

# EnergyTrendz

MONTHLY

March 2020

Issue 132

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

**March 2020****ELL Index****10.2 c/kWh**

(at Haywards)

**Other Nodes**

The index is referenced to:

Otauhu	10.8 c/kWh
Benmore	9.9 c/kWh

**Change**

The index increased by 4.1% since mid February

**Volume**

8 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 1,006 GWh over the period Feb-20 to Dec-25

**Contract Types**

7 FPVV (fixed price variable volume)

1 CFD (contract for differences)

**ELL CFD & FPVV Index**

ELL FPVV 10.4 c/kWh

ELL CFD 9.1 c/kWh

**Spread**

3 c/kWh from Feb-20 to Dec-25

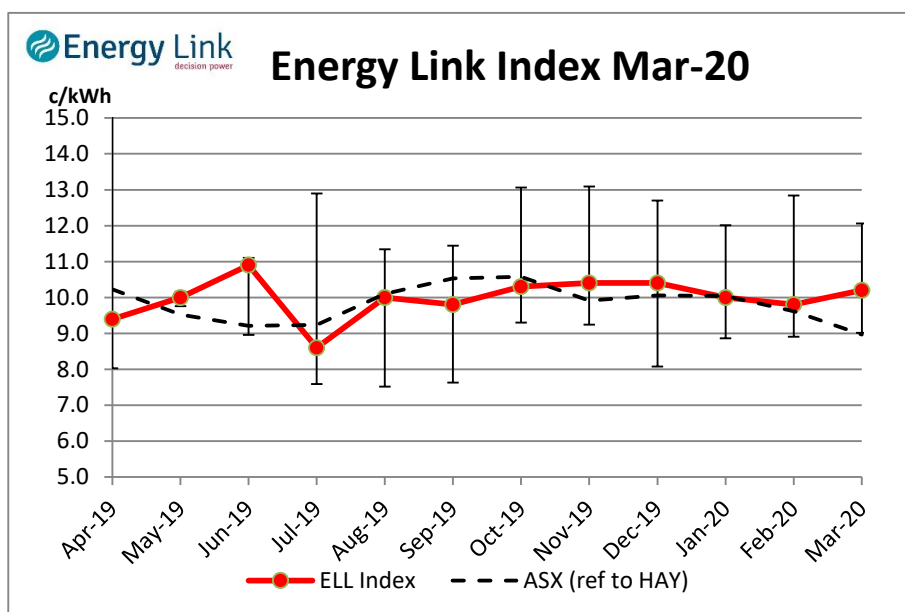
**Location Factors**

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 Monday 16 March:

Otauhu	10.1 c/kWh
Benmore	8.1 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 8 contracts traded 1 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 3.0 c/kWh this month. Prices for the contracts varied from 9.0 c/kWh to 12.1 c/kWh when referenced to Haywards.

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

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# FPVV & CFD Electricity Contract Indices

