



**IndigoSwan**  
energy contract enthusiasts

# Mini Energy Report

*15th of March 2022*



▶ *Written by Lee Hart, Head of Knowhow*

# Energy Overview

## Headlines:

- ✓ Prices ease due to the continuation of Gas supplies into Europe
- ✓ The possibility of Gas shortages remains an upward price pressure
- ✓ The EU's Gas Storage levels are just 26% full compared to 33% last year

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

Wholesale costs for 2022 are very high despite the significant reductions we have seen in the last week. There is better value later in the year and for 2023 and 2024, which does allow an opportunity to contract longer and reduce the shorter term % increases.

The invasion of Ukraine by Russian forces on the 24th of February continues to dominate price direction for Oil, Gas and Electricity. Prices peaked last week as the levels of aggression increased and the markets prepared for additional sanctions. On the 8th, the US announced they would ban imports of Russian Oil, Gas and Coal, whilst the UK and EU stated the intention to reduce their reliance. With EU Gas Storage levels at just 26% full compared to 33% last year and the need to fill Storage for the coming winter, the fact that Russia did not retaliate by cutting off Gas supplies, removed a significant price pressure. However, the threat remains.

Electricity prices have increased due to 31% of the UK's generation coming from Gas so far in March, with Wind falling to just 25% from 35% in February. The Met Office forecast for the remainder of the month suggests temperatures in the region of seasonal norm, with little possibility of a significant Wind contribution.

We would advise looking at your options for contracts ending Q2 and monitoring the remainder of 2022, having conversations with your contact at Indigo Swan about your specific requirements.

