

# EnergyTrendz

MONTHLY

January 2020

Issue 130

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

## January 2020

### ELL Index

# 10.0 c/kWh

(at Haywards)

#### Other Nodes

The index is referenced to:

Otauhu	10.5 c/kWh
Benmore	9.4 c/kWh

#### Change

The index decreased by 9.9% since mid December

#### Volume

10 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 627 GWh over the period Jan-20 to Dec-25

#### Contract Types

7 FPVV (fixed price variable volume)  
3 CFD (contract for differences)

#### ELL CFD & FPVV Index

ELL FPVV	10.1 c/kWh
ELL CFD	9.9 c/kWh

#### Spread

3.1 c/kWh from Jan-20 to Dec-25

#### Location Factors

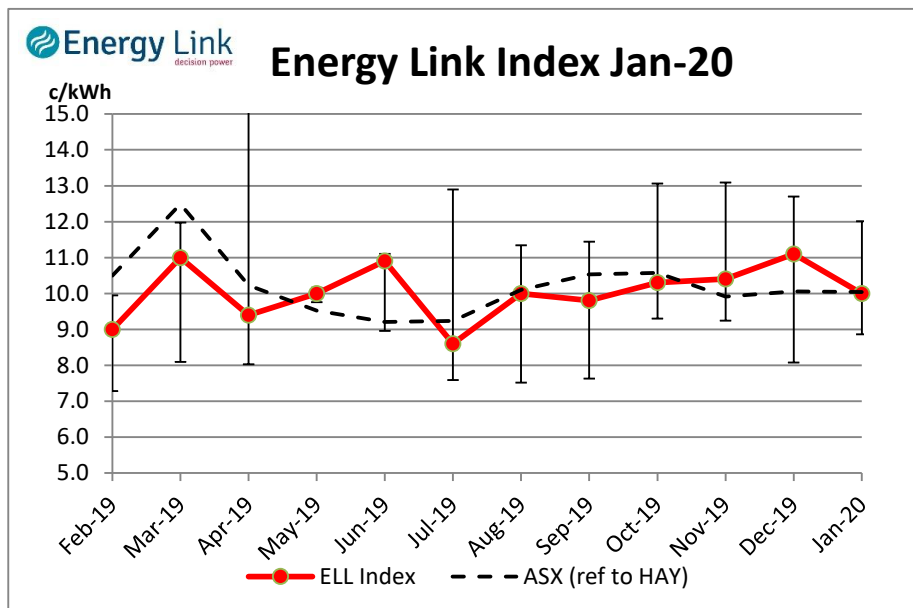
Expected location factors were updated in this edition of Energy Trendz

#### ASX Futures

Based on the 3 year average 'previous settlement' dates for 2020-2023 as of Friday 17 January:

Otauhu	10.7 c/kWh
Benmore	9.3 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 decreased this month on a volume of 10 contracts traded 3 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 3.1 c/kWh this month. Prices for the contracts varied from 8.9 c/kWh to 12.0 c/kWh when referenced to Haywards.

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

Energy Link Ltd makes every effort to ensure the information contained in this report is accurate but does not guarantee this accuracy. Energy Link Ltd accepts no liability for any use of this information by readers. This report is copyright of Energy Link Ltd and is not to be copied or redistributed without the express written permission of Energy Link Ltd.

Subscribe at [www.energylink.co.nz/news](http://www.energylink.co.nz/news)

