


**March 2018**
**Issue 108**

A monthly review of trends in the energy markets compiled by Energy Link Ltd

**March 2018**
**ELL Index**
**7.7 c/kWh**

(at Haywards)

**Other Nodes**

The index is referenced to:

Otahuhu	8.1 c/kWh
Benmore	7.5 c/kWh

**Change**

The index increased by 1.3% since mid February

**Volume**

6 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 216 GWh over the period Feb-18 to Jun-21

**Contract Types**

 4 FPVV (fixed price variable volume)  
 2 CFD (contract for differences)

**ELL CFD & FPVV Index**

ELL FPVV	8.1 c/kWh
ELL CFD	6.9 c/kWh

**Spread**

2.2 c/kWh from Feb-18 to Jun-21

**Location Factors**

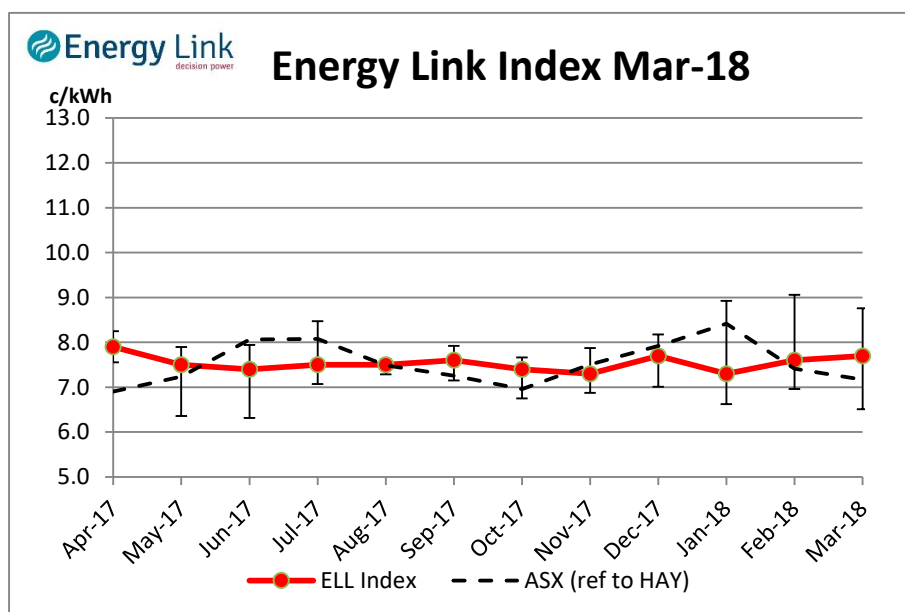
Expected location factors were updated in this edition of Energy Trendz

**ASX Futures**

Based on the 3 year average 'previous settlement' dates for 2018-2021 as of Monday 19

Otahuhu	7.6 c/kWh
Benmore	6.9 c/kWh

## Energy Link Electricity Contract Index



### For FPVV & CFD specific Indices, see page 2

The Energy Link Ltd (ELL) index chart shows the values over the 12 months up to the Energy Trendz publication date. All contracts are referenced to the **Haywards** reference node on the grid (lower North Island), and the error bars show the highest and lowest contract value in the 36 month period covered by the index. Details of the index are available from Energy Link.

ASX New Zealand electricity futures contracts are not included in the index.

## Commentary

The index increased this month on a volume of 6 contracts traded 2 CFD, 4 FPVV.

The Energy Link indices exclude contracts from ASX, that are less than 6 months in duration, have volumes significantly less than disclosure rules require, are unverified or in dispute.

The spread of prices making up the index was 2.2 c/kWh this month. Prices for the contracts varied from 6.5 c/kWh to 8.8 c/kWh when referenced to Haywards.

The gap between the ELL Index and the ASX index decreased slightly over the month.

