



IndigoSwan  
energy enthusiasts

# Mini Energy Report

*22nd of November 2022*



▶ *Written by Lee Hart, Head of Knowhow*

# Energy Overview

## Headlines:

- ✓ Gas and Electricity Wholesale prices are lower.
- ✓ EU Gas Storage levels are 95% full.
- ✓ Large numbers of LNG shipments are available.

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

Costs for the remainder of 2022 and the first quarter of 2023 remain high. Although 2023 and 2024 show better value, there is still a premium, but does provide an opportunity to contract longer and reduce the shorter term % increases. The government's Energy Bill Relief Scheme continues to provide a capped Wholesale cost for those that contracted from December 2021 and a discount for those not contracted. This started in October 2022 and runs until March 2023, and maybe extended for specific industries. Customers still need to monitor the markets for contracts from April 2023, when they may once again be fully exposed to costs.

EU Gas Storage levels remain high, at 95% full compared to 96% last week. In the UK, we have started to inject Gas into the Rough Storage facility, which although operating at a reduced capacity this winter, does provide us with additional resources if required. We are seeing high numbers of LNG shipments to help support the reduced flows from Russia. Initially concern that the US Freeport LNG provider would not be back online until 2023, did add weight to prices, but this has been revised to mid-December.

Electricity prices continue to follow Gas, which supplied a higher 46% of generation in the last seven days, due to a fall in Wind's contribution. France is heavily reliant on Nuclear power and would usually export to other countries during periods of high demand, but with almost half of their reactors being offline, availability is unclear. This means that we have secured Coal generation for use should there be a power shortage, with other mechanisms in place.

Wholesale prices remain extremely volatile with a great deal of uncertainty. Therefore, we would advise looking at your options for contracts ending in 2023, having conversations with Indigo Swan about your specific requirements.