## FPVV & CFD Electricity Contract Indices

Level 4, Consultancy House  
7 Bond St, Dunedin  
Phone 03 479 2475

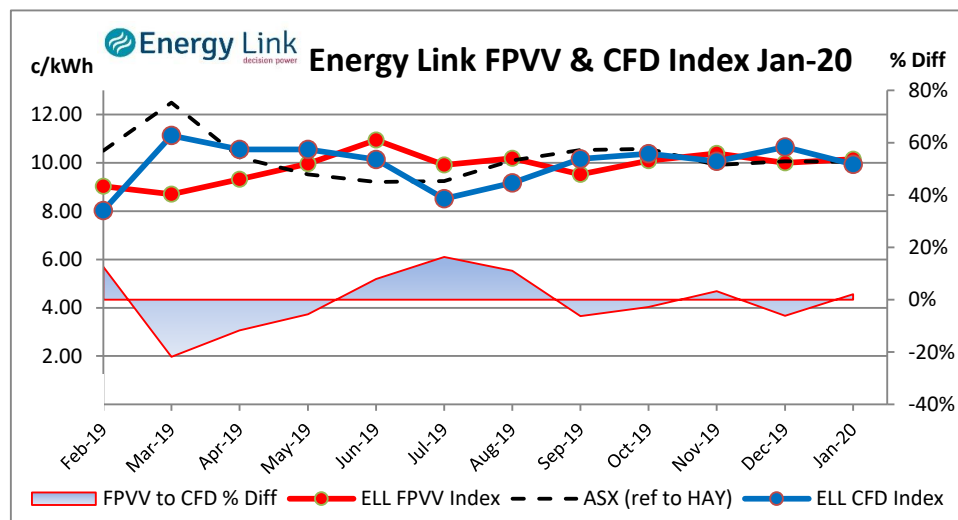
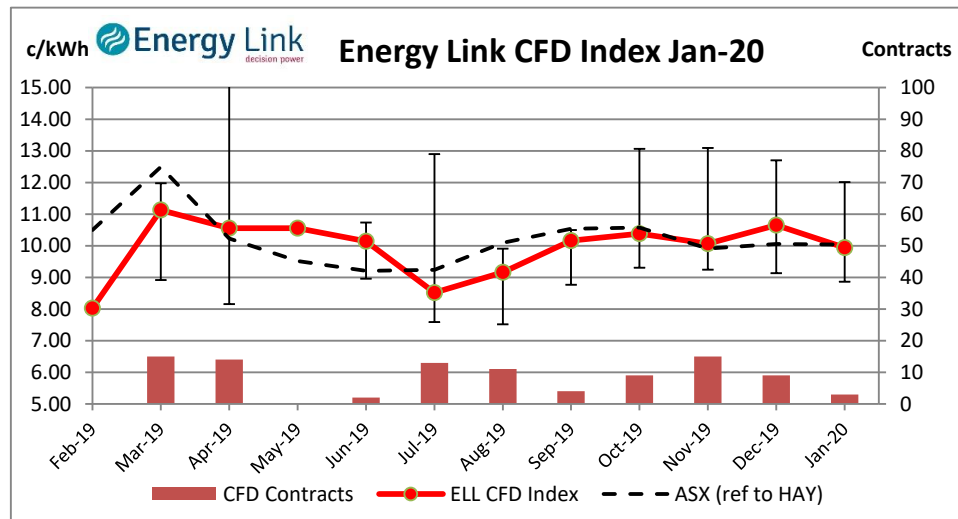
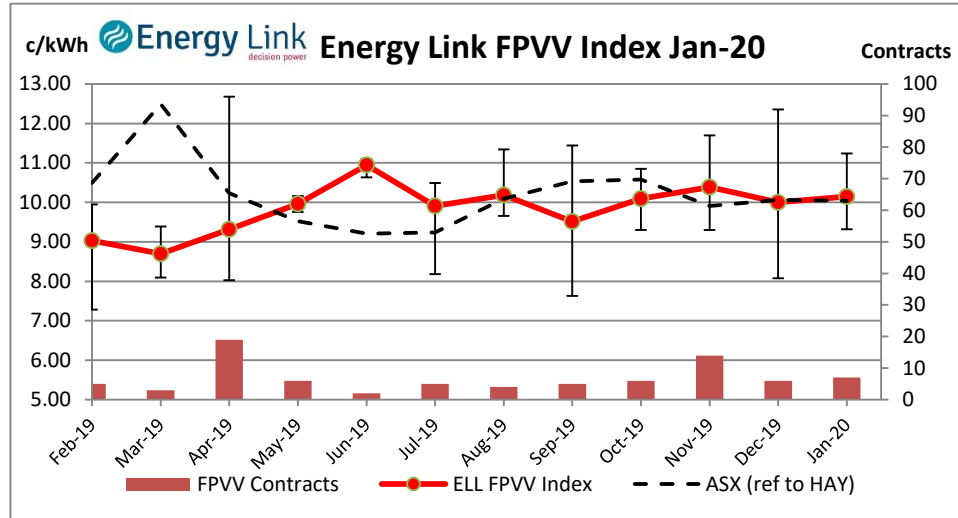
Plan and execute  
your energy  
decisions with



