



Market Intelligence

Christmas 2020



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CHRISTMAS
EDITION
2020



So 2020 is drawing to a close and for the vast majority of us it cannot come soon enough.

Energy markets are volatile at the best of times because of the complexity of factors involved in the price-setting process, but it is safe to say that 2020 has been one like no other.

Back in March and April, worldwide demand for power plummeted as industry and commerce went into a virtual full lockdown and prices slumped to levels not experienced for many a year as a result.

Once restrictions eventually began to ease and the working world started

readjusting to the 'new normal', prices inevitably climbed again.

Positive news that two effective COVID-19 vaccines would be rolled out this month also had an impact on both gas and electricity prices, but sadly the feel-good factor didn't last for long.

With a virulent new strain of COVID-19 now among us, it seems the rollercoaster ride is far from over.

Given the events of the past year it may not be possible for everyone to have a great Christmas, but we wish you one nonetheless.



**GAS
REVIEW**



Gas News

The Asia effect

UK day-ahead gas prices traded between 40p and 48p a therm in the last full week of trading before Christmas, compared with almost 30p last December. Surging Asian prices were one of the main drivers behind this.

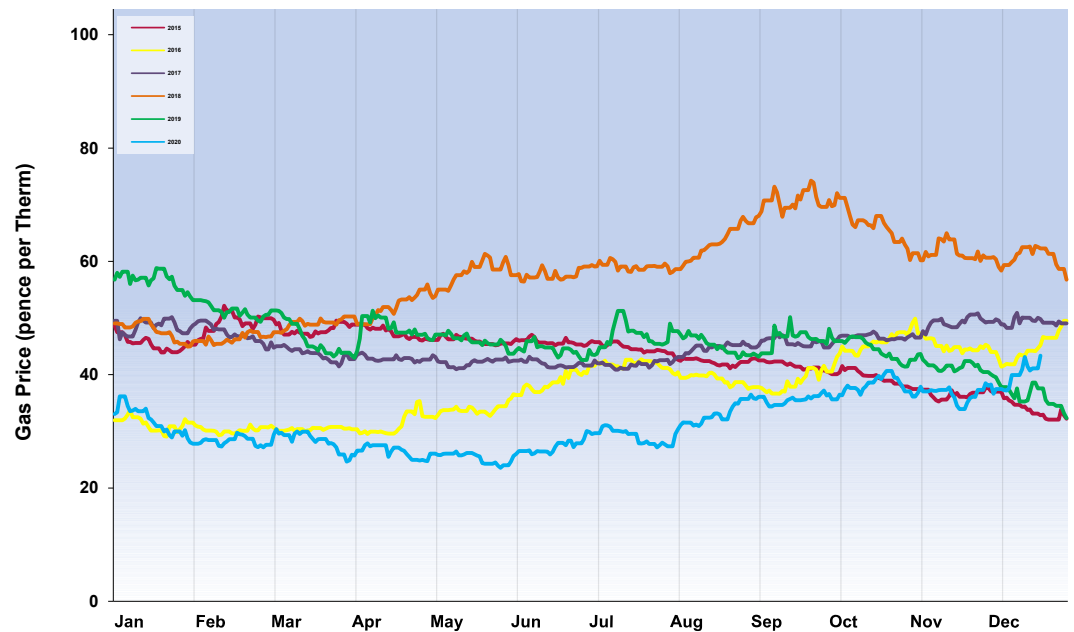
Economies such as China are already close to full-speed after getting to grips with the coronavirus pandemic and demand for gas is high; reports suggest Chinese imports will experience a 20% year-on-year rise this month. Optimism surrounding the COVID-19 vaccine rollout has been another factor in the uptrend in gas prices.

The concern is that if there are limited LNG imports into Europe, there might be an increased demand for withdrawals from



European storage sites, which are already down by around 10% on this time last year. Only a mild winter would alleviate these fears.

