

# EnergyTrendz

MONTHLY

September 2020

Issue 138

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

## September 2020

### ELL Index

**7.6 c/kWh**

(at Haywards)

#### Other Nodes

The index is referenced to:

Otahuhu 8.4 c/kWh

Benmore 7.1 c/kWh

#### Change

The index decreased by 0% since mid August

#### Volume

35 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 1,261 GWh over the period Jul-20 to Mar-25

#### Contract Types

16 FPVV (fixed price variable volume)

19 CFD (contract for differences)

#### ELL CFD & FPVV Index

ELL FPVV 7.8 c/kWh

ELL CFD 7.3 c/kWh

#### Spread

4.6 c/kWh from Jul-20 to Mar-25

#### Location Factors

Expected location factors were updated in this edition of Energy Trendz

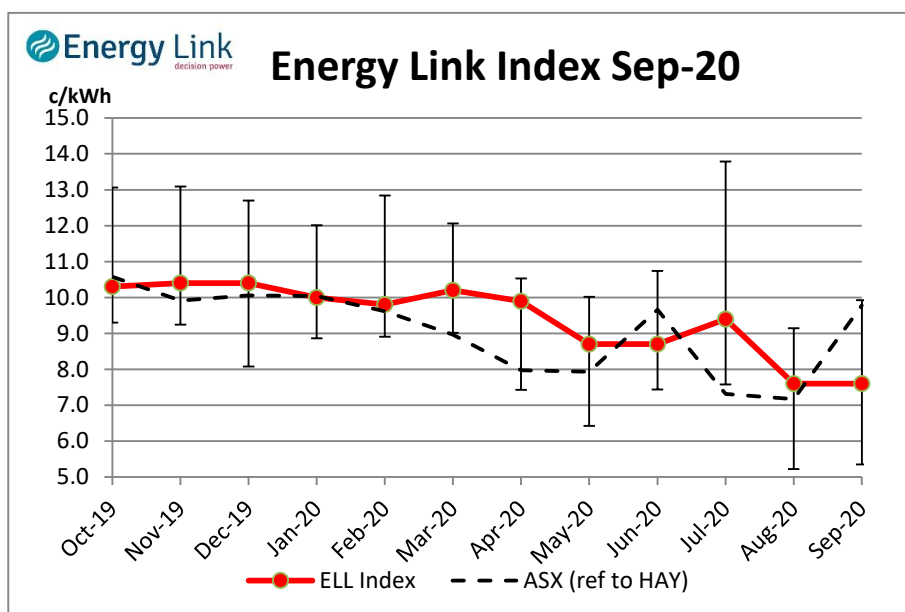
#### ASX Futures

Based on the 3 year average 'previous settlement' dates for 2020-2023 as of Friday 18

Otahuhu 10.8 c/kWh

Benmore 9.1 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 decreased this month on a volume of 35 contracts traded 19 CFD, 16 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 4.6 c/kWh this month. Prices for the contracts varied from 5.3 c/kWh to 9.9 c/kWh when referenced to Haywards.

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

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# FPVV & CFD Electricity Contract Indices

