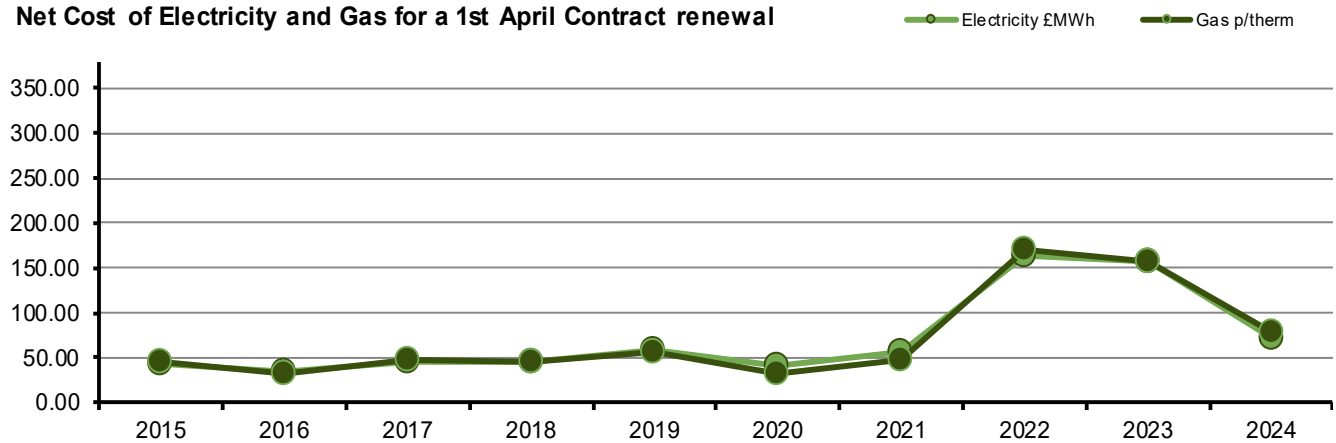


Report issued: 7th February 2024

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



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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
43.52	34.83	46.29	46.05	57.60	40.10	56.33	163.66	157.35	72.44

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
44.73	31.42	47.17	46.08	56.00	32.13	48.04	170.34	156.99	78.49

Week commencing 29th January 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$81.93	74.83	£69.71	\$94.85
End	\$77.33	79.38	£74.10	\$98.15

At the beginning of the week, prices increased due to maintenance work at the US Freeport LNG, triggered by an electrical problem. This led to fluctuating market conditions throughout the week as it was reported that supply wouldn't be restored until the end of February. However, the early gains were largely overturned due to revised weather forecasts indicating above seasonal levels until February 11th, coupled with higher than normal wind power. The week concluded with a bearish trend due to mild and windy weather conditions, which lessened the demand for gas-fired power.

Week commencing 22nd January 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$79.00	75.53	£71.31	\$98.50
End	\$81.93	74.83	£69.71	\$94.85

Both Gas and Power prices fell sharply over the weekend to start the week bearish, Storm Isha brought unseasonably warm weather and boosted wind power generation adding to the already bearish market conditions of strong LNG and pipeline gas flows to Europe. Mid week saw some volatility, the delays in some shipments to Europe due to the crisis in the Red Sea continued. Gas prices strengthened across all contracts at the conclusion of the week, US Freeport LNG was undergoing maintenance, due to an electrical issue and is not due to supply the market until late February.

Week commencing 15th January 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$79.12	82.90	£77.56	\$108.10
End	\$79.00	75.53	£71.31	\$98.50

UK Gas & Power opened the week bearish even as Qatar, the second largest supplier of LNG to Europe, paused sending tankers via the Suez Canal. The majority of the week saw well below seasonal temperatures across the UK and Europe, but the fundamentals remained strong with Nominations from the Langeled pipeline with Norway remain near capacity and expectations of increased wind output

Week commencing 8th January 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$76.59	89.79	£86.41	\$130.25
End	\$79.12	82.90	£77.56	\$108.10

The previous weeks gains in European Gas and power were eroded over the weekend despite temperatures forecast well below average. The cold snap didn't appear to have deterred supplies, signalling confidence that supply risks for the remainder of the Winter will be contained. The NBP prices extended their decline through the week as the MetDesk revised UK temperature forecasts upwards 1 C, adding to the already bearish market conditions. The supply picture of 84% storage on the continent, high LNG imports and pipeline gas from Norway kept prices suppressed.

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.