### 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.

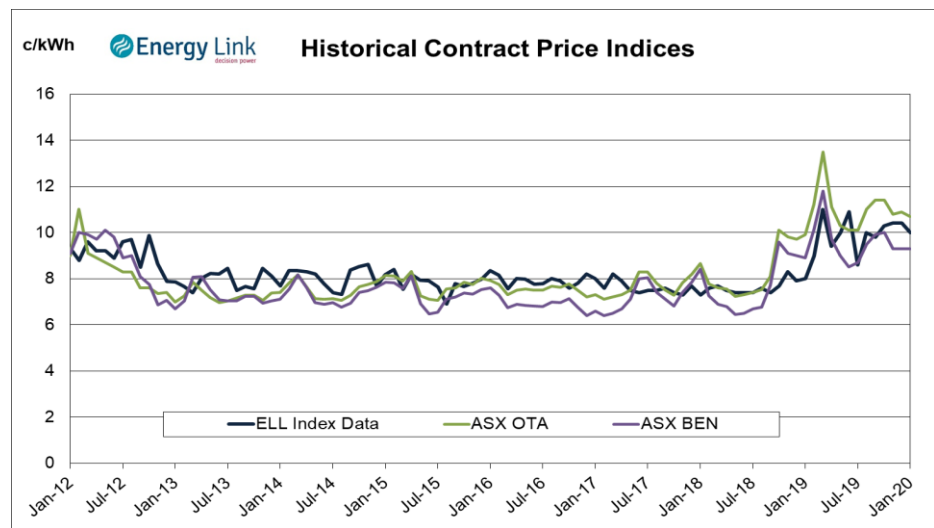
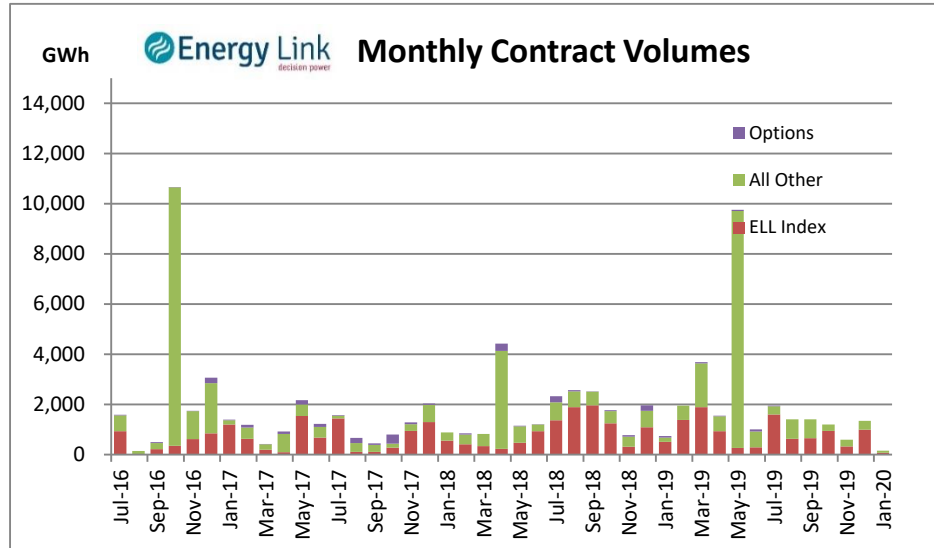


### Plan and Execute Your Energy Strategy with Confidence

Have confidence in your energy strategy when you work with Energy Link: we're here to help you make the best energy-related decisions. We act as adviser and broker for initiating and renewing energy contracts including fixed price variable volume and hedging contracts. Our Ellserve energy information system captures energy invoices electronically, checks invoices, and provides access to data and reports from multiple suppliers on our secure web site. We make it easy to take action on energy, it's as simple as that!

Level 4, Consultancy House  
7 Bond St, Dunedin  
Phone 03 479 2475

**Plan and execute  
your energy  
decisions with**

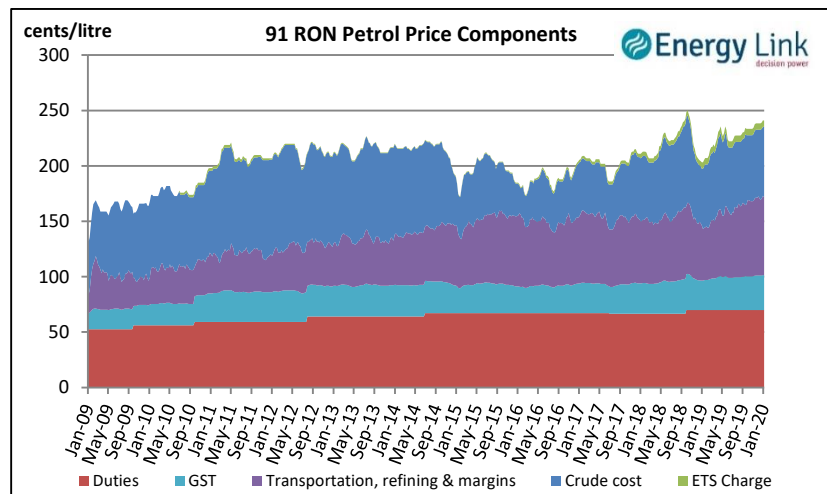


## Petrol Prices

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

Duties, ETS and GST currently comprise 44% of the total at-pump cost (major centres) of 91, with the cost of crude at 26%.

