

# EnergyTrendz

MONTHLY

July 2018

Issue 112

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

## July 2018

## ELL Index

7.4 c/kWh

(at Haywards)

## Other Nodes

The index is referenced to:

Otahuhu	7.7 c/kWh
Benmore	7.3 c/kWh

## Change

The index decreased by 0% since mid June

## Volume

18 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 1,098 GWh over the period Jul-18 to Jul-23

## Contract Types

7 FPVV (fixed price variable volume)

11 CFD (contract for differences)

## ELL CFD &amp; FPVV Index

ELL FPVV 7.7 c/kWh

ELL CFD 7.3 c/kWh

## Spread

1.6 c/kWh from Jul-18 to Jul-23

## Location Factors

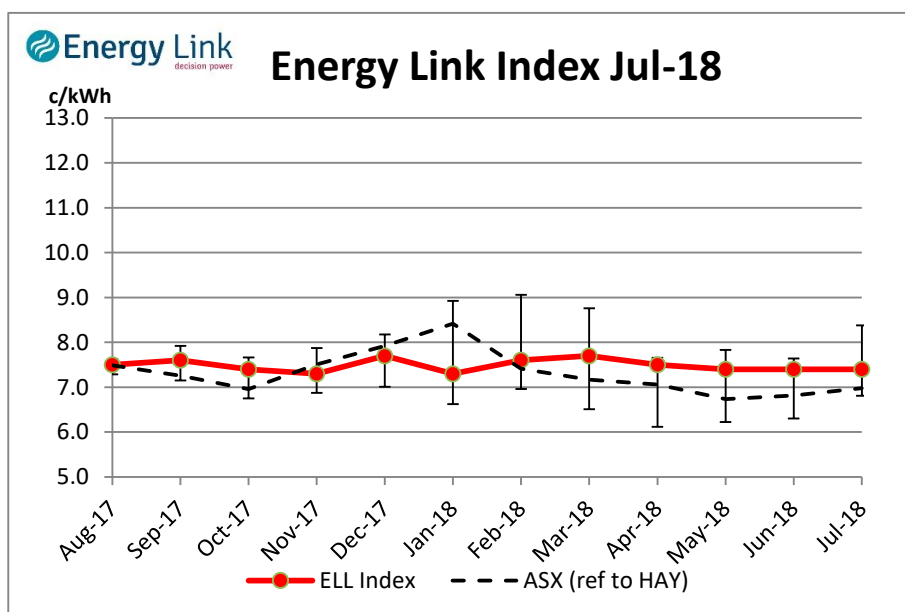
Expected location factors were updated in this edition of Energy Trendz

## ASX Futures

Based on the 3 year average 'previous settlement' dates for 2018-2021 as of Wednesday 18 July:

Otahuhu	7.4 c/kWh
Benmore	6.7 c/kWh

## Energy Link Electricity Contract Index



## For FPVV &amp; 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 decreased this month on a volume of 18 contracts traded 11 CFD, 7 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 1.6 c/kWh this month. Prices for the contracts varied from 6.8 c/kWh to 8.4 c/kWh when referenced to Haywards.

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

**Large contracts relating to the Tiwai Smelter are excluded from the indices**

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# FPVV & CFD Electricity Contract Indices

