

Report issued: 6th November 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
41.20	47.00	45.65	59.35	49.70	47.83	113.55	296.70	119.13	83.13

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
39.54	45.69	46.30	62.82	45.10	40.18	114.65	357.28	141.28	103.84

### Week commencing 28<sup>th</sup> October 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$75.21	105.98	£85.04	\$122.40
<b>End</b>	\$73.81	96.02	£79.28	\$119.75

Markets continued to fall alongside the European TTF contract as some of the Middle East risk premia the market held looked to be falling away after the events of the previous weekend. The temperature for the UK was very mild with temperatures remaining above seasonal normal into mid November, limiting demand. Prices fell further Friday, caused in part by news of negotiations between Hungarian and Slovak gas companies to transit gas via Ukraine.

### Week commencing 21<sup>st</sup> October 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$72.85	96.72	£78.90	\$117.00
<b>End</b>	\$75.21	105.98	£85.04	\$122.40

Energy markets have been rangebound in recent weeks with bearish fundamentals being offset by the conflict in the Middle East. However, this week saw supply tightness impact prices to the upside, despite below seasonal normal demand. Unplanned outages and low wind continued to drive NBP prices higher. Markets maintained their strength throughout the week as weather forecast models showed a change to below seasonal normal for early November

### Week commencing 14<sup>th</sup> October 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$79.12	98.31	£80.77	\$120.50
<b>End</b>	\$72.85	96.72	£78.90	\$117.00

Colder and calmer weather alongside geopolitics continued to drive prices upwards this week. An increase in demand was driving the short with temperatures 3 degrees below seasonal normal and wind below seasonal normal. The cold snap passing through Europe tested the inventory levels (95% full) as heating demand increased. Also adding pressure to prices was the reduction in flows from Norway due to extended outages to the Osberg field.

### Week commencing 7<sup>th</sup> October 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
<b>Start</b>	\$78.16	100.37	£81.22	\$122.05
<b>End</b>	\$79.12	98.31	£80.77	\$120.50

Market fundamentals remained strong, the UK Gas system was long for much of the week and despite an increased global demand for LNG the expected imports for the EU and UK remained solid. Much of the bullishness in the market arose from the conflict in the Middle East. With the recent escalations in the region, the market continued to hold risk premium in energy commodities. It was forecast that the average temperatures on the continent were set to fall similarly to the UK for the forthcoming weekend which added pressure for demand in Europe.

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.