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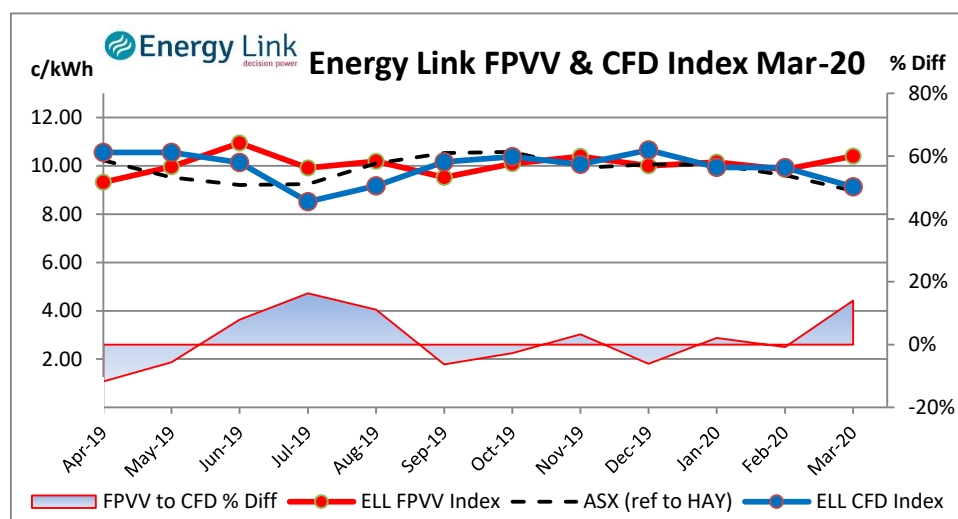
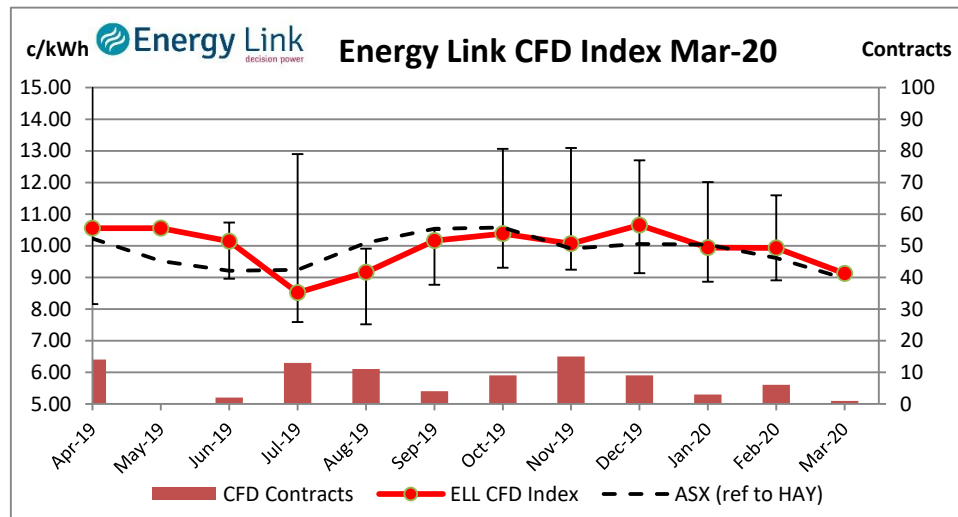
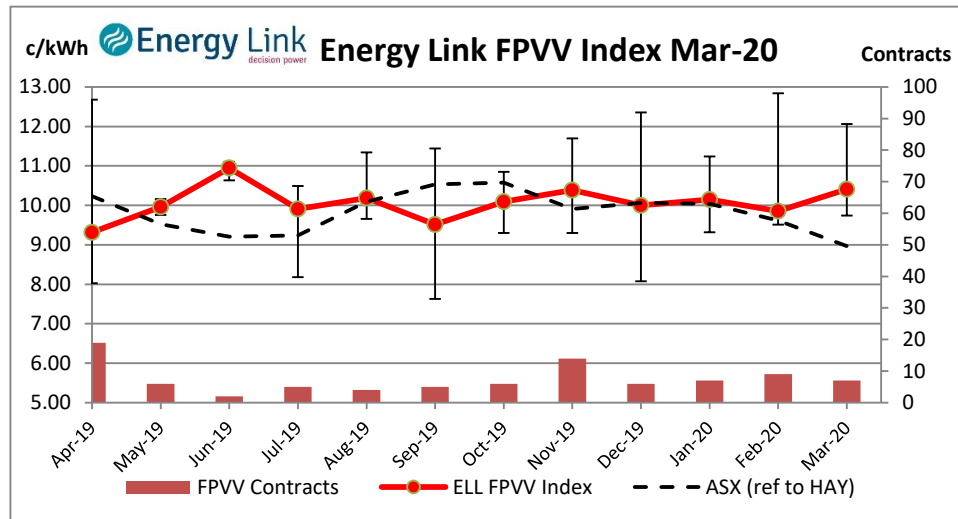
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## FPVV & CFD Contract

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.