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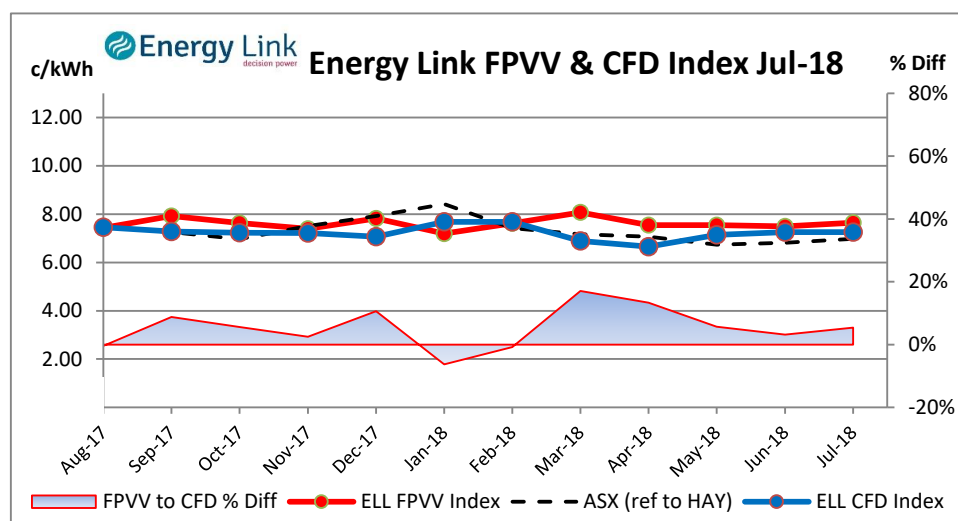
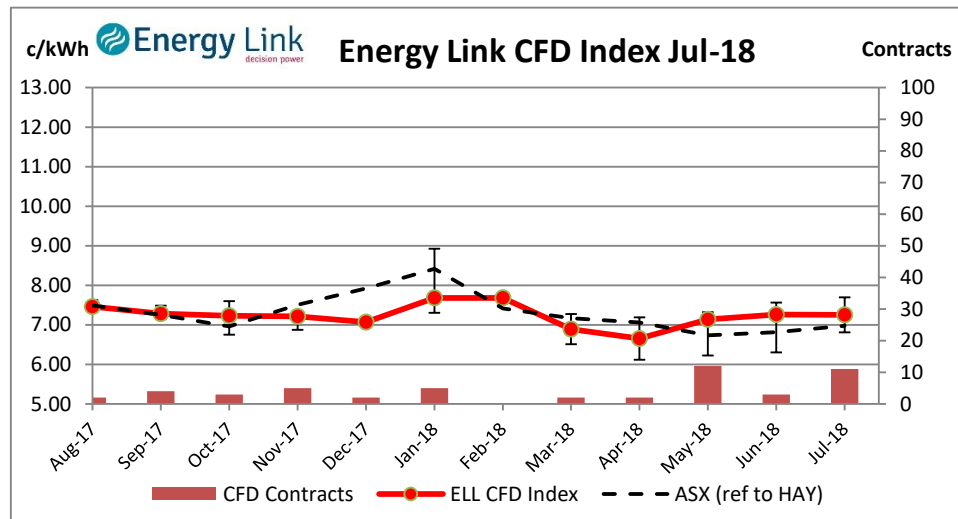
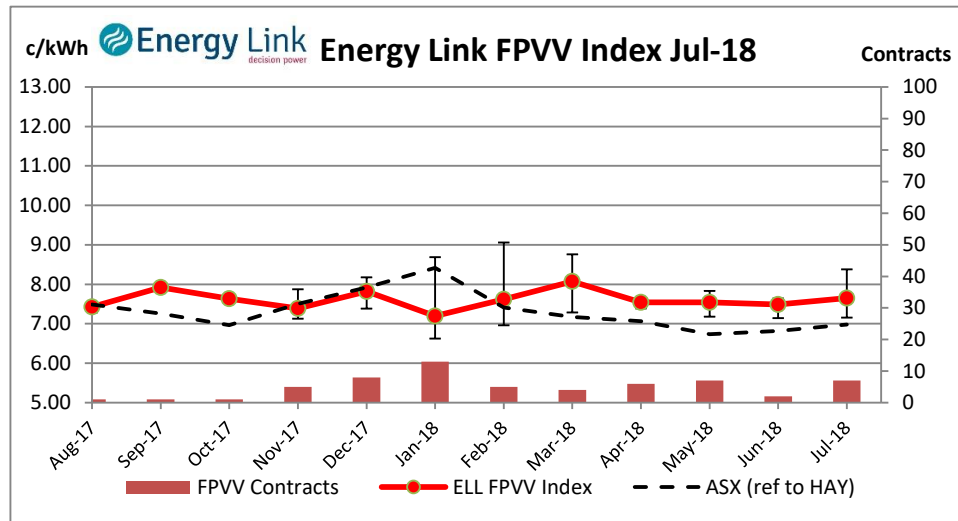
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## FPVV & CFD Contract

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.

