

EnergyTrendz

MONTHLY

May 2020

Issue 134

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

May 2020

ELL Index

8.7 c/kWh

(at Haywards)

Other Nodes

The index is referenced to:

Otahuhu 9.2 c/kWh

Benmore 8.5 c/kWh

Change

The index decreased by 12.1% since mid April

Volume

19 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 1,021 GWh over the period Apr-20 to Jun-24

Contract Types

7 FPVV (fixed price variable volume)

12 CFD (contract for differences)

ELL CFD & FPVV Index

ELL FPVV 9.1 c/kWh

ELL CFD 8.4 c/kWh

Spread

3.6 c/kWh from Apr-20 to Jun-24

Location Factors

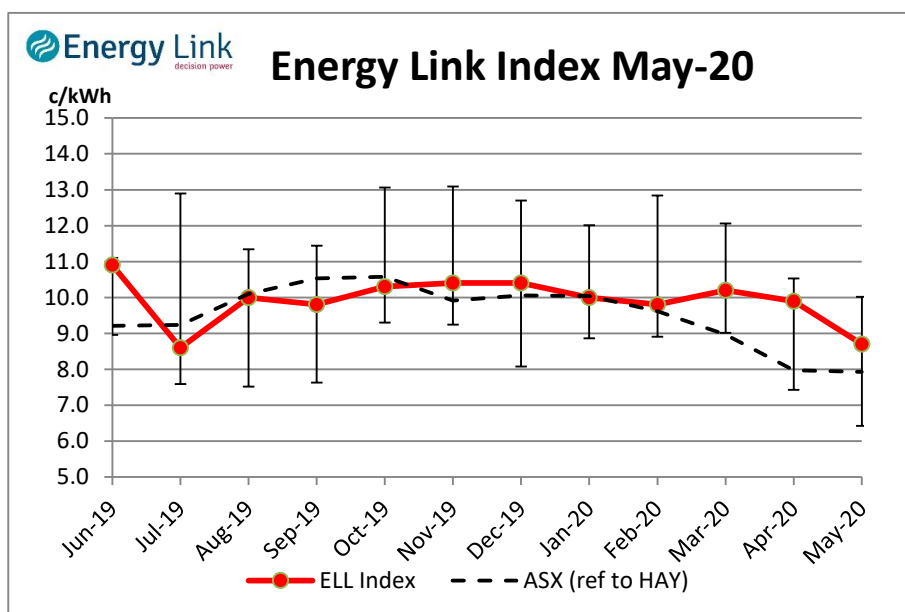
Expected location factors were updated in this edition of Energy Trendz

ASX Futures

Based on the 3 year average 'previous settlement' dates for 2020-2023 as of Tuesday 19 May:

Otahuhu 8.9 c/kWh

Benmore 7.3 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 19 contracts traded 12 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 3.6 c/kWh this month. Prices for the contracts varied from 6.4 c/kWh to 10.0 c/kWh when referenced to Haywards.

The gap between the ELL Index and the ASX index has decreased over the month as the ASX plateaus

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FPVV & CFD Electricity Contract Indices