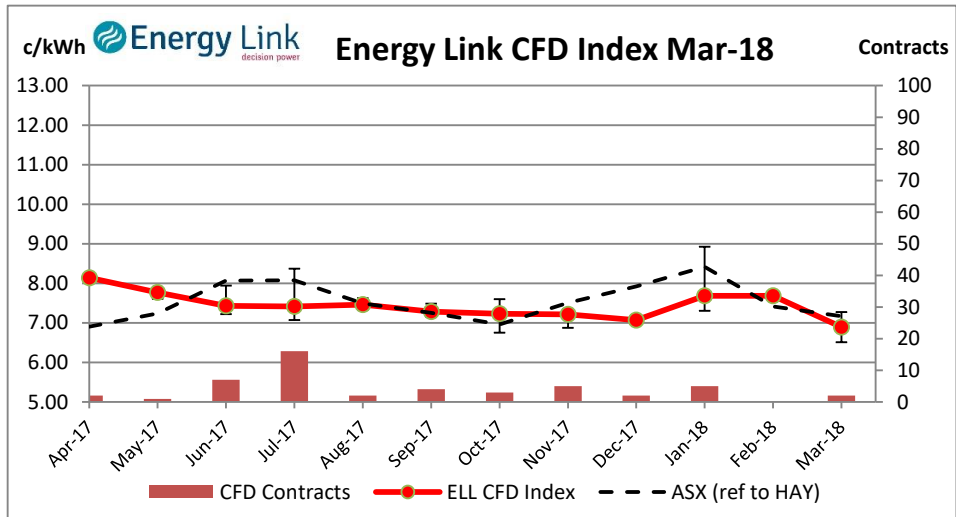
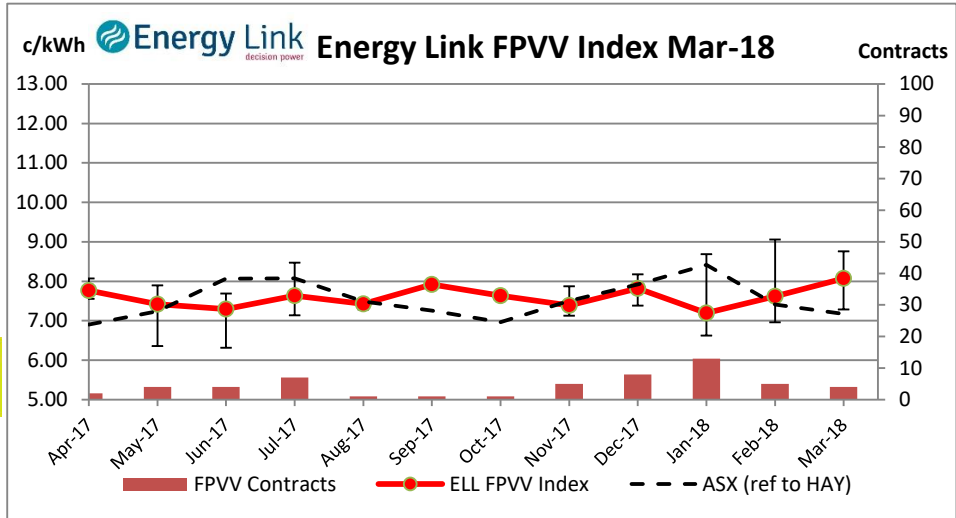
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## FPVV & CFD Electricity Contract Indices

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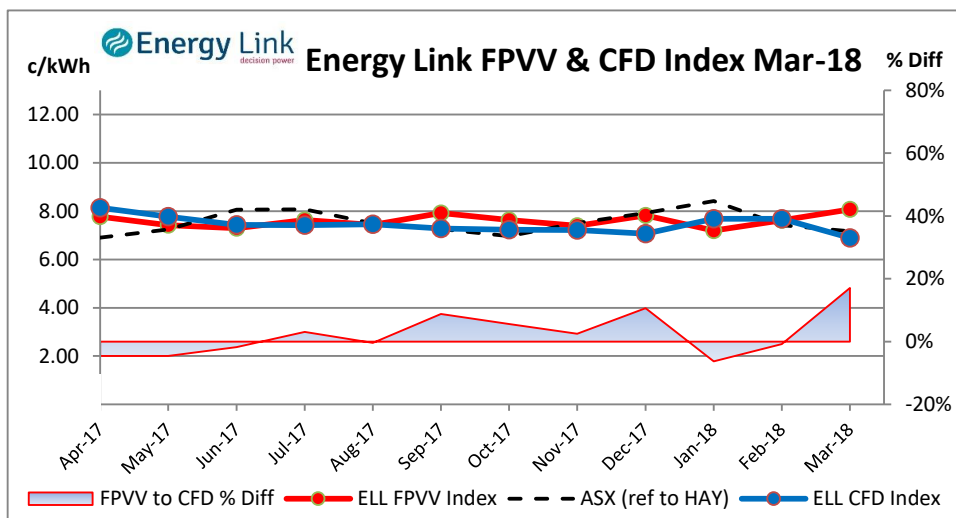
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### FPVV & CFD Contract