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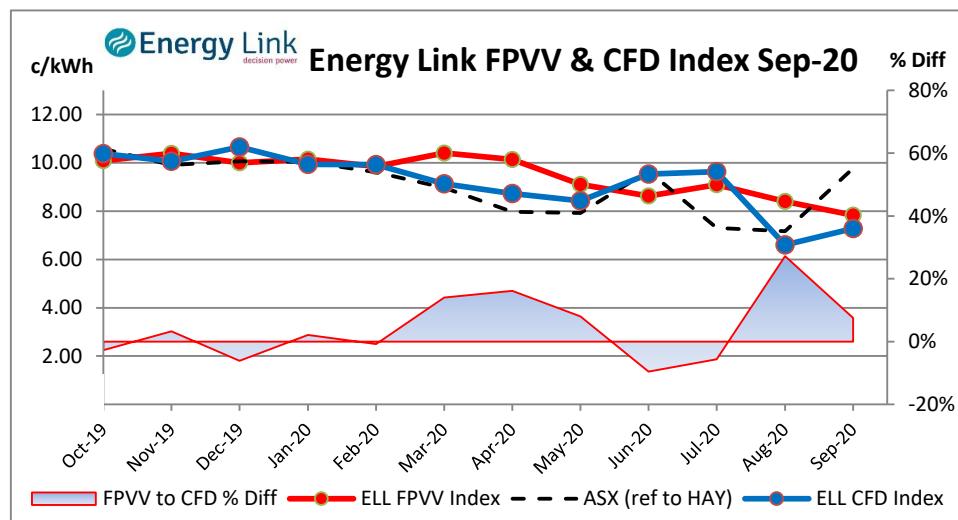
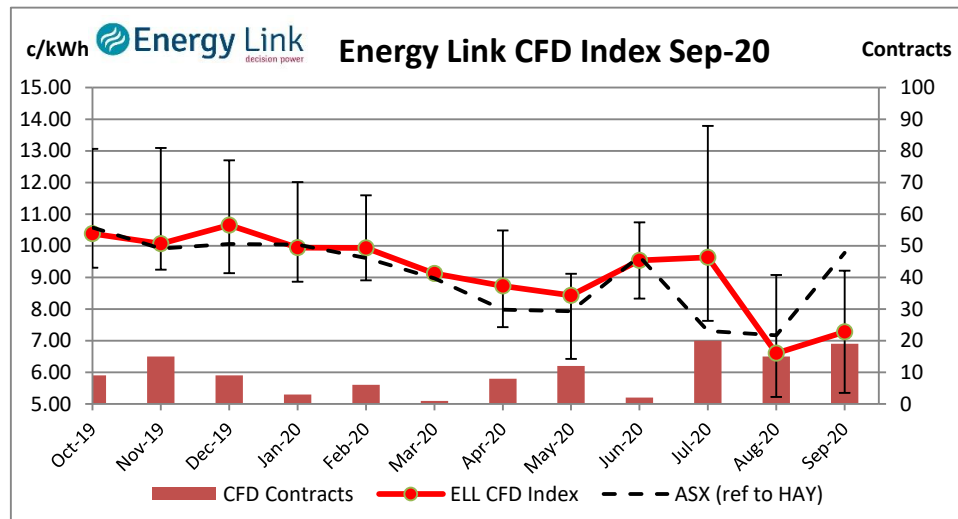
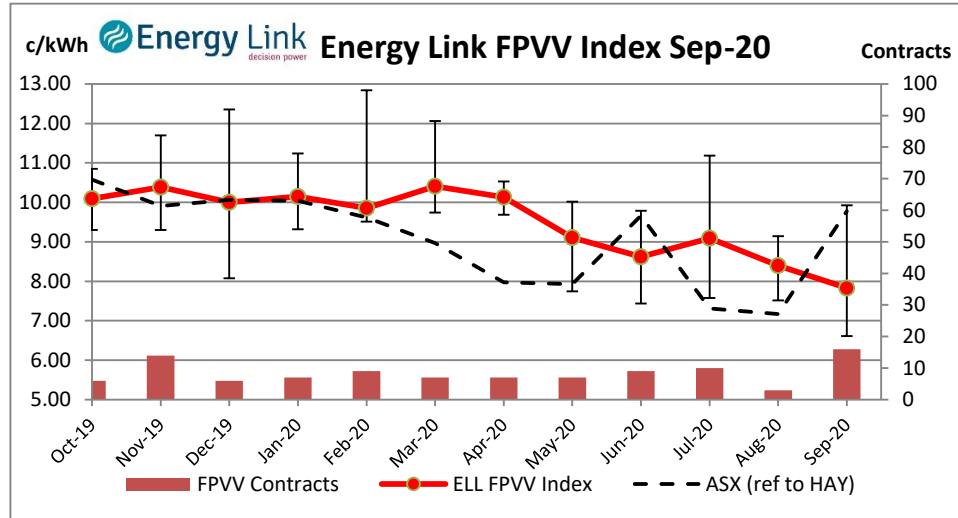
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## FPVV & CFD Contract

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.

