

# EnergyTrendz

MONTHLY

October 2020

Issue 139

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

**October 2020****ELL Index****7.5 c/kWh**

(at Haywards)

**Other Nodes**

The index is referenced to:

Otauhu	8.3 c/kWh
Benmore	7.0 c/kWh

**Change**

The index decreased by 1.3% since mid September

**Volume**

14 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 926 GWh over the period Sep-20 to Sep-25

**Contract Types**

5 FPVV (fixed price variable volume)

9 CFD (contract for differences)

**ELL CFD & FPVV Index**

ELL FPVV 6.7 c/kWh

ELL CFD 8.6 c/kWh

**Spread**

4 c/kWh from Sep-20 to Sep-25

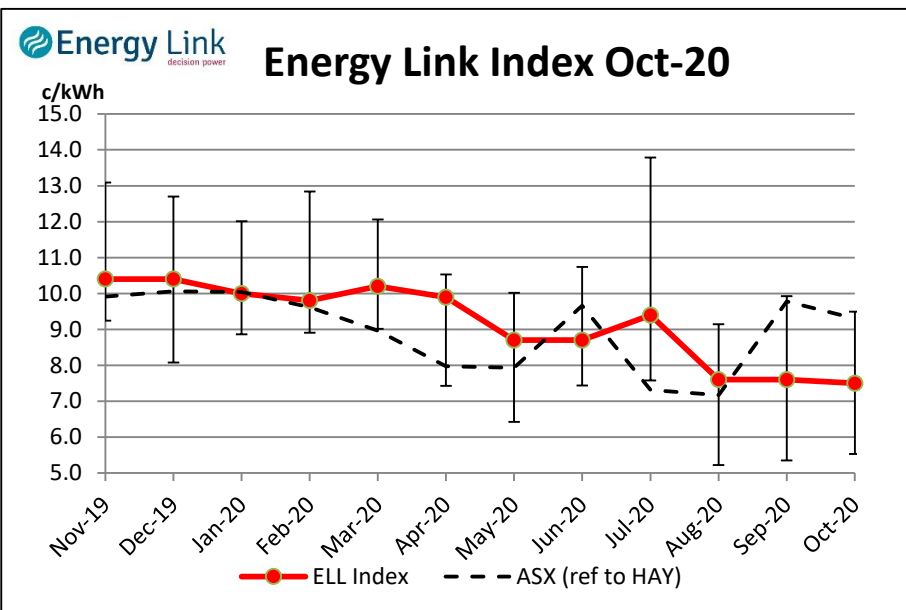
**Location Factors**

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 16 October:

Otauhu	10.3 c/kWh
Benmore	8.7 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 14 contracts traded 9 CFD, 5 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 4.0 c/kWh this month. Prices for the contracts varied from 5.5 c/kWh to 9.5 c/kWh when referenced to Haywards.

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

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# FPVV & CFD Electricity Contract Indices