The cost of crude increased by 4.7% over the month while the NZD exchange rate increased by 1.1%. The 91 RON price increased by 1.1% over the month.



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

## Plan and Execute Your Energy Strategy with Confidence

Have confidence in your energy strategy when you work with Energy Link: we're here to help you make the best energy-related decisions. We act as adviser and broker for initiating and renewing energy contracts including fixed price variable volume and hedging contracts. Our Ellserve energy information system captures energy invoices electronically, checks invoices, and provides access to data and reports from multiple suppliers on our secure web site. We make it easy to take action on energy, it's as simple

## Futures Prices

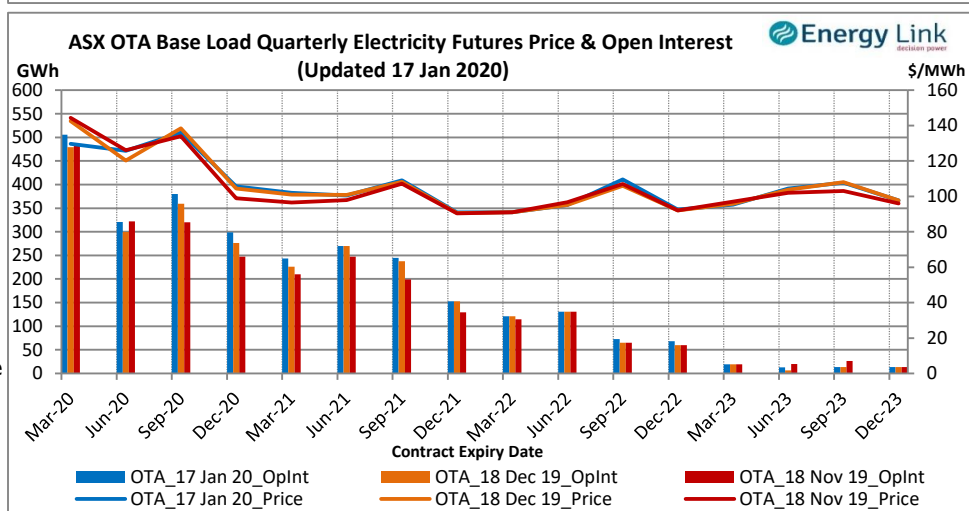
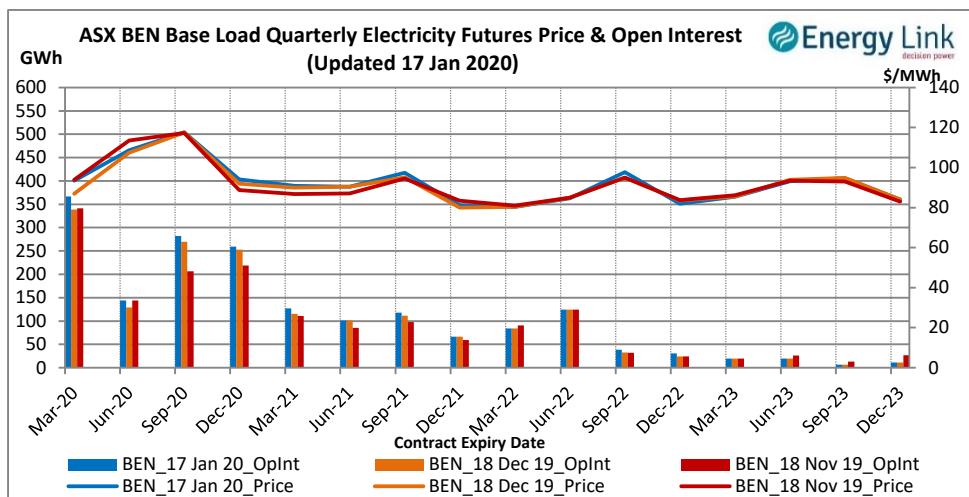
These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

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 Mar 20 through to Dec 23.