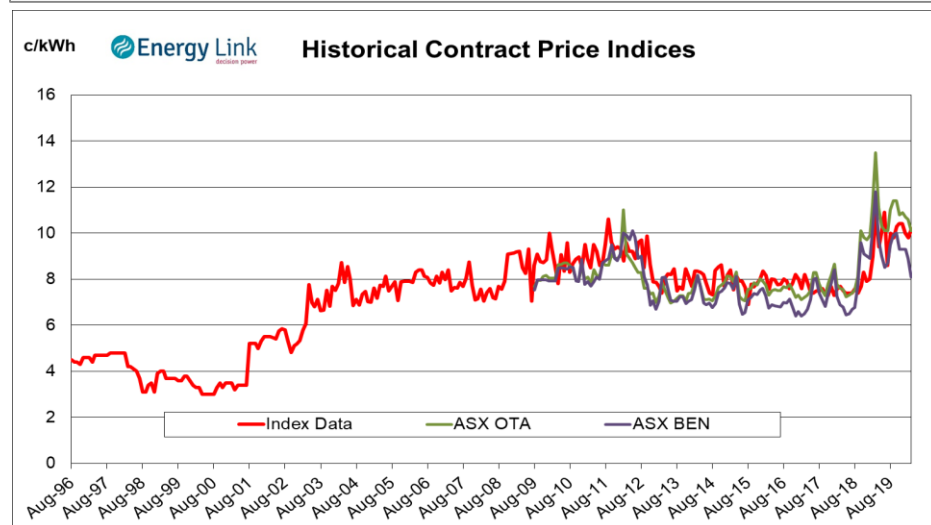
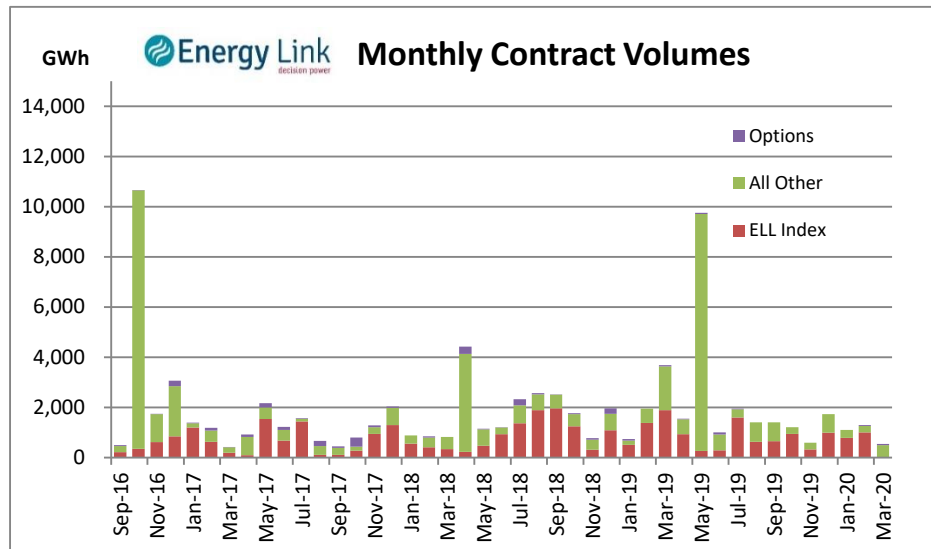