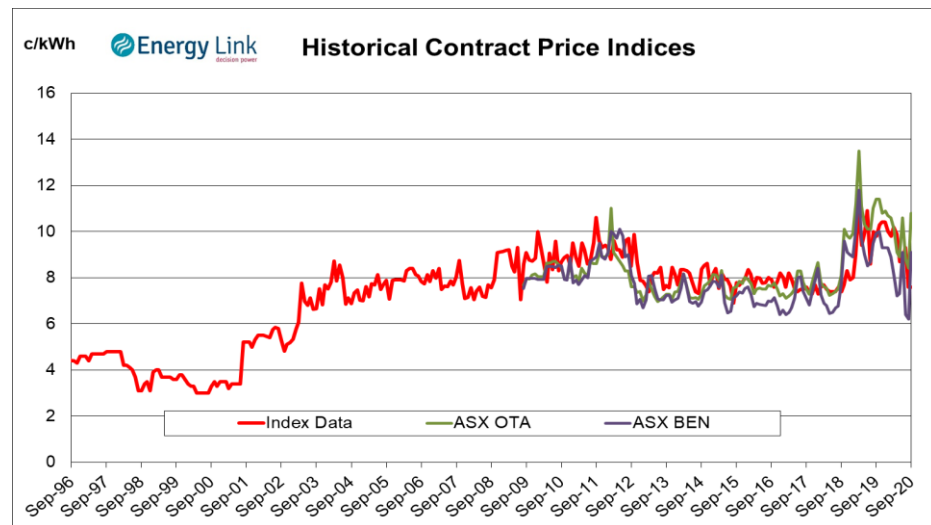
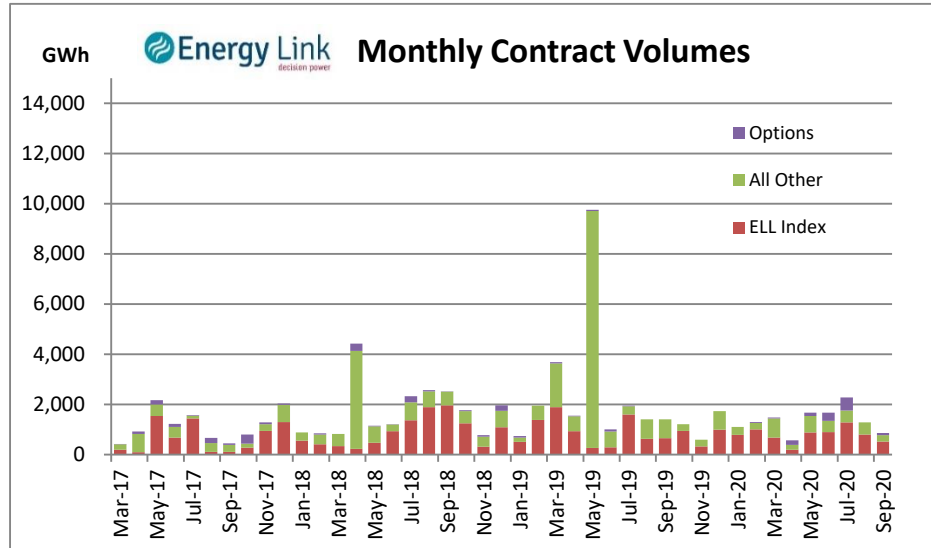


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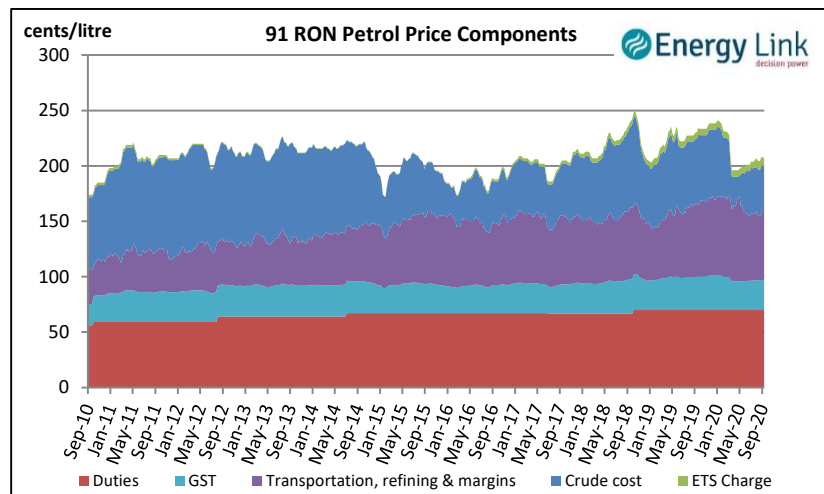


## Petrol Prices

The chart at right shows the price of 91 octane (91 RON = "research octane number") 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 51% of the total at-pump cost (major centres) of 91, with the cost of crude at 18%.

The cost of crude decreased by 9% over the month while the NZD exchange rate increased by 1.5%. The 91 RON price increased by 1.1% over the month.



