

Report issued: 1st July 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  |
|-------|-------|-------|-------|-------|--------|--------|-------|-------|-------|
| 42.70 | 53.79 | 51.03 | 41.07 | 71.10 | 223.23 | 118.86 | 81.34 | 85.44 | 87.68 |

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

| 2017  | 2018  | 2019  | 2020  | 2021  | 2022   | 2023   | 2024  | 2025   | 2026  |
|-------|-------|-------|-------|-------|--------|--------|-------|--------|-------|
| 41.81 | 55.74 | 48.74 | 31.80 | 65.65 | 245.21 | 127.92 | 95.31 | 100.99 | 94.94 |

### Week commencing 15<sup>th</sup> June 2026

|       | Oil (bbl) | Gas (ppt) | Power (MWh) | Coal (MT) |
|-------|-----------|-----------|-------------|-----------|
| Start | \$80.34   | 100.18    | £91.71      | \$115.20  |
| End   | \$72.08   | 96.35     | £88.61      | \$113.85  |

Throughout the week, UK NBP gas prices traded in a mixed but generally supported range, with the front of the curve fluctuating around previous settlement levels while longer-dated contracts found intermittent strength. Early optimism surrounding progress in US-Iran nuclear negotiations helped ease geopolitical concerns and contributed to softer oil prices, although uncertainty persisted as conflicting statements emerged over inspections, ceasefire stability, and shipping security in the Strait of Hormuz. UK gas fundamentals remained relatively comfortable, Norwegian export flows stayed strong following the completion of maintenance, supporting steady imports to the UK, while LNG send-out gradually declined over the week despite a small number of scheduled cargo arrivals. Gas-for-power demand was influenced by changing renewable generation, with weaker wind supporting higher demand early in the week before stronger wind output reduced requirements later on, while solar generation remained above average before softening alongside cooler weather. Political attention also turned to the UK following the announcement that Keir Starmer would step down once a successor is appointed, prompting speculation over whether future leadership could adopt a more supportive stance towards North Sea oil and gas development.

### Week commencing 1<sup>st</sup> June 2026

|       | Oil (bbl) | Gas (ppt) | Power (MWh) | Coal (MT) |
|-------|-----------|-----------|-------------|-----------|
| Start | \$93.74   | 111.48    | £96.67      | \$129.90  |
| End   | \$86.99   | 107.81    | £93.94      | \$121.50  |

UK gas and power prices generally strengthened during the week before easing on Friday as market sentiment improved. Weather forecasts shifted from cooler conditions to a warmer-than-normal outlook, while changes in wind and solar generation continued to influence gas-for-power demand. Norwegian supply remained largely strong despite maintenance and temporary outages, with LNG sendout broadly stable. Geopolitical tensions in the Middle East supported energy prices for much of the week, but optimism around a potential diplomatic agreement later in the week helped ease market concerns and pushed prices lower.

### Week commencing 8<sup>th</sup> June 2026

|       | Oil (bbl) | Gas (ppt) | Power (MWh) | Coal (MT) |
|-------|-----------|-----------|-------------|-----------|
| Start | \$86.99   | 107.81    | £93.94      | \$121.50  |
| End   | \$80.34   | 100.18    | £91.71      | \$115.20  |

Throughout the week, UK NBP prices generally softened at the front of the curve, although they recovered towards the end of the week, while longer-dated contracts remained relatively supported. UK baseload power prices were broadly stable to firmer across most sessions. The changing supply-demand balances were driven by variations in gas-for-power demand, renewable generation, and import flows. Norwegian supply was affected by both planned maintenance and unplanned outages before recovering later in the week, while flows to the UK varied in response to operational changes. UK LNG send-out remained relatively stable overall despite some fluctuations, with additional LNG cargo arrivals scheduled. In the geopolitical arena, market sentiment was driven by developments surrounding negotiations between the United States and Iran, including progress towards a preliminary agreement and the signing of an interim memorandum aimed at reducing tensions and reopening shipping routes through the Strait of Hormuz. These developments initially weighed on oil prices, pushing them to multi-month lows, although prices later recovered as planned peace talks were cancelled and renewed tensions emerged in the Middle East.

### Week commencing 25<sup>th</sup> May 2026

|       | Oil (bbl) | Gas (ppt) | Power (MWh) | Coal (MT) |
|-------|-----------|-----------|-------------|-----------|
| Start | \$91.79   | 109.28    | £96.59      | \$130.75  |
| End   | \$93.74   | 111.48    | £96.67      | \$129.90  |

Over the course of the week, UK gas prices and the forward curve experienced mixed movements, initially softening before strengthening later in the week, while UK power prices generally tracked gas. Market fundamentals were shaped by a combination of weather, supply, and geopolitical factors. Gas-for-power demand fluctuated in response to changing renewable generation levels, and temperature forecasts continued to indicate conditions above seasonal norms in the near term before easing back towards more typical levels. Norwegian gas flows were impacted by ongoing maintenance activity, with supply disruptions partially offset by the return of other facilities and varying pipeline nominations. In the global LNG market, easing concerns over Australian supply disruptions were counterbalanced by continued uncertainty in the Middle East, helping to sustain risk premiums. Geopolitical developments remained a key market driver, with ongoing tensions between the United States and Iran generating significant price volatility. By the end of the week, attention had shifted towards the possibility of a formal agreement between the two countries, although market participants remained cautious given the changing rhetoric and continued uncertainty surrounding the situation.