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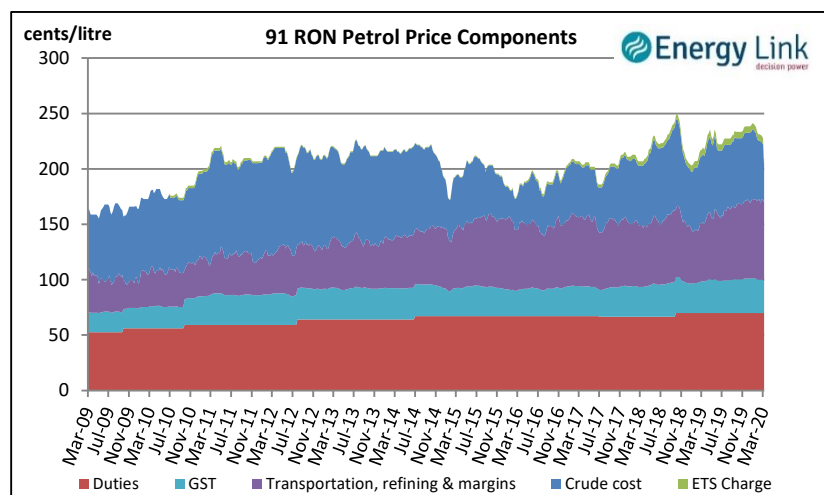


## Petrol Prices

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

Duties, ETS and GST currently comprise 49% of the total at-pump cost (major centres) of 91, with the cost of crude at 16%.

The cost of crude decreased by 38.7% over the month while the NZD exchange rate decreased by 2.5%. The 91 RON price decreased by 9.8% over the month.



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

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## Futures Prices

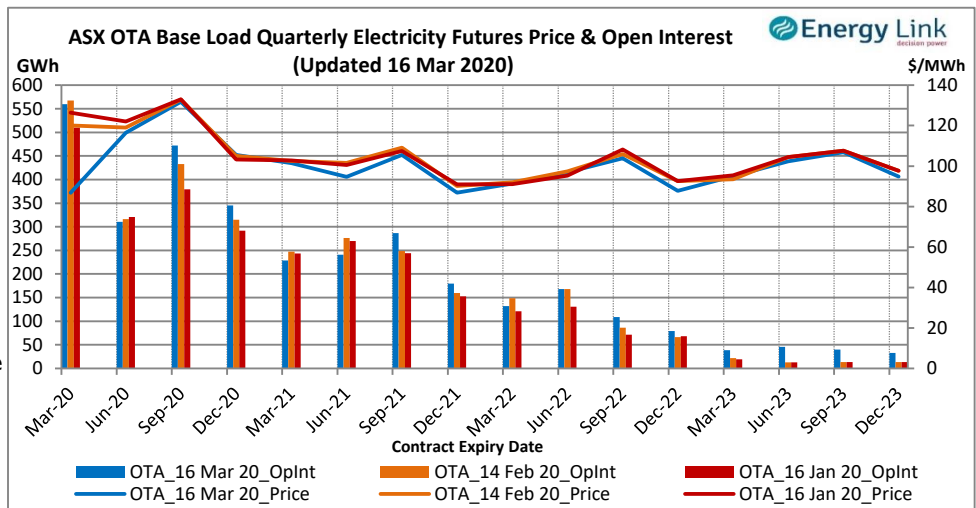
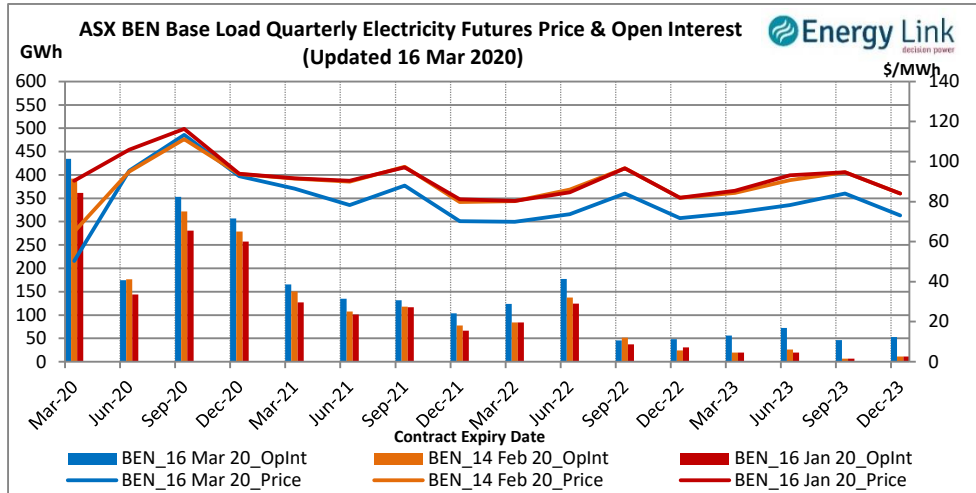
These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

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 Mar 20 through to Dec 23.