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

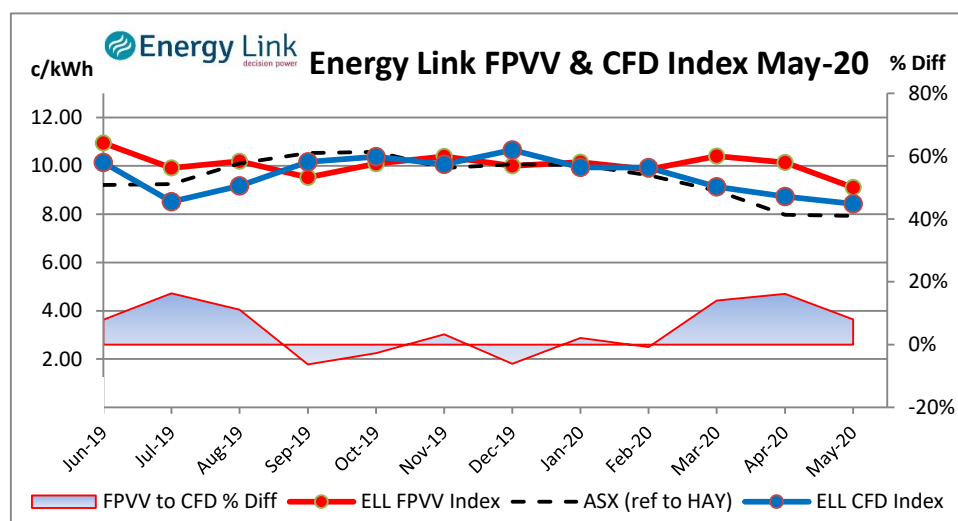
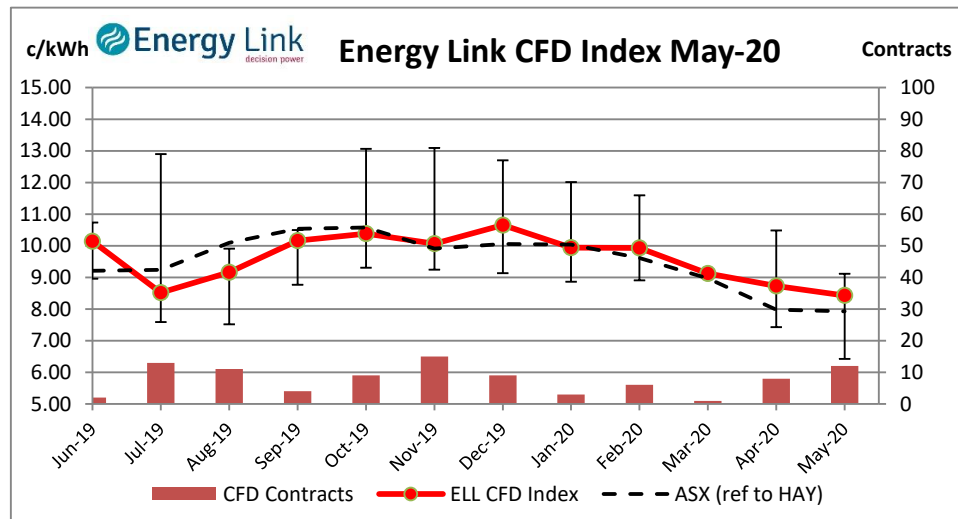
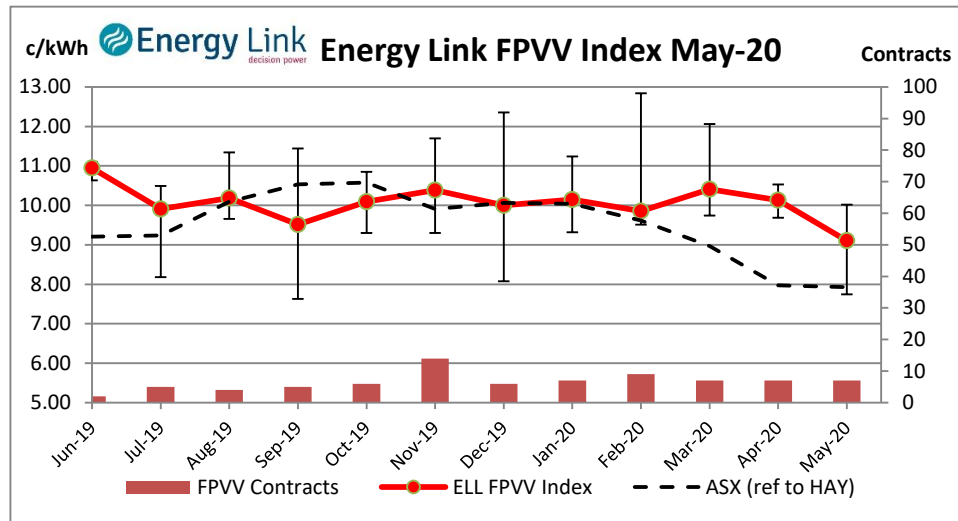
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FPVV & CFD Contract

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.

