

# EnergyTrendz

MONTHLY

July 2020

Issue 136

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

**July 2020****ELL Index****9.4 c/kWh**

(at Haywards)

**Other Nodes**

The index is referenced to:

Otahuhu 9.9 c/kWh

Benmore 9.2 c/kWh

**Change**

The index increased by 8% since mid June

**Volume**

30 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 1,570 GWh over the period Jun-20 to Jun-24

**Contract Types**

10 FPVV (fixed price variable volume)

20 CFD (contract for differences)

**ELL CFD & FPVV Index**

ELL FPVV 9.1 c/kWh

ELL CFD 9.6 c/kWh

**Spread**

6.2 c/kWh from Jun-20 to Jun-24

**Location Factors**

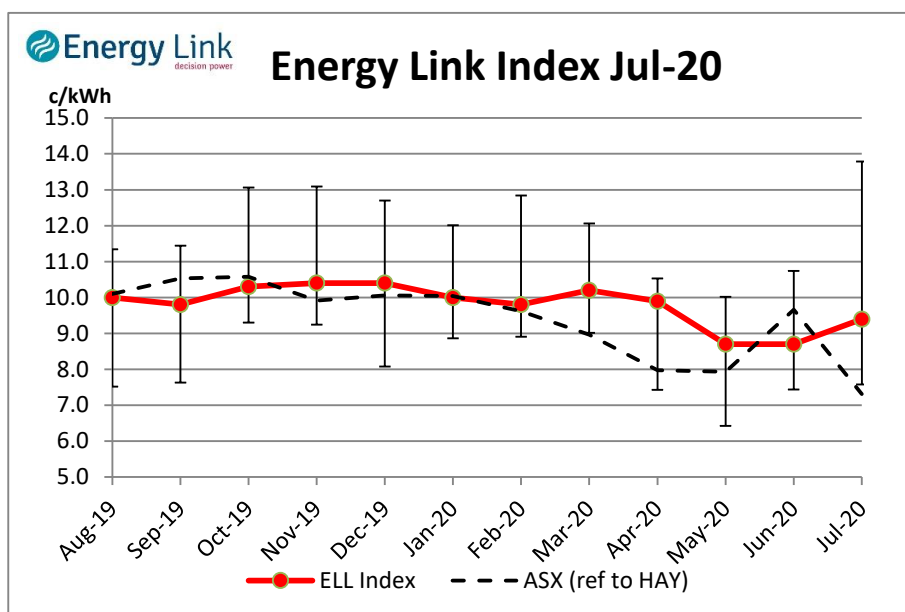
Expected location factors were updated in this edition of Energy Trendz

**ASX Futures**

Based on the 3 year average 'previous settlement' dates for 2020-2023 as of Monday 20 July:

Otahuhu 8.6 c/kWh

Benmore 6.3 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 increased this month on a volume of 30 contracts traded 20 CFD, 10 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 6.2 c/kWh this month. Prices for the contracts varied from 7.6 c/kWh to 13.8 c/kWh when referenced to Haywards.

The gap between the ELL Index and the ASX index has increased over the month as the ASX drops

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)