The top two charts at right break the main ELL Index into two indices focusing specifically on either FPVV or CFD contracts. This makes the premium that is priced into the FPVV contracts (for the security of having no spot exposure) more readily apparent. These graphs also show the number of contracts of each type used in the calculation of each Index value. Index values generated from low contract volumes should be used with caution.

The bottom graph compares the two indices directly and also tracks the price difference between the FPVV & CFD contracts as a percentage of the CFD price.

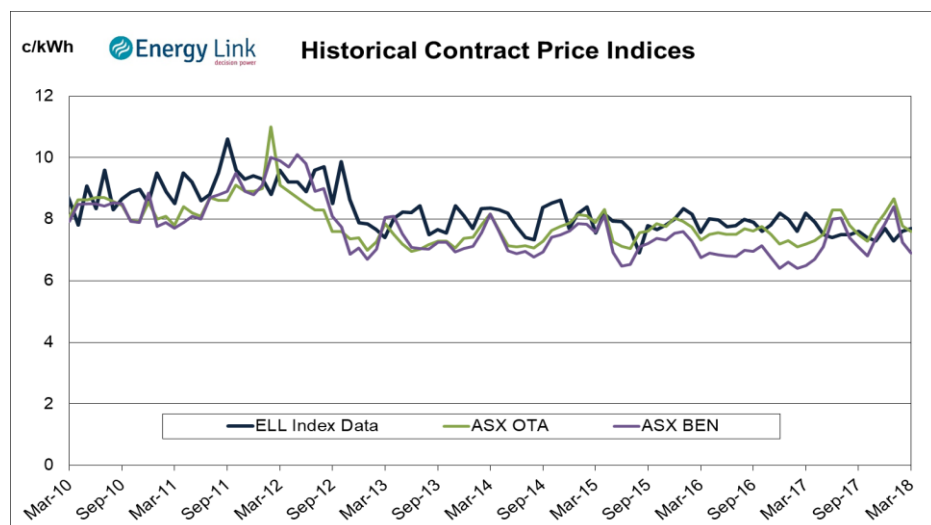
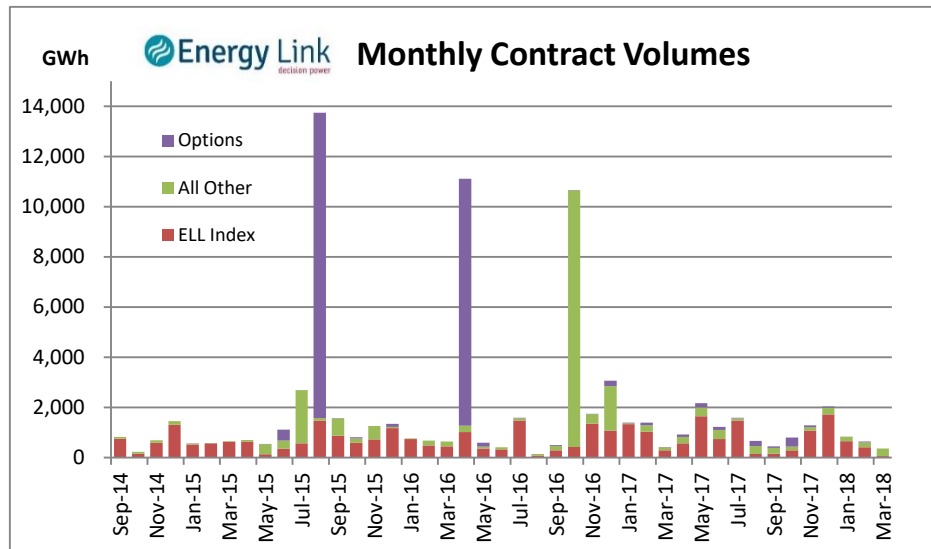