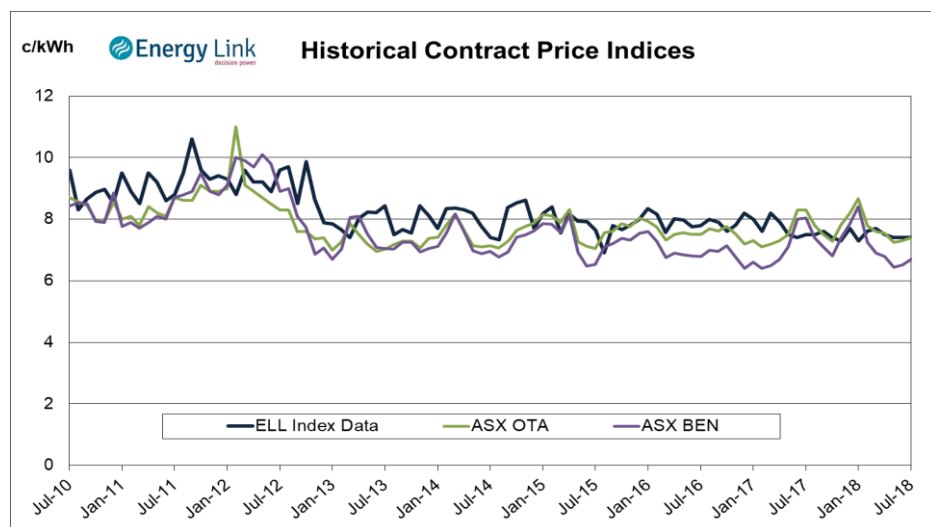
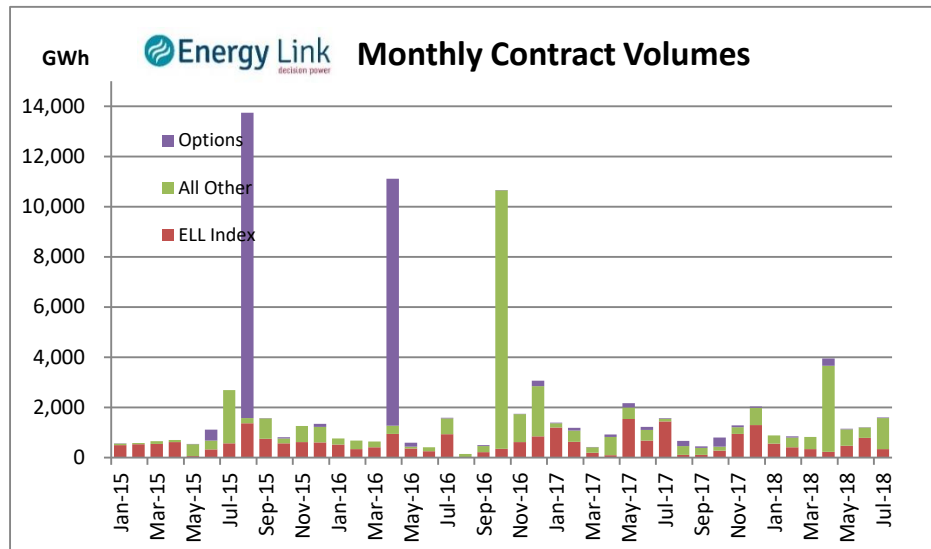


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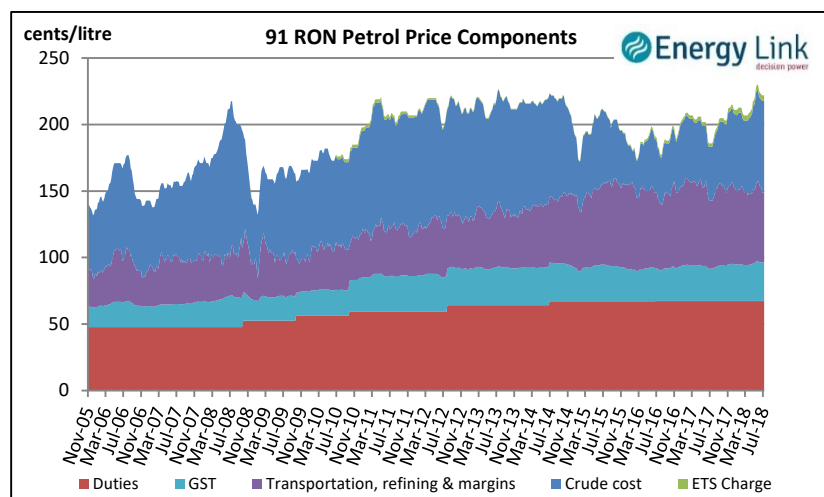


## Petrol Prices

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 45% of the total at-pump cost (major centres) of 91, with the cost of crude at 31%.