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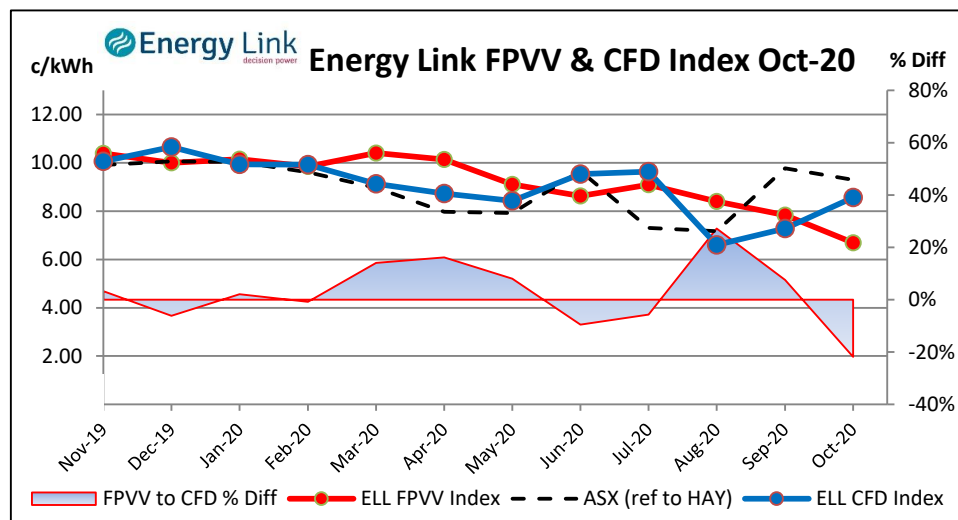
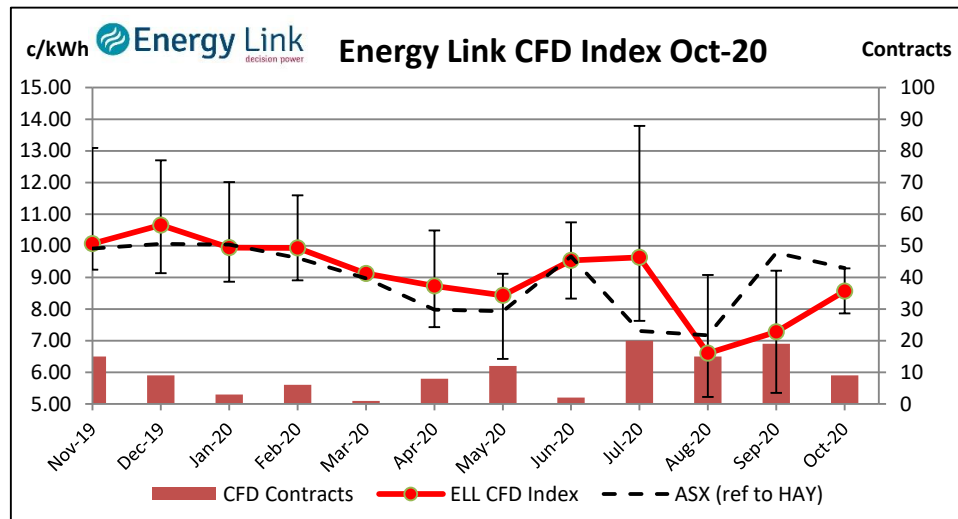
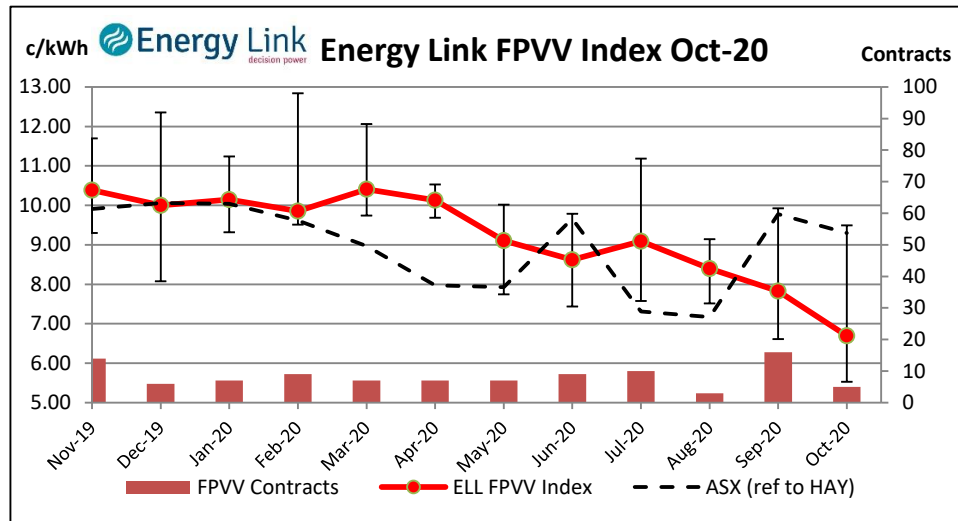
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## FPVV & CFD Contract

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.

