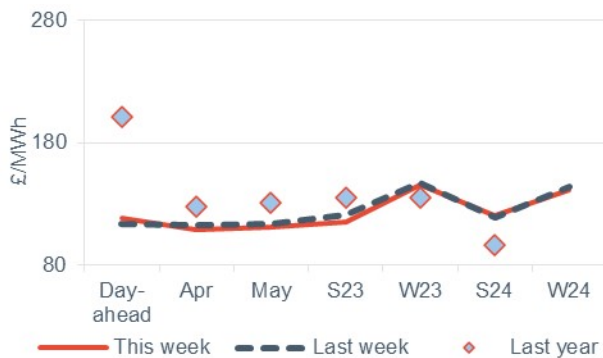


## Headlines 24/03/2023

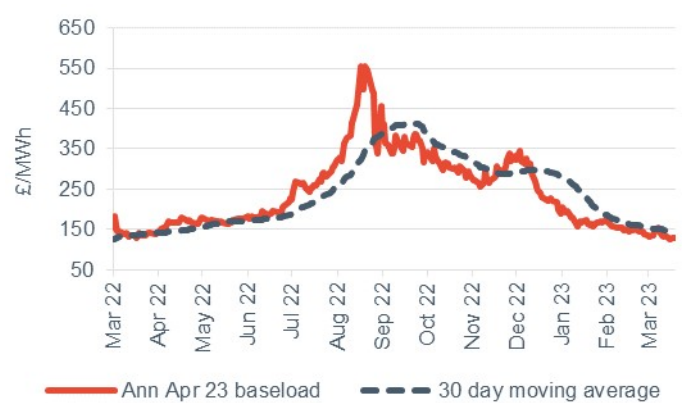
This week, we continued to broadly observe the downturn of wholesale gas and power prices, with the day-ahead contracts being the primary outliers to this trend. Recent milder weather has helped to lower demand, allowing prices to soften. Added to this, the present gas storage level on the continent remains strong, with net injections being seen last week following mild weather. However, day-ahead gas rose 1.0% to 102.00p/th following some periods of system undersupply observed. Similarly, day-ahead power grew 3.5% to £118.00/MWh as forecasted wind outturn levels decrease next week. April 23 gas was down 4.6% at 103.00p/th, and May 23 gas decreased 3.9% to 104.75p/th. Seasonal gas contracts were mixed this week, however, seeing a 1.1% drop on average. Most seasonal power contracts declined this week, down on average by 1.8%, as summer 23 power decreased 5.0% to £115.00/MWh, while winter 23 fell 1.0% to 145.00/MWh

- Baseload electricity Day-ahead power rose 3.5% to £118.00/MWh, as forecasts project lower temperatures and wind power generation next week.
- April 23 power dropped 3.5% to £109.00/MWh and May 23 power decreased 2.6% to £111.00/MWh.
- Q223 power moved 4.3% lower to £112.00/MWh
- The annual April 23 contract saw a decrease of 2.8% to £130.25/MWh, 3.5% lower than the same time last year (£135.00/MWh).

### Forward curve comparison



### Annual April contract



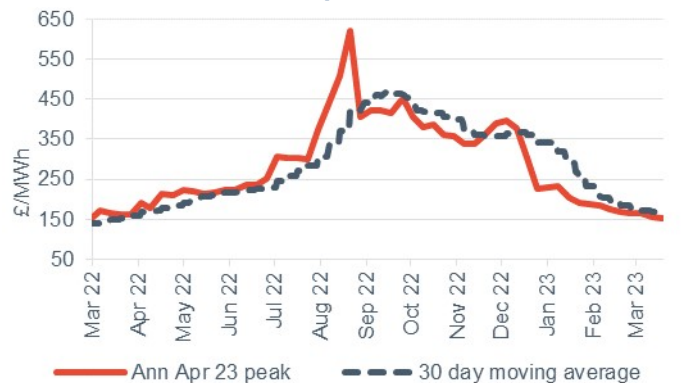
## Peak electricity

- Day-ahead peak power was up 6.4% to £128.00/MWh, following baseload power higher
- April 23 peak power declined 6.3% at £118.00/MWh, and May 23 peak power decreased 4.8% to £120.00/MWh.
- The annual April 23 peak power rose 1.9% to £153.9/MWh.
- This is 4.9% lower than the same time last year (£161.75/MWh).