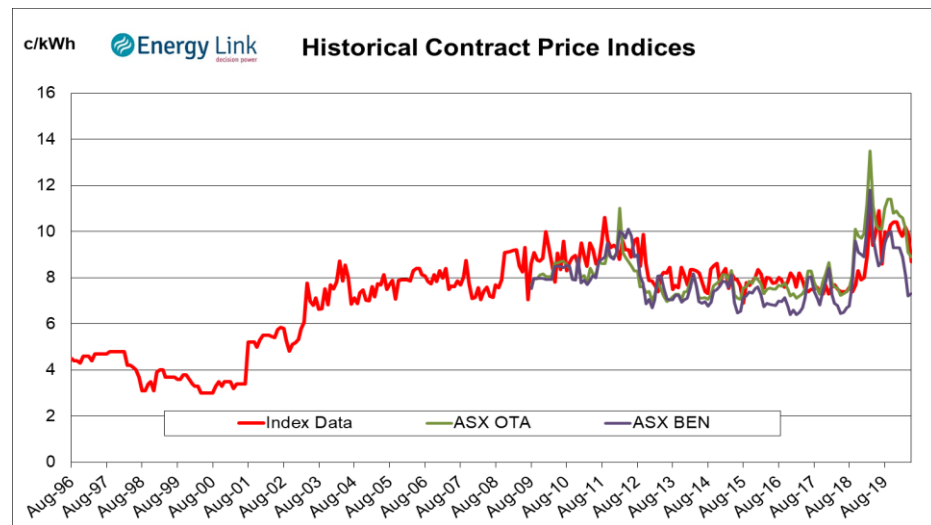
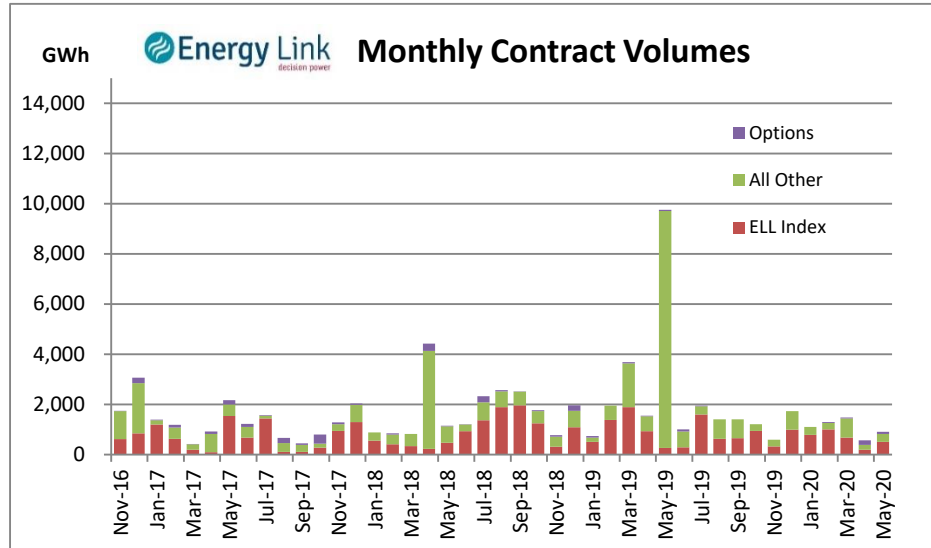


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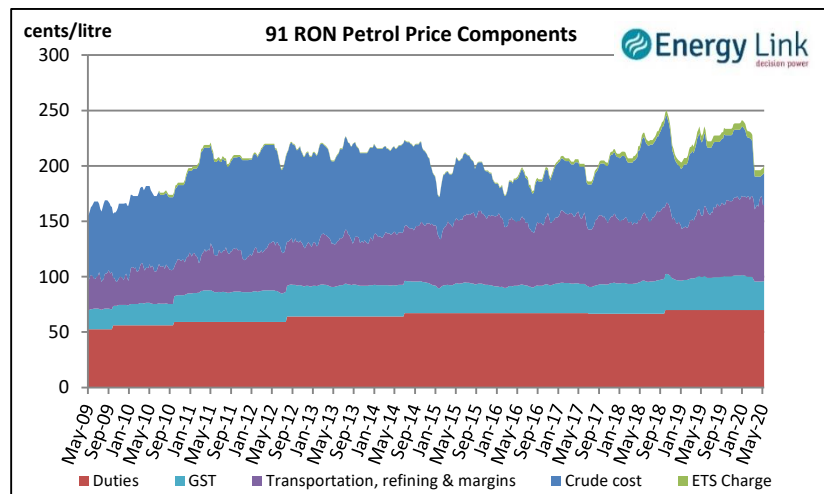


Petrol Prices

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 51% of the total at-pump cost (major centres) of 91, with the cost of crude at 15%.