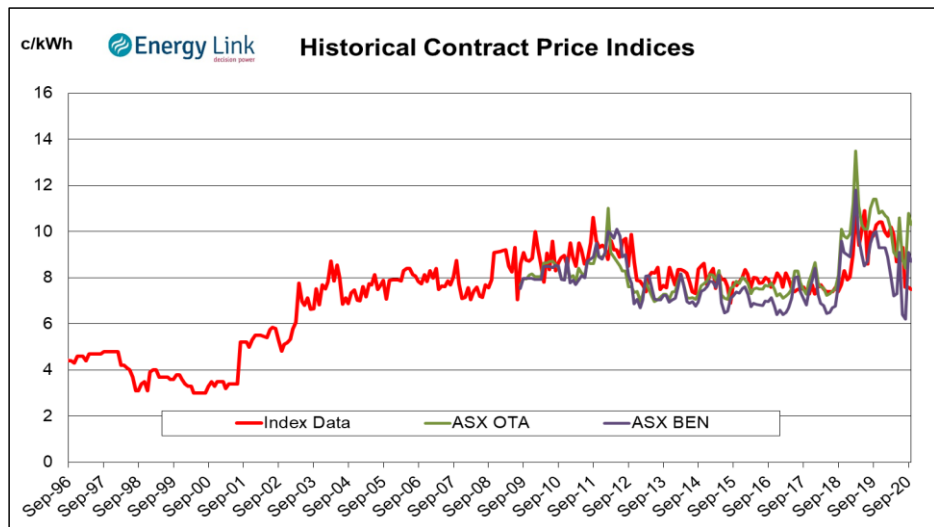
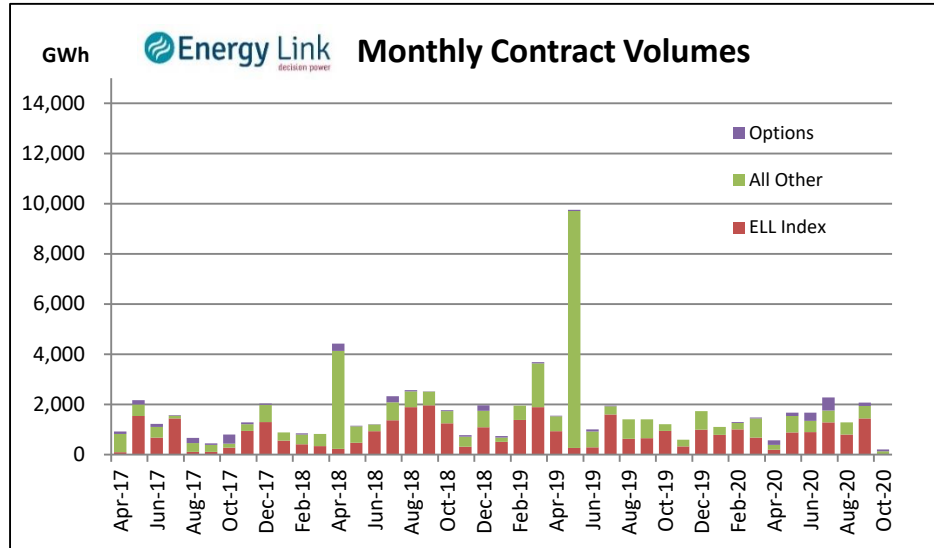


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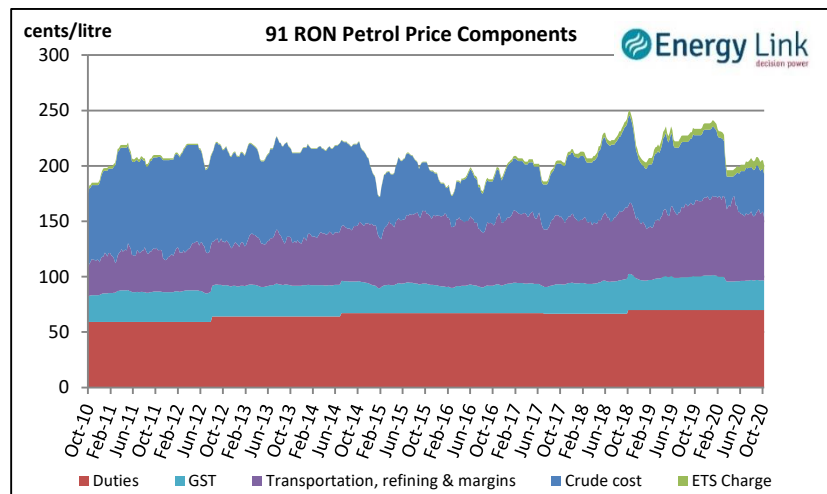


## Petrol Prices

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 52% of the total at-pump cost (major centres) of 91, with the cost of crude at 20%.

The cost of crude increased by 3.8% over the month while the NZD exchange rate decreased by 1%. The 91 RON price decreased by 2.8% over the month.



