

Report issued: 20th May 2026

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



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

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
41.20	54.35	52.85	38.95	68.20	204.63	131.95	79.25	77.85	84.93

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

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
41.40	54.96	48.75	29.93	58.14	213.86	131.60	89.31	87.11	97.29

Week commencing 11th May 2026

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$101.57	104.85	£90.23	\$111.95
End	\$108.67	117.83	£97.09	\$116.40

UK gas and power markets experienced mixed movement through the week, with prices generally supported by ongoing geopolitical tensions in the Middle East, firmer oil markets, and continued uncertainty around flows through the Strait of Hormuz. Weather conditions were a key driver, with strong wind generation and healthy solar output helping to reduce gas-for-power demand, although forecasts point towards a warmer trend developing into June. Norwegian maintenance activity continued to influence supply dynamics, alongside varying LNG send-out levels and changing import flows to the UK. Overall, supply-side risks and geopolitical uncertainty continued to provide underlying market support despite softer demand fundamentals linked to renewable generation and milder weather expectations.

Week commencing 4th May 2026

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$114.50	111.81	£95.88	\$110.00
End	\$101.57	104.85	£90.23	\$111.95

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Week commencing 27th April 2026

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$105.68	110.01	£95.42	\$104.00
End	\$114.50	111.81	£95.88	\$110.00

UK NBP spot prices and the forward curve traded mixed through the week, firming early on stronger gas and power markets before softening midweek and recovering by Friday. Price action was driven by changing Norwegian supply, weather forecasts, gas-for-power demand and ongoing geopolitical tensions in the Middle East. Midweek maintenance and outages across key Norwegian infrastructure tightened UK supply and increased storage withdrawals, although conditions improved later in the week as demand eased and wind forecasts strengthened. UK LNG send-out remained stable, while Norwegian flows recovered by Friday. Geopolitical tensions around the Strait of Hormuz, including renewed US-Iran clashes and shipping disruptions, continued to support oil prices and keep energy markets sensitive despite ongoing diplomatic efforts.

Week commencing 20th April 2026

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$88.91	95.79	£86.96	\$100.15
End	\$105.68	110.01	£95.42	\$104.00

Across the week, UK gas and power prices strengthened steadily, with baseload power generally following gas. The UK system remained long at the start of the week before tightening towards balance by Friday, while gas-for-power demand fluctuated—initially easing due to stronger wind output, then rising later as renewable generation weakened and nuclear availability dropped. Weather forecasts pointed to above-normal temperatures early on, followed by a cooler shift into the weekend. Norwegian supply was broadly stable at first but declined later due to planned and unplanned maintenance, reducing flows to the UK, while LNG send-out remained relatively steady with limited cargo arrivals. Meanwhile, oil prices trended higher throughout the week, supported by ongoing geopolitical tensions and stalled negotiations involving Iran, alongside concerns over disruptions to key shipping routes.

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.