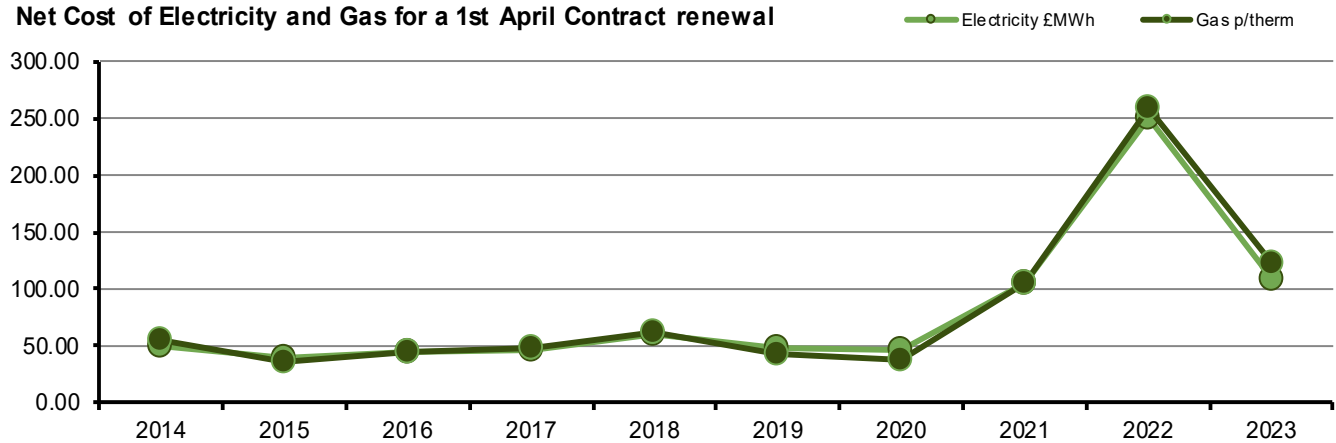


Report issued: 22nd November 2023

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



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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
49.93	38.59	45.03	47.10	60.58	48.30	46.33	104.88	249.50	108.85

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
54.84	35.68	44.06	48.11	62.23	43.54	37.99	104.72	259.48	122.56

### Week commencing 13<sup>th</sup> November 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$81.17	122.28	£107.77	\$120.00
<b>End</b>	\$90.20	118.97	£105.10	\$117.85

Throughout the week the fundamental drivers remained bearish with continued healthy Gas storage seeing European levels at 99.5%, increased flows from Norway with the return of volumes at Oseberg and Gulfaks, up to 9 LNG cargoes expected to UK shores within the following ten days, helping to meet some of the increase in demand. Despite this the fluctuating weather forecasts as lower temperatures set in increased the demand and pressured prices.

### Week commencing 30<sup>th</sup> October 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$88.34	139.20	£115.25	\$140.50
<b>End</b>	\$85.76	127.11	£107.77	\$124.75

An overall bearish week with low demand as temperatures in the UK sat above the seasonal norms. Wind out turns were higher than normal levels and expected to continue for several weeks. The UK was also due to receive 9 LNG cargoes over the following 12 days continuing the healthy supply. The week did end on a bullish note as the US declared sanctions against Project Arctic, an LNG facility, reigniting political tensions between the US and Russia

### Week commencing 6<sup>th</sup> November 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$85.76	127.11	£107.77	\$124.75
<b>End</b>	\$81.17	122.28	£107.77	\$120.00

The week opened with prices being pressured down by low gas demand with weather forecasts suggesting temperatures below the seasonal norms. Strong winds were also experienced lowering the gas for demand levels. Flows from Norway remained healthy and good levels of LNG helped stabilise the market, however towards the end of the week with the upcoming heating season in Japan due to increase demand there and the revised colder temperatures in the UK, this prevented further downward movement.

### Week commencing 23<sup>rd</sup> October 2023

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$93.28	143.62	£122.22	\$148.00
<b>End</b>	\$88.34	139.20	£115.25	\$140.50

A bearish week with weather forecasts in the UK again being revised with a warmer end to October and expecting to breach seasonal norms for a few days, windspeeds were also set to climb to be above normal levels. Maintenance on Norwegian assets is for the most part over although a number of sites still experienced ongoing maintenance but set to end by early November where there are expectations of exit flows at the strongest they have been in months. Some risk in pricing remained as a result of the Israel-Hamas war.

Disclaimer: The above information is based on current market data available at the time of producing this document and is subject to change. ECA cannot be held responsible for movement in the commodity market.