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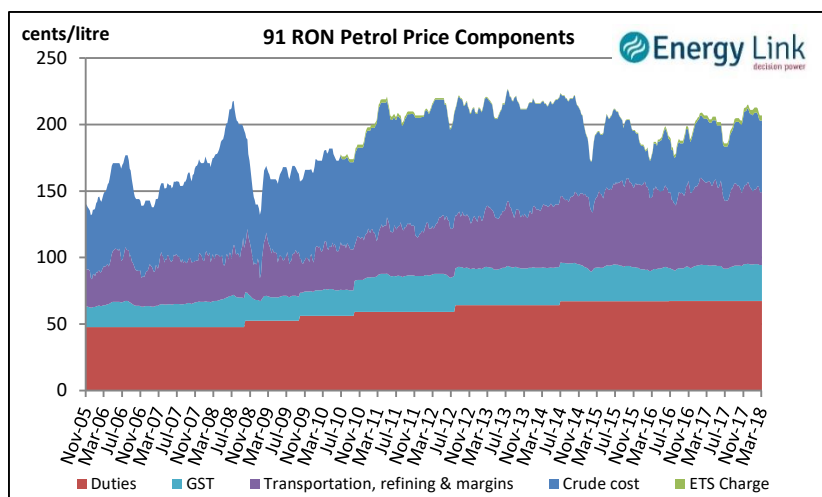


## Petrol Prices

The chart at right shows the price of 91 octane (91 RON = "research octane number") from July 2005, broken down into its 5 major components: government duties, GST, ETS, the cost of transporting and refining crude oil including the retailer's margin, and finally the spot price in NZD of crude oil on

Duties, ETS and GST currently comprise 48% of the total at-pump cost (major centres) of 91, with the cost of crude at 26%.

The cost of crude decreased by 1.9% over the month while the NZD exchange rate decreased by 0.1%. The 91 RON price decreased by 2.4% over the month.



More data is at [www.med.govt.nz](http://www.med.govt.nz).

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## Futures

The charts in the following two pages show all currently traded ASX NZ Energy Futures with Expiry Dates from Mar 18 through to Dec 21.

