



IndigoSwan
energy enthusiasts

Mini Energy Report

11th of January 2023



▶ *Written by Lee Hart, Head of Knowhow*

Energy Overview

Headlines:

- ✓ Gas and Electricity Wholesale prices are lower.
- ✓ EU Gas Storage levels are 83% full.
- ✓ Large numbers of LNG shipments to Europe.

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

Yearly Wholesale prices starting in 2023 and 2024 remain high when compared to 2021, but there has been a significant reduction in the last month. Prices for 2025 are showing better value. The government has announced that the Energy Bills Discount Scheme will replace the current, Energy Bill Relief Scheme, from 1st April 2023. At present, a generous discount is applied to contracts and deemed rates, whereas the new scheme will provide a modest discount when Wholesale prices pass a threshold. This will last for 12 months. Please see our Blog for more details.

January has seen a very high contribution of Wind so far, in the region of 42% of total supplies. With the mild temperatures and less use of heating, this has meant that the demand for Gas is below forecasts. EU Gas Storage levels remain very high at 83% full, far more than had been feared before the winter, which had been a main driver for the price spikes. Large numbers of LNG deliveries continue to be made to Europe with more due, although there are further delays to the resumption of shipments from the US Freeport LNG terminal.

There is more confidence in the ability for France to avoid Electricity generation issues, as they bring Nuclear power plants back online. This does allow more opportunity for the UK to Import via the interconnectors. The National Grid has secured additional generation and mechanisms to balance the network if required.

With the ongoing possibility of price volatility due to a great deal of uncertainty and the potential for colder spells, we would advise looking at your options for contracts ending in 2023, having conversations with Indigo Swan about your specific requirements.