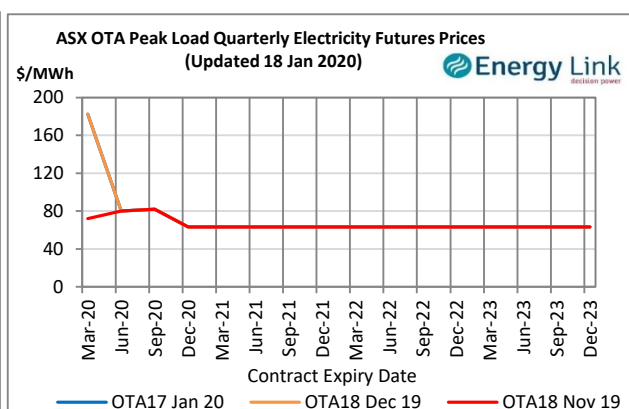
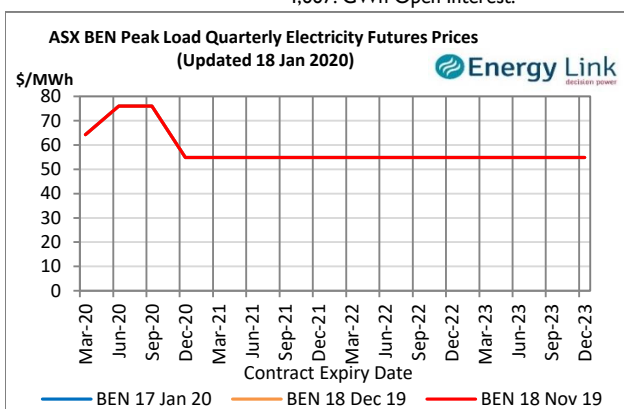
Level 4, Consultancy House  
7 Bond St , Dunedin  
Phone 03 479 2475

**Plan and execute your energy decisions with**



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 1,798.2 GWh contracted at Benmore and 2,868.8 GWh contracted at Otahuhu for a total of 4,667. GWh Open Interest.



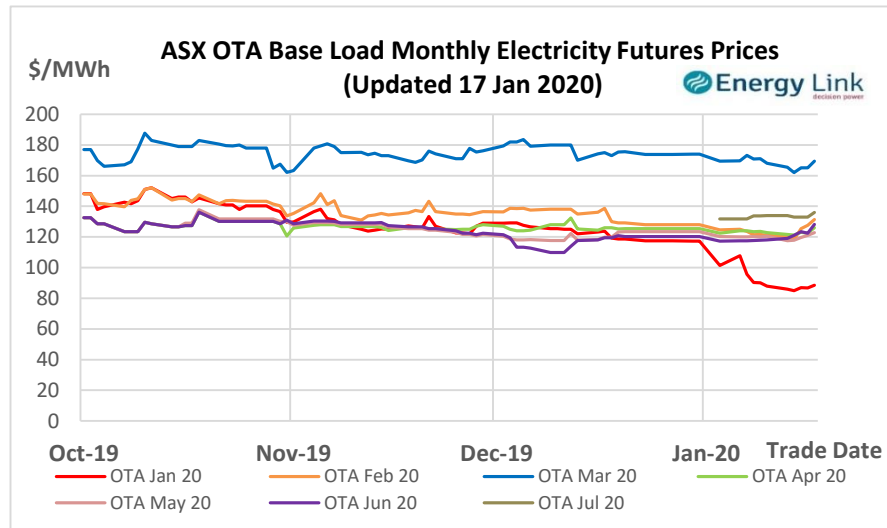
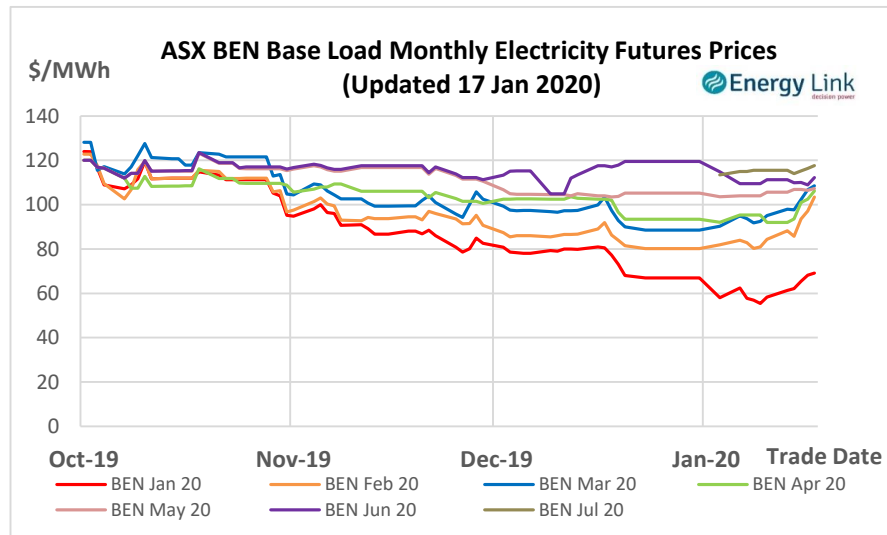
## Plan and Execute Your Energy Strategy with Confidence

