

Report issued: 13th 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
40.53	48.05	45.78	57.83	49.45	45.08	104.48	300.30	110.13	77.40

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
38.38	47.33	46.17	60.36	44.33	36.88	104.05	330.46	129.52	95.07

Week commencing 4th November 2024

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

The week started with gains reversing the previous weeks losses. Main driver was the lower wind forecast, with gas fired generation increasing in the UK to make up for the dip in wind output. The EU storage remained at 95% full which did offset the bullish movement in the market. Markets closely watched the main story around the US election. Lots of questions surround the presidency in regards to energy commodity markets with policy on LNG, Foreign Policy in regards to the Middle East and Eastern Europe as well as potential tariffs on China which could further effect supply and demand balances. The week ended on further increases on the 20% below norm Wind generation once again leading to increased demand for gas

Week commencing 28th October 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$75.21	105.98	£85.04	\$122.40
End	\$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 21st October 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$72.85	96.72	£78.90	\$117.00
End	\$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 14th October 2024

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$79.12	98.31	£80.77	\$120.50
End	\$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.