The cost of crude decreased by 0.2% over the month while the NZD exchange rate decreased by 2.9%. The 91 RON price decreased by 0.9% over the month.



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

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## Futures Prices

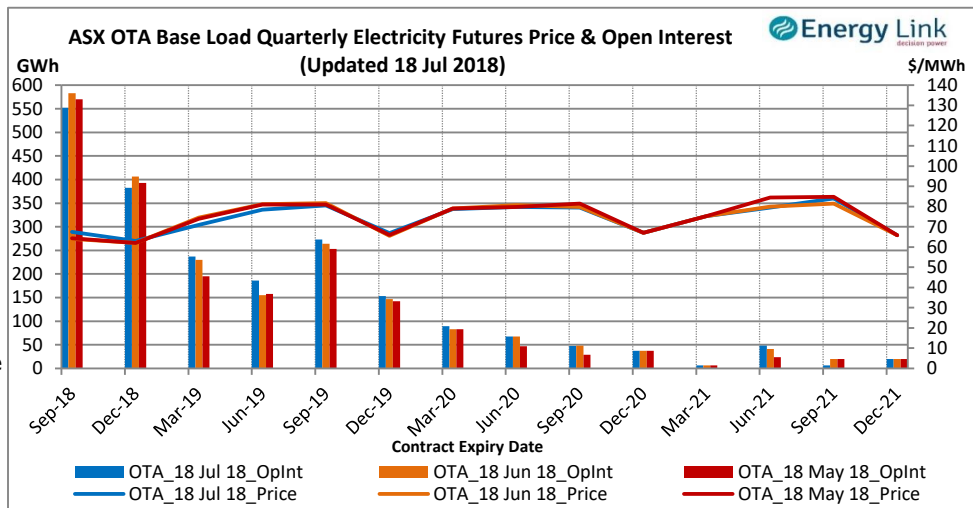
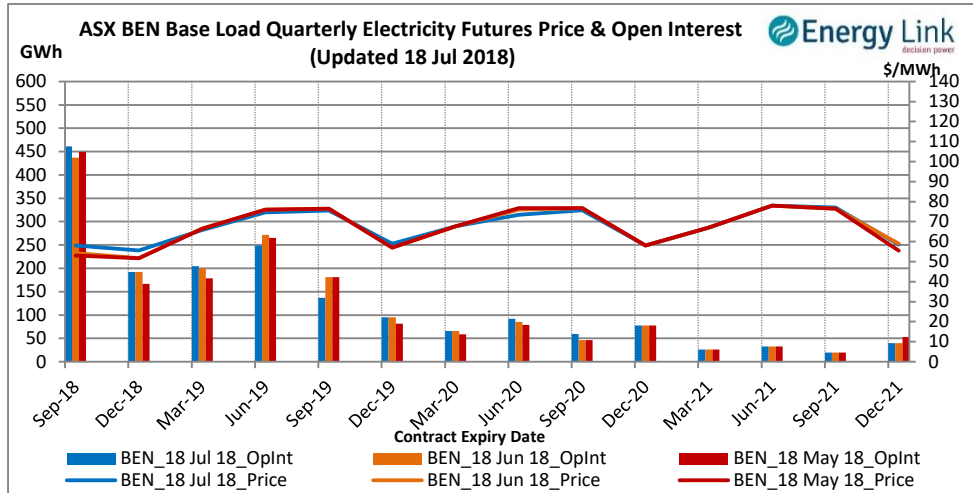
These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

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.