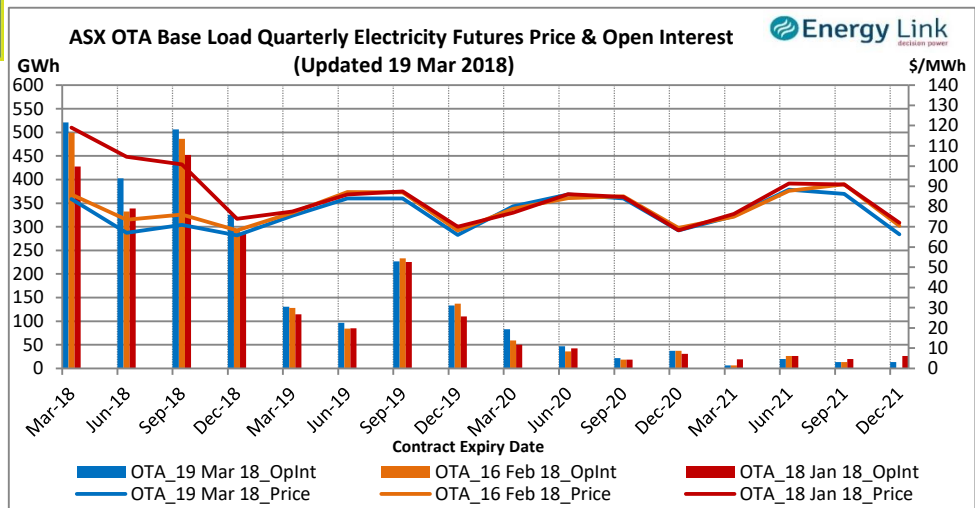
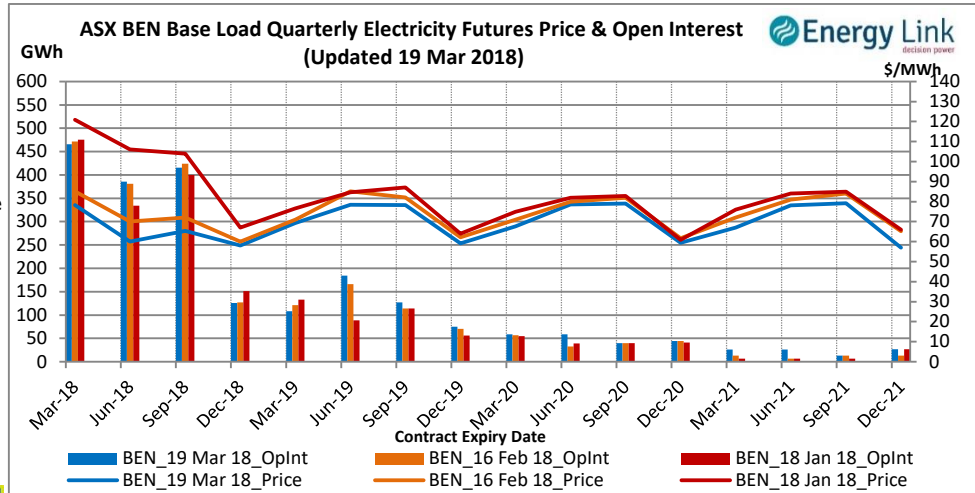
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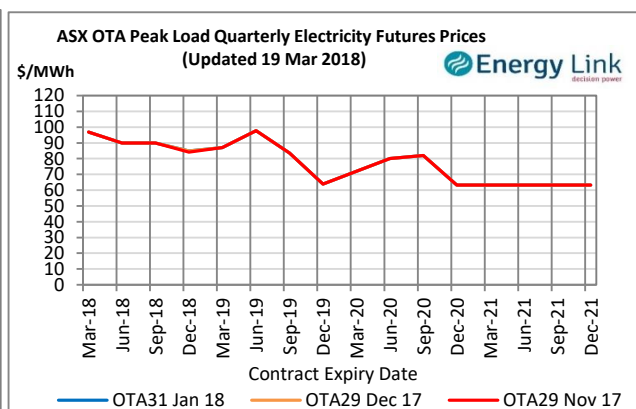
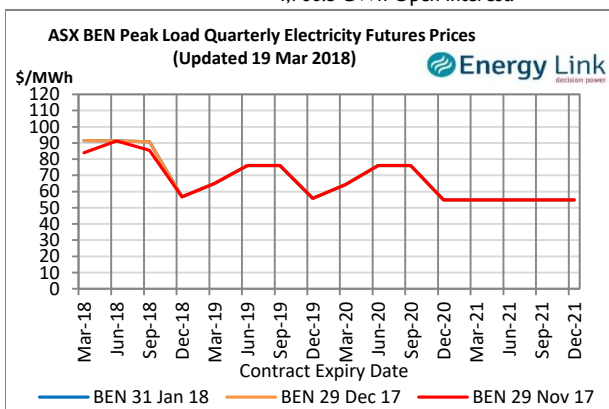


These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

These two charts show the market's changing valuation of each quarterly contract while the amount of open interest in the various contract periods shows the changing amount of energy under each contract type over the same period.



Currently there is 2,181.7 GWh contracted at Benmore and 2,584.8 GWh contracted at Otahuhu for a total of 4,766.5 GWh Open Interest.