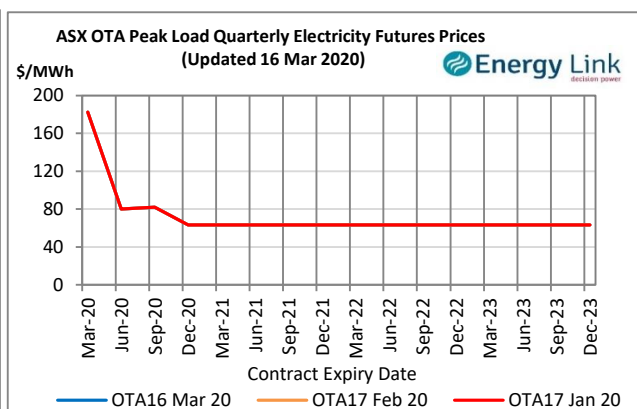
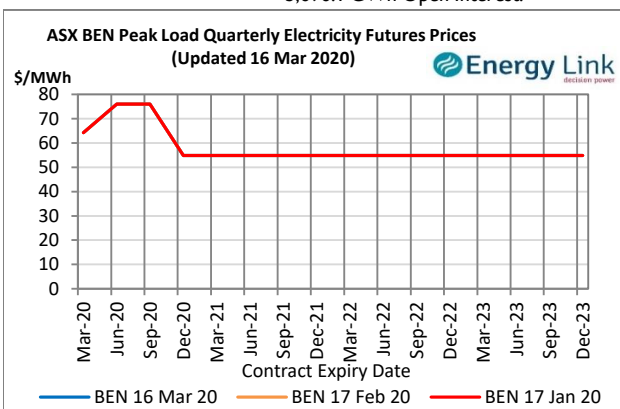
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The charts below show the traded prices for the peak load quarterly contracts for the next four years as they stood at the time of publishing, one month and two months prior to the time of publishing.

Currently there is 2,427. GWh contracted at Benmore and 3,269.1 GWh contracted at Otahuhu for a total of 5,696.1 GWh Open Interest.