Have confidence in your energy strategy when you work with Energy Link: we're here to help you make the best energy-related decisions. We act as adviser and broker for initiating and renewing energy contracts including fixed price variable volume and hedging contracts. Our Ellserve energy information system captures energy invoices electronically, checks invoices, and provides access to data and reports from multiple suppliers on our secure web site. We make it easy to take action on energy, it's as simple as that! [Take action today and visit our web site](#)

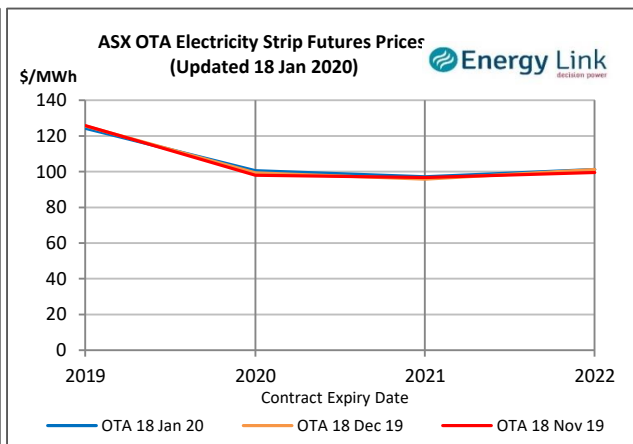
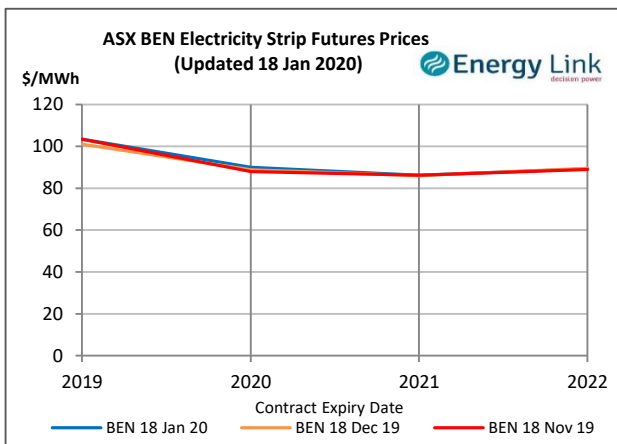
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

Level 4, Consultancy House  
7 Bond St , Dunedin  
Phone 03 479 2475

**Plan and execute  
your energy  
decisions with**



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.

