

Gas

p/therm	5 Mar 21	12 Mar 21	Change
Day-Ahead	44.80	47.55	6.1%
Apr 2021	41.25	47.50	15.2%
Summer 2021	40.05	45.46	13.5%
Winter 2021/22	50.79	54.99	8.3%
12M Annual Apr 2021	45.42	50.23	10.6%

Source: ICE

The **April 2021 Gas** rose 15.2% last week as colder weather forecasts across the UK and Continental Europe led to European gas storage falling below the 5-year average for this time of year. Unplanned Norwegian outages last week also helped to boost short term prices. Scheduled deliveries of LNG were delayed due to strong winds in the seas around the UK preventing shipments from docking.

The **April 2021 Power** rose 9.8% last week tracking the equivalent gas contract. Gains were limited slightly by high wind generation last week, but wind speeds were forecasted to drop off over the weekend and into this week providing support for April Prices.

The **April 2021 12 Month Gas** price rose by 10.6% last week with strong gains for both Summer 21 and Winter 21/22 prices driven by the supply concerns and outages. European gas storage is currently at its lowest point in 3 years at 32.5%.

Optimism for economic recovery continues to increase energy demand estimates for later this year. Coronavirus vaccine rollouts are continuing, and oil imports are increasing worldwide.

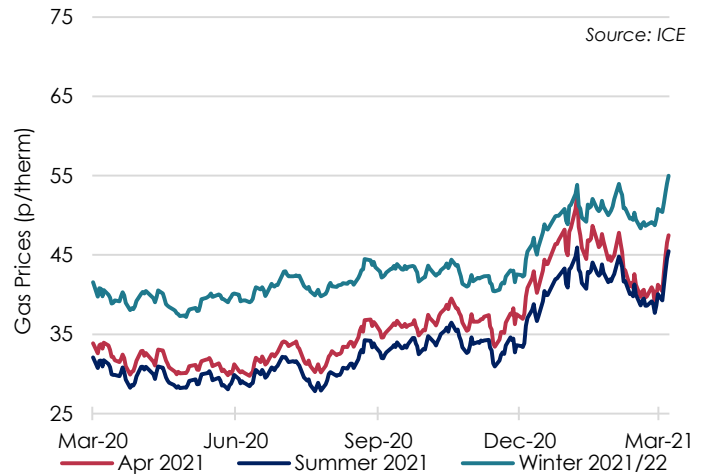
The **April 2021 12 Month Power** price rose by 8.0% last week following the gains in gas. Additionally, power prices were bullish following a new record set by European Carbon as uncertainty over new EU climate laws boosted carbon credit prices.

Power

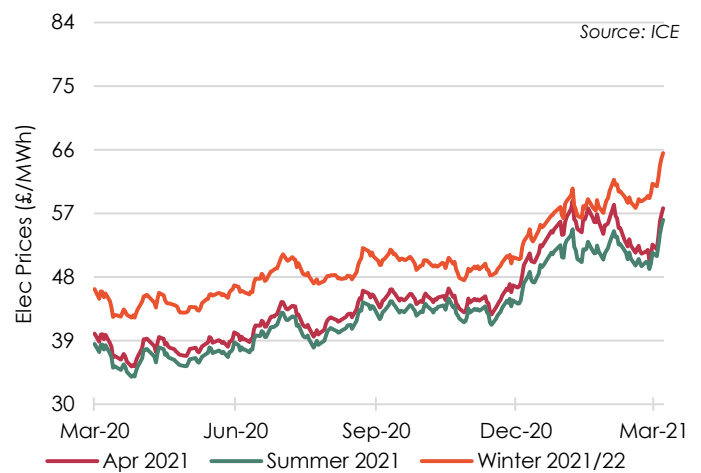
£/MWh	5 Mar 21	12 Mar 21	Change
Day-Ahead	58.88	47.93	-18.6%
Apr 2021	52.56	57.72	9.8%
Summer 2021	51.43	56.10	9.1%
Winter 2021/22	61.19	65.50	7.0%
12M Annual Apr 2021	56.31	60.80	8.0%

