

# EnergyTrendz

MONTHLY

November 2020

Issue 140

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

## November 2020

### ELL Index

**7.8 c/kWh**

(at Haywards)

#### Other Nodes

The index is referenced to:

Otahuhu 8.5 c/kWh  
Benmore 7.4 c/kWh

#### Change

The index increased by 4% since mid October

#### Volume

7 contracts (excluding ASX, and short term contracts) were traded during the month, totalling 311 GWh over the period Dec-20 to Jun-25

#### Contract Types

2 FPVV (fixed price variable volume)  
5 CFD (contract for differences)

#### ELL CFD & FPVV Index

ELL FPVV 7.4 c/kWh

ELL CFD 9.6 c/kWh

#### Spread

4.2 c/kWh from Dec-20 to Jun-25

#### Location Factors

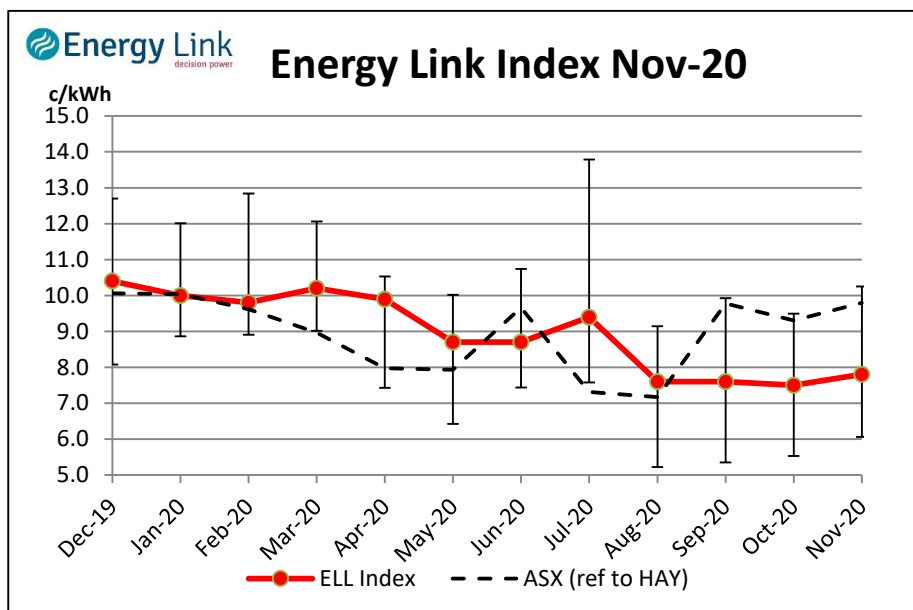
Expected location factors were updated in this edition of Energy Trendz

#### ASX Futures

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

Otahuhu 10.9 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 increased this month on a volume of 7 contracts traded 5 CFD, 2 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 4.2 c/kWh this month. Prices for the contracts varied from 6.1 c/kWh to 10.3 c/kWh when referenced to Haywards.

The gap between the ELL Index and the ASX index has remained mostly unchanged this month as both indices increase.

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# FPVV & CFD Electricity Contract Indices