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

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## Futures Prices

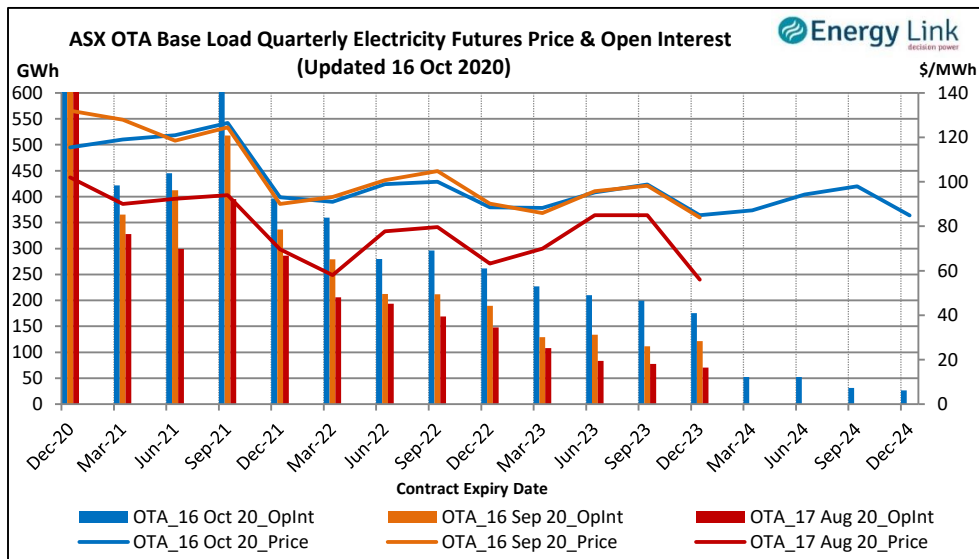
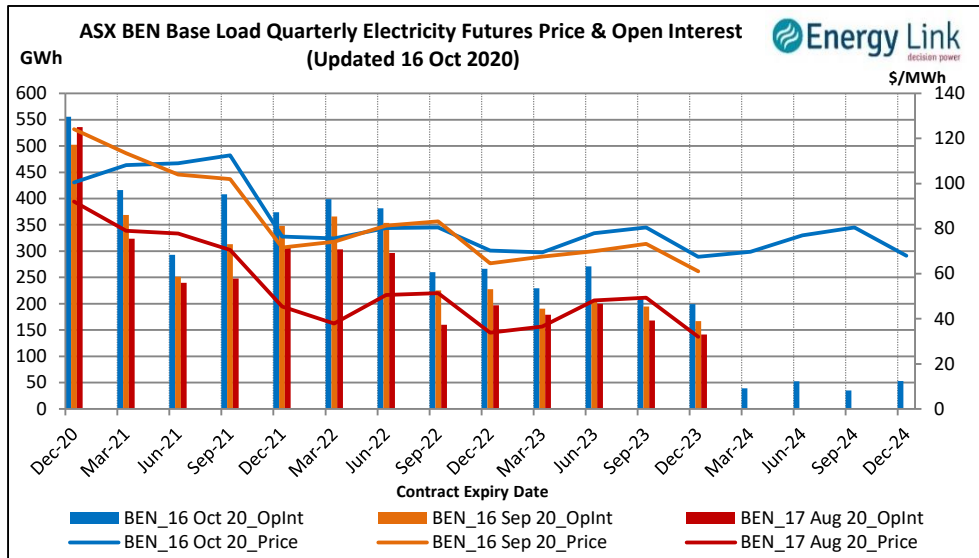
These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

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 Dec 20 through to Dec 24.

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Currently there is 4,441.7 GWh contracted at Benmore and 4,740.7 GWh contracted at Otahuhu for a total of 9,182.4 GWh Open Interest.