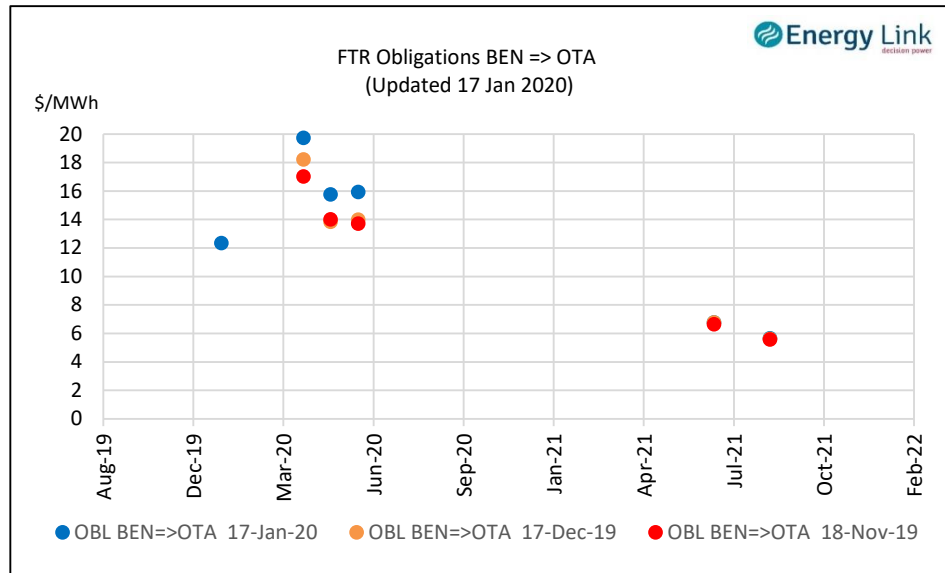


**Plan and Execute Your Energy Strategy with Confidence**

Have confidence in your energy strategy when you work with Energy Link: we're here to help you make the best energy-related decisions. We act as adviser and broker for initiating and renewing energy contracts including fixed price variable volume and hedging contracts. Our Ellserve energy information system captures energy invoices electronically, checks invoices, and provides access to data and reports from multiple suppliers on our secure web site. We make it easy to take action on energy, it's as simple as that! [Take action today and visit our web site](#)

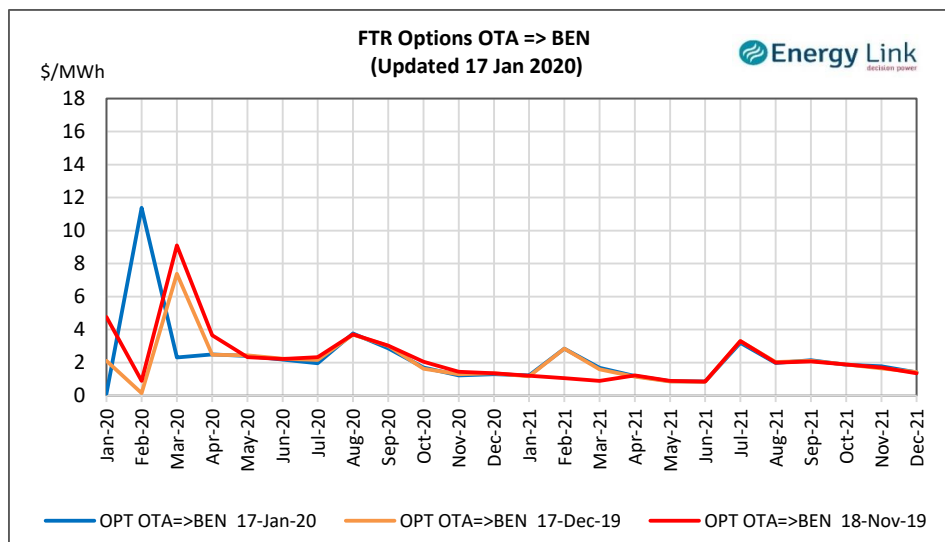
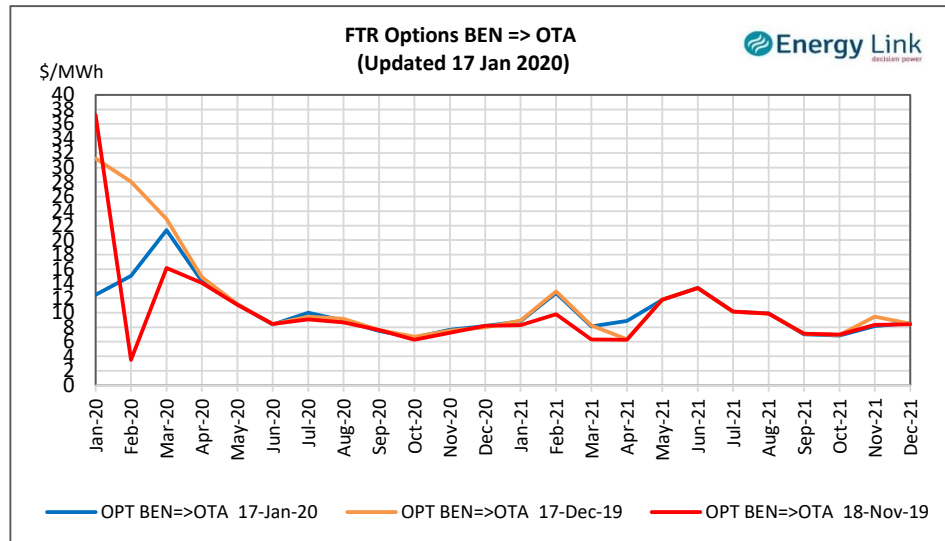
## FTR Prices

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).