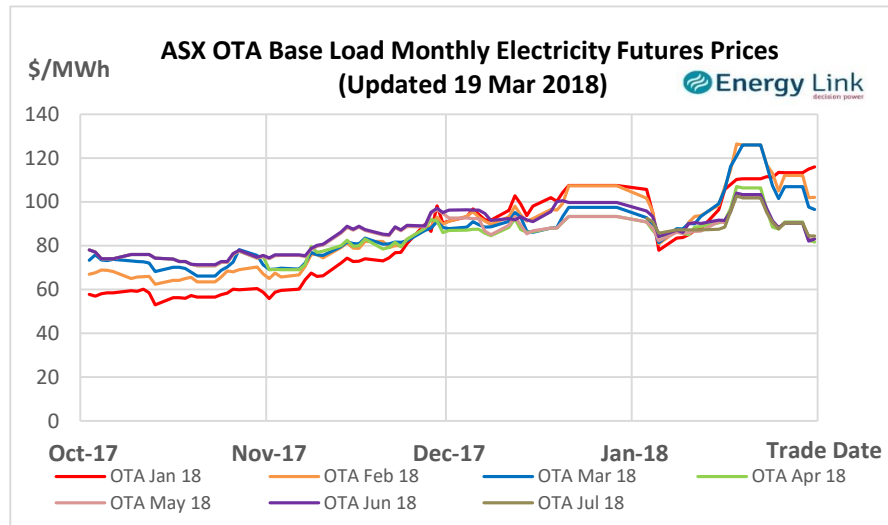
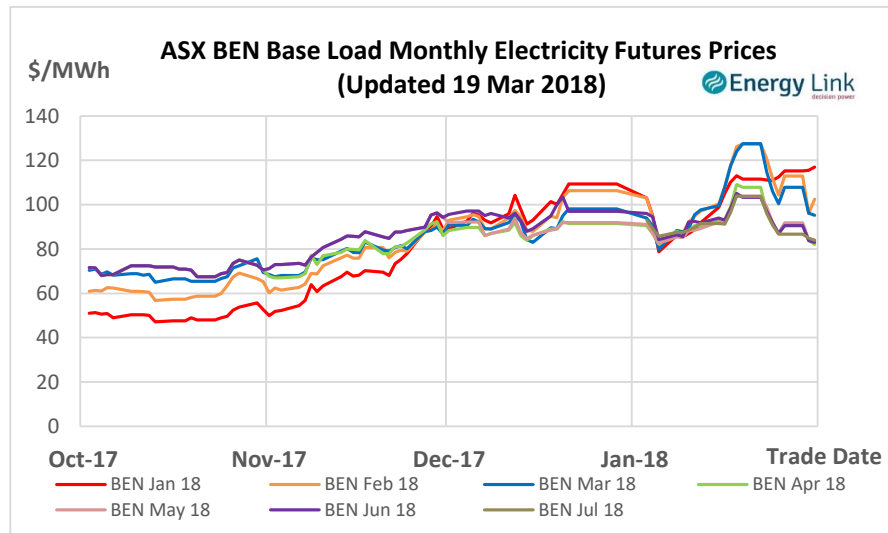
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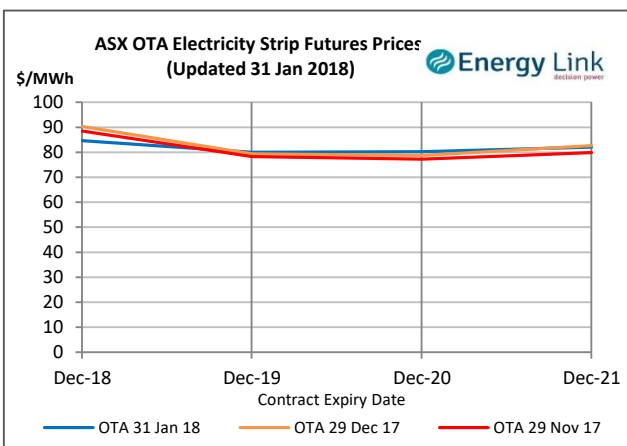
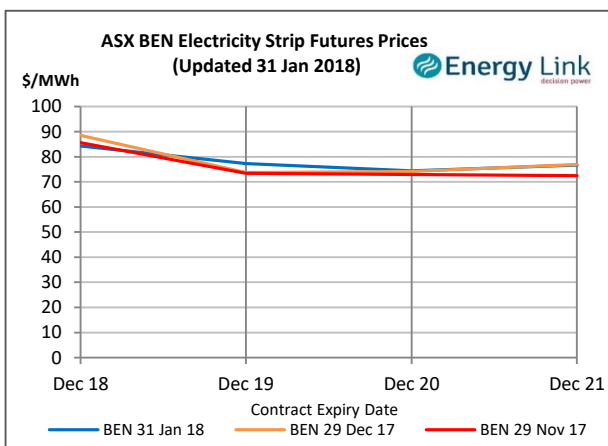
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

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The charts below show the price of the annual contracts for four calendar years as they stood at the time of publishing, one month and two months prior to the time of publishing.