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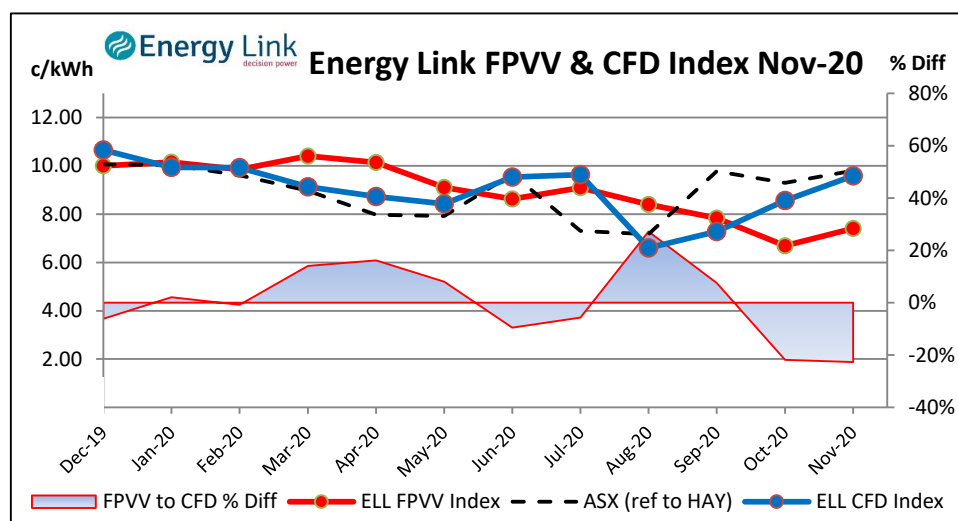
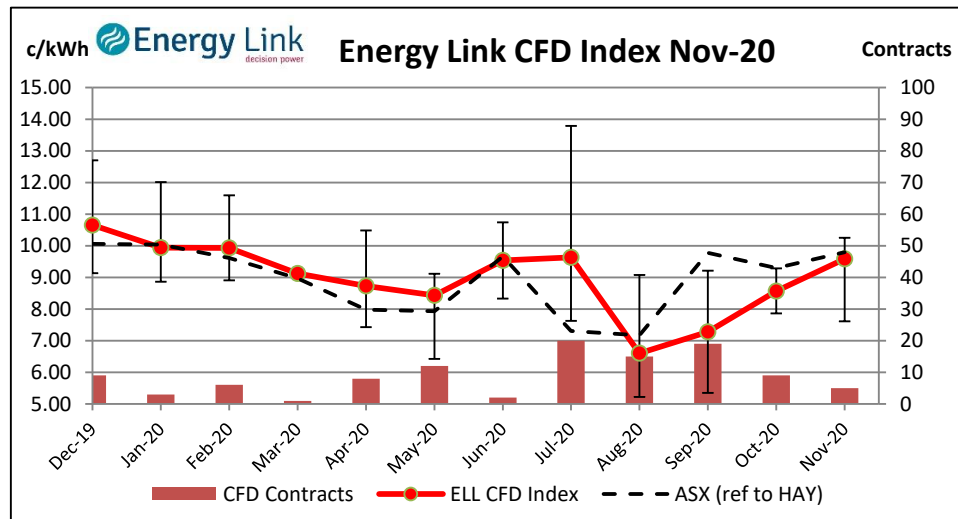
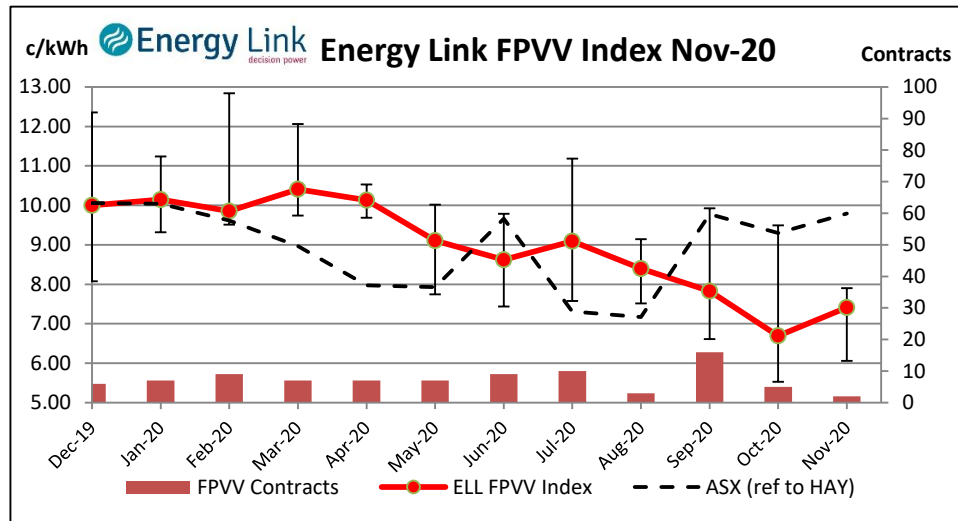
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## FPVV & CFD Contract

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.