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

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## Futures Prices

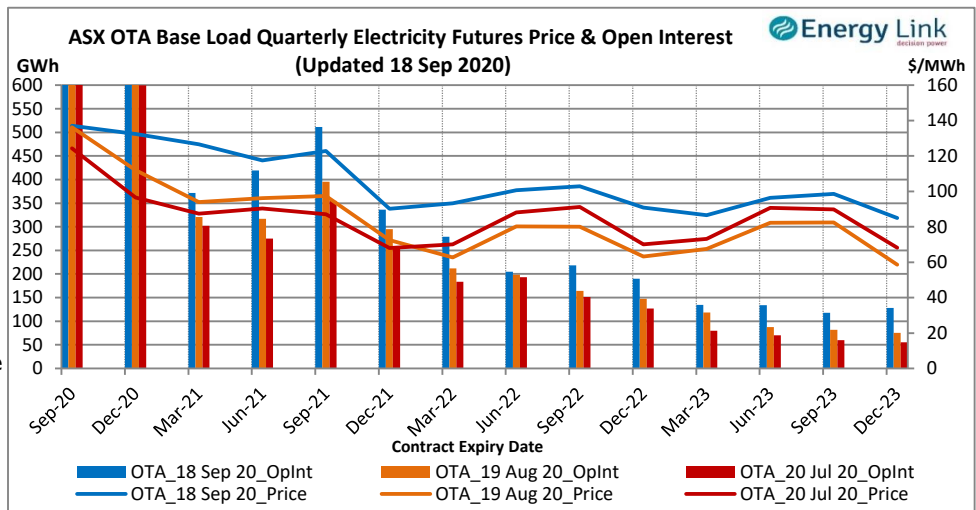
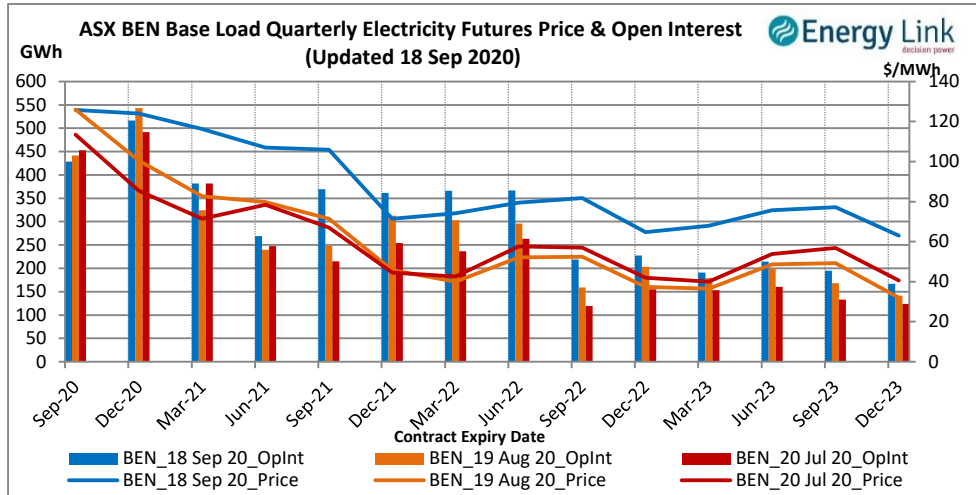
These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

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 20 through to Dec 23.

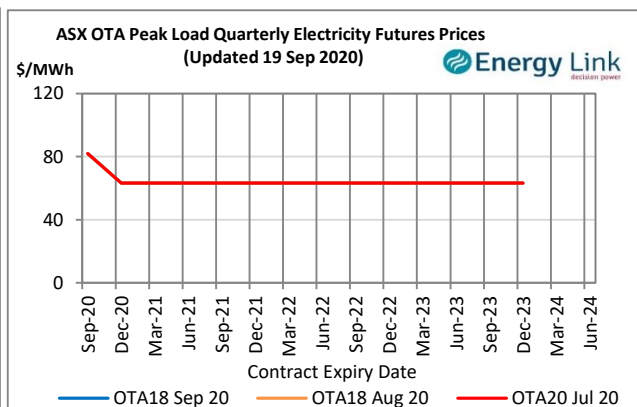
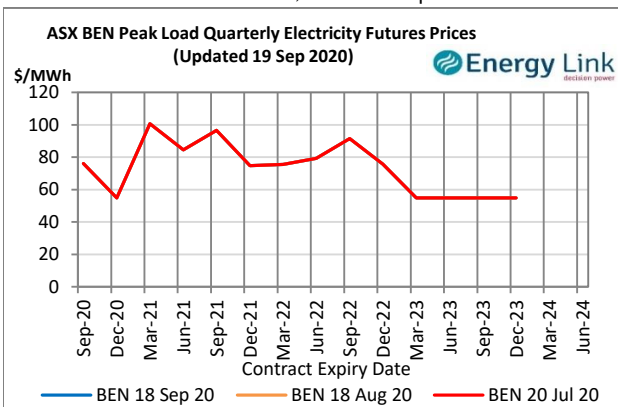
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The charts below show the traded prices for the peak load quarterly contracts for the next four years as they stood at the time of publishing, one month and two months prior to the time of publishing.