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

Plan and execute  
your energy  
decisions with

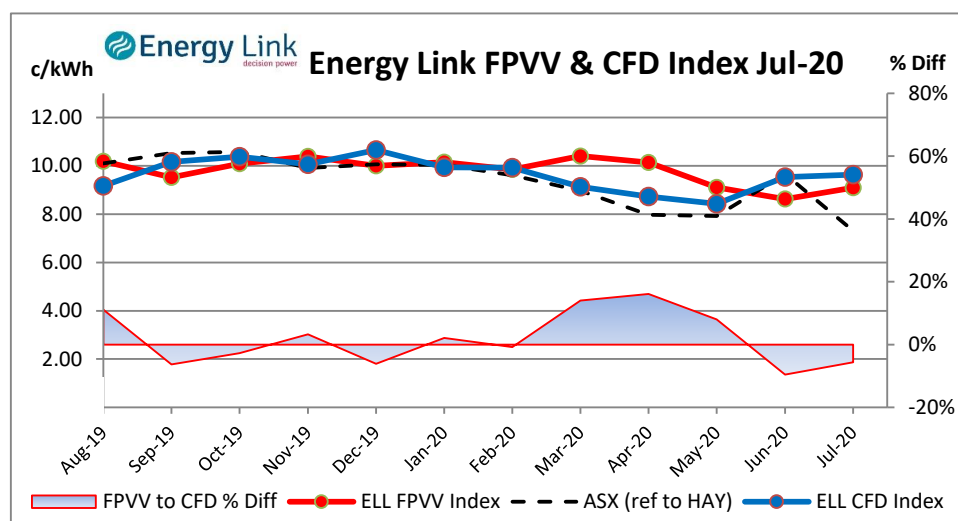
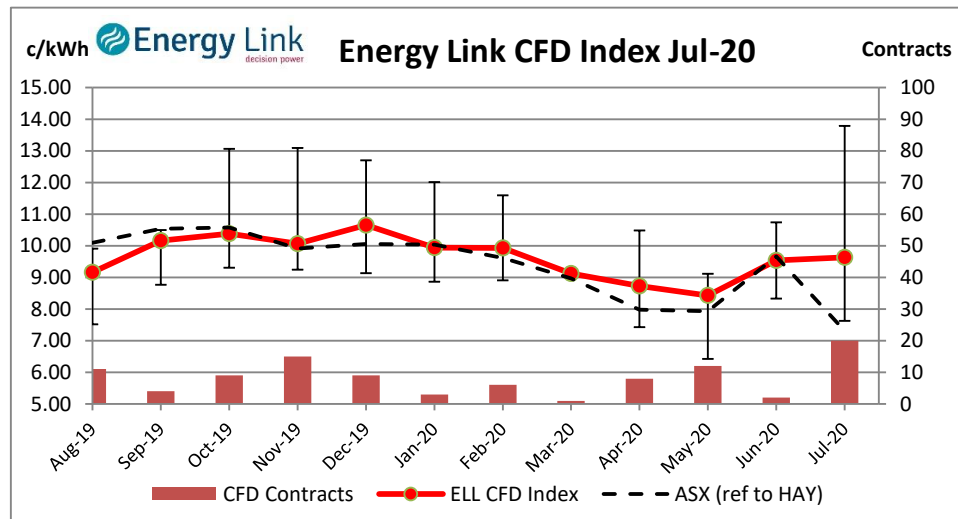
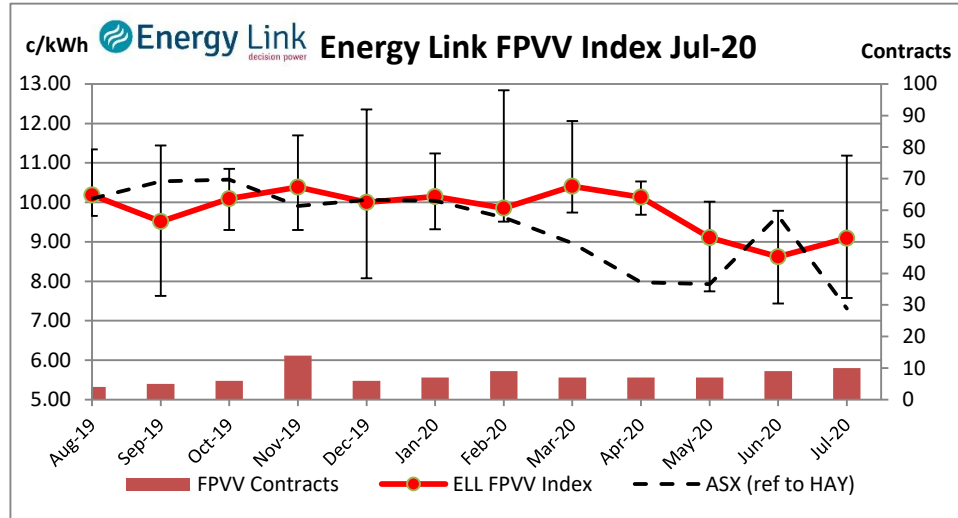


### FPVV & CFD Contract

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.