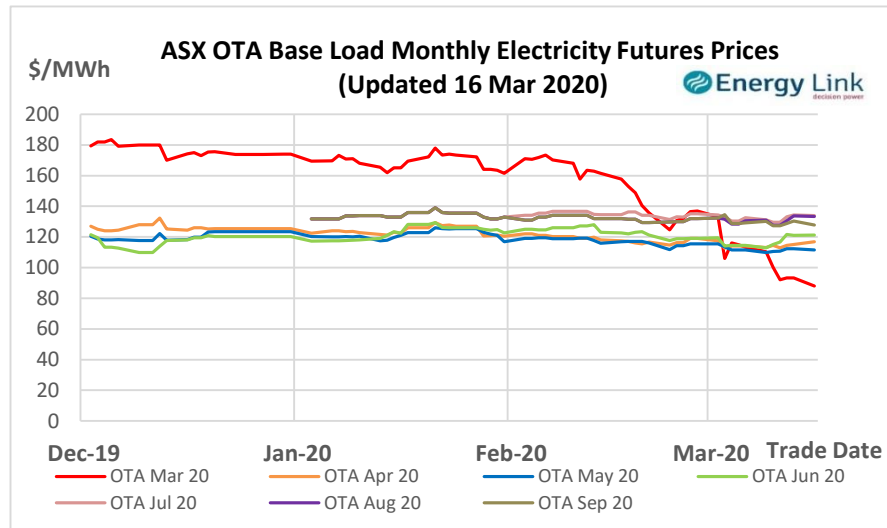
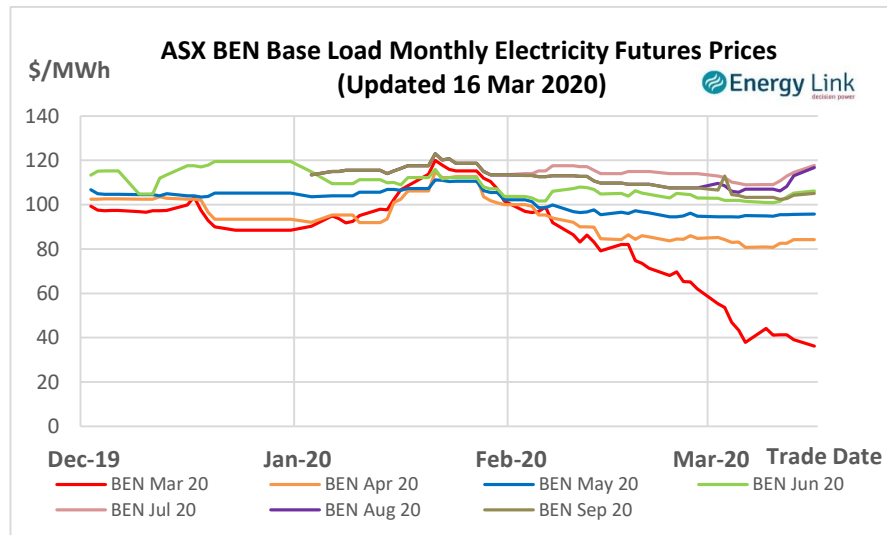
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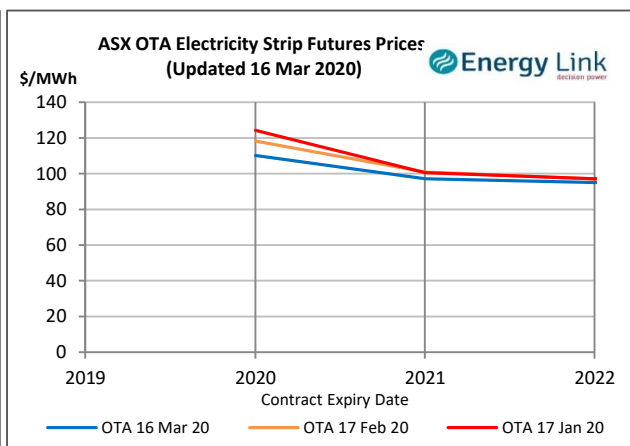
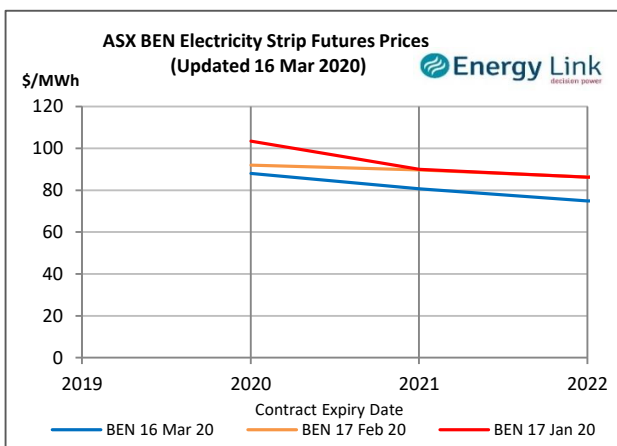
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

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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.