Currently there is 4,271.9 GWh contracted at Benmore and 4,409.9 GWh contracted at Otahuhu for a total of 8,681.8 GWh Open Interest.



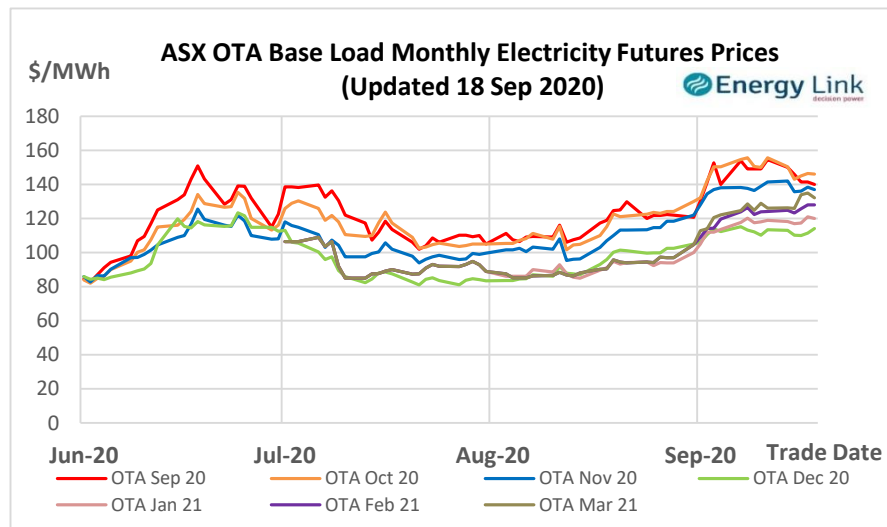
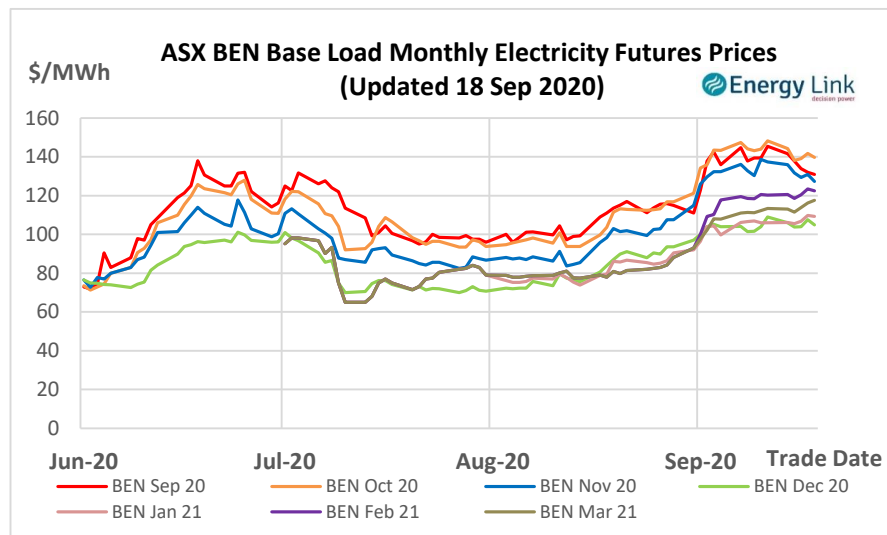
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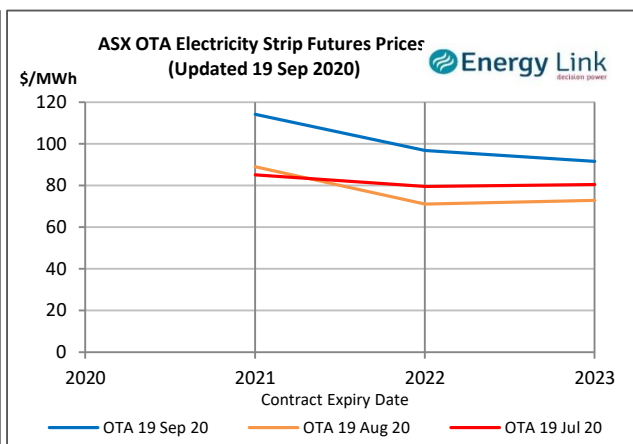
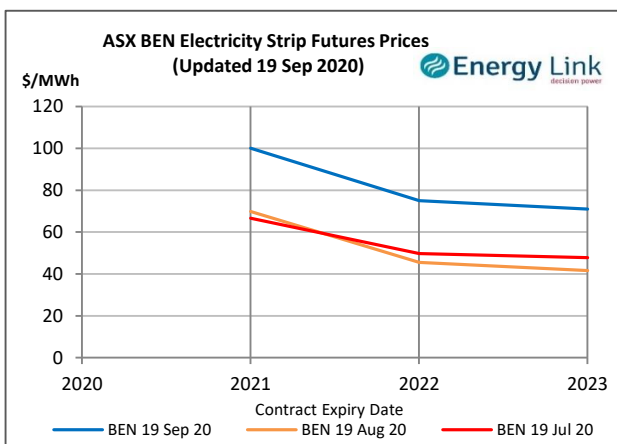
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