## FPVV & CFD Electricity Contract Indices

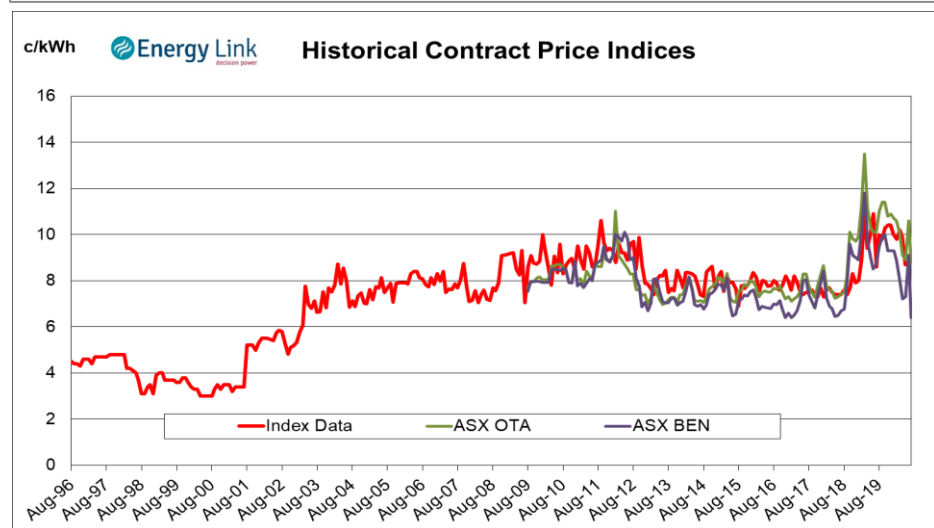
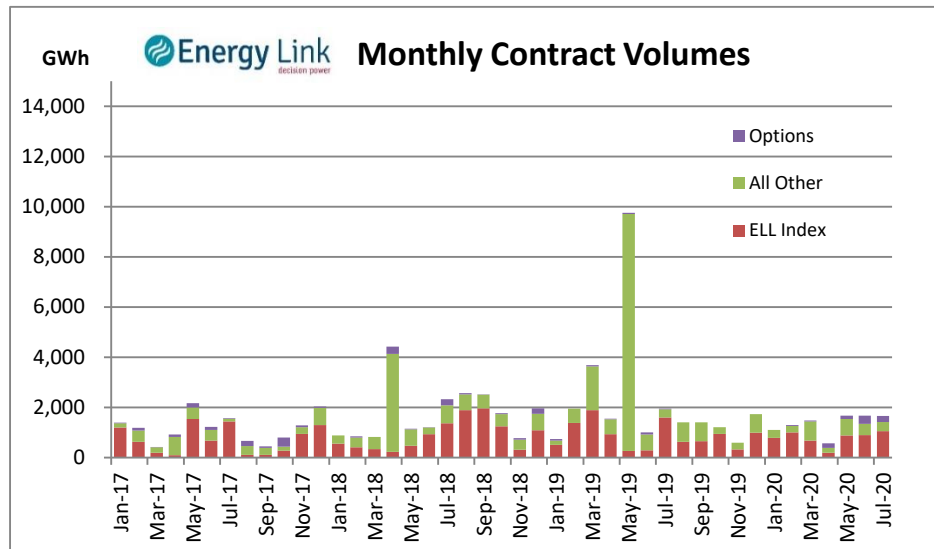


### Plan and Execute Your Energy Strategy with Confidence

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**

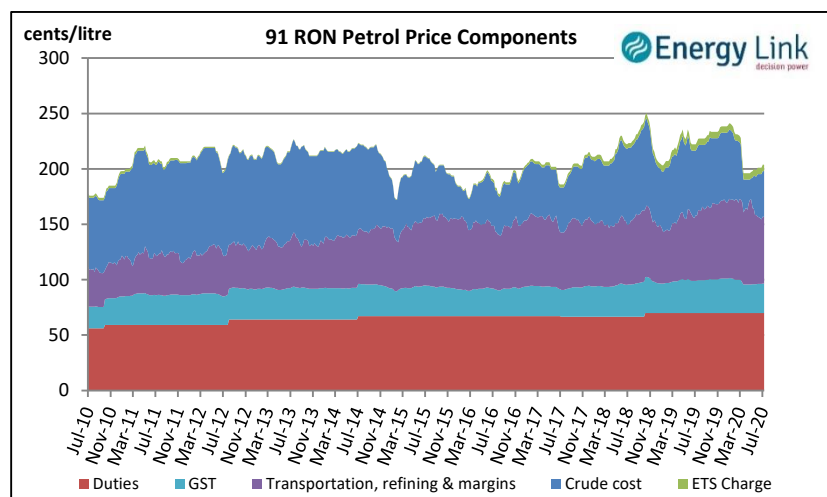


## Petrol Prices

The chart at right shows the price of 91 octane (91 RON = "research octane number") For the past 10 years, 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 50% of the total at-pump cost (major centres) of 91, with the cost of crude at 20%.

