



IndigoSwan

energy enthusiasts

# Mini Energy Report

*22nd of February 2023*



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# Energy Overview

## Headlines:

- ✓ Gas and Electricity Wholesale prices are lower.
- ✓ EU Gas Storage levels are a high, 64% full.
- ✓ Large numbers of LNG shipments to Europe.

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

Record numbers of LNG deliveries are being made to Europe to replace those Gas supplies previously from Russia. The US Freeport LNG terminal has started making deliveries, although it is not expected to be fully operational for at least another month. There will likely be an increased demand for LNG this year from Asia, largely due to China's removal of COVID restrictions, which may impact on deliveries to us. EU Gas Storage levels are currently at 64% full, much higher than had been feared, when commercial restrictions on Gas use was thought a possibility. Energy markets are already factoring in the need to fill Storage to the 90% target by November. The recent milder temperatures have reduced the demand for heating, although this may move higher as a slightly colder spell is due.

The contribution of Gas for generation remains low so far this month, partly due to a continued good supply of Wind at 29%. With the improved availability of cheaper French Nuclear Imports, following large scale maintenance, this reduces some of the burden on the UK to generate high-cost Electricity at peak demand. The National Grid has measures in place to react to any Electricity supply shortages, which includes placing Coal assets on standby.

The government has announced that the Energy Bills Discount Scheme will replace the current, Energy Bill Relief Scheme, from 1st April 2023. [Please see our Blog](#) for more details.

There continues to be some volatility, which may be exaggerated should there be another significant global event. For this reason, we would advise looking at your options for contracts ending in 2023 and having conversations with Indigo Swan about your specific requirements.