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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.



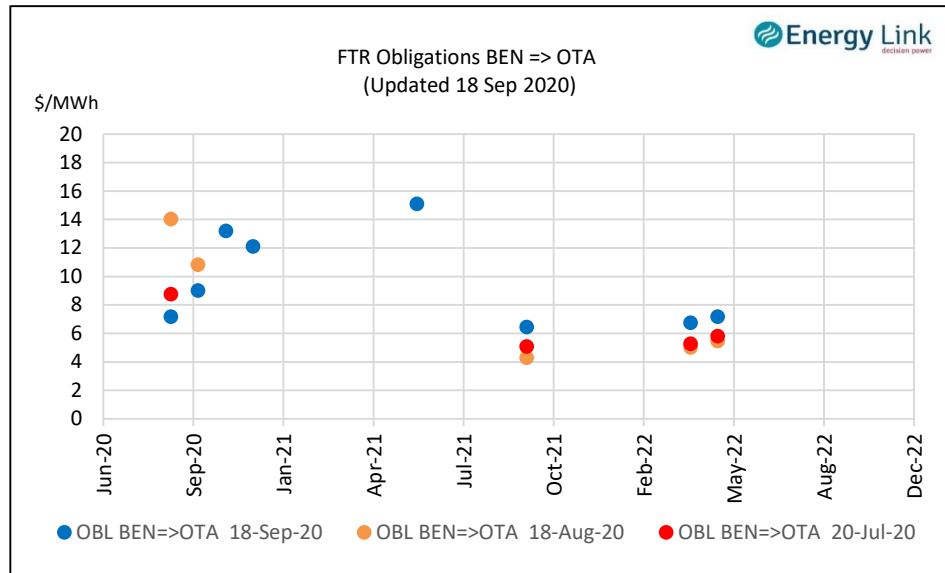
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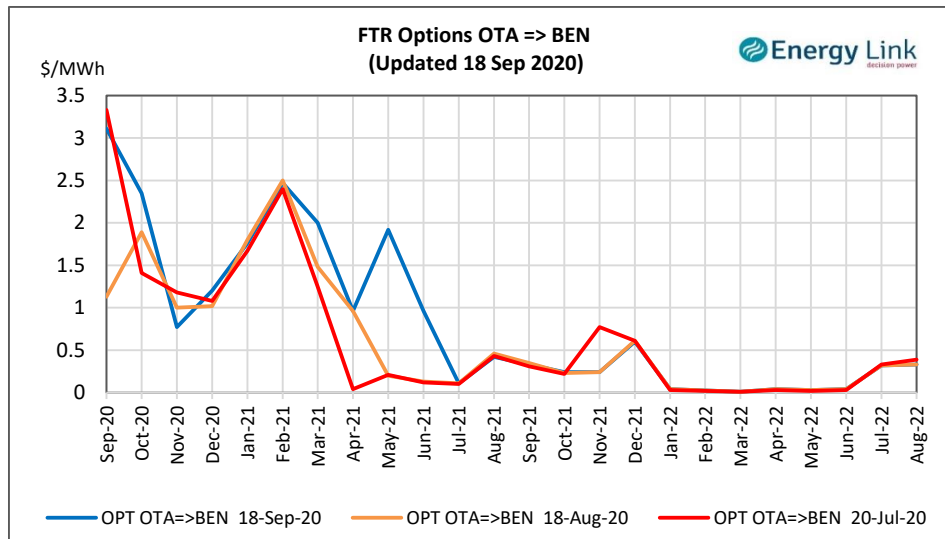
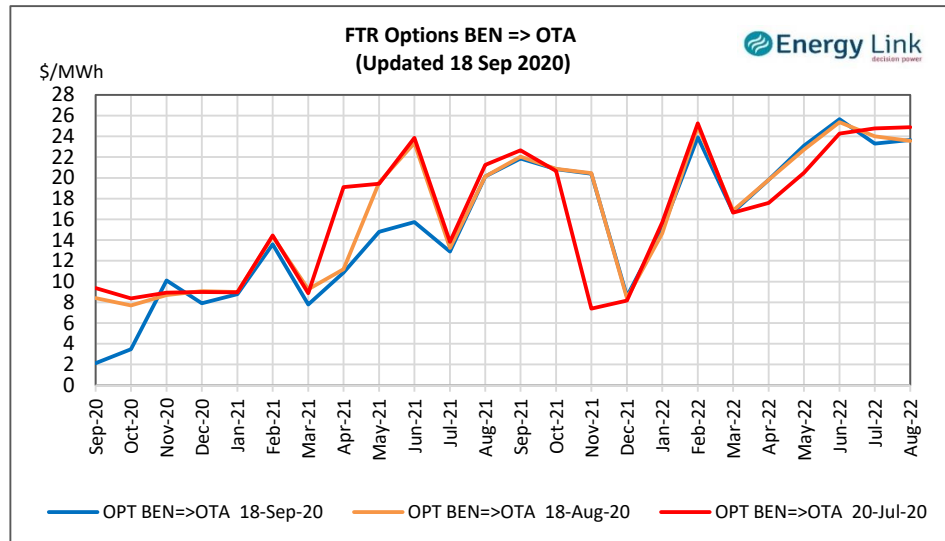
## FTR Prices

