

Gas

p/therm	17 Apr 20	24 Apr 20	Change
Day-Ahead	13.50	10.70	-20.7%
May 2020	15.36	12.76	-16.9%
Winter 2020/21	34.04	32.06	-5.8%
Summer 2021	30.94	28.87	-6.7%

The UK's **Day-Ahead gas** price continued to fall, posting losses of 20.7% to 10.70 p/therm as the effects of Covid-19 continue to impact the UK wholesale market. Similar magnitude impacts are also being felt on near curves, with **May 2020** prices tumbling 16.9% to 12.76 p/therm.

The **Winter 2020/21 gas** price slid 5.8% week-on-week to 32.06 p/therm, with the equivalent **power** price falling 2.0% to £41.21/MWh.

Pipeline gas flows from Norway to the UK continue to remain low. Flows to Britain were at 29 mcm/d on Friday, a small decline from 31 mcm/d last Friday, but down from 50 mcm/d in recent weeks.

The planned maintenance at Norway's Oseberg gas processing plant, due to begin this week, has been postponed until late May with capacity set to rise to 20 mcm/d, revised up by 4 mcm/d.

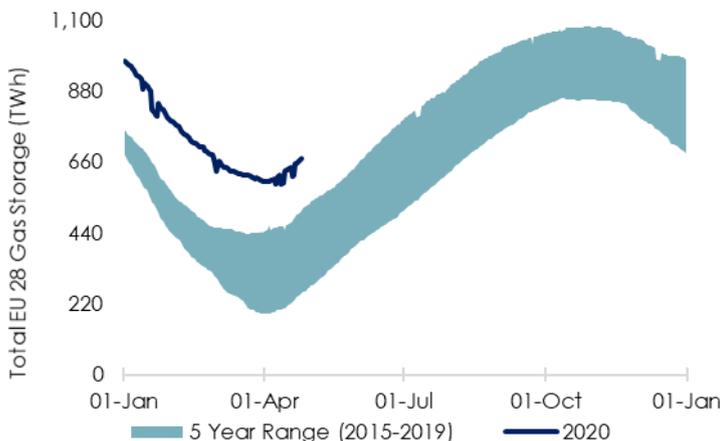
Low prices continue to persist, with the front of the curve dictated by healthy supply and storage levels from reduced gas demand, paired with low oil prices.

LNG send-out from South Hook is expected to remain at around 40 to 45 mcm/d for the next 10 days as four Qatari cargoes are due at the terminal.

Seasonal contracts remain low and continue to fall. Sum-21 and Win-21 once again posted decreases across gas and power.

Our recommendation is to lock in contracts before June 2020 ahead of expected volatility related to Covid-19 driven economic slowdown.