The cost of crude increased by 34.4% over the month while the NZD exchange rate increased by 0.1%. The 91 RON price increased by 1.9% over the month.



More data is at www.med.govt.nz.

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Futures Prices

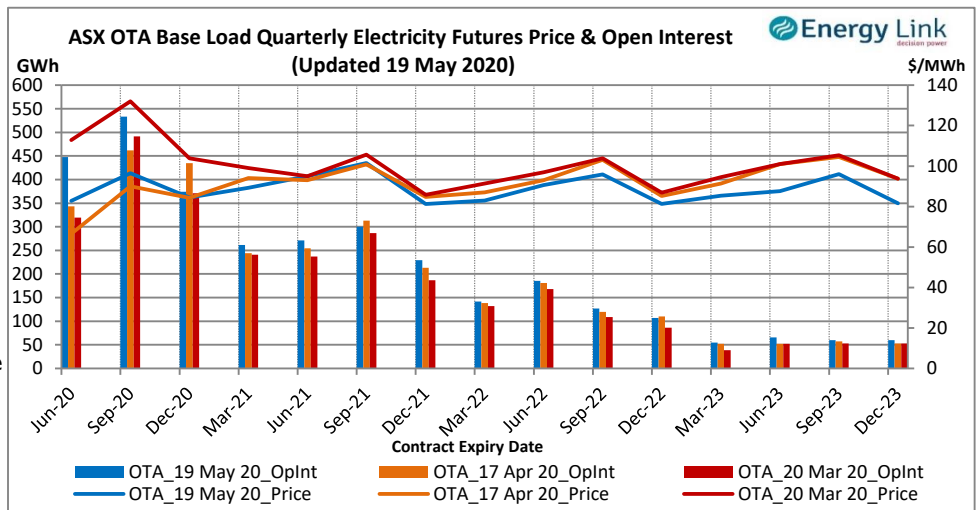
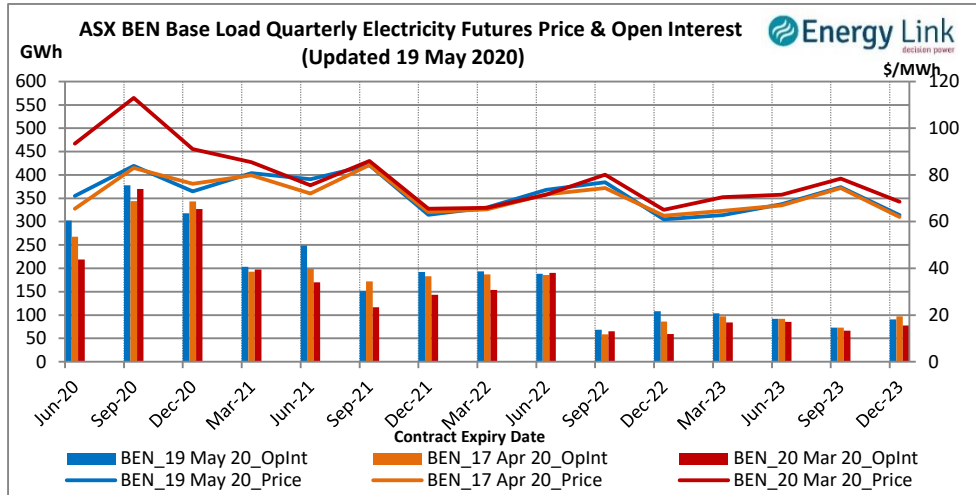
These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

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 Jun 20 through to Dec 23.