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

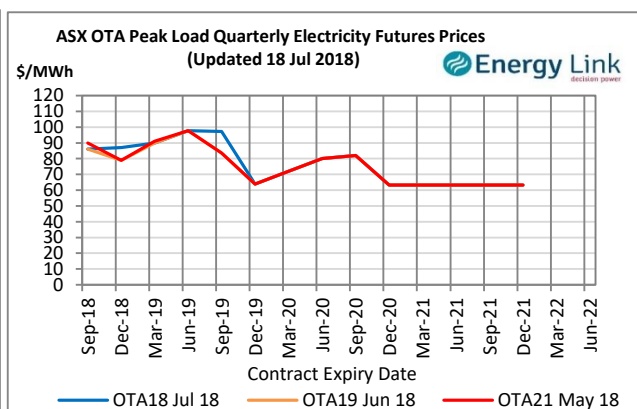
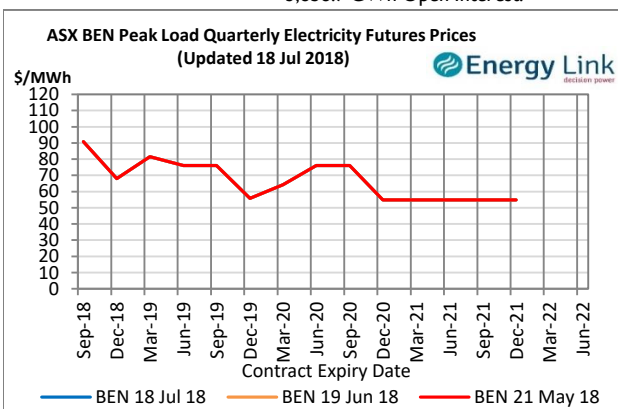
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The charts below show the traded prices for the peak load quarterly contracts for the next four years as they stood at the time of publishing, one month and two months prior to the time of publishing.

Currently there is 1,751.2 GWh contracted at Benmore and 2,107.5 GWh contracted at Otahuhu for a total of 3,858.7 GWh Open Interest.



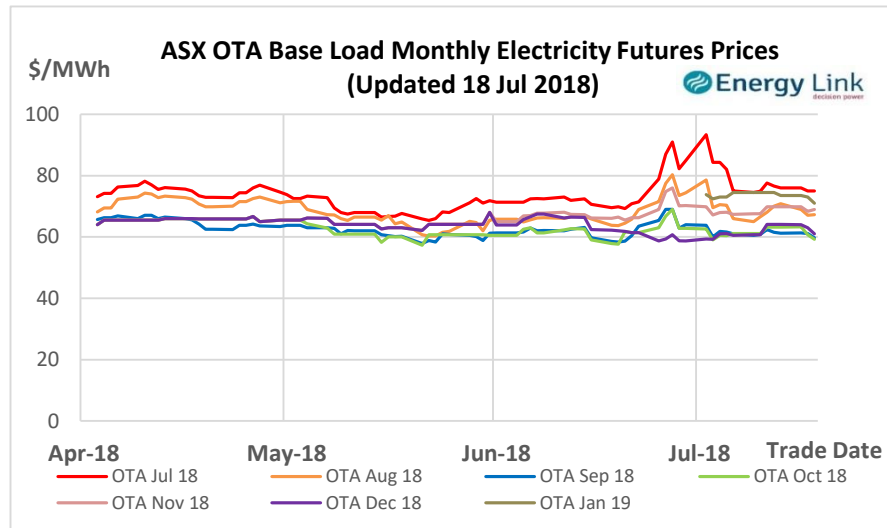
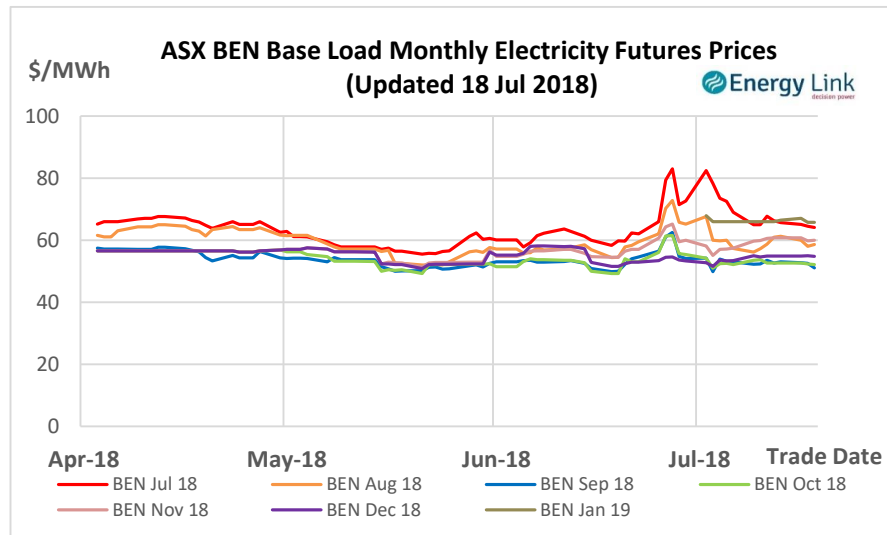
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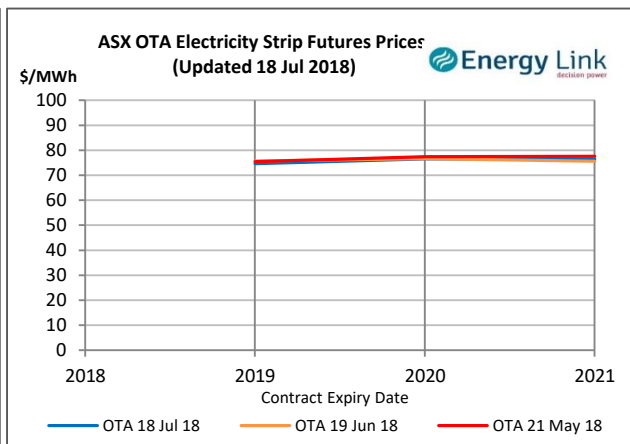
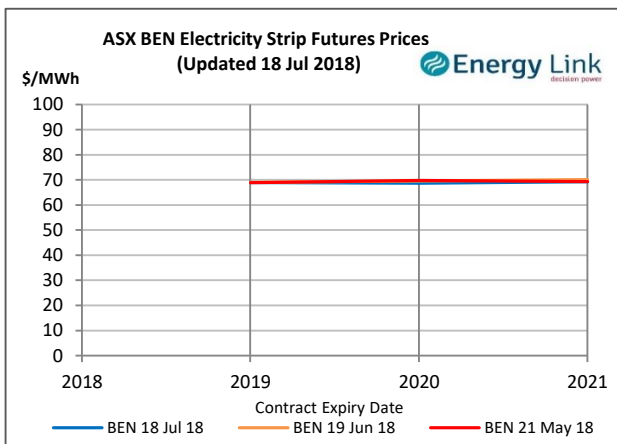
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