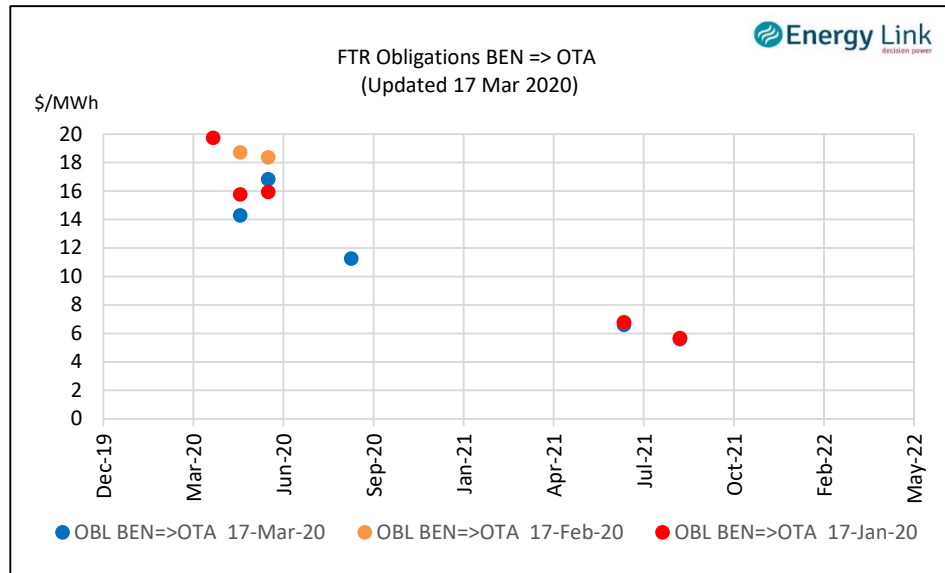


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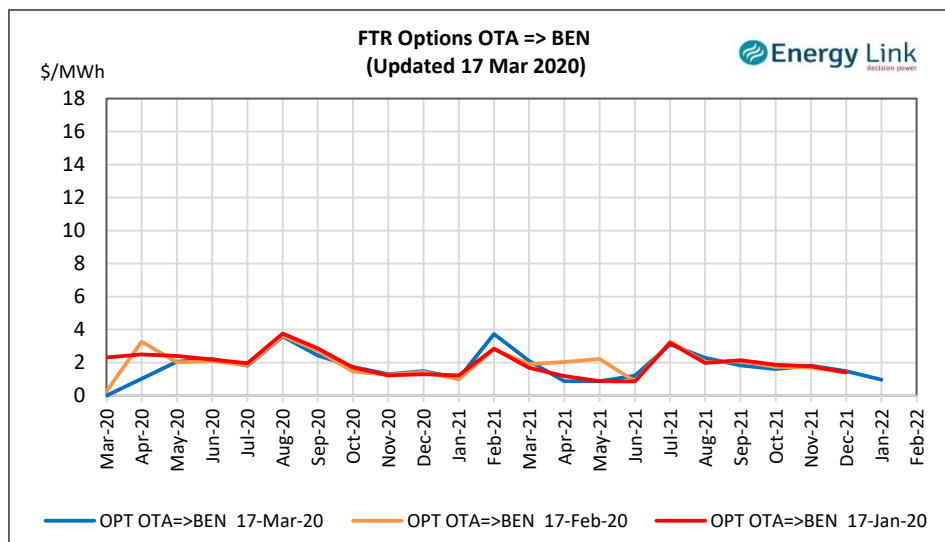
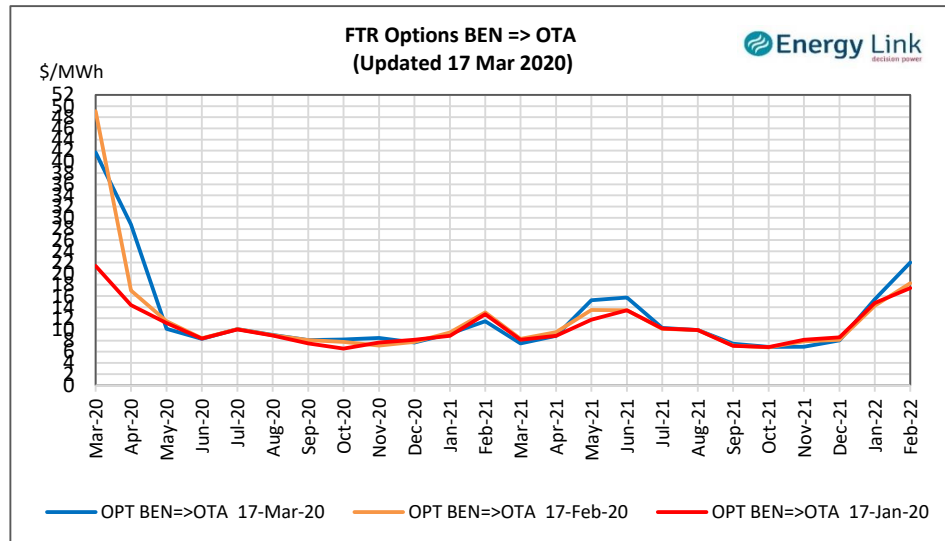
## FTR Prices