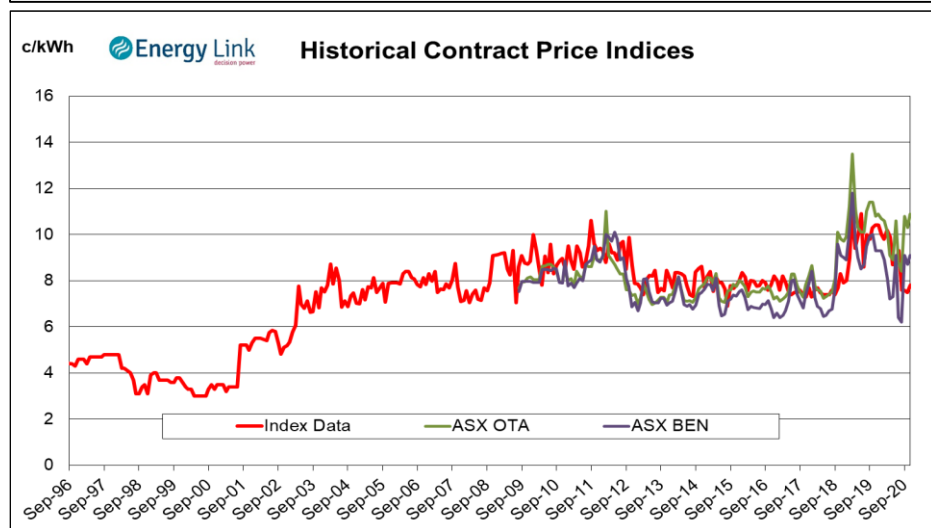
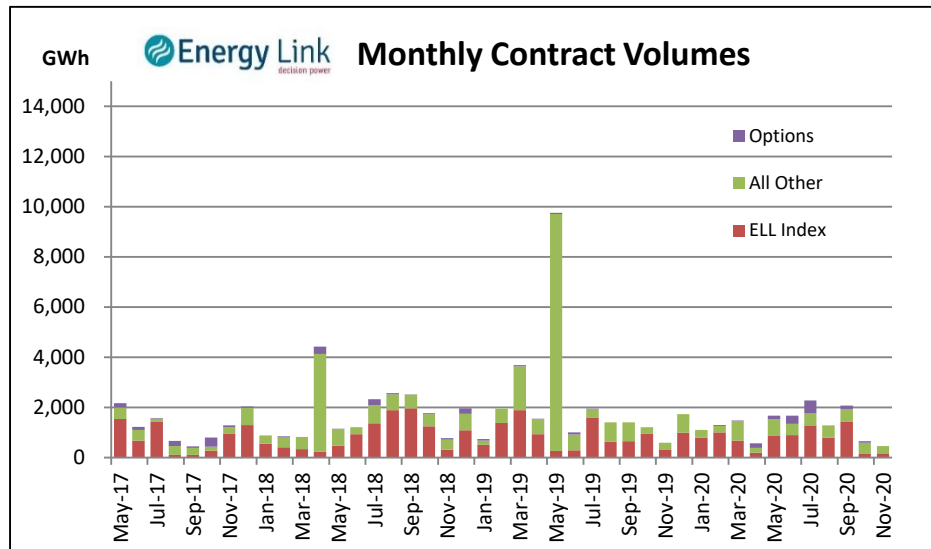


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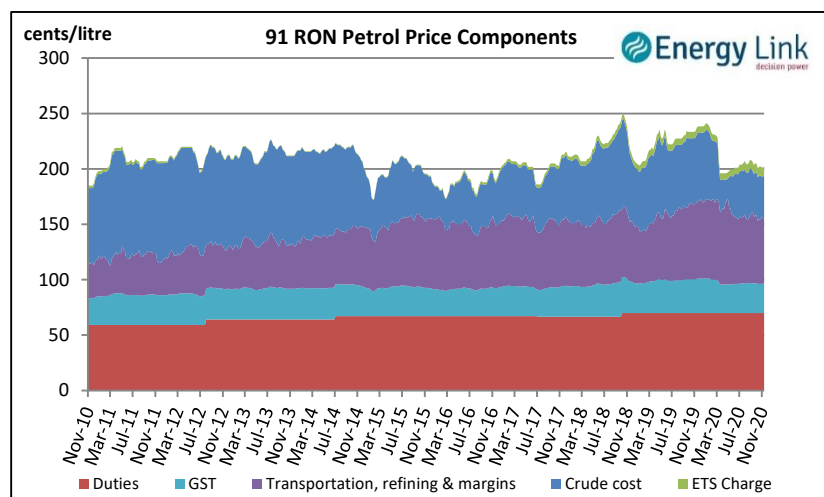