The cost of crude increased by 7% over the month while the NZD exchange rate increased by 0.8%. 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

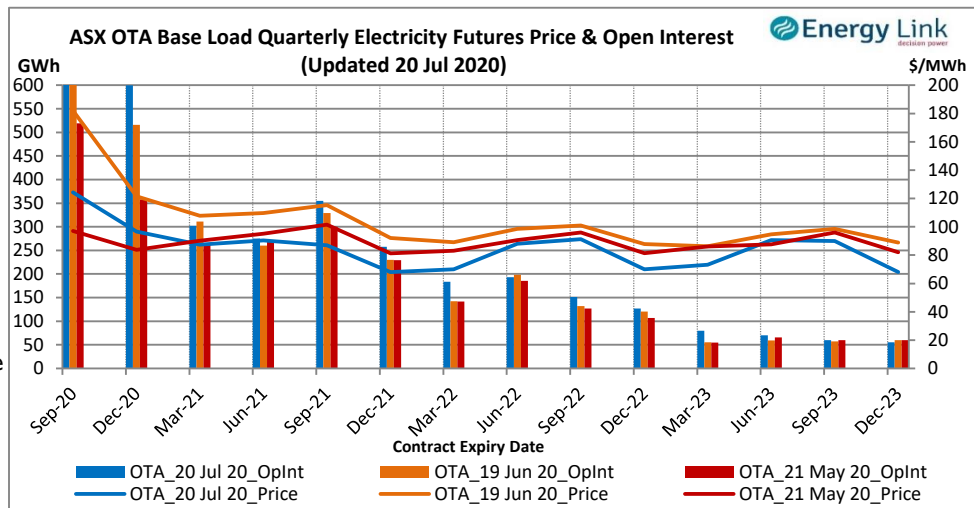
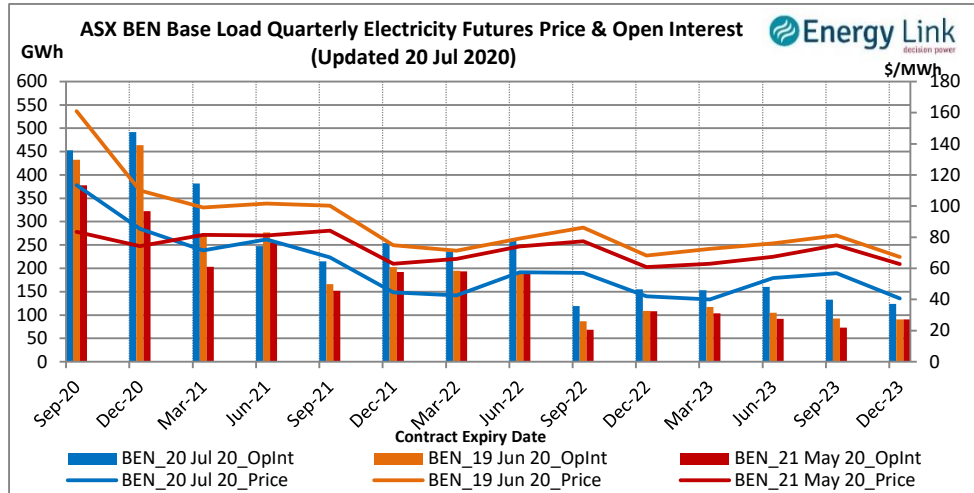
These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

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 Sep 20 through to Dec 23.

