

Report issued: 2nd April 2025

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



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

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
34.90	42.62	49.38	48.08	35.00	58.88	223.42	129.31	70.60	88.25

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

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
30.53	42.11	48.54	43.72	28.12	47.36	247.88	118.09	75.44	105.11

Week commencing 24th March 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$71.72	105.11	£88.25	\$98.62
End	\$73.62	100.75	£85.60	\$101.75

For the most part of the week, prices traded down, primarily driven by higher LNG supplies, low Asian demand, and warmer weather, which relieved some of the strain on EU inventory levels (34%). Furthermore, following US-mediated talks between Russian and Ukrainian authorities, a temporary cease-fire in the Black Sea was agreed upon, putting additional downward pressure on gas prices. The week ended with a rise in prices in response to the outage at Hammerfest LNG terminal and investors looking toward the Norwegian gas field maintenance season, with likely outages over the Summer.

Week commencing 17th March 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$70.20	102.73	£85.95	\$97.65
End	\$71.72	105.11	£88.25	\$98.62

A continuation of the bullish run with European gas markets moving up solidly following the disappointing result of a potential full ceasefire between Ukraine and Russia, the market interpreted this as a likely continuance of the conflict and further uncertainty to the future of Russian oil and gas supply. In addition adding further pressure was the longer range weather forecasts predicting slightly cooler weather in the first half of April. The week closed with reports of a fire at the Sudzha gas metering station through which Gazprom exports gas to Ukraine, adding to the bullishness.

Week commencing 10th March 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$71.21	96.24	£81.65	\$96.55
End	\$70.20	102.73	£85.95	\$97.65

The week opened retracing near all of the previous weeks declines. A large portion of this retracement was driven by market participants covering short positions that were entered into to take advantage of the aggressive fall in prices and news of some escalations in the Ukraine conflict as Russian forces retook 3 areas in the Kursk region of Russia. The bullishness continued driven by weather fundamentals however news of ceasefire prospects and tariffs gave some relief to this trend, negotiations for a peace deal between Ukraine and Russia continued, with investors hopeful of a resolution soon.

Week commencing 3rd March 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$73.23	107.60	£88.85	\$93.30
End	\$71.21	96.24	£81.65	\$96.55

The week opened bullish after a weekend of some significant geopolitical development. Zelensky's trip to Washington DC was deemed a failure with arguments ensuing on live television for all of the world to see, a step back at that point in any US backed peace agreement. Headlines continued to be dominated by news from Washington DC, Zelenski stated that Ukraine was ready to come back to the negotiating table and potentially look to sign the minerals deal that the US presented. Despite this fundamentals took hold by the end of the week, prices softened. In the prompt, warmer weather led to a decline in demand for heating.

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.