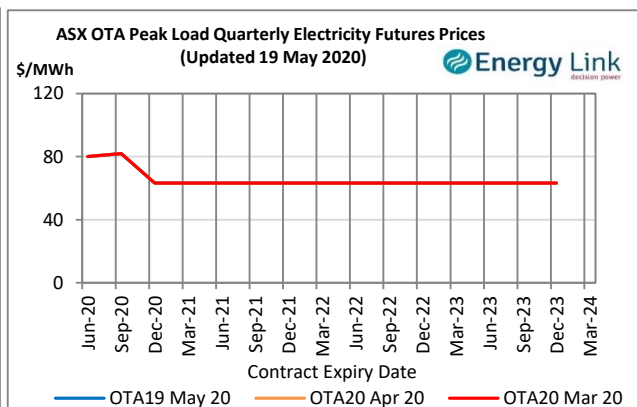
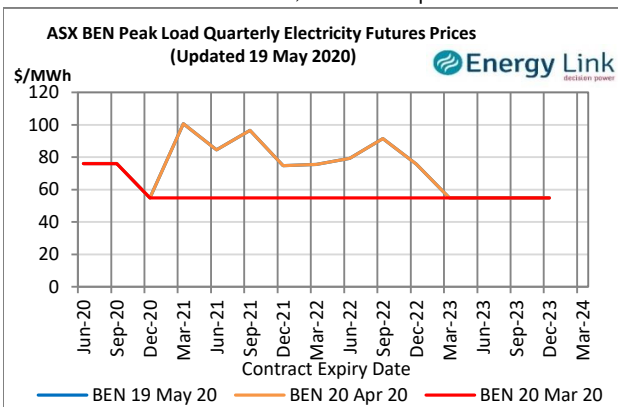
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The charts below show the traded prices for the peak load quarterly contracts for the next four years as they stood at the time of publishing, one month and two months prior to the time of publishing.