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.

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
666902	FPVV	11-Aug-20	1-Jan-21	31-Dec-22	33,516	Otahuhu	89.1	Not disputed	19-Aug-20	730
671444	FPVV	18-Aug-20	1-Jan-23	31-Dec-23	73,337	Otahuhu	74.78	Verified	20-Aug-20	365
674977	CFD	21-Aug-20	1-Oct-20	30-Sep-21	43,800	Benmore	83.65	Verified	27-Aug-20	365
676623	CFD	26-Aug-20	1-Feb-21	31-Aug-21	2,545	Benmore	89.5	Verified	28-Aug-20	212
677498	CFD	26-Aug-20	1-Jan-21	30-Sep-22	15,312	Otahuhu	85.9	Verified	28-Aug-20	638
677557	CFD	26-Aug-20	1-Apr-22	30-Sep-22	13,176	Otahuhu	84.9	Verified	28-Aug-20	183
677559	CFD	26-Aug-20	1-Apr-22	30-Sep-22	10,980	Benmore	56.1	Verified	28-Aug-20	183
677560	CFD	26-Aug-20	1-Jan-22	31-Dec-22	17,520	Otahuhu	75.7	Not disputed	1-Sep-20	365
678082	CFD	31-Aug-20	1-Oct-20	30-Sep-22	40,296	Whakamaru	76.63	Not disputed	2-Sep-20	730
678090	FPVV	31-Aug-20	1-Sep-20	31-Aug-21	12,177	Otahuhu	104.8	Not disputed	3-Sep-20	365
678091	CFD	27-Aug-20	1-Jan-21	31-Dec-23	131,400	Whakamaru	73.74	Verified	3-Sep-20	1095
678092	CFD	27-Aug-20	1-Jul-21	30-Jun-24	131,520	Whakamaru	70.96	Verified	2-Sep-20	1096
678093	FPVV	1-Sep-20	1-Jan-21	31-Dec-21	10,108	Otahuhu	81.62	Not disputed	3-Sep-20	365
678095	FPVV	1-Sep-20	1-Jan-21	31-Dec-21	22,149	Haywards	78.84	Not disputed	3-Sep-20	365
678096	FPVV	1-Sep-20	1-Jan-21	31-Dec-21	13,716	Islington	74.97	Not disputed	3-Sep-20	365
678745	FPVV	1-Sep-20	1-Oct-21	30-Sep-22	49,302	Otahuhu	79.15	Not disputed	4-Sep-20	365
678746	FPVV	1-Sep-20	1-Oct-21	30-Sep-22	9,793	Whakamaru	76.29	Not disputed	4-Sep-20	365
678747	FPVV	1-Sep-20	1-Oct-21	30-Sep-22	19,103	Haywards	77.18	Not disputed	4-Sep-20	365
678839	FPVV	2-Sep-20	1-Nov-20	31-Oct-23	53,055	Otahuhu	85.29	Not disputed	4-Sep-20	1095
678842	CFD	1-Sep-20	1-Jan-21	30-Jun-22	13,104	Whakamaru	89.99	Not disputed	5-Sep-20	546
678849	FPVV	3-Sep-20	1-Dec-20	31-Dec-23	60,505	Otahuhu	76.33	Not disputed	8-Sep-20	1126
684140	FPVV	4-Sep-20	1-Feb-21	1-Jun-22	51,646	Otahuhu	90.97	Not disputed	9-Sep-20	486
684141	FPVV	4-Sep-20	1-Feb-21	1-Jun-22	24,724	Whakamaru	89.39	Not disputed	9-Sep-20	486
685005	CFD	31-Aug-20	1-Apr-21	31-Mar-22	43,800	Whakamaru	86.2	Verified	9-Sep-20	365
685162	CFD	1-Sep-20	1-Apr-23	31-Mar-24	6,602	Islington	62.68	Not disputed	10-Sep-20	366
685163	CFD	1-Sep-20	1-Apr-24	31-Mar-25	8,639	Islington	63.92	Not disputed	10-Sep-20	365
685165	CFD	1-Sep-20	1-Apr-22	31-Mar-23	5,287	Islington	65.25	Not disputed	10-Sep-20	365
685166	CFD	31-Aug-20	1-Apr-22	31-Mar-25	131,520	Whakamaru	74.98	Verified	10-Sep-20	1096
685167	CFD	31-Aug-20	1-Apr-23	31-Mar-24	43,920	Whakamaru	76.46	Verified	10-Sep-20	366
686848	CFD	1-Sep-20	1-Apr-22	31-Mar-23	5,287	Islington	55.04	Verified	10-Sep-20	365
686849	CFD	1-Sep-20	1-Apr-23	31-Mar-24	6,602	Islington	52.47	Verified	10-Sep-20	366
686850	CFD	1-Sep-20	1-Apr-24	31-Mar-25	8,638	Islington	53.7	Verified	10-Sep-20	365
688369	FPVV	3-Sep-20	1-Oct-20	30-Sep-23	32,317	Whakamaru	81.62	Not disputed	11-Sep-20	1095
688370	FPVV	3-Sep-20	1-Oct-20	30-Sep-23	50,941	Whakamaru	81.71	Not disputed	11-Sep-20	1095
693020	FPVV	15-Sep-20	1-Jul-20	30-Jun-23	64,785	Haywards	90.99	Not disputed	17-Sep-20	1095

### Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
666903	FPVV	11-Aug-20	1-Jan-21	31-Dec-22	1,601	Whakamaru	91.57	Not disputed	19-Aug-20	730	< 1 MW
666904	FPVV	11-Aug-20	1-Jan-21	31-Dec-22	519	Haywards	85.91	Not disputed	19-Aug-20	730	< 1 MW
666905	FPVV	11-Aug-20	1-Jan-21	31-Dec-22	3,630	Islington	70.11	Not disputed	19-Aug-20	730	< 1 MW
678085	FPVV	31-Aug-20	1-Dec-20	30-Nov-23	19,228	Otahuhu	85.46	Not disputed	3-Sep-20	1095	< 1 MW
678086	FPVV	31-Aug-20	1-Dec-20	30-Nov-23	14,214	Whakamaru	82.08	Not disputed	3-Sep-20	1095	< 1 MW
678087	FPVV	31-Aug-20	1-Dec-20	30-Nov-23	9,840	Haywards	80.27	Not disputed	3-Sep-20	1095	< 1 MW
678088	FPVV	31-Aug-20	1-Dec-20	30-Nov-23	5,958	Islington	63.54	Not disputed	3-Sep-20	1095	< 1 MW
678089	FPVV	31-Aug-20	1-Dec-20	30-Nov-23	6,835	Benmore	58.25	Not disputed	3-Sep-20	1095	< 1 MW
678094	FPVV	1-Sep-20	1-Jan-21	31-Dec-21	3,313	Whakamaru	79.1	Not disputed	3-Sep-20	365	< 1 MW
678097	FPVV	1-Sep-20	1-Jan-21	31-Dec-21	2,658	Benmore	71.58	Not disputed	3-Sep-20	365	< 1 MW
678840	FPVV	2-Sep-20	1-Nov-20	31-Oct-23	4,107	Whakamaru	84.14	Not disputed	4-Sep-20	1095	< 1 MW

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