



Market Intelligence

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GAS REVIEW



Gas News

Maintenance period

The Gas market will become more sensitive to any unplanned events over the next few weeks due to summer maintenance in North Sea infrastructure beginning to intensify. Work is scheduled to be carried out at Holland's Groningen field, which has been consistently tightening production caps in an attempt to reduce extraction-related earthquakes. Work on the Nord Stream 2 pipeline between Russia and Germany is continuing at a rapid pace with the hope that it can be finalised by early next year, despite Denmark forcing some of the pipeline to be re-routed.

Exports through the main interconnector,

between the UK and Belgium, fell below 6mcm/day at some points in August, only managing one fifth of the flow rates that were achieved at the start of July. Rising European gas stock levels have helped to dampen export interest. European gas storage site capacity is currently sitting at 92% fullness, up from 75% at this time last year.

Prices were affected by an increase in LNG volumes being sent into the grid, which was an already well-supplied system due to currently strong Norwegian flows, reduced exports and low demand.

Historic NBP Gas Graph



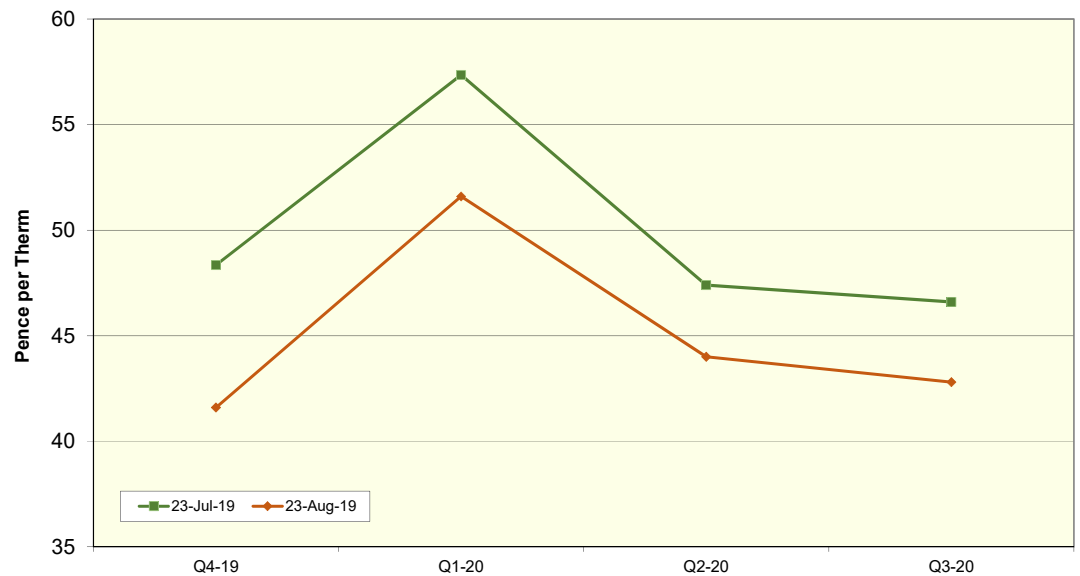
**GAS
REVIEW**



NBP Gas Prices

	Trading date		
	23-Jul-19	23-Aug-19	Increase
Q4-19	48.35	41.60	-6.75
Q1-20	57.35	51.60	-5.75
Q2-20	47.40	44.00	-3.40
Q3-20	46.60	42.80	-3.80
Day-Ahead	29.40	26.60	-2.80
Gas Year 19	49.93	45.00	-4.93