Currently there is 2,711.3 GWh contracted at Benmore and 3,217.4 GWh contracted at Otahuhu for a total of 5,928.7 GWh Open Interest.



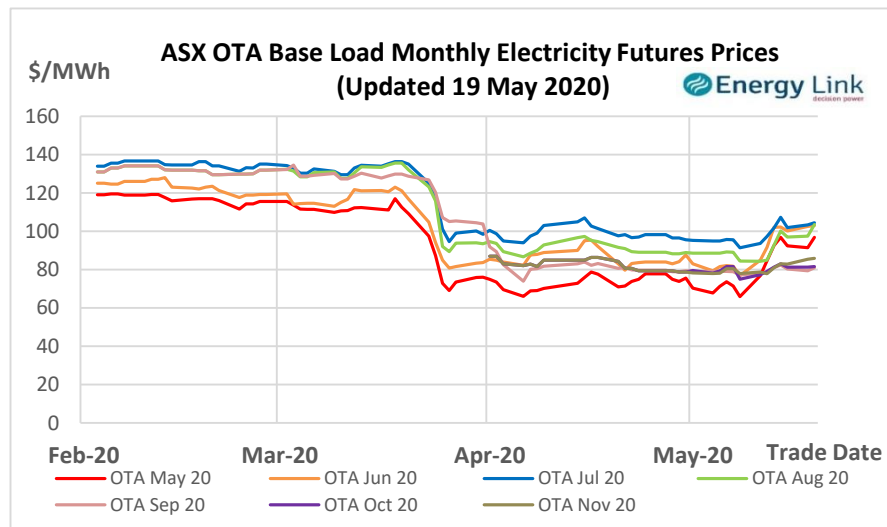
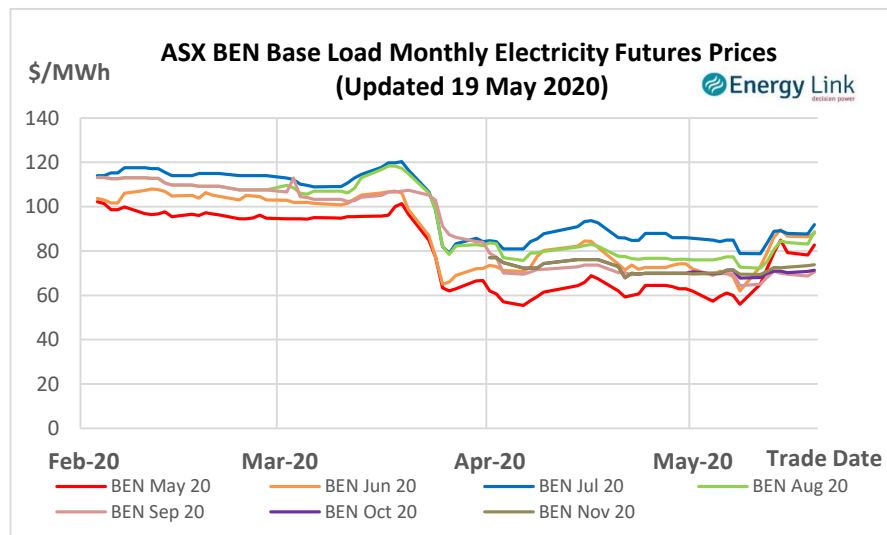
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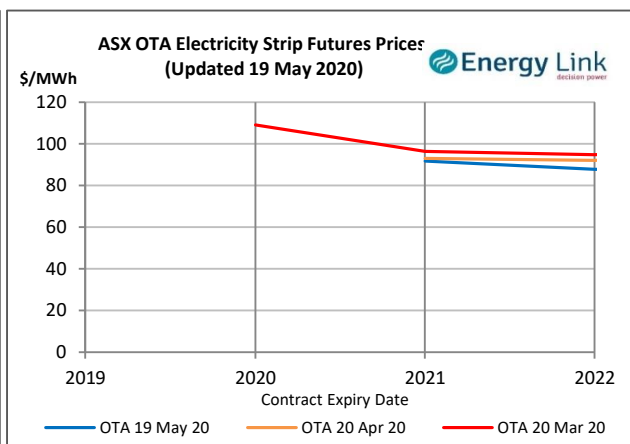
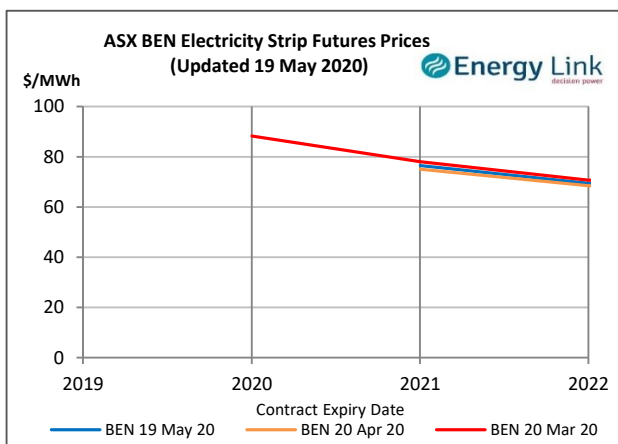
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

