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Last Month Summary

- ◆ UK gas prices posted significant gains during March. Gas prices rose 15.4% to 1.72 p/kWh after a stranded ship blocked the Suez Canal, halting a huge volume of global shipping traffic. This included Liquefied Natural Gas cargoes, delivering gas to Europe. The container ship was eventually freed after more than a week, but experts think it could take 1-2 weeks to completely clear the backlog.
- ◆ Power prices also recorded an increase last month, gaining 11.8% to 6.05 p/kWh, tracking the rise in gas in response to the Suez Canal blockage. Prices were also driven by a drop in wind output, while gains in carbon and coal also supported price increases.
- ◆ European Carbon prices recorded a 12.7% increase to €41.95/tCO₂, as uncertainty over the outcome of the ongoing EU climate law talks also fuelled the rise in carbon prices. On the agenda for these talks is enforcing the carbon neutral target by 2050 into EU law. Brent crude oil prices moved 3.0% lower to \$64.14/bbl, as demand concerns arose following the news of potential fresh lockdowns in Europe after Covid-19 cases rose for a fourth straight week. Germany and France both look set to extend their respective lockdowns.

Wholesale Energy Prices

Contract	26 Feb 21	30 Mar 21	Δ	Change
Gas (p/kWh)*	1.49	1.72	▲	0.23 +15.4%
Electricity (p/kWh)*	5.41	6.05	▲	0.64 +11.8%
Oil (\$/bbl)	66.13	64.14	▼	-1.99 -3.0%
Coal (\$/t)	68.50	71.90	▲	3.40 +5.0%
Carbon (€/tCO ₂)	37.23	41.95	▲	4.72 +12.7%
£/\$	1.39	1.37	▼	-0.02 -1.4%
£/€	1.15	1.17	▲	0.02 +1.7%

*(12 month Rolling Contracts)

Beond Rolling Annual Energy Indices



Wider Market

Coronavirus (Covid-19): More than 30 million people in the UK have received a first dose of a Covid-19 vaccine - part of the biggest inoculation programme the country has ever launched.

The end of March saw the first step in the UK government's plan to cautiously ease lockdown restrictions.

Information on the roadmap out of lockdown is available here: <https://www.gov.uk/government/publications/covid-19-response-spring-2021/covid-19-response-spring-2021-summary>.

Please contact your Beond Account Manager if you have any questions on the impact of lockdown restrictions on your energy contract.

Bearish Price Drivers (↓)

- ◆ Temperatures are expected to steadily rise over the next few months, reducing energy demand for heating.
- ◆ Even with the Covid-19 vaccine rolling out quickly in the UK, it is unlikely business activity in Europe will return to normal for many months.

Bullish Price Drivers (↑)

- ◆ With the roll out of the Covid-19 vaccine making significant progress in the UK, we could see an increase in UK demand as businesses return to normal.
- ◆ In the short term, the backlog of ships at the Suez Canal could take as many as 2 weeks to clear, limiting energy supply to Europe during April

Recommendations

- ◆ Prices remain elevated following the Suez Canal blockage so businesses may prefer to hold off on any renewals for the time being. With temperatures steadily picking up, energy users with Oct 21 renewals should look to lock these away when prices are lower during May-July 21.
- ◆ For later renewals, including those in 2022, May-July may still be the best opportunity for lower prices. Clients should already be discussing their renewal with their account manager, with a view to scheduling auctions for spring or summer 2021.

T-1 Capacity Market auction clears at record £45/kW/year: The increase in CM prices 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.

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