Historic NBP Gas Graph



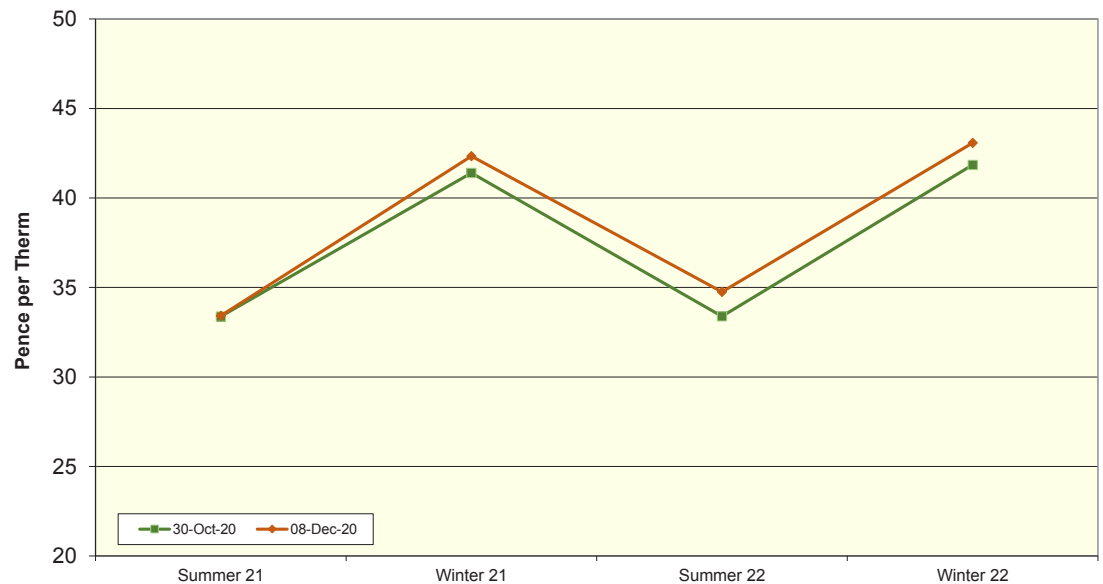
**GAS
REVIEW**



NBP Gas Prices

	Trading date		Increase
	30-Oct-20	08-Dec-20	
Summer 21	33.38	33.42	0.04
Winter 21	41.40	42.34	0.94
Summer 22	33.39	34.75	1.36
Winter 22	41.85	43.08	1.23

Forward NBP Gas Curve



ELECTRICITY REVIEW



Electricity News

A keen wind

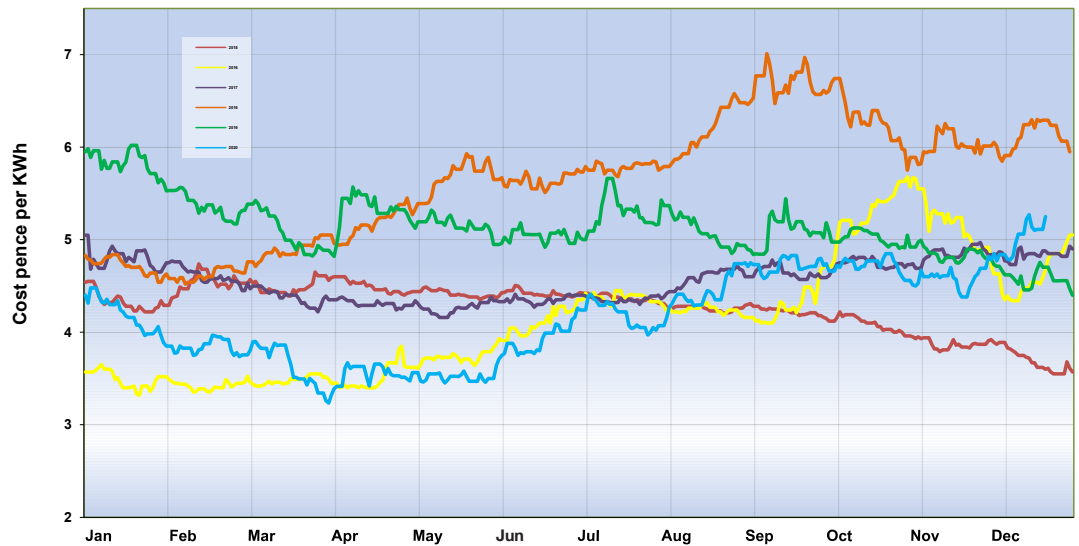
Initially buoyed by news of the vaccine rollout, annuals rose by as much as 5 per cent. However, these have pegged back slightly following revelations a more virulent strain of Covid-19 is now spreading rapidly throughout London and the South East has

November saw gains of 14 per cent on the emissions market, while wind levels

have again been instrumental in driving prices. Wind power accounted for as little as 7 per cent of average daily output to as much as 39 per cent as prices troughed.

The beginning of December was bullish across all UK power periods, as the first signs of winter weather arrived along with sub-seasonal temperatures and low wind output.