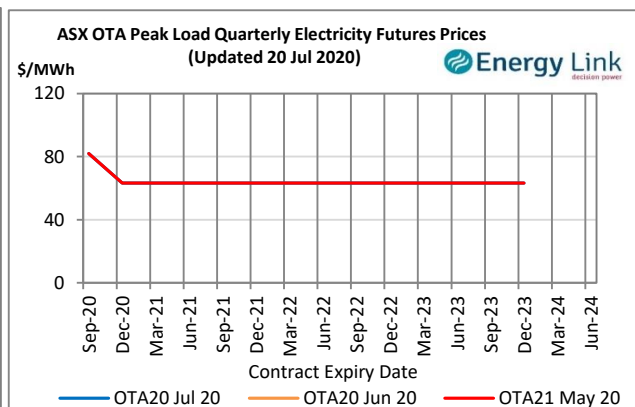
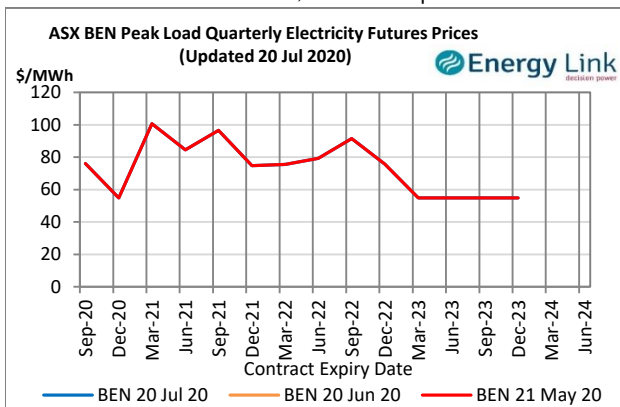
Level 4, Consultancy House  
7 Bond St, Dunedin  
Phone 03 479 2475

**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 3,386.4 GWh contracted at Benmore and 3,406.4 GWh contracted at Otahuhu for a total of 6,792.8 GWh Open Interest.



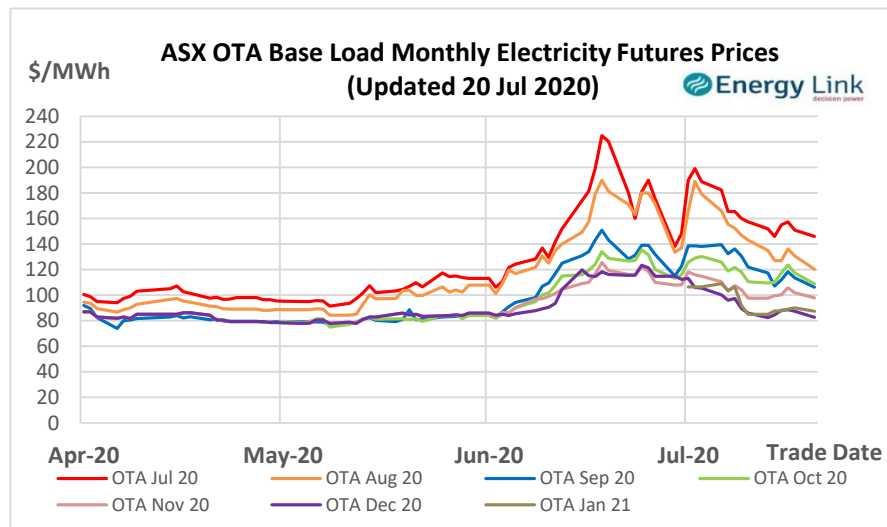
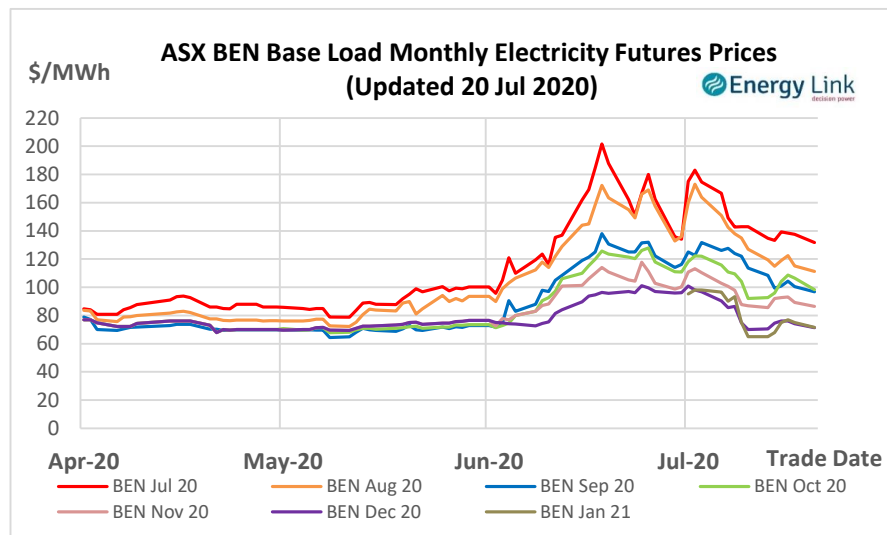
## Plan and Execute Your Energy Strategy with Confidence

