

Report issued: 9th 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
35.3	43.15	48.13	43.59	32.98	60.53	214.93	141.6	62.55	85.6

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

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
30.79	43.09	48.6	43.78	25.93	49.68	243.01	144.85	75.74	100.75

Week commencing 31st March 2025

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$73.62	100.75	£85.60	\$101.75
End	\$64.60	92.26	£81.02	\$98.95

Much of the weeks movements were driven by tariff speculation, prices were bullish on the whispers of a prolonged pause on tariffs for all countries except for China and markets reacted to this, however this was quickly dispelled leading markets back down. The volatility continued awaiting the announcements by President Trump which were likely to slow global economic growth and demand for fuel. The week ended with a slump in prices driven by strong renewables and warmer weather, curve prices softened further on Trumps decision to implement the global tariffs.

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 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 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.

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.