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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.

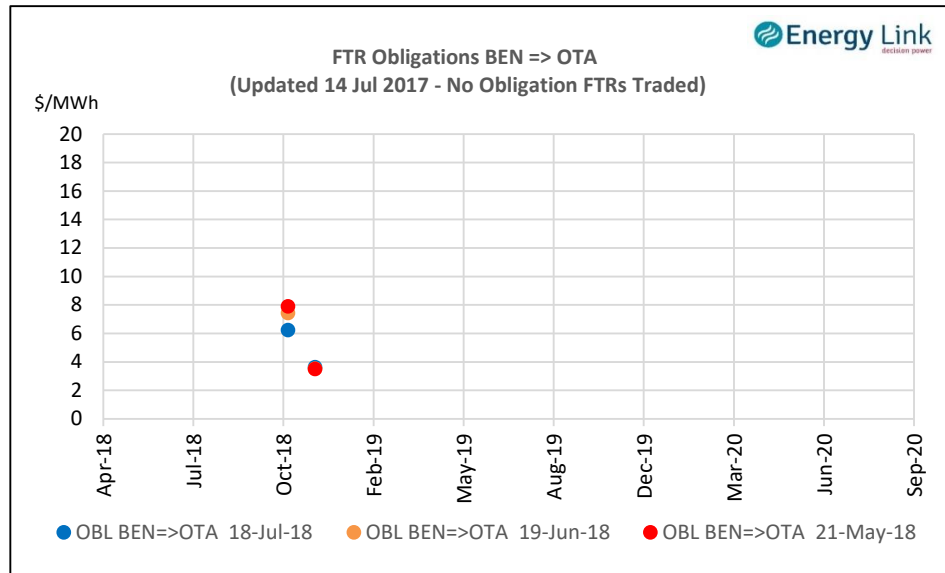


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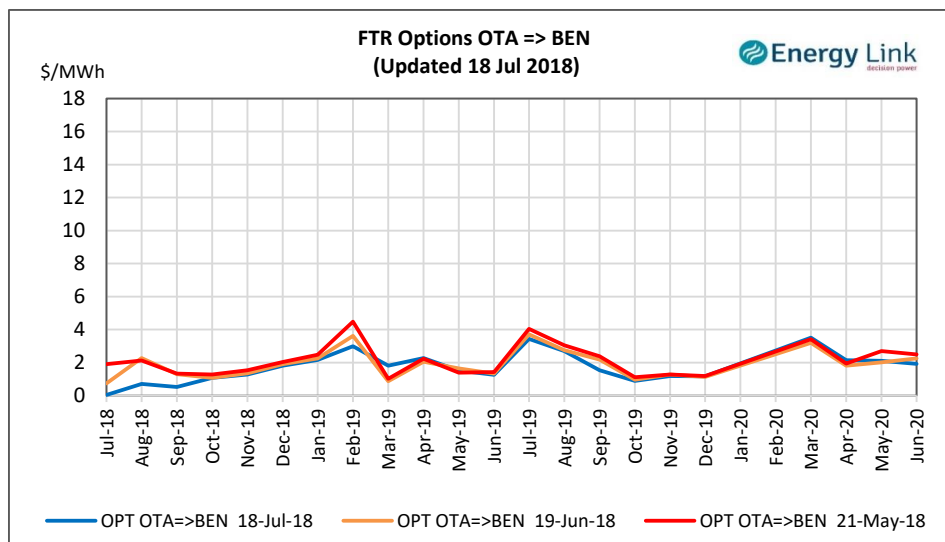
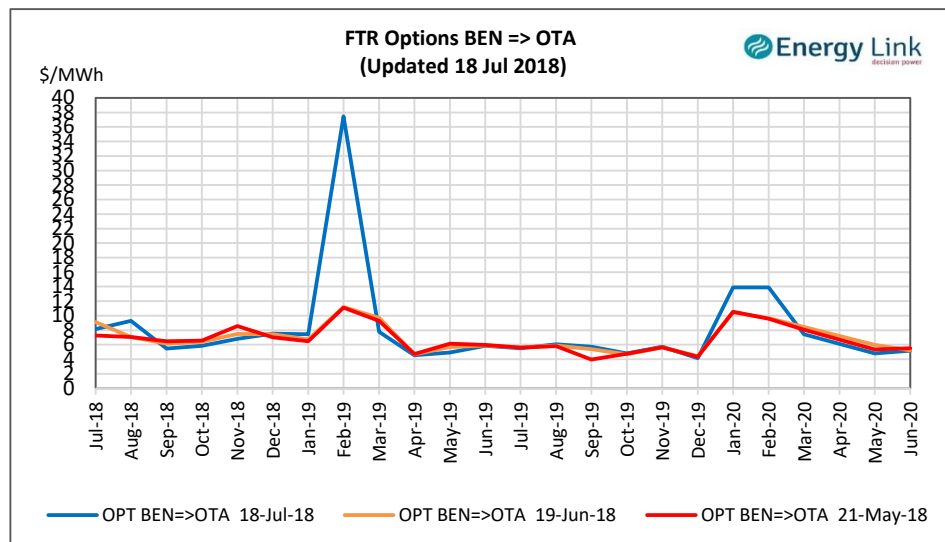
## FTR Prices

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
315657	CFD	14-Jun-18	1-Apr-19	31-Mar-21	350,880	Whakamaru	72.2	Verified	20-Jun-18	731
316009	FPVV	19-Jun-18	1-Jul-18	31-May-20	19,230	Haywards	79.29	Not disputed	22-Jun-18	701
317526	CFD	19-Jun-18	1-Jul-18	30-Jun-19	8,760	Otahuhu	74.8	Not disputed	26-Jun-18	365
317736	CFD	19-Jun-18	1-Jul-18	30-Jun-19	8,760	Otahuhu	71	Verified	25-Jun-18	365
317757	FPVV	22-Jun-18	1-Nov-18	31-Oct-21	54,276	Benmore	75.32	Not disputed	26-Jun-18	1096