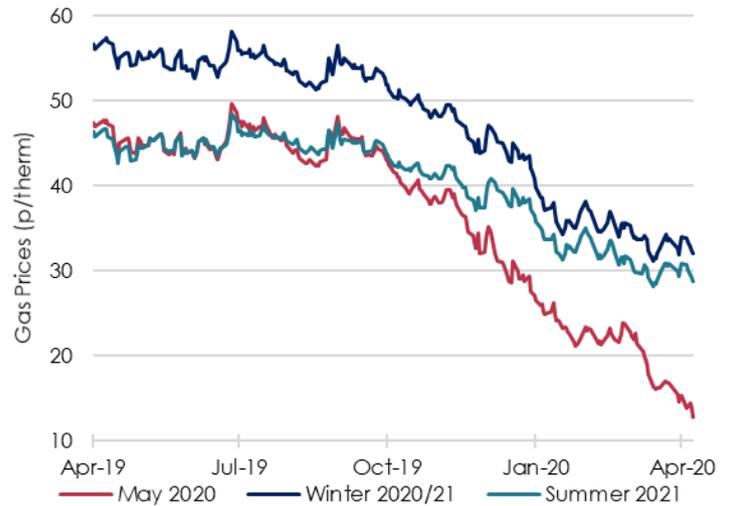
European Gas Storage



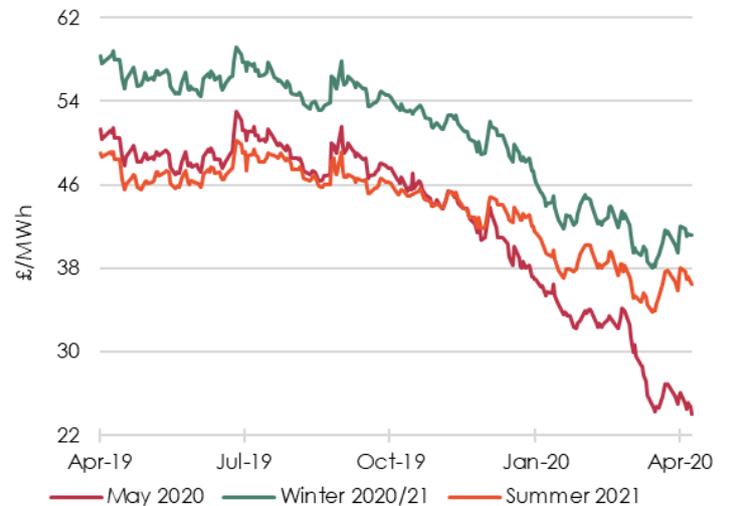
Power

£/MWh	17 Apr 20	24 Apr 20	Change
Day-Ahead	24.88	25.34	1.8%
May 2020	26.09	24.09	-7.7%
Winter 2020/21	42.03	41.21	-2.0%
Summer 2021	38.03	36.51	-4.0%

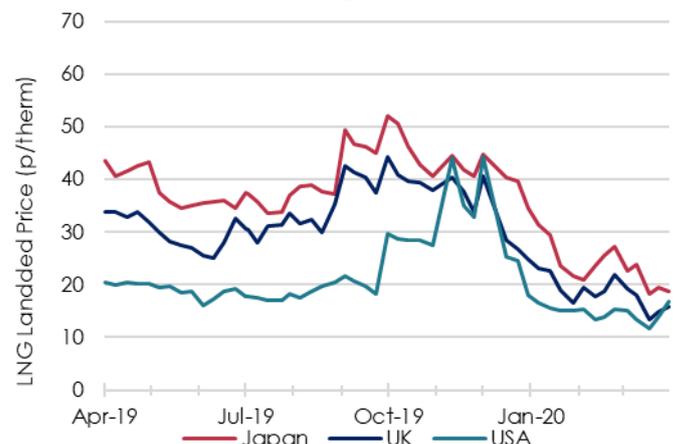
UK Gas



UK Power



Global LNG (Japan v UK v USA)



T: +44 208 634 7533

E: strategicclients@beondgroup.com

W: www.beondgroup.com

Beond Weekly UK Insight

27 April 2020

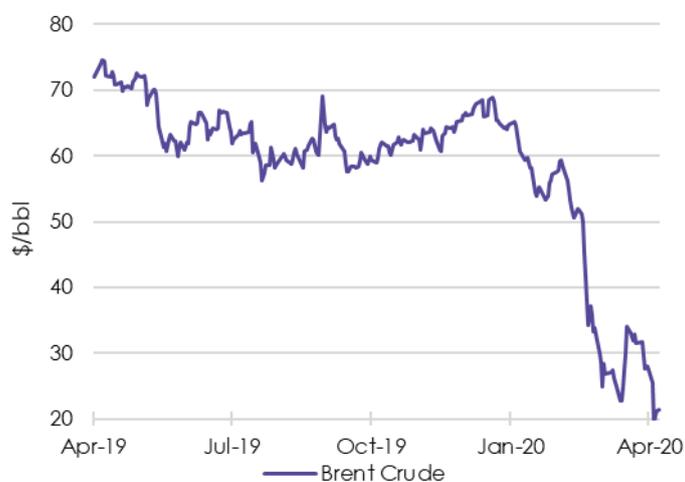
Oil

\$/bbl	17 Apr 20	24 Apr 20	Change
Brent Crude Jun 20	28.08	21.44	-23.6%

Source: Reuters

Brent crude oil prices dropped even further last week to \$21.44/bbl, a fall of 23.6%.

The continued price drop is due to continued plunging demand as well as sentimental factors associated with the US WTI Crude Oil price going negative for the first time in history last week. Storage also remains saturated with increasing numbers of idle oil tankers anchored outside of hubs.



Exchange Rates & Economics

£/\$	17 Apr 20	24 Apr 20	Change
GBP/USD	1.2499	1.2367	-1.1%

Source: Reuters

The **Pound Sterling** fell 1.1% last week against the US Dollar.

The Pound-Dollar rate experienced two days of punishing declines due to sinking oil prices undermining all correlated currencies. However, a subsequent recovery as stock markets appeared to stabilise in the wake of the historic losses meant that the rate slumped just over a percent week-on-week.