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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.

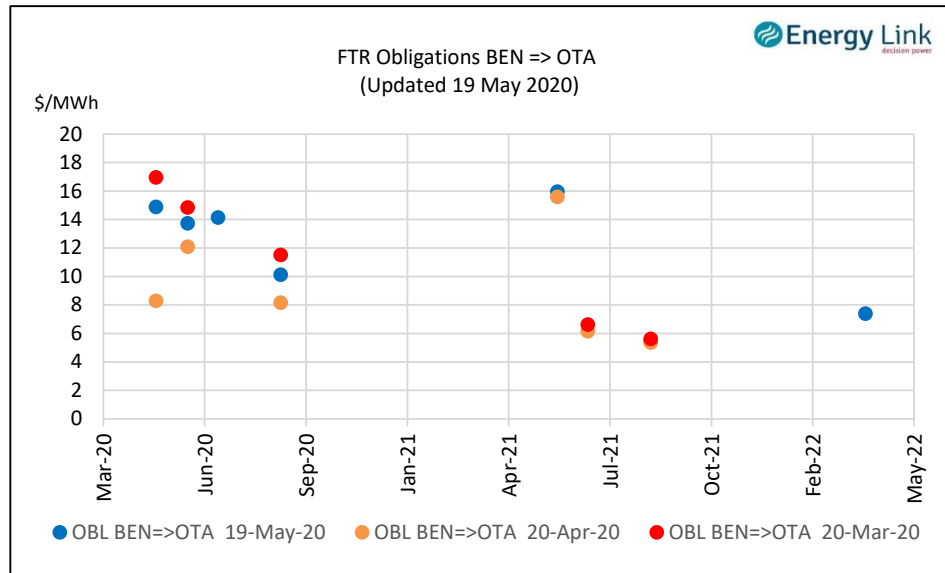


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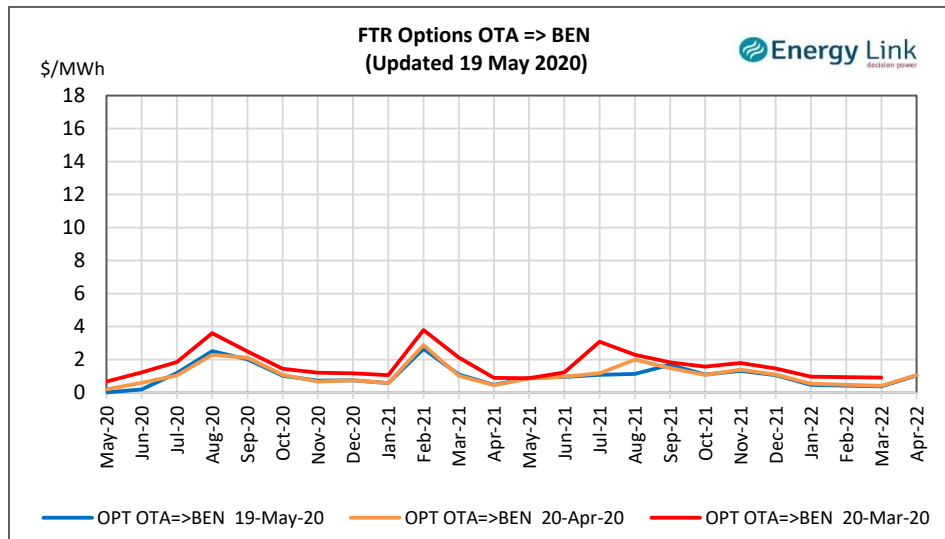
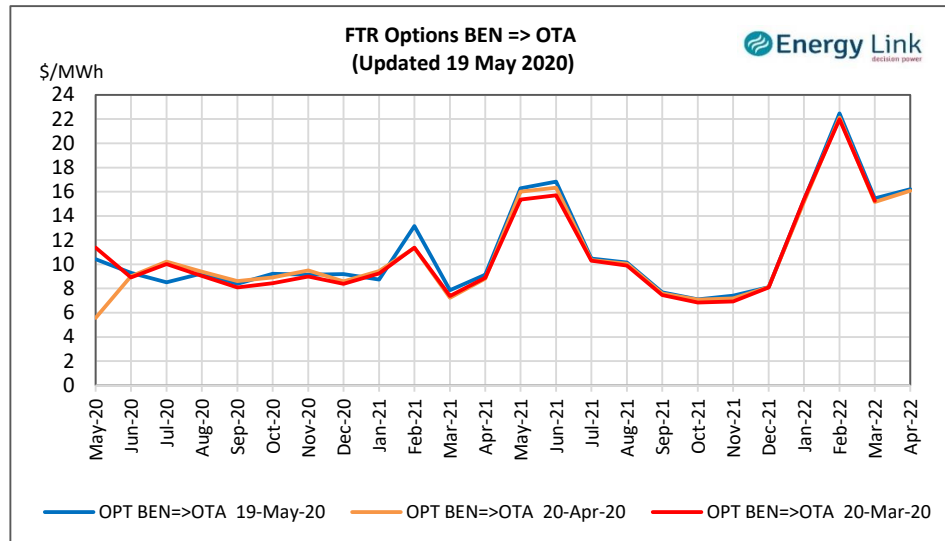
FTR Prices

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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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)