### Forward curve comparison



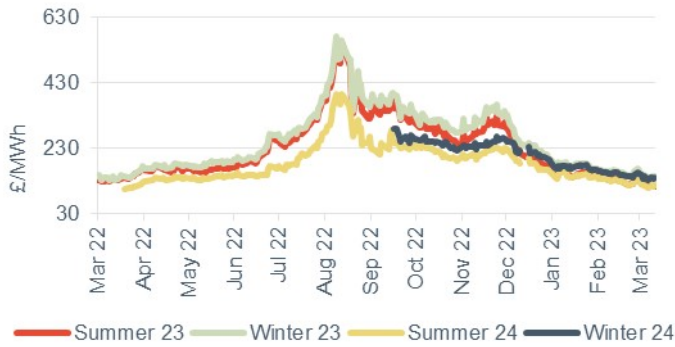
### Annual April contract





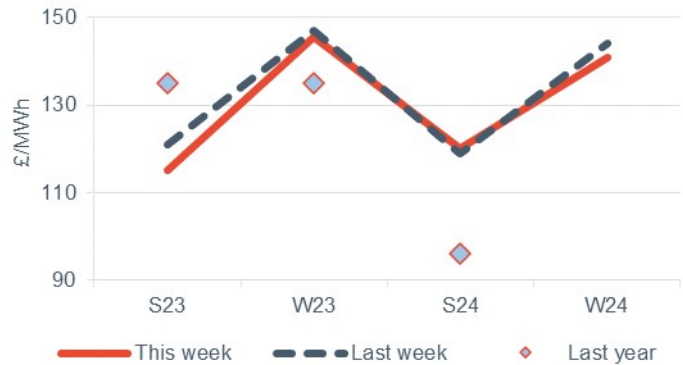
## Seasonal power prices

### Seasonal baseload power contracts



- Most seasonal power contracts dropped this week, down on average by 1.8%
- Summer 23 and winter 23 lowered 5.0% and 1.0% respectively, dropping to £115.00/MWh and £145.50/MWh

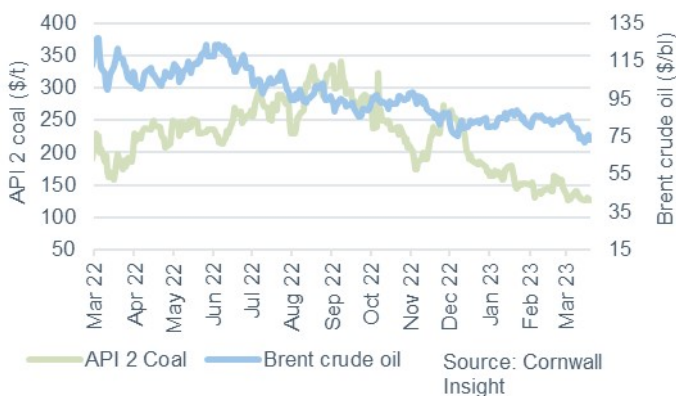
### Seasonal baseload power curve



- Most seasonal peak power contracts declined this week, down 1.8% on average
- Summer 23 gas dropped 1.2% to £131.00/MWh, and similarly winter 23 peak power decreased 2.5% to £176.80/MWh

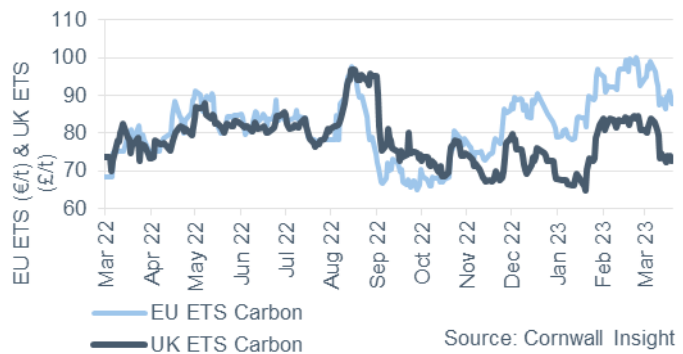
## Commodity price movements

### Oil and coal



- Brent crude oil fell 3.6% on the previous week to average \$74.21/b
- Brent crude experienced another bearish week, seeing its price fall to its lowest level in 15-months on Monday, following demand concerns arising from US recession levels and global banking concerns.
- However, prices somewhat steadied into the week, following the UBS takeover of Credit Suisse which acted to mitigate worries surrounding global economic crisis, coupled with the US dollar sliding into a six-week low after the US Federal Reserve delivered a small interest rate increase.