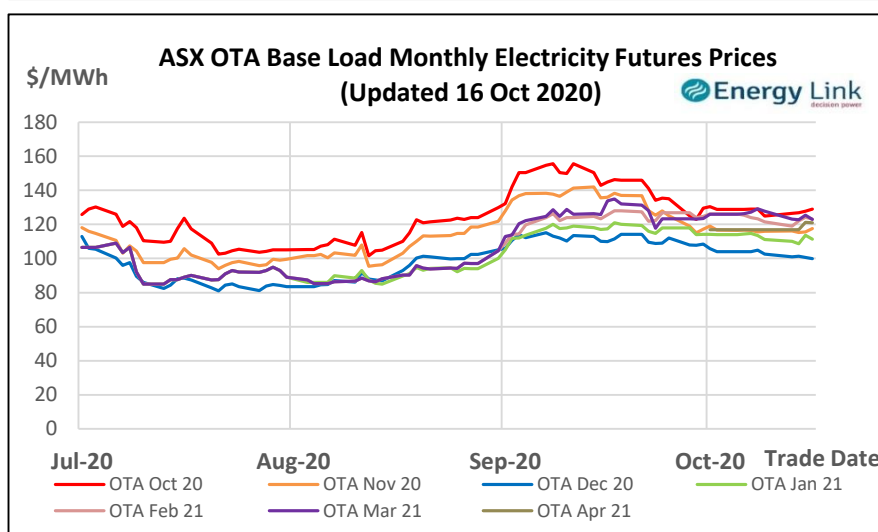
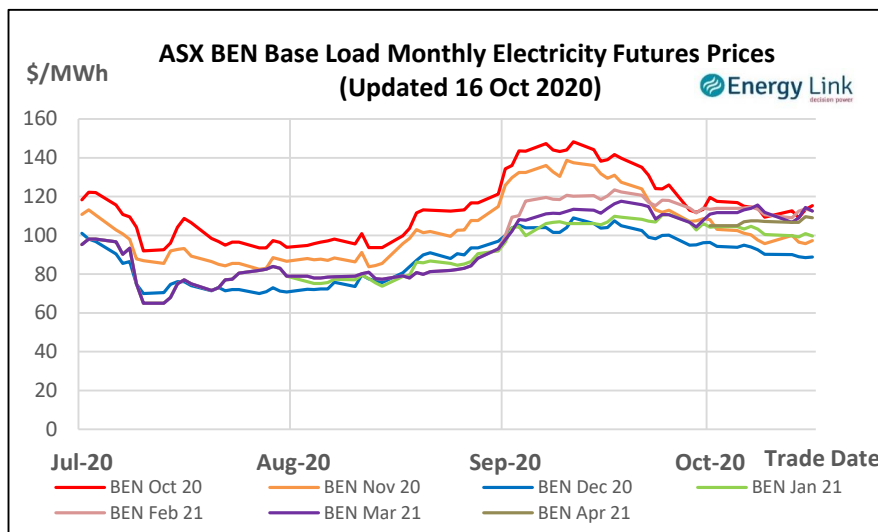
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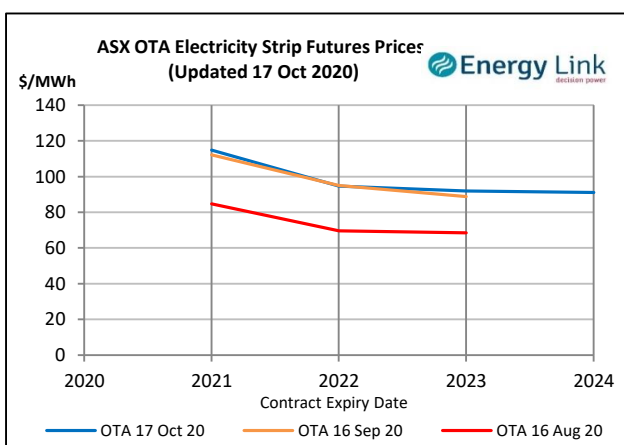
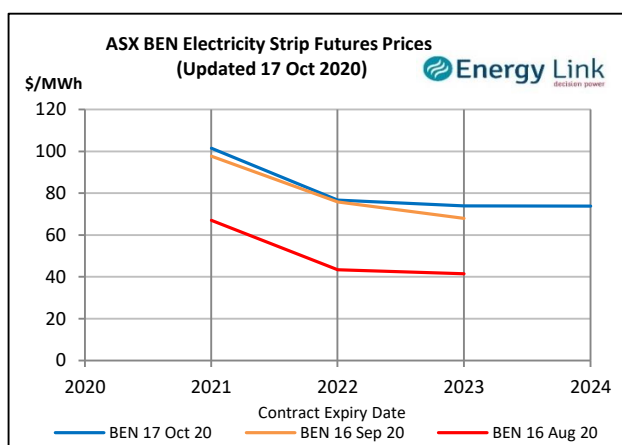
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

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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.

