

Report issued: 17th May 2023

### Net Cost of Electricity and Gas for a 1st October Contract renewal



#### Electricity: base load cost - excludes distribution, taxation and supplier margin and costs

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
49.61	44.60	37.30	41.20	54.35	52.85	38.95	68.20	204.63	131.95

#### Gas: core gas cost - excludes distribution, taxation and supplier margin and costs

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
58.92	46.87	34.75	41.40	54.96	48.75	29.93	58.14	213.86	131.60

### Week commencing 8th May 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$75.39	120.43	£129.97	\$125.00
End	\$75.20	114.30	£127.30	\$115.50

UK weather forecasts were revised during the week to show below Seasonal norms, this did little to drive prices as natural gas benchmarks continued to see weekly dips, with the longest run of weekly declines in three years. The maintenance season continued with lower flows via Langeled which are due to continue until mid to late May. LNG flows to North West Europe remain constant with 7 cargoes bound for the UK in the next few weeks. Storage levels across Europe sit at around 61%, market participants see the possibility of reaching the November 1st target of 90% by early September.

### Week commencing 1st May 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$79.47	121.14	£135.27	\$145.25
End	\$75.39	120.43	£129.97	\$125.00

Heavy yearly maintenance continues across Norwegian infrastructure resulting in low total exit nominations to the continent, with the capacity set to decrease as we move through May. The receipt of LNG cargoes expected into UK shores and North West Europe remains strong, aiding a healthy supply picture and storage levels start to improve across Europe with the US supplying about half of Europe's current demand. Temperatures in the UK are expected to be higher above SNT to see out this week and next, before falling slightly below norms in week. Trading is at the lowest level since July 2021 even after four consecutive weeks of decline.

### Week commencing 24th April 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$81.46	125.21	£136.57	\$143.50
End	\$79.47	121.14	£135.27	\$145.25

The UK system remained comfortable throughout the week despite the higher demand during the lower temperatures, however the anticipation of higher temperatures from the 29th helped stabilise the Market. The UK continued to expect good levels of LNG Cargoes berthing at UK shores with an estimated ten shipments expected over the following three weeks, as well as 31 further cargoes expected in North West Europe. There was ongoing maintenance at multiple gas facilities in Norway however during the course of the week imports were stronger. An overall Bearish week.

### Week commencing 17th April 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$85.93	127.32	£142.06	\$127.50
End	\$81.46	125.21	£136.57	\$143.50

The UK Gas system was consistently oversupplied for the week despite the numerous planned and unplanned maintenance affecting Norwegian flows. Temperatures across the UK saw below seasonal Norms forecast up to 25th and thereafter a rise in temperatures for a week or so, wind speeds were also strong reducing the need for gas for power generation. There is an abundance of LNG received and en route to the UK shores with similar levels to inbound to NWE. EU and UK storage levels are healthy, currently 57% and 60% full, respectively.