Eligible Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration
545584	CFD	25-Mar-20	1-Jul-20	30-Jun-24	350,640	Otago	91	Verified	17-Apr-20	1461
550145	FPVV	16-Apr-20	1-Apr-20	31-Mar-23	91,962	Otago	102.82	Not disputed	21-Apr-20	1095
554818	CFD	16-Apr-20	1-Apr-20	31-Mar-21	3,080	Islington	84.7	Verified	23-Apr-20	365
554833	CFD	16-Apr-20	1-Apr-20	31-Mar-21	3,080	Islington	94.92	Not disputed	25-Apr-20	365
558986	CFD	23-Apr-20	1-May-20	31-Mar-21	16,080	Islington	86.46	Verified	8-May-20	335
558987	CFD	29-Apr-20	1-Nov-21	31-Oct-22	43,800	Otago	86.8	Verified	5-May-20	365
560761	FPVV	7-May-20	1-Jan-21	31-Dec-22	18,088	Islington	80.8	Not disputed	9-May-20	730
560762	FPVV	7-May-20	1-Jan-21	31-Dec-22	112,053	Benmore	76.12	Not disputed	9-May-20	730
560764	FPVV	7-May-20	1-Jan-21	31-Dec-22	57,671	Whakamaru	94.02	Not disputed	9-May-20	730
560765	FPVV	7-May-20	1-Jan-21	31-Dec-22	84,296	Haywards	92.13	Not disputed	9-May-20	730
560766	FPVV	7-May-20	1-Jun-20	31-May-22	19,884	Otago	93.2	Not disputed	9-May-20	730
563106	FPVV	1-May-20	1-Jan-21	31-Dec-22	39,771	Otago	105.56	Not disputed	14-May-20	730
565274	CFD	12-May-20	1-Apr-20	31-Mar-21	2,409	Benmore	80.25	Not disputed	16-May-20	365
565277	CFD	12-May-20	1-Apr-20	30-Sep-20	1,449	Benmore	78.57	Not disputed	16-May-20	183
565280	CFD	12-May-20	1-Apr-21	31-Mar-23	13,052	Benmore	71.93	Not disputed	16-May-20	730
565283	CFD	12-May-20	1-Apr-21	30-Sep-21	1,537	Benmore	79.52	Not disputed	16-May-20	183
565286	CFD	12-May-20	1-Apr-22	30-Sep-22	1,537	Benmore	74.94	Not disputed	16-May-20	183
567108	CFD	11-May-20	1-May-21	30-Apr-24	131,520	Otago	87.5	Verified	15-May-20	1096
567147	CFD	11-May-20	1-May-21	31-Dec-21	29,400	Otago	93.05	Verified	18-May-20	245

Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
554819	CFD	16-Apr-20	1-Apr-21	31-Mar-22	2,107	Islington	81.36	Verified	23-Apr-20	365	< 0.25 MW
554834	CFD	16-Apr-20	1-Apr-21	31-Mar-22	2,107	Islington	91.57	Not disputed	25-Apr-20	365	< 0.25 MW
555916	FPVV	23-Apr-20	1-Apr-20	31-Mar-22	12,672	Otago	98.54	Not disputed	29-Apr-20	730	< 1 MW
555917	FPVV	23-Apr-20	1-Apr-20	31-Mar-22	6,000	Whakamaru	97.05	Not disputed	29-Apr-20	730	< 1 MW
555918	FPVV	23-Apr-20	1-Apr-20	31-Mar-22	3,667	Haywards	94.77	Not disputed	29-Apr-20	730	< 1 MW
555919	FPVV	23-Apr-20	1-Apr-20	31-Mar-22	7,501	Benmore	78.9	Not disputed	29-Apr-20	730	< 1 MW
560763	FPVV	7-May-20	1-Jan-21	31-Dec-22	16,944	Otago	98.25	Not disputed	9-May-20	730	< 1 MW
560767	FPVV	7-May-20	1-Jun-20	31-May-22	9,323	Whakamaru	91.78	Not disputed	9-May-20	730	< 1 MW
560768	FPVV	7-May-20	1-Jun-20	31-May-22	5,863	Haywards	86.13	Not disputed	9-May-20	730	< 1 MW
560769	FPVV	7-May-20	1-Jun-20	31-May-22	4,552	Islington	89.46	Not disputed	9-May-20	730	< 1 MW
560770	FPVV	7-May-20	1-Jun-20	31-May-22	2,346	Benmore	86.54	Not disputed	9-May-20	730	< 1 MW
565284	CFD	12-May-20	1-Apr-21	30-Sep-21	66	Whakamaru	94.7	Not disputed	16-May-20	183	< 0.25 MW
565285	CFD	12-May-20	1-Apr-21	30-Sep-21	198	Islington	85.07	Not disputed	16-May-20	183	< 0.25 MW
565287	CFD	12-May-20	1-Apr-22	30-Sep-22	53	Whakamaru	97.01	Not disputed	16-May-20	183	< 0.25 MW
565288	CFD	12-May-20	1-Apr-22	30-Sep-22	198	Islington	80.21	Not disputed	16-May-20	183	< 0.25 MW

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