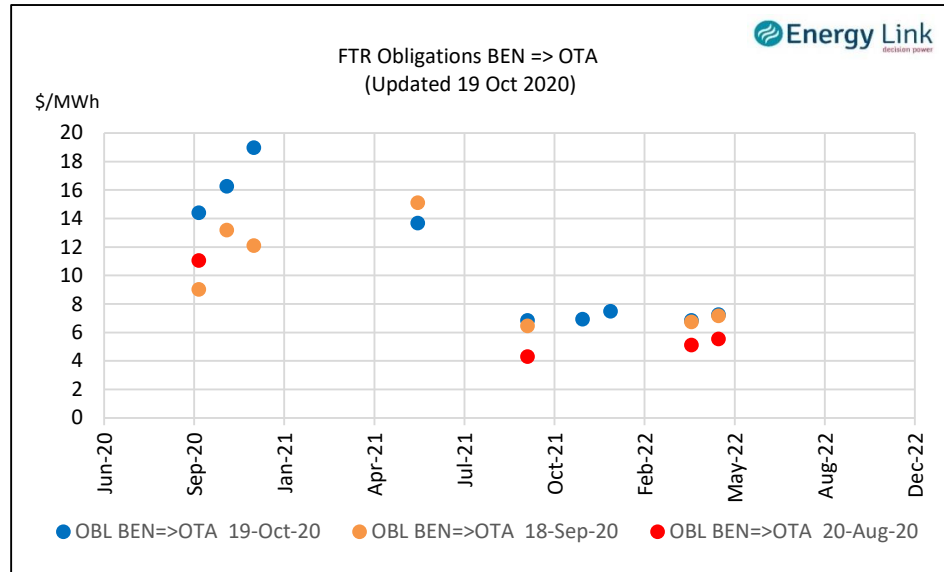


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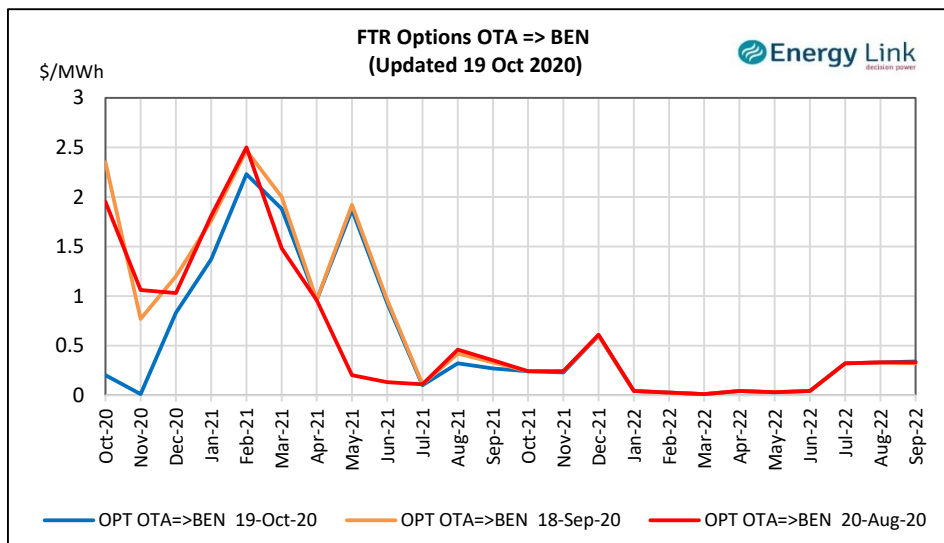
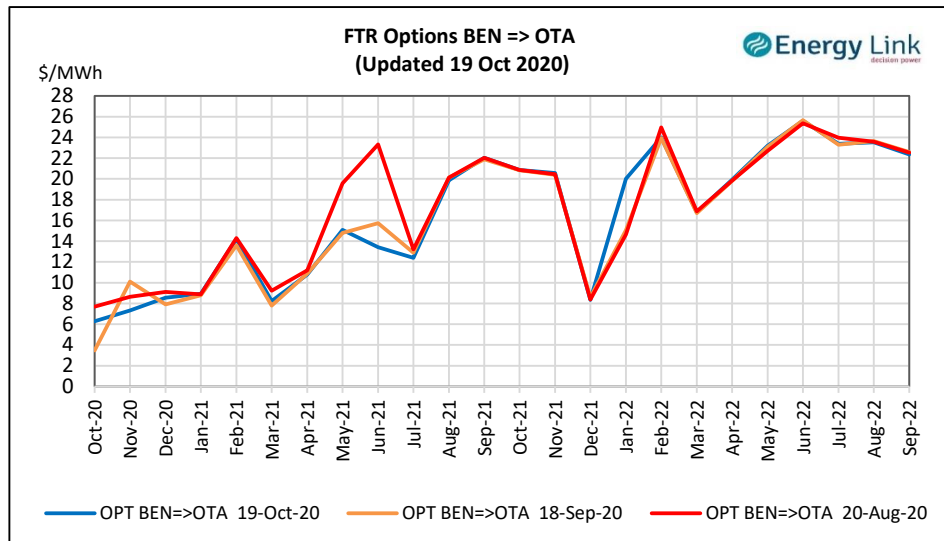
## FTR Prices