Source: ICE

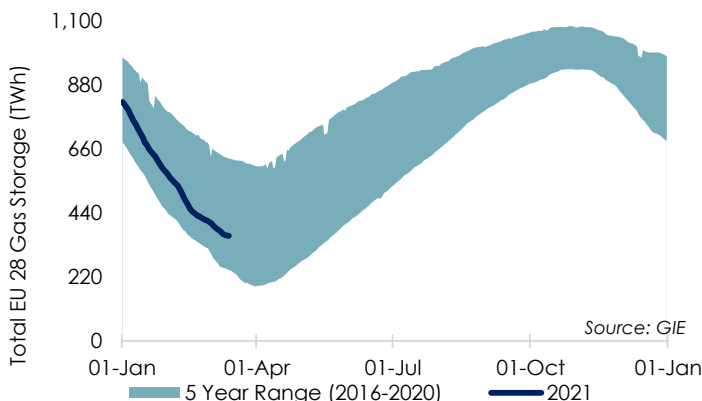
UK Gas



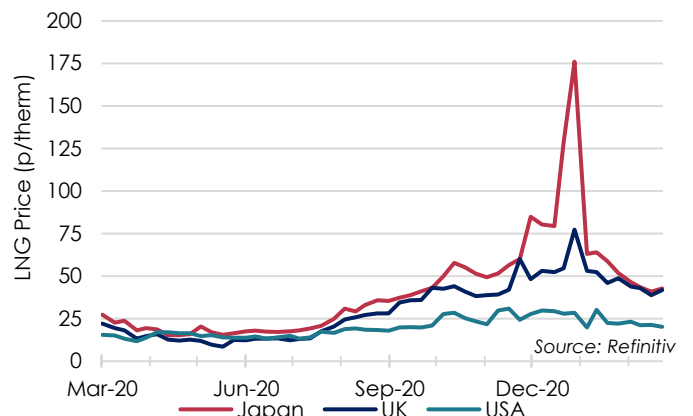
UK Power



European Gas Storage



Global LNG (Japan v UK v USA)



Beond Weekly UK Insight

15 March 2021

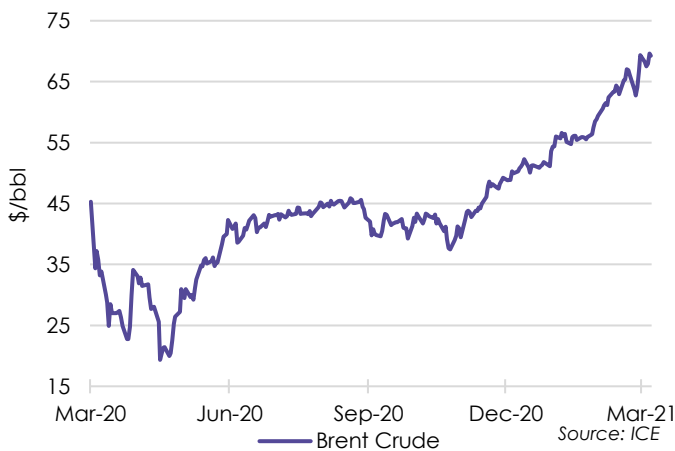
Oil

\$/bbl	5 Mar 21	12 Mar 21	Change
Brent Crude May 21	69.36	69.22	-0.2%

Source: Reuters

Brent crude oil saw little movement week-on-week, falling 0.2% to \$69.22/bbl. Prices fell midweek after US stocks rose by almost 13 million barrels, recovering from the fall in output brought about by the winter storm in February, which hit production and refining facilities in Texas. This jump exceeded previous expectations, which had forecast a rise of just over 800,000 barrels.

Additional losses were limited by the news that in China, the world's largest oil importer, the economy looks to be recovering, indicating a growth in energy demand.



Carbon

€/tCO2	5 Mar 21	12 Mar 21	Change
EUA Dec Yr	38.96	42.77	9.8%

Source: Reuters

European carbon continued to climb last week, rising 9.8% to €42.77/tCO2. Prices broke record highs for four consecutive days, as bullish sentiments and strong gas and power prices provided support.

Elsewhere, uncertainty over the outcome of the ongoing EU climate law talks has also fuelled the rise in carbon prices. Amongst these talks is enforcing the carbon neutral target by 2050 into EU law.



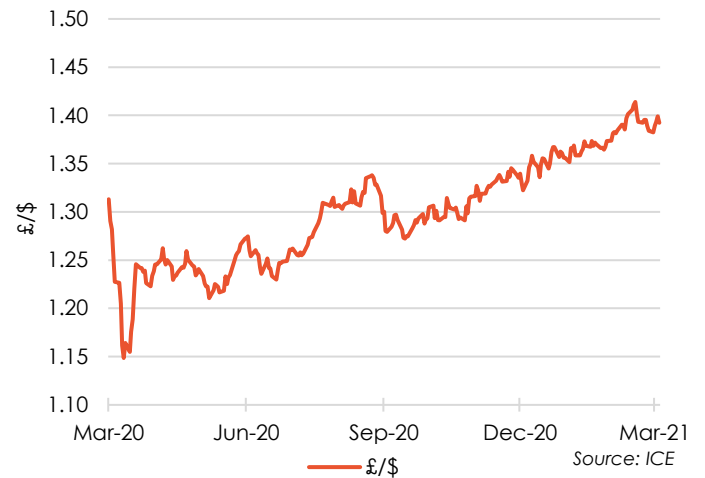
Exchange Rates & Economics

£/\$	5 Mar 21	12 Mar 21	Change
GBP/USD	1.3841	1.3922	0.6%

Source: Reuters

Pound Sterling rose 0.6% last week as the US dollar retreated largely due to increases in the price of oil and US debt having reached 'unfathomable levels', as the debt to GDP ratio stands at 120%.

