

Report issued: 30th September 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
44.21	67.74	50.78	46.71	126.14	394.59	106.30	74.15	79.09	132.81

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

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
44.92	72.39	47.60	35.65	128.83	449.66	124.74	89.23	82.90	166.30

Week commencing 21st September 2026

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$104.60	166.30	£132.81	\$136.40
End	\$106.33	156.80	£125.03	\$137.05

UK energy markets saw mixed but generally softer trading conditions as volatility continued, with NBP gas prices weak at the front of the curve amid limited liquidity, while power prices broadly tracked gas movements. The UK gas system remained comfortably supplied, supported by LNG imports and returning Norwegian production following maintenance outages, although some unplanned disruptions continued. Gas-for-power demand fluctuated in response to changing wind generation forecasts, while temperatures were forecast to remain above seasonal normal levels. Meanwhile, geopolitical tensions involving Iran, the US, and other global powers persisted, as President Trump held a summit with Chinese President Xi Jinping in Washington on Thursday. Oil prices also saw a mixed week, with prices softening towards the end of the week, suggesting markets remain focused on supply fundamentals and the prospect of diplomatic progress.

Week commencing 14th September 2026

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$104.35	167.98	£133.86	\$140.10
End	\$104.60	166.30	£132.81	\$136.40

UK gas and power markets remained volatile through the week, with NBP and UK baseload power generally strengthening as the market responded to ongoing Norwegian maintenance, unplanned outages and shifting weather-driven demand. Norwegian supply remained constrained by outages at Ormen Lange, Nyhamna and Troll, with UK flows also affected by lower Langeled and Vesterled deliveries, although some maintenance impacts began to ease towards the end of the week. Temperatures were forecast to remain broadly around to slightly above seasonal norms, with the latest forecasts warmer than earlier runs. French industrial action and lower nuclear availability added further uncertainty to regional energy markets. Meanwhile, continued instability in the Middle East, including disruption around key oil transit routes and attacks affecting Saudi infrastructure, continued to provide an underlying risk premium to energy markets, although reports of additional crude supplies through Oman helped ease some concerns towards the end of the week.

Week commencing 7th September 2026

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$95.53	150.58	£122.19	\$139.90
End	\$104.35	167.98	£133.86	\$140.10

The UK energy market has remained firmly supported through the week, with NBP gas and baseload power reaching multi-year highs amid escalating tensions in the Middle East and continued concerns over potential disruption to regional energy flows. Norwegian maintenance and fluctuations in flows to the UK provided additional support, while UK LNG send out remained steady and relatively mild temperatures have limited demand. Wind generation has varied throughout the week, influencing gas-for-power requirements, while French nuclear disruption risks added further pressure to the wider European power market.

Week commencing 31st August 2026

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)
Start	\$89.26	142.56	£117.32	\$132.00
End	\$95.53	150.58	£122.19	\$139.90

UK NBP spot and forward prices have remained elevated and generally firm through the week, with baseload power broadly following the direction of gas. Market sentiment has been supported by heightened geopolitical tensions in the Middle East, with renewed US-Iran confrontation continuing to drive concerns over potential disruption to regional energy supplies and keeping oil prices elevated. UK system fundamentals have fluctuated, with periods of both long and short supply, while gas-for-power demand has been influenced by changing wind conditions. Weather forecasts became cooler compared with earlier expectations, with temperatures expected to move below seasonal norms later in the outlook, adding some demand-side support. Norwegian flows have remained under pressure from a combination of planned and unplanned maintenance, resulting in reduced deliveries to the UK. LNG sendout remained broadly stable and continued to provide a degree of supply support. Concerns around European storage levels ahead of winter have also added to the bullish backdrop, with calls for increased injections highlighting the potential for further upside risk. Overall, the market remains highly sensitive to geopolitical developments, Norwegian availability, weather and renewable generation, with the combination of supply uncertainty and winter preparation continuing to underpin prices.

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