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](#)

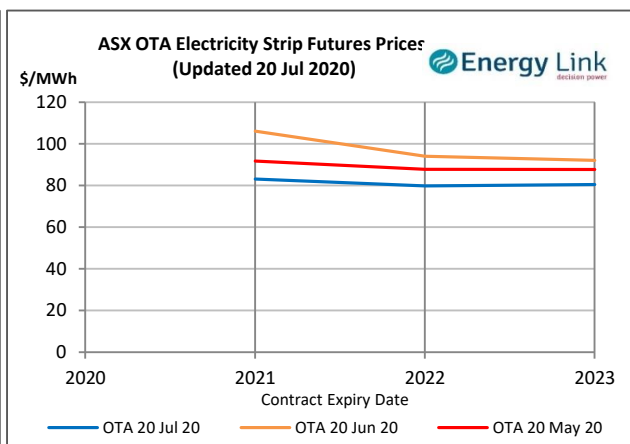
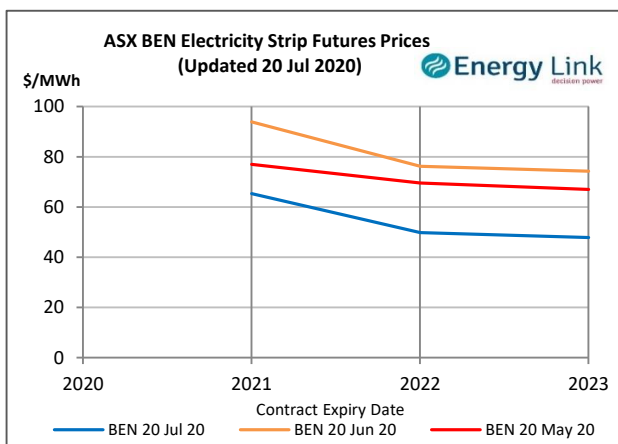
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

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.

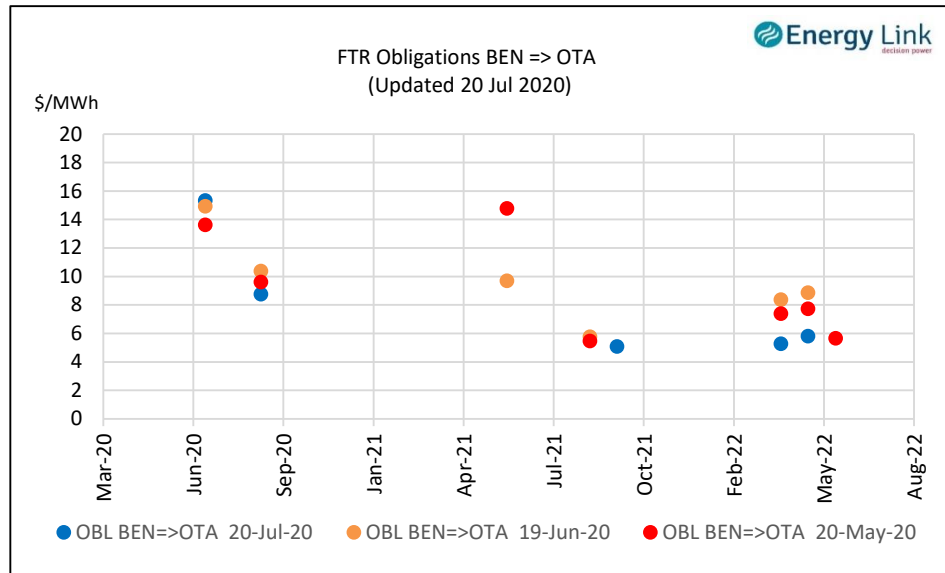


## Plan and Execute Your Energy Strategy with Confidence

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](#)

