

Report issued: 10th July 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
43.63	42.22	43.03	55.68	50.48	41.04	76.23	240.67	68.13	82.90

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
45.70	41.64	42.45	55.22	46.99	31.60	70.51	272.99	131.54	96.45

### Week commencing 1<sup>st</sup> July 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$86.45	94.09	£82.87	\$134.69
<b>End</b>	\$86.45	94.09	£82.87	\$106.95

The week began with an undersupplied system due to news of reduced Norwegian flows into Langede with ongoing maintenance lasting all week, with a further extension to maintenance at Barrow North also. Strong wind generation reduced gas for power demand for the latter half of the week. The general election results had little impact on markets as the result of a Labour victory had been predicted for some time. Storage in Europe continued to climb, with further injections seeing the latest reported figure sit now at 78% full.

### Week commencing 24<sup>th</sup> June 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$85.90	93.18	£81.40	\$134.69
<b>End</b>	\$86.45	94.09	£82.87	\$134.69

Markets started the week relatively flat before seeing increases due to a number of unplanned outages at both Visund, Dvalin and at the Hammerfest LNG plant. As we moved through the week these gains were given back as bearish sentiment took hold, with the conclusion of the outages and increases in wind generation reducing demand. Storage in Europe continued to climb, with the latest reported figure now at 76.20% almost exactly in line with the values for 2023.

### Week commencing 17<sup>th</sup> June 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$82.72	94.70	£82.54	\$105.20
<b>End</b>	\$85.90	93.18	£81.40	\$134.69

The week opened bearish despite Norwegian flows to the UK and NW Europe falling below the 5-day moving average. Markets continued to trade sideways, the recent supply disruptions in Norway caused by unscheduled maintenance at the Skarv, Visund, and Nyhamna gas facilities were the main drivers of market volatility. Storage in Europe sat at 73% full, but Markets were nervous of cooling demands rising due to warmer weather projections around the continent forcing governments to use some of their inventory.

### Week commencing 10<sup>th</sup> June 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$75.74	90.76	£81.08	\$104.00
<b>End</b>	\$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.

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.