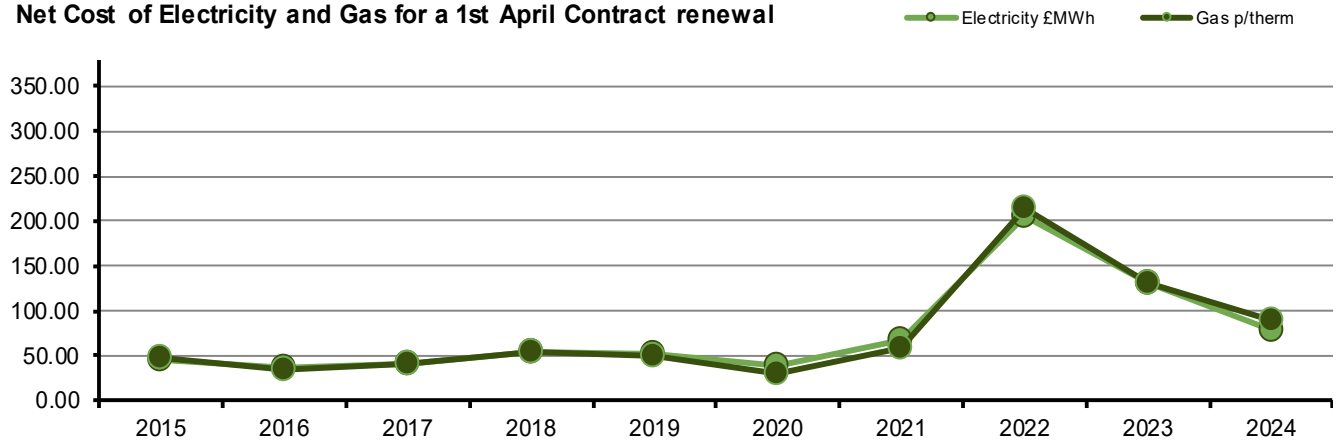


Report issued: 22nd May 2024

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
44.60	37.30	41.20	54.35	52.85	38.95	68.20	204.63	131.95	79.25

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
46.87	34.75	41.40	54.96	48.75	29.93	58.14	213.86	131.60	89.31

Week commencing 13th May 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$83.94	85.00	£78.02	\$98.25
End	\$83.34	86.71	£79.55	\$97.75

Markets opened bearish with an over supplied system and Norwegian flows to NW Europe and UK remaining above the 5-day moving average. Prices did then gain on low wind output, however the gains were limited due to the low demand levels. The remainder of the week saw sideways movement, the planned maintenance within Norway was offset by the strong storage levels within Europe further easing the demand for LNG.

Week commencing 6th May 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$83.29	84.85	£76.88	\$100.50
End	\$83.94	85.00	£78.02	\$98.25

Prices remained volatile with expected milder weather set to take hold. The planned outages at the Karsto and Kollsens gas plants caused a slight supply disruption in Norway however, flows still remained in line with the 5 day moving averages. Mid week supply concerns mainly centred around the geopolitical risks concerning Middle East and Ukraine further supported by declining wind generation leading to increased demand for gas-fired generation

Week commencing 29th April 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$89.07	81.89	£74.82	\$108.65
End	\$83.29	84.85	£76.88	\$100.50

Contract prices traded mixed throughout the week. Gas flows disruptions from Norway continued to hamper Europe with major supply plants undergoing maintenance, causing Norwegian flows to drop below the 5 day average. Markets are sensitive now the maintenance season has commenced with more announcements of outages testing current supply levels. Despite the outages, European gas storage remains above the 5yr seasonal average and forecast UK temperatures were expected to be higher than seasonal average, decreasing demand for heating.

Week commencing 22nd April 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$87.58	85.55	£78.00	\$119.25
End	\$89.07	81.89	£74.82	\$108.65

Contracts began the week trading down on confidence that the EU has sufficient supplies and storage to withstand any geopolitical threats or cold snaps. Even after the cold temperatures during the previous week in the EU, storage remained at 61%. Contracts continued to shed value as tensions in the Middle East softened slightly also backed by increased wind generation and expectations of a decline in day-on-day demand. Prices did rise towards the end of the week as higher prompt demand and geopolitical risks weighed on the system.

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.