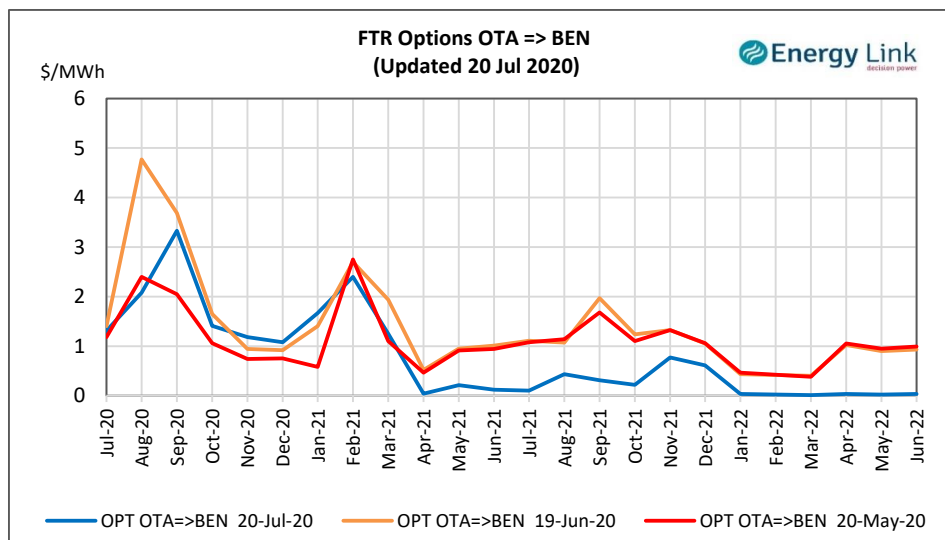
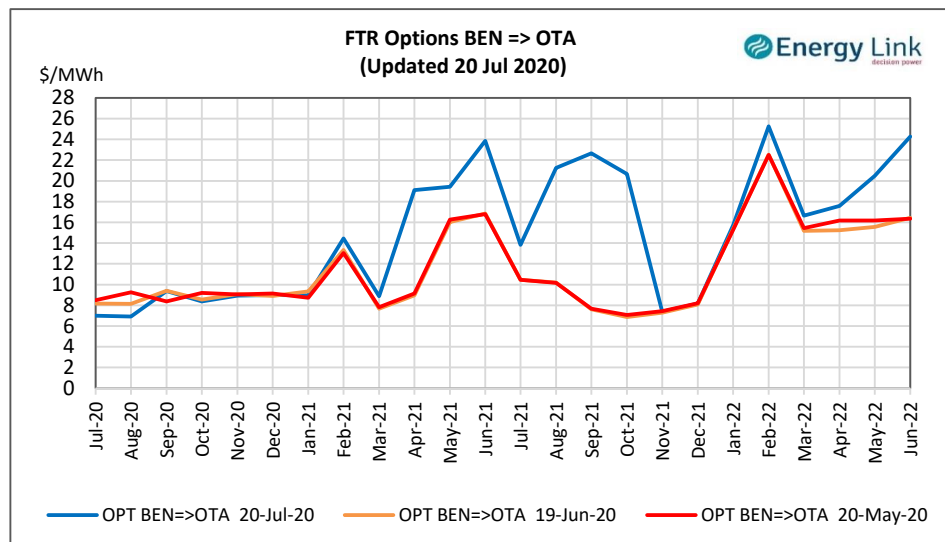
## FTR Prices

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.

