

Report issued: 4th September 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
42.18	42.85	45.76	62.68	48.10	42.80	92.27	529.18	114.65	82.98

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
41.93	40.25	44.95	64.95	44.90	33.05	89.87	578.88	128.77	100.70

#### Week commencing 26<sup>th</sup> August 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$78.63	100.01	£83.02	\$120.50
<b>End</b>	\$78.89	102.59	£86.27	\$121.70

Markets rallied from the previous weeks close with the news of no ceasefire agreed in the Middle East after ongoing talks in Egypt. The bullish levels remained as negotiations continued with no sign off ceasefire. Prices did ease slightly towards the end of the week but declines were limited due to significant disruption of gas flows which could continue for weeks to come and the lower renewable output causing a rise on gas for power demand.

#### Week commencing 19<sup>th</sup> August 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$79.44	107.38	£87.79	\$120.65
<b>End</b>	\$78.63	100.01	£83.02	\$120.50

UK NBP prices increased last week due to concerns over potential disruptions in Russian gas flows through Ukraine. Prices rose significantly on Thursday, the highest since last December. While UK gas prices weakened due to a stable near-term forecast, EU prices initially declined on Monday but quickly rebounded. Market anxiety was fueled by fighting in Russia's Kursk region, near the pipeline entry point into Ukraine. Despite reassurances from Ukraine's pipeline operator about continued flows, concerns over future disruptions kept prices elevated.

#### Week commencing 12<sup>th</sup> August 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$79.50	107.00	£87.00	\$122.10
<b>End</b>	\$79.44	107.38	£87.79	\$120.65

The week saw a volatile beginning as ongoing geopolitical tensions continued. Mixed pricing followed throughout the week on the Middle East disruptions but pricing eased due to the increase in wind generation in the prompt and low levels of demand as winter storage across Europe approached capacity at a record rate.

#### Week commencing 5<sup>th</sup> August 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$77.10	100.84	£82.58	\$121.35
<b>End</b>	\$79.50	107.00	£87.00	\$122.10

UK NBP prices increased last week due to concerns over potential disruptions in Russian gas flows through Ukraine. Prices rose significantly on Thursday, the highest since last December. While UK gas prices weakened due to a stable near-term forecast, EU prices initially declined on Monday but quickly rebounded. Market anxiety was fueled by fighting in Russia's Kursk region, near the pipeline entry point into Ukraine. Despite reassurances from Ukraine's pipeline operator about continued flows, concerns over future disruptions kept prices elevated.