## Petrol Prices

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 3.9% over the month while the NZD exchange rate increased by 2.9%. The 91 RON price increased by 0.3% over the month.



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

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## Futures Prices

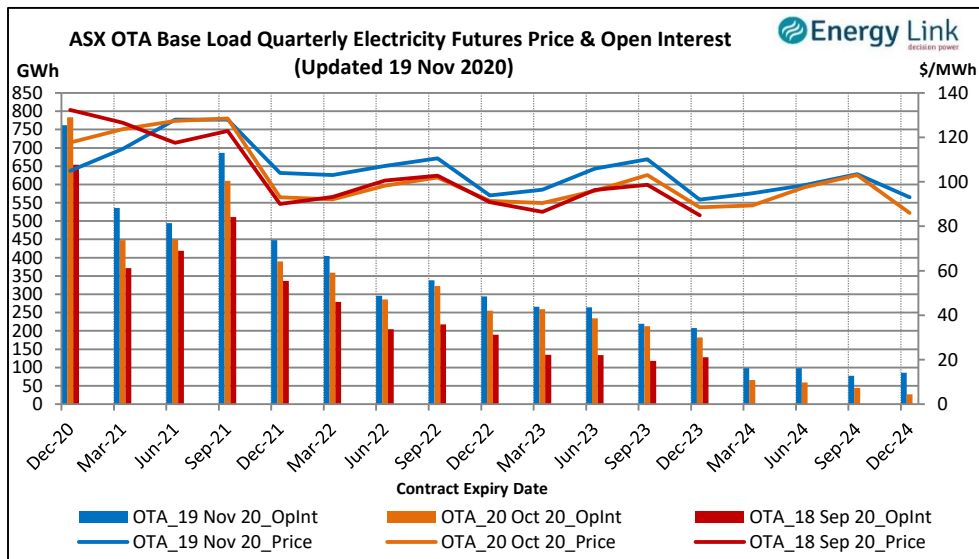
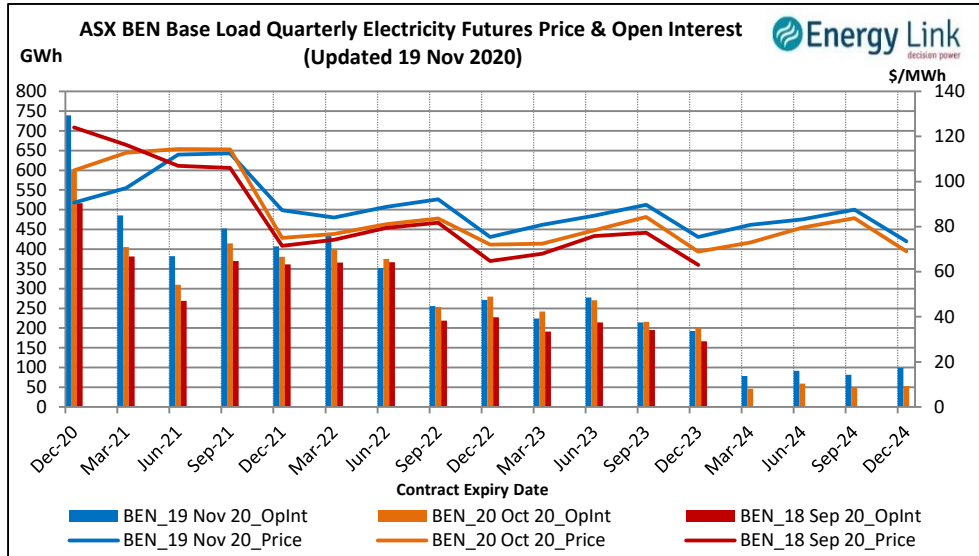
These prices are broken down to show the traded prices as they stood at the time of publishing, one month and two months prior to the time of publishing.