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
593753	FPVV	17-Jun-20	1-Oct-20	30-Sep-23	29,652	Benmore	75.97	Not disputed	19-Jun-20	1095
597109	CFD	16-Jun-20	1-Oct-20	31-Mar-21	4,368	Otahuhu	115.05	Verified	22-Jun-20	182
597110	CFD	16-Jun-20	1-Oct-20	31-Mar-21	4,368	Haywards	111.23	Verified	22-Jun-20	182
597261	CFD	16-Jun-20	1-Oct-20	31-Mar-21	4,368	Benmore	101.77	Verified	22-Jun-20	182
599556	FPVV	19-Jun-20	1-Aug-20	31-Jul-22	37,601	Otahuhu	95.05	Not disputed	24-Jun-20	730
599557	FPVV	17-Jun-20	1-Jun-20	31-Oct-23	107,329	Otahuhu	99.96	Verified	20-Jul-20	1248
604277	CFD	19-Jun-20	1-Jan-21	31-Dec-23	131,400	Whakamaru	96.25	Not disputed	25-Jun-20	1095
611618	CFD	26-Jun-20	1-Oct-20	30-Sep-21	17,520	Otahuhu	112	Verified	30-Jun-20	365
611619	CFD	26-Jun-20	1-Apr-21	31-Mar-22	8,760	Otahuhu	101.77	Verified	30-Jun-20	365
611620	CFD	26-Jun-20	1-Apr-21	31-Mar-22	43,800	Whakamaru	96.72	Verified	30-Jun-20	365
611621	CFD	26-Jun-20	1-Oct-20	30-Sep-21	17,520	Otahuhu	112	Verified	30-Jun-20	365
611622	CFD	26-Jun-20	1-Apr-21	31-Mar-23	17,520	Otahuhu	98	Verified	30-Jun-20	730
611623	CFD	26-Jun-20	1-Apr-21	31-Mar-22	17,520	Otahuhu	101	Verified	1-Jul-20	365
611741	FPVV	30-Jun-20	1-Oct-20	30-Sep-23	68,854	Whakamaru	95.8	Not disputed	3-Jul-20	1095
619602	CFD	7-Jul-20	1-Jan-21	30-Jun-22	13,104	Whakamaru	97.09	Not disputed	14-Jul-20	546
619603	CFD	7-Jul-20	1-Jan-21	30-Jun-22	13,104	Whakamaru	97.09	Not disputed	14-Jul-20	546
619604	CFD	9-Jul-20	1-Apr-22	30-Sep-22	21,960	Otahuhu	99.72	Verified	10-Jul-20	183
619605	CFD	9-Jul-20	1-Nov-22	31-Oct-23	87,600	Otahuhu	94.39	Verified	10-Jul-20	365
620117	CFD	9-Jul-20	1-Jul-20	30-Jun-21	43,800	Whakamaru	106.75	Verified	17-Jul-20	365
620118	CFD	8-Jul-20	1-Jul-21	30-Jun-22	43,800	Whakamaru	90.05	Verified	13-Jul-20	365
620119	CFD	8-Jul-20	1-Jul-22	30-Jun-23	43,800	Whakamaru	89.1	Verified	13-Jul-20	365
620120	CFD	8-Jul-20	1-Jul-23	30-Jun-24	43,920	Whakamaru	87.25	Verified	13-Jul-20	366
620121	CFD	8-Jul-20	1-Jul-21	30-Jun-24	526,080	Otahuhu	97	Verified	15-Jul-20	1096
623531	FPVV	10-Jul-20	1-Oct-20	30-Jun-21	37,011	Otahuhu	105.99	Not disputed	16-Jul-20	273
623532	FPVV	10-Jul-20	1-Oct-20	30-Jun-21	7,410	Whakamaru	100.82	Not disputed	16-Jul-20	273
623533	FPVV	10-Jul-20	1-Oct-20	30-Jun-21	14,147	Haywards	101.22	Not disputed	16-Jul-20	273
623534	FPVV	10-Jul-20	1-Jan-21	31-Dec-22	22,865	Islington	80.06	Not disputed	16-Jul-20	730
623535	FPVV	10-Jul-20	1-Jan-21	31-Dec-22	78,105	Benmore	79.93	Not disputed	16-Jul-20	730
623536	FPVV	10-Jul-20	1-Apr-21	31-Mar-22	33,743	Haywards	87.65	Not disputed	16-Jul-20	365
625377	CFD	13-Jul-20	1-Mar-21	31-Mar-22	28,512	Benmore	75	Verified	15-Jul-20	396

### Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
593719	FPVV	15-Jun-20	1-Dec-20	30-Nov-23	24,097	Otahuhu	96.75	Not disputed	19-Jun-20	1095	< 1 MW
593720	FPVV	15-Jun-20	1-Dec-20	30-Nov-23	6,227	Islington	81.08	Not disputed	19-Jun-20	1095	< 1 MW
593750	FPVV	17-Jun-20	1-May-20	30-Apr-23	12,133	Otahuhu	92.48	Not disputed	19-Jun-20	1095	< 1 MW
593751	FPVV	17-Jun-20	1-May-20	30-Apr-23	24,528	Whakamaru	91.98	Not disputed	19-Jun-20	1095	< 1 MW
593752	FPVV	17-Jun-20	1-May-20	30-Apr-23	22,520	Haywards	88.85	Not disputed	19-Jun-20	1095	< 1 MW
609556	FPVV	29-Jun-20	1-Dec-20	30-Nov-21	7,589	Whakamaru	99.2	Not disputed	1-Jul-20	365	< 1 MW
609557	FPVV	29-Jun-20	1-Dec-20	30-Nov-21	8,024	Benmore	88.56	Not disputed	1-Jul-20	365	< 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](#)