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 FPVW 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
696731	FPVW	15-Sep-20	1-Sep-20	31-Aug-23	26,291	Whakamaru	95.6	Not disputed	22-Sep-20	1095
697232	FPVW	14-Sep-20	1-Sep-20	31-Aug-23	36,000	Whakamaru	86.85	Not disputed	23-Sep-20	1095
698614	CFD	17-Sep-20	1-Oct-22	30-Sep-23	43,800	Otahuhu	90.8	Verified	22-Sep-20	365
698615	CFD	17-Sep-20	1-Jul-23	31-Dec-23	22,080	Otahuhu	89.4	Verified	22-Sep-20	184
698646	CFD	18-Sep-20	1-Apr-21	31-Mar-22	175,200	Whakamaru	93.5	Verified	24-Sep-20	365
701184	FPVW	23-Sep-20	1-Oct-20	30-Sep-25	376,945	Islington	57.74	Not disputed	26-Sep-20	1826
701954	FPVW	23-Sep-20	1-Oct-20	30-Sep-25	57,554	Otahuhu	81.04	Not disputed	26-Sep-20	1826
702271	CFD	24-Sep-20	1-Apr-21	30-Sep-22	13,152	Otahuhu	98	Verified	25-Sep-20	548
702272	CFD	24-Sep-20	1-Apr-22	31-Mar-23	17,520	Otahuhu	89	Verified	25-Sep-20	365
704087	CFD	28-Sep-20	1-Oct-20	30-Sep-23	52,560	Whakamaru	91.24	Not disputed	1-Oct-20	1095
707668	FPVW	30-Sep-20	1-Apr-21	31-Mar-24	49,920	Otahuhu	91.78	Not disputed	7-Oct-20	1096
708884	CFD	30-Sep-20	1-Apr-21	30-Sep-22	13,152	Otahuhu	98.6	Verified	8-Oct-20	548
708885	CFD	30-Sep-20	1-Apr-22	31-Mar-23	17,520	Otahuhu	90.7	Verified	8-Oct-20	365
708886	CFD	30-Sep-20	1-Apr-21	31-Dec-23	24,120	Whakamaru	89.7	Verified	8-Oct-20	1005

### Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
701953	FPVW	23-Sep-20	1-Oct-20	30-Sep-25	8,975	Benmore	54.52	Not disputed	26-Sep-20	1826	< 1 MW
704071	FPVW	23-Sep-20	1-Dec-23	30-Nov-25	16,065	Otahuhu	87.49	Not disputed	30-Sep-20	731	< 1 MW
704072	FPVW	23-Sep-20	1-Dec-23	30-Nov-25	4,151	Islington	71.66	Not disputed	30-Sep-20	731	< 1 MW
704833	FPVW	25-Sep-20	1-Nov-20	31-Oct-23	14,511	Otahuhu	86.3	Not disputed	2-Oct-20	1095	< 1 MW
704834	FPVW	25-Sep-20	1-Nov-20	31-Oct-23	4,063	Whakamaru	84.87	Not disputed	2-Oct-20	1095	< 1 MW
704835	FPVW	25-Sep-20	1-Nov-20	31-Oct-23	3,176	Haywards	83.19	Not disputed	2-Oct-20	1095	< 1 MW
704836	FPVW	25-Sep-20	1-Nov-20	31-Oct-23	7,338	Islington	64.68	Not disputed	2-Oct-20	1095	< 1 MW
705244	FPVW	23-Sep-20	1-Dec-20	30-Nov-25	40,162	Otahuhu	92.97	Not disputed	3-Oct-20	1826	< 1 MW
705245	FPVW	23-Sep-20	1-Dec-20	30-Nov-25	10,378	Islington	77.14	Not disputed	3-Oct-20	1826	< 1 MW

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