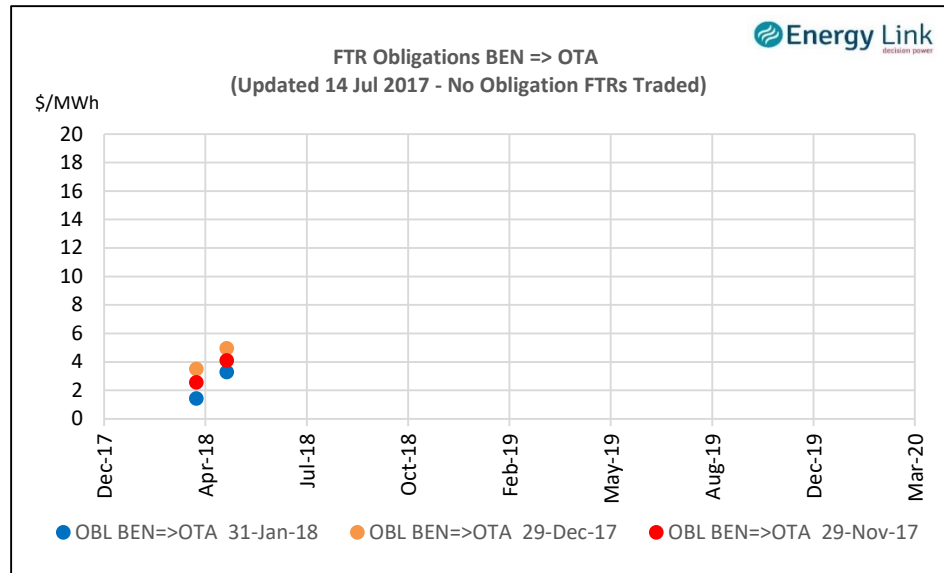


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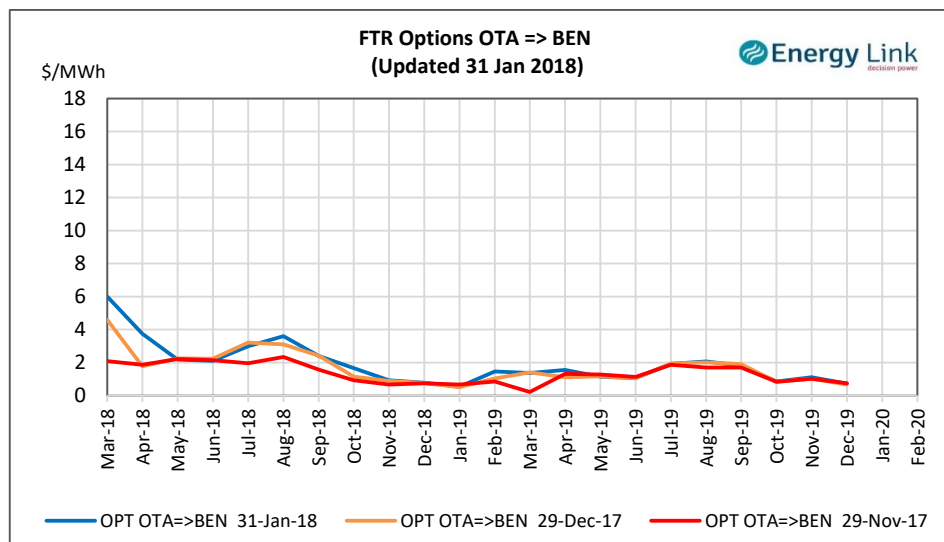
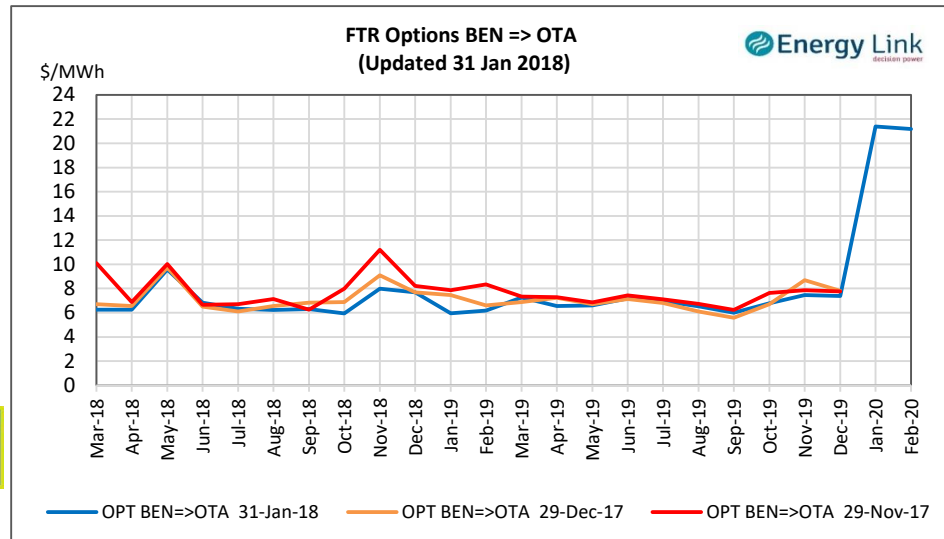
## FTR Prices