Carbon

€/tCO2	17 Apr 20	24 Apr 20	Change
EUA Dec 2019	21.61	20.66	-4.4%

Source: Reuters

European carbon fell 4.4% last week to €20.66/tCO₂.

The price has fallen with the oil price, as reduced oil demand also reduces the demand for carbon credits. The price is however held up, in part, by continued maintenance disturbance to French nuclear.



Coal

\$/tonne	17 Apr 20	24 Apr 20	Change
API2 CIF ARA 2019	55.30	53.40	-3.4%

Source: Reuters

European coal prices fell 3.4% last week falling to \$53.30 a tonne on Wednesday, the lowest level since June 2016. Power demand across Europe is curbed by lockdown restrictions.

Sweden officially closed its last coal-fired power station becoming the third EU country after Belgium and Austria to do so.



Regulatory and Market News

Ylem repurposes landfill gas engines for flex at old colliery

Following its recent completion of a 20MW flexible generation plant in Trafford, Greater Manchester – Salford-based Ylem Energy, has confirmed that a further 6.6MW system has commenced operation at an industrial site on the outskirts of Skelmerdale, Lancashire.

Located at the Blaguegate Works on the site of a former colliery, the facility comprises of six natural-gas-fuelled generators that can produce a combined output of 6.6MW.

This fast-responding flexible power is essential to help balance the national grid during times of peak demand, especially when the output from fluctuating renewable energy sources such as wind and solar power is low.

Owned and operated by Ylem Energy, the system utilises gas-fuelled generators that have all been repurposed from its own fleet of landfill-gas-generation systems. The company historically built landfill gas engines and has a 180MW landfill gas portfolio.

A generator would normally become available when a landfill site's diminishing gas yield becomes too small to efficiently fuel the installed generator, therefore requiring it to be swapped for a smaller unit.

Completely overhauled in-house by Ylem Energy's team of engineers, the systems have all been refurbished, installed, tested and commissioned in preparation for their contribution towards the UK's drive towards decentralisation.

Ian Gadsby, managing director of Ylem Energy Ltd, commented: "This 6.6MW Blaguegate Works facility is the latest in a current crop of projects we have in various stages of planning and development.

"When complete, our portfolio of self-financed, flexible generation and storage assets will have grown to a combined capacity of some 150MWe – all of which will proactively participate in the balancing market.

"These types of systems are an essential component in securing the UK's energy future and enable it to meet its target of net-zero carbon emissions.

"You only need to look back to the regional blackout experience in the summer of 2019 to see what happens when generation capacity trips and large amounts of the grid supplies are disrupted," he said.

[LINK: Ylem Energy - 6.6MW gas peaking](#)

Ofgem approves SSEN proposal for Shetland-Scotland transmission link

Ofgem has approved a proposal by Scottish and Southern Electricity Networks (SSEN) to build a new 600MW subsea electricity transmission cable from Shetland to mainland Scotland.

The interconnector would allow new wind farms on Shetland to export renewable electricity to the rest of the UK and help support a reliable and clean supply of electricity on the islands.

Regulatory approval remains subject to receiving sufficient evidence that the 457MW Viking Energy Wind Farm project planned for Shetland is likely to go ahead.

Ofgem CEO Jonathan Brearley said: "Today's announcement will help stimulate economic growth as the economy recovers from Covid-19, as well as unlocking Shetland's potential to supply low-cost renewable electricity for consumers across Great Britain."

[LINK: Ofgem - Approves Shetland-Scotland Link](#)

UK Solar output nears 10GW record

Britain's solar PV set a new generation record this week. Output of 9.68GW at lunchtime on Monday 20 April accounted for nearly 30 per cent of all UK electricity, as reported by Sheffield University's PV Live tracker.

The record comes as UK power demand has slumped amid the Covid-19 shutdown. Three weeks ago National Grid ESO reported grid demand down 10% overall, and up to 18% lower during morning peaks.

Embedded solar and reduced baseload will therefore prove more challenging than usual for the system operator this summer, which requires a minimum draw on the transmission system in order to keep it stable.

The National Grid this month appealed for information on flexibility potential from businesses and their third party intermediaries. A relaunch of the mothballed Demand Turn Up Service (DTU) may form part of the answer, though the system operator outlined a number of other approaches in its Summer Outlook.

These include buying more frequency response and reserve products, while paying to keep more responsive plant (such as gas) on the system, curtailing renewables and constraining off less flexible plant. It may also ask pumped storage providers to pump water back uphill when demand is lowest.

[LINK: Sheffield Uni - Solar PV Live Tracker](#)