### Carbon (UK and EU ETS)



- Both EU and UK ETS schemes saw their average price this week fall, with a 3.2% decrease to EU ETS carbon (€89.00/t), and UK ETS carbon seeing a 6.4% decline (£73.27/t)
- Under the bloc's Emission Trading System, EU member states have currently used up 62% of the free carbon allowances in their 2023 quota.
- This is a much larger percentage when compared to the same period last year. EU countries have a deadline of April 30 to surrender allowances after being able to grant free allocations until February 28.

## Supplier tariff movements

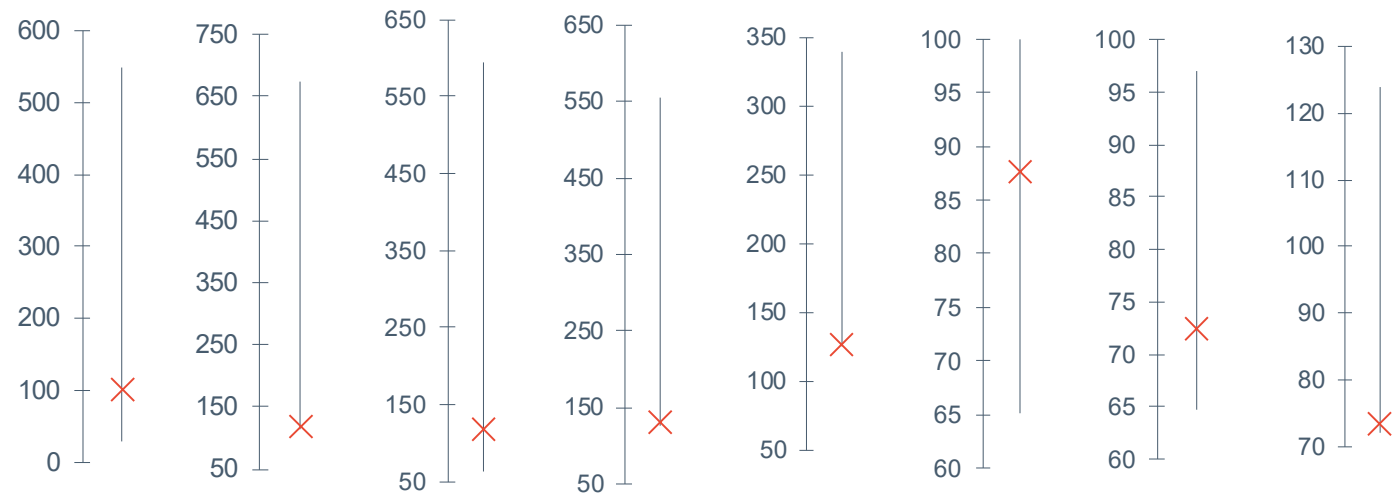
Octopus Energy continued to offer the cheapest variable tariff on the market at 18 March with its Flexible Octopus October 2022 v1 tariff, priced at £2,485/year on average, £15/year below the Energy Price Guarantee (EPG) level. Similarly, Octopus Energy continued to offer the cheapest prepayment tariff at 18 March with its Flexible Octopus Key and Card October 2022 v1 tariff, priced at £2,544/year on average, £35/year below the prepayment EPG level.



## 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             | 24 Mar 23 | 102.00     | 119.45     | 118.00              | 130.25     | 127.00 | 87.70      | 72.50      | 73.40       |
| Last week             | 17 Mar 23 | 101.00     | 123.38     | 114.00              | 134.00     | 128.00 | 89.25      | 74.65      | 75.10       |
| Four weeks ago        | 24 Feb 23 | 135.00     | 143.00     | 146.50              | 151.50     | 164.00 | 99.78      | 83.48      | 82.75       |
| Last year             | 25 Mar 22 | 257.00     | 156.50     | 201.00              | 135.00     | 190.00 | 78.55      | 77.25      | 117.00      |
| Year-on-year % change |           | -60.3%     | -23.7%     | -41.3%              | -3.5%      | -33.2% | 11.6%      | -6.1%      | -37.3%      |
| 12-month high         |           | 548.00     | 674.50     | 595.00              | 555.00     | 340.00 | 100.00     | 97.00      | 123.80      |
| 12-month low          |           | 28.00      | 114.00     | 63.00               | 127.00     | 126.00 | 65.09      | 64.75      | 72.05       |

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 22 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](http://www.edwtech.com)

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