Domestically, the Pound is also showing further signs of strengthening. With 24 million UK citizens having now had their first vaccine dose against COVID-19 there is now genuine belief that the UK will be better positioned for economic recovery than European counterparts.



Coal

\$/tonne	5 Mar 21	12 Mar 21	Change
API2 CIF ARA Yr	68.50	68.70	0.3%

Source: Reuters

European coal prices rose by 0.3% last week to \$68.70/tonne.

Though demand has seen a steady rise over the last few months, as the impact of COVID-19 has reduced on global production, the increasing cost of EU carbon is now having a dramatic impact on the appetite for coal in Europe, offsetting price rises in more recent months.

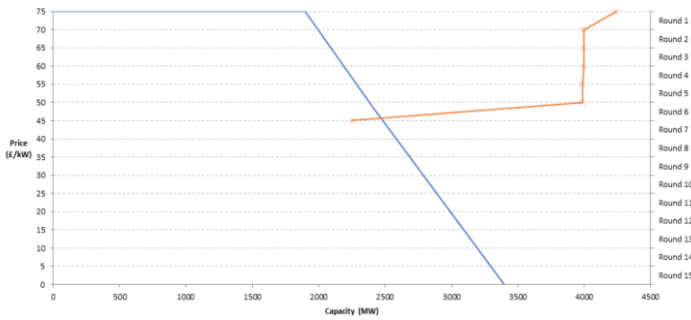


Regulatory and Market News

T-1 Capacity Market auction clears at record £45/kW/year on tighter generation margins

The T-1 Capacity Market (CM) auction has cleared at a record high price of £45/kW/year. National Grid ESO released the results of the auction yesterday in which c. 2252MW of capacity was procured.

T-1 Auction Results, Delivery Year 2021/22



Source: EMR Delivery Body

Tim Dixon from Cornwall Insight said this uplift in target was driven by two Combined Cycle Gas Turbine (CCGT) power stations – the Severn Power and Sutton Bridge stations – going “dormant” following its owner Calon Energy going into administration in summer 2020, as well as several prolonged outages at nuclear plants.

“We believe over the next few years that CM prices will stay high in general for short term procurement,” said Aaron Lally, managing partner of Vest Energy.

Notably, only one coal unit cleared in this year’s auction, with Uniper’s existing 435.179MW CMU agreement standing, while four EDF coal units at West Burton A exited. Given the sheer capacity of the large scale EDF assets, they had a significant weight on the prices in the CM.

According to Alan Smallwood, optimisation director at Anesco: “Given that the T-4 auction for delivery in 2021/22 secured over 50GW of capacity at £8.40/kW, this top-up means that we have hit the procurement target at an average price of under £10/kW, despite the unexpected loss of 2GW of capacity,” Smallwood continued. “It’s actually a great example of the Capacity Market delivering secure capacity at a very reasonable price under difficult circumstances.”

More recently, the T-4 Capacity Market auction for 2024/25 delivery secured a little under 41MW of capacity, clearing at £18/kW/year. This represents a further increase on the previous T-4 auction for 2023/25 delivery that cleared at £15.97/kW/year.

[LINK: EMR Delivery Body - Capacity Market](#)

Gridserve and Ecotricity partner to “transform” UK’s EV charging network

Gridserve and Ecotricity have announced a partnership aimed at upgrading the UK’s EV charging infrastructure on motorways and major roads.

Promising to “transform electric vehicle charging facilities,” the collaboration will cover the upgrading of Ecotricity’s charge points, some of which have been in operation for eight years.

The new partnership is promising that existing chargers will be replaced with new technology, doubling the capacity so that two EVs can charge at once and offering all three connection types: CCS, Chademo and Type 2 AC. Gridserve and Ecotricity have said this initial work will be completed by the end of the summer.

A second phase, due later and subject to planning at each motorway service area, promises the installation of new 350kW chargers.

The new partnership comes off the back of the government trying to encourage more private investment in charging infrastructure. Transport minister Rachel Maclean told the Financial Times’ decarbonisation summit that “we want the private sector to be able to invest ahead of need in the grid”.

[LINK: GRIDSERVE - EV charging partnership with Ecotricity](#)

EDF Renewables secures consent for 50MW grid-scale Sutton Bridge solar farm

Planning consent has been given for EDF Renewables’ 50MW Sutton Bridge solar photovoltaic project in the UK. South Holland District Council has given permission for the project to go ahead after a period of consultation with locals. It will be the first large-scale solar project developed by EDF Renewables in the UK.

EDF Renewables solar head Ben Fawcett said: “We are an experienced developer and we want to work with the communities in the local area to keep them up to speed on the progress of the project.”

“Sutton Bridge is at the forefront of several solar projects we have planned in the UK. Our renewables projects will enable us to contribute to the UK’s green economic recovery from Covid-19 and help the country accelerate to a net zero future,” Fawcett added.

The project team will also explore battery storage and the potential for future electric vehicle charging at the site too.

[LINK: EDF - 50MW Sutton Bridge solar farm](#)