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 5,039.3 GWh contracted at Benmore and 5,577.2 GWh contracted at Otahuhu for a total of 10,616.5 GWh Open Interest.

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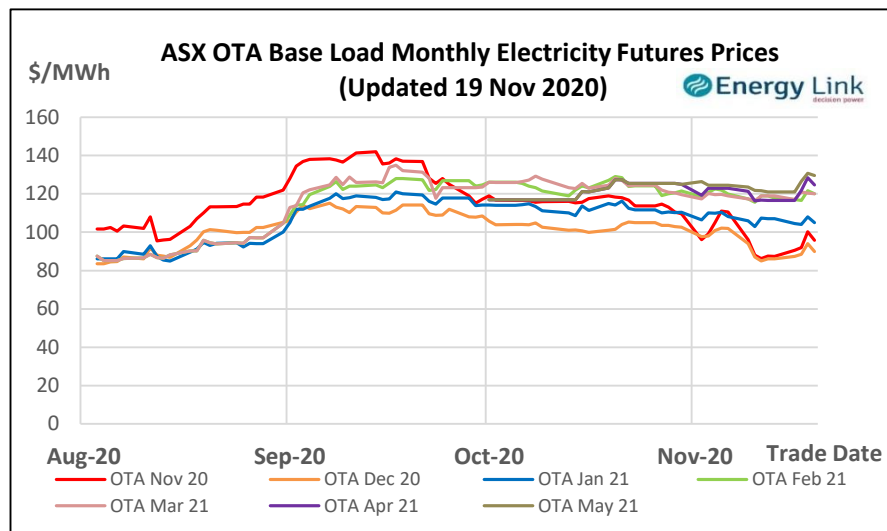
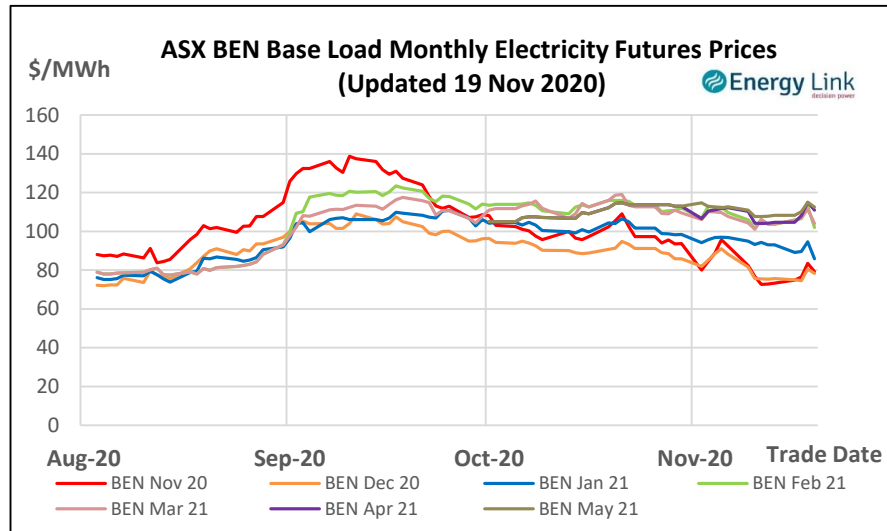
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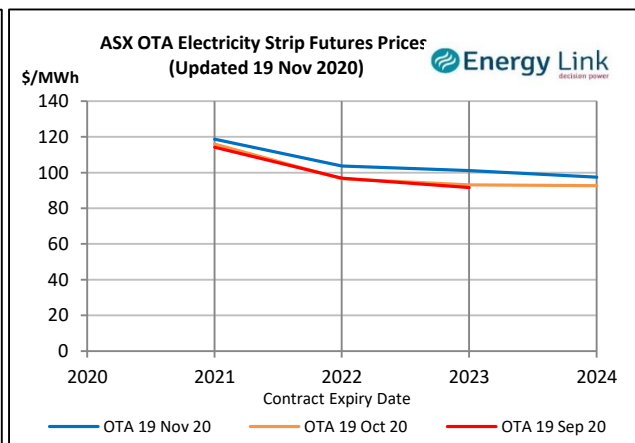
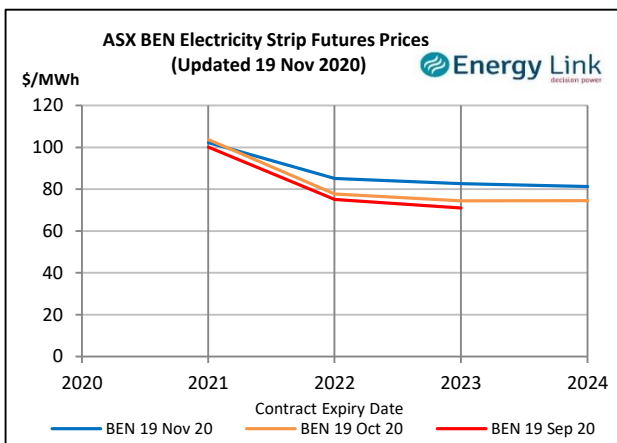
The charts to the right show the traded price of the monthly base load contracts for every trading date for the last three months prior to the time of publishing.