The charts to the right show the daily settlement prices for each Financial Transmission Right (FTR) product and period. Note that FTR Obligations are shown as BEN (source) to OTA (sink).



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## emsTradepoint Gas Spot Prices

As emsTradepoint no longer provide the gas trading information for free, we are unable to continue to publish the monthly traded gas prices and volumes.

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## Appendix: Electricity Contract Listing

The tables below list the new Electricity Contracts that were eligible for inclusion in the ELL Indices this month.

The first table lists those contracts used to generate the indices while the second table lists those contracts that would have been eligible but were excluded as they were not entered into the Hedge Disclosure System in a timely manner.

This month 4 FPVV contracts were excluded due to the size of the contract falling below 1 MW or contract effective date being longer than 120 days limit in the Electricity Industry Participation Code.

The data source for these contracts is the Electricity Authority's "Electricity Hedge Disclosure" website ([www.electricitycontract.co.nz](http://www.electricitycontract.co.nz))

### Eligible

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration
278608	FPVV	12-Feb-18	1-Mar-18	29-Feb-20	36,851	Haywards	87.59	Not disputed	19-Feb-18	731
280322	FPVV	19-Feb-18	1-Feb-18	31-Jan-21	31,106	Haywards	72.86	Not disputed	20-Feb-18	1096
282880	CFD	26-Feb-18	1-Jul-19	30-Jun-20	43,920	Otahuhu	76.69	Verified	28-Feb-18	366
282890	FPVV	1-Apr-18	1-Apr-18	31-Mar-21	27,342	Otahuhu	84.95	Not disputed	1-Mar-18	1096
282891	FPVV	1-Feb-18	1-Sep-18	30-Jun-21	41,666	Haywards	80.45	Not disputed	1-Mar-18	1034
283948	CFD	2-Mar-18	1-Apr-18	31-Mar-19	35,040	Islington	68.31	Verified	8-Mar-18	365

### Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
282888	FPVV	1-Apr-18	1-Apr-18	31-Mar-21	6,458	Whakamaru	81.86	Not disputed	1-Mar-18	1096	< 1 MW
282889	FPVV	1-Apr-18	1-Apr-18	31-Mar-21	6,622	Haywards	81.89	Not disputed	1-Mar-18	1096	< 1 MW
285343	FPVV	7-Mar-18	1-Apr-18	31-Mar-20	12,477	Otahuhu	81.46	Not disputed	9-Mar-18	731	< 1 MW
285344	FPVV	7-Mar-18	1-Apr-18	31-Mar-20	37	Whakamaru	86.74	Not disputed	9-Mar-18	731	< 1 MW
285345	FPVV	7-Mar-18	1-Apr-18	31-Mar-20	2,901	Haywards	75.82	Not disputed	9-Mar-18	731	< 1 MW
285346	FPVV	7-Mar-18	1-Apr-18	31-Mar-20	849	Islington	84.92	Not disputed	9-Mar-18	731	< 1 MW
285347	FPVV	7-Mar-18	1-Apr-18	31-Mar-20	8,354	Benmore	73.14	Not disputed	9-Mar-18	731	< 1 MW

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