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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## 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
502416	FPVV	5-Feb-20	1-Feb-20	31-Jan-21	41,507	Otahuhu	128.26	Not disputed	18-Feb-20	366
502417	FPVV	5-Feb-20	1-Feb-20	31-Jan-22	136,005	Otahuhu	115.71	Not disputed	18-Feb-20	731
505174	FPVV	19-Feb-20	1-Mar-20	28-Feb-22	34,498	Haywards	117.99	Not disputed	22-Feb-20	730
506216	FPVV	17-Feb-20	1-Apr-20	31-Mar-23	95,904	Whakamaru	107.97	Not disputed	26-Feb-20	1095
507356	FPVV	24-Feb-20	1-Apr-20	31-Mar-23	253,106	Islington	103.1	Not disputed	27-Feb-20	1095
507357	FPVV	24-Feb-20	1-Apr-20	31-Mar-23	155,145	Benmore	96.38	Not disputed	27-Feb-20	1095
508473	CFD	18-Feb-20	1-Jul-20	31-Dec-25	241,200	Whakamaru	91	Verified	2-Mar-20	2010
510957	FPVV	14-Feb-20	1-Mar-20	28-Feb-23	48,990	Haywards	106.99	Not disputed	7-Mar-20	1095

### Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
506215	FPVV	17-Feb-20	1-Apr-20	31-Mar-23	9,326	Otahuhu	110.48	Not disputed	26-Feb-20	1095	< 1 MW
510956	FPVV	14-Feb-20	1-Jun-20	28-Feb-23	22,066	Haywards	98.46	Not disputed	7-Mar-20	1003	< 1 MW
510996	FPVV	4-Mar-20	1-Feb-20	31-Jan-23	4,487	Whakamaru	103.78	Not disputed	10-Mar-20	1096	< 1 MW
510997	FPVV	4-Mar-20	1-Feb-20	31-Jan-23	8,366	Haywards	102.52	Not disputed	10-Mar-20	1096	< 1 MW
510998	FPVV	4-Mar-20	1-Feb-20	31-Jan-23	18,352	Islington	101.65	Not disputed	10-Mar-20	1096	< 1 MW
510999	FPVV	4-Mar-20	1-Feb-20	31-Jan-23	20,249	Otahuhu	109.64	Not disputed	10-Mar-20	1096	< 1 MW
514097	FPVV	9-Dec-19	1-Dec-19	30-Nov-22	140,973	Otahuhu	78.34	Not disputed	14-Mar-20	1096	Traded>2 mths ago
514098	FPVV	9-Dec-19	1-Dec-19	30-Nov-22	13,498	Whakamaru	78.31	Not disputed	14-Mar-20	1096	< 1 MW
514099	FPVV	9-Dec-19	1-Dec-19	30-Nov-22	2,259	Benmore	73.71	Not disputed	14-Mar-20	1096	< 1 MW

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