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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.

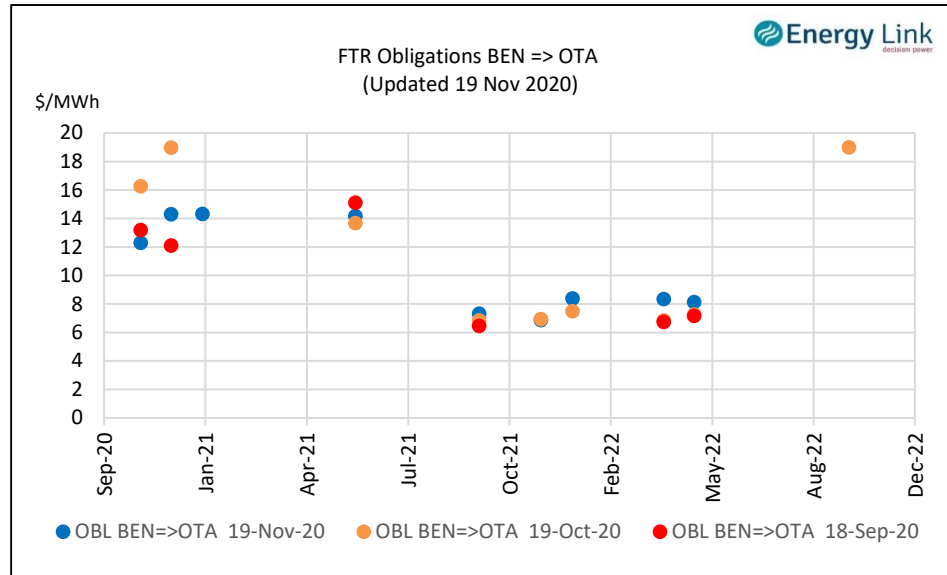


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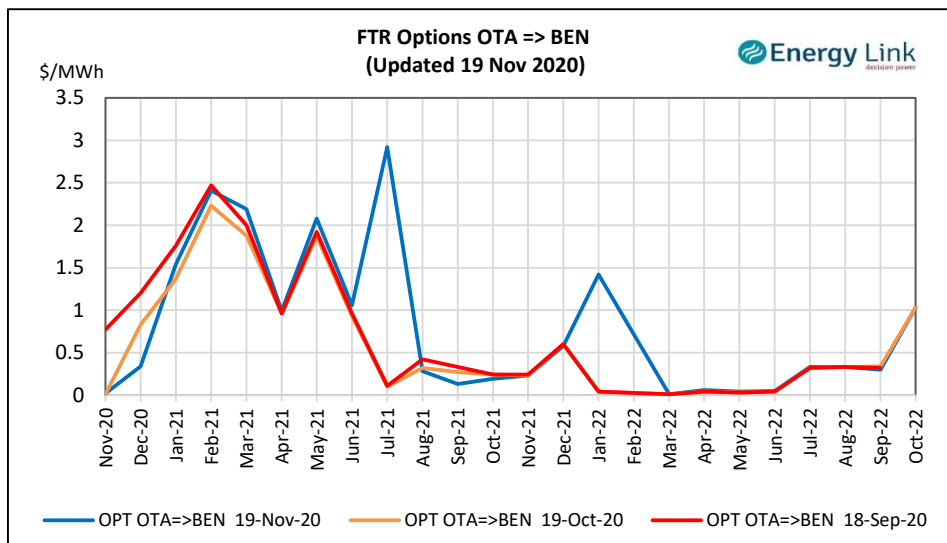
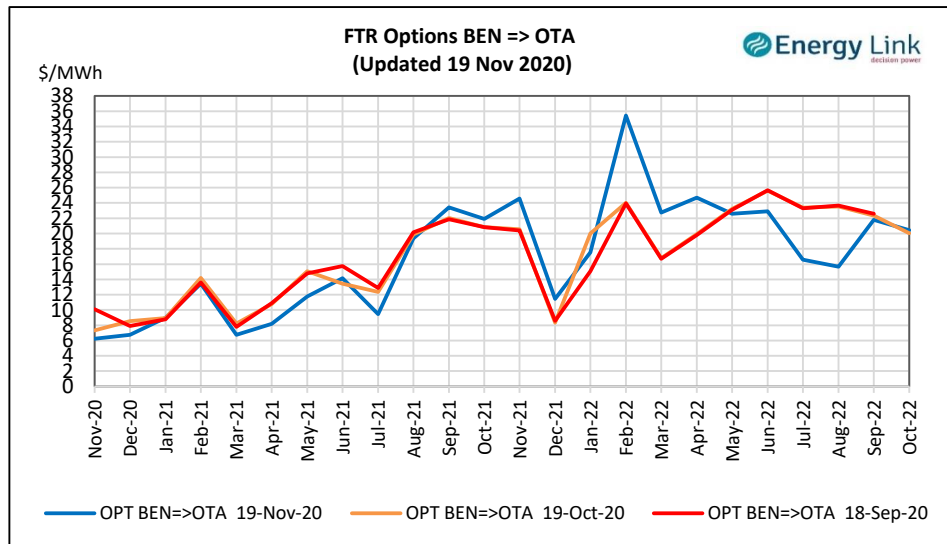
## FTR Prices

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
719455	CFD	19-Oct-20	1-Jan-21	31-Dec-23	7,809	Otahuhu	108.25	Verified	23-Oct-20	1095
721604	CFD	22-Oct-20	1-Jan-25	30-Jun-25	21,720	Otahuhu	93.75	Verified	23-Oct-20	181
722953	CFD	22-Oct-20	1-May-23	30-Apr-24	43,920	Otahuhu	94.13	Verified	28-Oct-20	366
722954	CFD	22-Oct-20	1-Jan-24	31-Dec-24	43,920	Otahuhu	94.66	Verified	28-Oct-20	366
730770	CFD	30-Oct-20	1-Apr-21	31-Mar-22	21,900	Otahuhu	103.88	Not disputed	11-Nov-20	365
731080	FPVV	9-Nov-20	1-Jan-21	30-Apr-24	135,988	Benmore	73.62	Not disputed	11-Nov-20	1216
731910	FPVV	10-Nov-20	1-Dec-20	30-Nov-23	35,803	Benmore	59.51	Not disputed	13-Nov-20	1095

### Excluded Contracts

Contract ID	Type	Trade Date	Effective Date	End Date	Quantity	Area	Price	Status	Created	Duration	Reason
731909	FPVV	10-Nov-20	1-Dec-20	30-Nov-23	14,585	Otahuhu	86.12	Not disputed	13-Nov-20	1095	< 1 MW

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