Undelivered Wholesale Electricity Rates



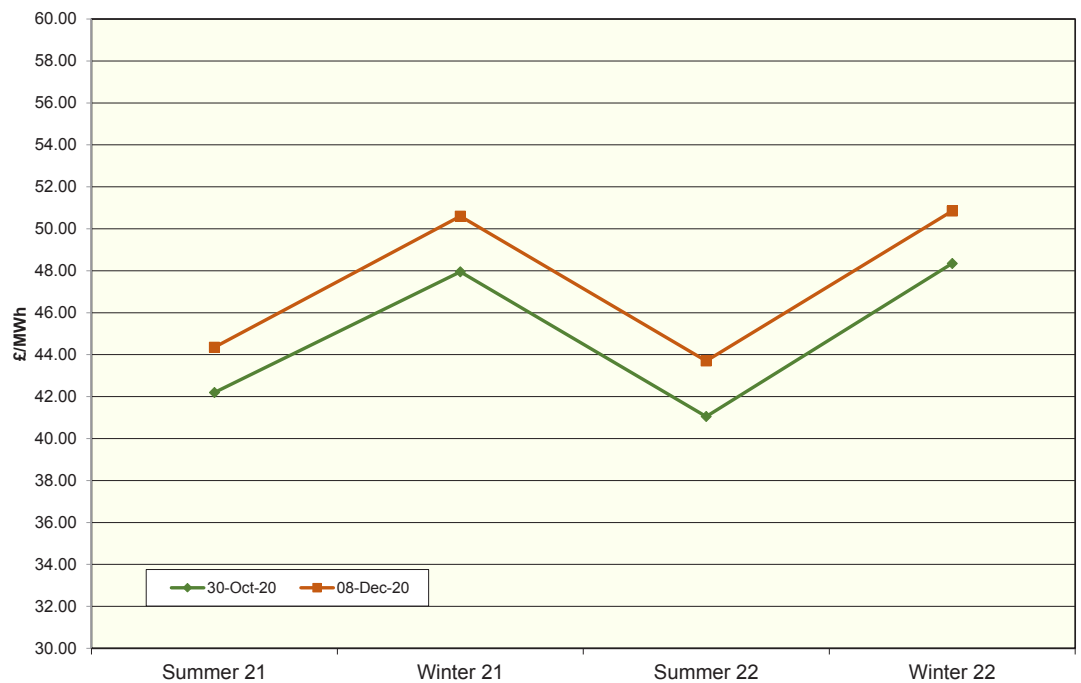
**ELECTRICITY
REVIEW**



OTC Power Price Assessments £/MWh

	Trading date		
	30-Oct-20	08-Dec-20	Increase
Summer 21	42.20	44.35	2.15
Winter 21	47.95	50.60	2.65
Summer 22	41.05	43.70	2.65
Winter 22	48.35	50.85	2.50

OTC Electricity Forward Price Curve



OIL REVIEW



Production increases on hold

North Sea oil prices have rebounded with OPEC+ stating their plans to extend production cuts for another few months from January. Also, the resolution of the US Presidential election, at long last, has helped provide more certainty and that has contributed to the uptrend too.

Oil has continued to rise throughout the latter part of 2020 and is up on late

October levels. A key driver in this is the expectation amongst the powers-that-be that OPEC+ oil states will delay a planned production increase in January.

The IEA (International Energy Agency) is saying a vaccine is “unlikely to ride to the rescue of the global oil market for some time.”

SECR

Don't miss the deadline

With the disruption caused by COVID-19, it is easy for businesses to overlook compliance issues – such as the Streamlined Energy and Carbon Reporting (SECR) deadline.

SECR came into effect in April 2019 with the aim of simplifying carbon and energy reporting and to promote energy efficiency.

Whether your business was one of 11,900 UK companies involved in the SECR process in its first year or if you're entering the scheme for the first time in 2021, it is important that you have all the information you need.

Whilst still just over three months away, SECR involves a lot of data and putting that together in one report can be time-consuming.

As an external energy management consultancy with an expertise in compliance and energy-related legislation, we can collate, analyse and present this sustainability data for you.

Customers of ours have found the Energy Management portal, EM-Powered, to be an invaluable resource in collating and categorising energy consumption data.

Sustainability is dominating the energy agenda for companies at the moment, and will do for a long time ahead as the UK strives towards its 2030 carbon-zero target.

Companies are increasingly being judged by the public on their attempts to become

more 'green' and completing SECR helps to promote positive achievements in this area.

What's the criteria?

If your business meets two of the three criteria listed below in the financial year being reported on, you will need to comply.

- More than 250 employees
- £36m or more turnover
- Balance sheet total of more than £18m

Still unsure? Find out if you are required to comply by using our [SECR checker tool](#).

At Energy Management, we have in-house CIBSE qualified lead assessors who will be more than happy to guide you through the compliancy process.

If you would like any advice or help in making sure you are SECR compliant, please get in touch on 01225-867722 or visit our dedicated [web page](#)

- SECR – April 2020 deadline
- From the 27th June 2020 more companies will get an extension on their account filing deadline
- If your company has already had a filing extension, this will not be extended again
- Check companies house for your new filing deadline

