



IndigoSwan

energy enthusiasts

Mini Energy Report

30th of May 2023



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Energy Overview

Headlines:

- ✓ Gas and Electricity Wholesale prices are lower than last week.
- ✓ EU Gas Storage levels are a healthy 68% full.
- ✓ LNG deliveries continue to arrive in Europe.

Since our last Energy Report, Gas and Electricity Year Ahead Wholesale prices are lower.

Energy market confidence continues to build, with the best value being seen for twelve-month contracts starting in July 2023, with small premiums being added to contracts starting further out. EU Gas Storage levels have increased to 68% full, up from 66% last week and against a target of 90% by November. As temperatures rise, this should allow more supplies to be diverted, if there are no further supply disruptions and LNG deliveries head to Europe, rather than to Asia to support China's growing economy. Over the next two weeks, temperatures are expected to be just above seasonal norm.

Wind generation's contribution fell to just 15% over the last week although increased Solar did compensate. Imports from the continent remained high at 20%, with France providing 12%. French Nuclear supplies have increased, although there is always the concern that historical safety issues and stalled maintenance due to strike action, could once again curb their Exports to the UK, requiring us to use more expensive forms of generation during peak demand.

Although there is a downward price trend and we have seen significant reductions this year compared to 2022, there is a premium against 2020 and early 2021. It is generally considered unlikely that we will see those low levels for some time. With little price movement in recent months, concern remains that an unexpected event, which has not been factored into costs, could once again see increases. Therefore, we would advise discussing your options for contracts ending in 2023 with Indigo Swan.