317817	CFD	19-Jun-18	1-Jul-19	30-Jun-20	87,840	Whakamaru	75.96	Verified	26-Jun-18	366
318635	FPVV	25-Jun-18	1-Jul-18	29-Feb-20	29,324	Haywards	76.79	Not disputed	27-Jun-18	609
318645	FPVV	25-Jun-18	1-Aug-18	31-Jul-23	76,708	Otahuhu	86.8	Not disputed	28-Jun-18	1826
318680	CFD	21-Jun-18	1-Jul-19	30-Jun-20	43,920	Otahuhu	77.55	Verified	27-Jun-18	366
318681	CFD	20-Jun-18	1-Jul-18	30-Jun-20	34,179	Haywards	70.1	Verified	4-Jul-18	731
320982	CFD	2-Jul-18	1-Jan-19	31-Dec-19	43,800	Otahuhu	77.15	Verified	6-Jul-18	365
322777	FPVV	4-Jul-18	1-Aug-18	31-Jul-21	54,340	Benmore	70.6	Not disputed	12-Jul-18	1096
323234	CFD	6-Jul-18	1-Jul-19	30-Jun-20	43,920	Otahuhu	75.05	Verified	10-Jul-18	366
323235	CFD	6-Jul-18	1-Jul-20	31-Dec-20	22,075	Otahuhu	71.06	Verified	12-Jul-18	184
323236	CFD	6-Jul-18	1-Jan-21	31-Oct-21	72,960	Otahuhu	75.05	Verified	10-Jul-18	304

### Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
315677	CFD	19-Jun-18	1-Jul-18	30-Jun-19	5,256	Benmore	63.4	Verified	20-Jun-18	365	< 1 MW
316467	CFD	19-Jun-18	1-Jul-18	30-Jun-19	5,256	Benmore	63.4	Not disputed	26-Jun-18	365	< 1 MW
316551	CFD	19-Jun-18	1-Jul-18	30-Jun-19	5,256	Benmore	66.55	Not disputed	26-Jun-18	365	< 1 MW
320043	CFD	26-Jun-18	1-Jan-19	31-Dec-19	7,008	Benmore	71.8	Not disputed	3-Jul-18	365	< 1 MW
320977	FPVV	2-Jul-18	1-Jun-18	31-May-21	22	Otahuhu	117.18	Not disputed	4-Jul-18	1096	< 1 MW
320978	FPVV	2-Jul-18	1-Jun-18	31-May-21	4,850	Whakamaru	85.73	Not disputed	4-Jul-18	1096	< 1 MW
320979	FPVV	2-Jul-18	1-Jun-18	31-May-21	897	Haywards	86.73	Not disputed	4-Jul-18	1096	< 1 MW
320980	FPVV	2-Jul-18	1-Jun-18	31-May-21	7,360	Islington	72.36	Not disputed	4-Jul-18	1096	< 1 MW
320981	FPVV	2-Jul-18	1-Jun-18	31-May-21	17,032	Benmore	81.38	Not disputed	4-Jul-18	1096	< 1 MW
320997	CFD	28-Jun-18	1-Jul-18	30-Apr-20	144,720	Otahuhu	76.41	Verified	3-Jul-18	670	
321000	CFD	2-Jul-18	1-Jul-18	31-Dec-18	2,196	Otahuhu	80	Verified	3-Jul-18	184	< 1 MW
321042	FPVV	2-Jul-18	1-Jun-18	31-May-21	16,867	Otahuhu	84.47	Not disputed	5-Jul-18	1096	< 1 MW
321043	FPVV	2-Jul-18	1-Jun-18	31-May-21	19,625	Whakamaru	81.65	Not disputed	5-Jul-18	1096	< 1 MW
321044	FPVV	2-Jul-18	1-Jun-18	31-May-21	4,502	Haywards	83.22	Not disputed	5-Jul-18	1096	< 1 MW
321045	FPVV	2-Jul-18	1-Jun-18	31-May-21	19,778	Islington	85.1	Not disputed	5-Jul-18	1096	< 1 MW
321046	FPVV	2-Jul-18	1-Jun-18	31-May-21	8,346	Benmore	77.52	Not disputed	5-Jul-18	1096	< 1 MW
321058	CFD	2-Jul-18	1-Jul-18	30-Jun-19	578,200	Otahuhu	79.45	Verified	4-Jul-18	365	
321059	CFD	2-Jul-18	1-Jul-18	30-Jun-19	240,800	Benmore	75.57	Verified	4-Jul-18	365	
322678	FPVV	15-May-18	1-Jun-18	31-May-21	59,973	Otahuhu	7.88	Not disputed	10-Jul-18	1096	Traded>2 mths ago
323229	FPVV	9-Jul-18	1-Oct-18	30-Sep-21	3,523	Benmore	70.92	Not disputed	12-Jul-18	1096	< 1 MW
323230	FPVV	9-Jul-18	1-Oct-18	30-Sep-21	4,190	Otahuhu	78.77	Not disputed	12-Jul-18	1096	< 1 MW

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