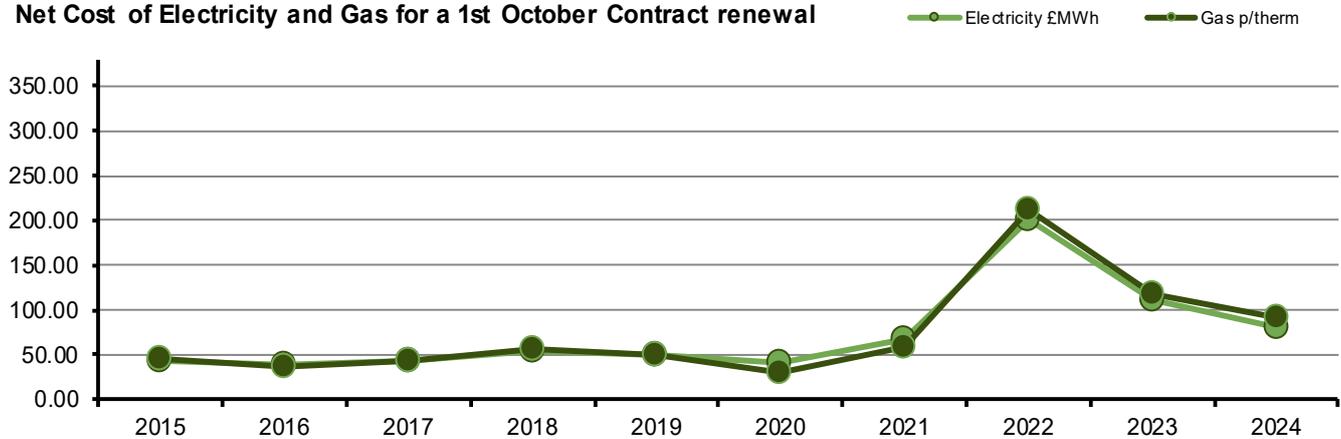


Report issued: 20th June 2024

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



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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
44.13	38.60	43.10	53.95	50.92	39.98	68.28	201.30	110.56	81.00

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
46.45	36.86	43.14	55.45	49.19	30.37	59.65	212.93	117.69	92.19

Week commencing 10th June 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$75.74	90.76	£81.08	\$104.00
End	\$82.72	94.70	£82.54	\$105.20

The week opened with Market volatility mostly caused by discussions over maintaining vital Ukraine supply for Europe despite continuous Russian attacks, Markets continued their strength after the news of the suspension of production at Australia's Wheatstone LNG facility for repairs, the disruptions at the gas facility meant that output of both domestic and LNG gas would only ramp up in the upcoming weeks, giving European LNG markets more competition from Asian markets. After four days of gains, Markets eased despite news that maintenance work at the UK's Barrow North terminal and the Norwegian Visund gas plant was being delayed.

Week commencing 3rd June 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$81.26	93.90	£86.67	\$104.65
End	\$75.74	90.76	£81.08	\$104.00

The week started with a rally in prices as Norway's Nyhamna gas field tripped causing interruption, other refineries did compensate minimising the drop in supply curbing further increases. Contract prices were also subdued by the high storage level for this time of year. Mid week saw news of Nyhamna expecting to ramp up flows, whilst not back to full service, this news helped bring some bearishness to the market. The week ended volatile following further unplanned outages in Norwegian gas fields coupled with significantly low wind forecasts, adding to the prompt.

Week commencing 27th May 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$81.86	93.98	£86.41	\$98.50
End	\$81.26	93.90	£86.67	\$104.65

Markets remained stable for much of the week, Norwegian gas flows to the UK and NW Europe increased above the 5-day moving average, despite extended maintenance work at the UK's St. Fergus gas terminal. Prices were pressured by high storage levels, higher than the 5-year seasonal norms (69>54%). The week ended with upward movement as more unplanned Norwegian field outages were reported.

Week commencing 20th May 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$83.34	86.71	£79.55	\$97.75
End	\$81.86	93.98	£86.41	\$98.50

The Market continued to trade higher, Summer maintenance within Norwegian gas plants continued to drive market volatility as gas flows from Norway to the UK and NW Europe fell considerably lower than the 5-day moving average. Despite these supply interruptions, EU storage sat at 67% full, representing a 14% increase from the 5-year seasonal norm of 53%. The upward trend continued following the announcement that an unnamed EU business had won a legal battle that might prevent the Austrian firms payments to Gazprom, a significant Russian supplier. This could potentially cause Russian gas supply disruptions to Austria.

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.