Level 4, Consultancy House  
7 Bond St., Dunedin  
Phone 03 479 2475

**Plan and execute your energy decisions with**



## Plan and Execute Your Energy Strategy with Confidence

Have confidence in your energy strategy when you work with Energy Link: we're here to help you make the best energy-related decisions. We act as adviser and broker for initiating and renewing energy contracts including fixed price variable volume and hedging contracts. Our Ellserve energy information system captures energy invoices electronically, checks invoices, and provides access to data and reports from multiple suppliers on our secure web site. We make it easy to take action on energy, it's as simple as that! [Take action today and visit our web site](#)

## 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 6 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. 1 FPVV contract was excluded due to it being traded over 2 months ago.

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 Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration
482554	FPVV	20-Dec-19	1-Jan-20	31-Dec-22	33,530	Islington	105.09	Not disputed	24-Dec-19	1096
482751	FPVV	19-Dec-19	1-Jan-20	31-Dec-21	62,840	Haywards	110.35	Not disputed	28-Dec-19	731
482752	FPVV	20-Dec-19	1-Apr-20	31-Mar-23	49,897	Islington	98.29	Not disputed	28-Dec-19	1095
482997	FPVV	19-Dec-19	1-Jan-20	30-Nov-22	74,360	Islington	100.86	Not disputed	1-Jan-20	1065
482998	FPVV	19-Dec-19	1-Jan-20	30-Nov-22	87,610	Islington	99.36	Not disputed	1-Jan-20	1065
483016	CFD	19-Dec-19	1-Jan-21	31-Dec-22	7,008	Otahuhu	98.5	Not disputed	8-Jan-20	730
483290	CFD	20-Dec-19	1-Jan-20	31-Dec-20	17,568	Otahuhu	127.3	Verified	7-Jan-20	366
483384	CFD	19-Dec-19	1-Jan-21	31-Dec-25	219,120	Whakamaru	88.11	Not disputed	10-Jan-20	1826
483957	FPVV	9-Jan-20	1-Mar-20	28-Feb-23	29,213	Whakamaru	104.65	Not disputed	16-Jan-20	1095
483958	FPVV	9-Jan-20	1-Mar-20	28-Feb-23	46,042	Otahuhu	109.23	Not disputed	16-Jan-20	1095

### Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
481997	FPVV	8-Nov-19	1-Mar-20	28-Feb-23	45,900	Benmore	99.89	Not disputed	20-Dec-19	1095	Traded>2 mths ago
482512	FPVV	19-Dec-19	1-Feb-20	31-Jan-22	15,501	Otahuhu	87.59	Not disputed	24-Dec-19	731	< 1 MW
482513	FPVV	19-Dec-19	1-Feb-20	31-Jan-22	2,779	Whakamaru	86.92	Not disputed	24-Dec-19	731	< 1 MW
482555	FPVV	20-Dec-19	1-Jan-20	31-Dec-22	23,853	Benmore	99.66	Not disputed	24-Dec-19	1096	< 1 MW
482747	FPVV	20-Dec-19	1-Jan-20	31-Dec-22	2,524	Whakamaru	108.8	Not disputed	28-Dec-19	1096	< 1 MW
482748	FPVV	20-Dec-19	1-Jan-20	31-Dec-22	6,084	Otahuhu	113.47	Not disputed	28-Dec-19	1096	< 1 MW
482749	FPVV	20-Dec-19	1-Jan-20	31-Dec-22	11,804	Islington	102.69	Not disputed	28-Dec-19	1096	< 1 MW
482750	FPVV	20-Dec-19	1-Jan-20	31-Dec-22	16,215	Benmore	98.07	Not disputed	28-Dec-19	1096	< 1 MW
482996	FPVV	19-Dec-19	1-Jan-20	30-Nov-22	8,603	Benmore	94.83	Not disputed	1-Jan-20	1065	< 1 MW
483956	FPVV	9-Jan-20	1-Mar-20	28-Feb-23	17,286	Haywards	103.67	Not disputed	16-Jan-20	1095	< 1 MW

### Plan and Execute Your Energy Strategy with Confidence

Have confidence in your energy strategy when you work with Energy Link: we're here to help you make the best energy-related decisions. We act as adviser and broker for initiating and renewing energy contracts including fixed price variable volume and hedging contracts. Our Ellserve energy information system captures energy invoices electronically, checks invoices, and provides access to data and reports from multiple suppliers on our secure web site. We make it easy to take action on energy, it's as simple as that! [Take action today and visit our web site](#)