Forward NBP Gas Curve



**ELECTRICITY
REVIEW**



Electricity News

Ongoing tension

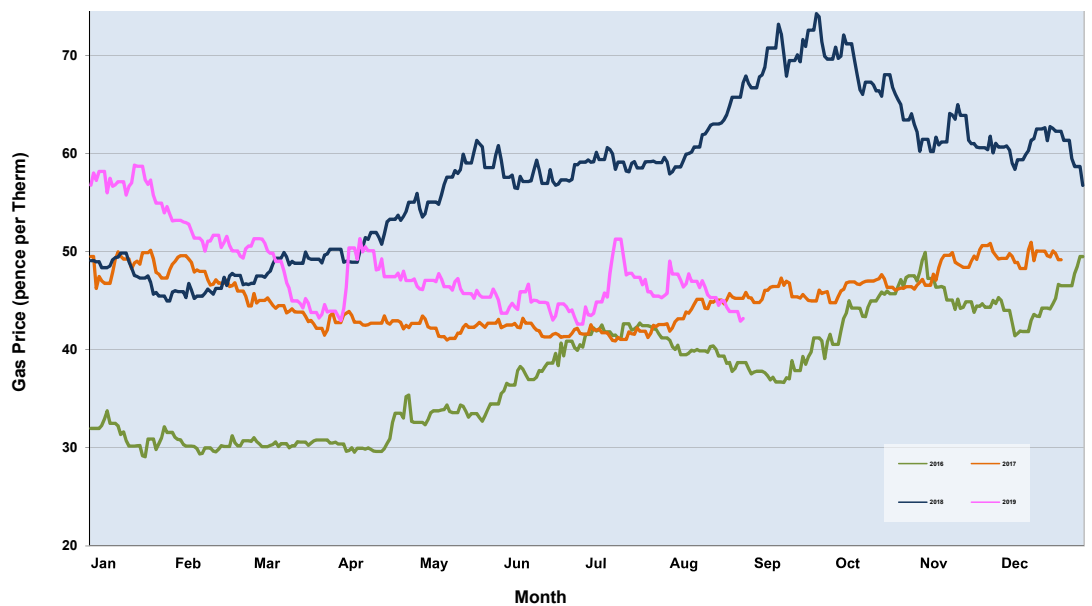
UK Power prices have been affected by a variety of factors over the last month. The ongoing tension between Iran and the West is one with oil prices going up as a result. Other energy markets have not been immune to the knock-on effect of this troubled geopolitical landscape either.

From a weather perspective, short-term prices were pushed up to their highest level since February on the back of a late July heatwave, affecting several European countries. Cooling demand spiked with several power stations being forced offline due to heating restrictions. Demand for UK

power exports surged on the back of this with the UK interconnectors with France, Holland and Belgium all switching to export mode for several days.

Meanwhile, EUAs hit a 13-year high in August at €29.7/TCO₂. Boris Johnson's appointment as UK Prime Minister has increased the likelihood of a no-deal Brexit and the UK leaving the European Emissions Trading Scheme. This could lead to an increase in allowance dumping. The UK government has indicated that EUA prices will be held at €16/TCO₂ for one year in the event of a no deal Brexit.

Undelivered Wholesale Electricity Rates



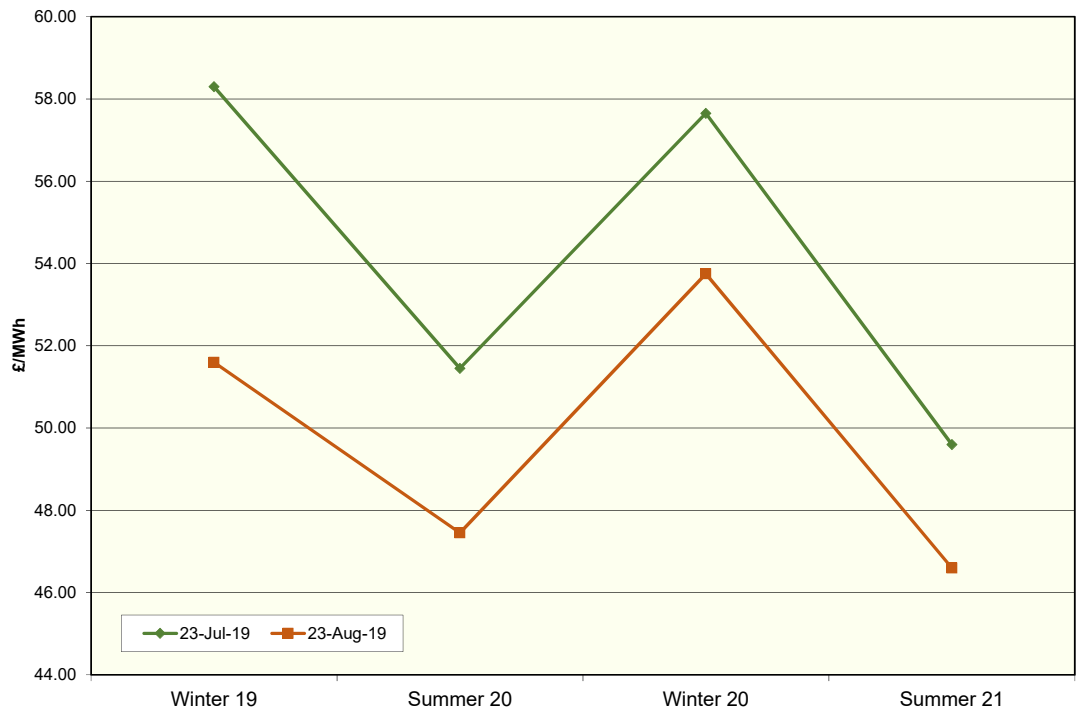
**ELECTRICITY
REVIEW**



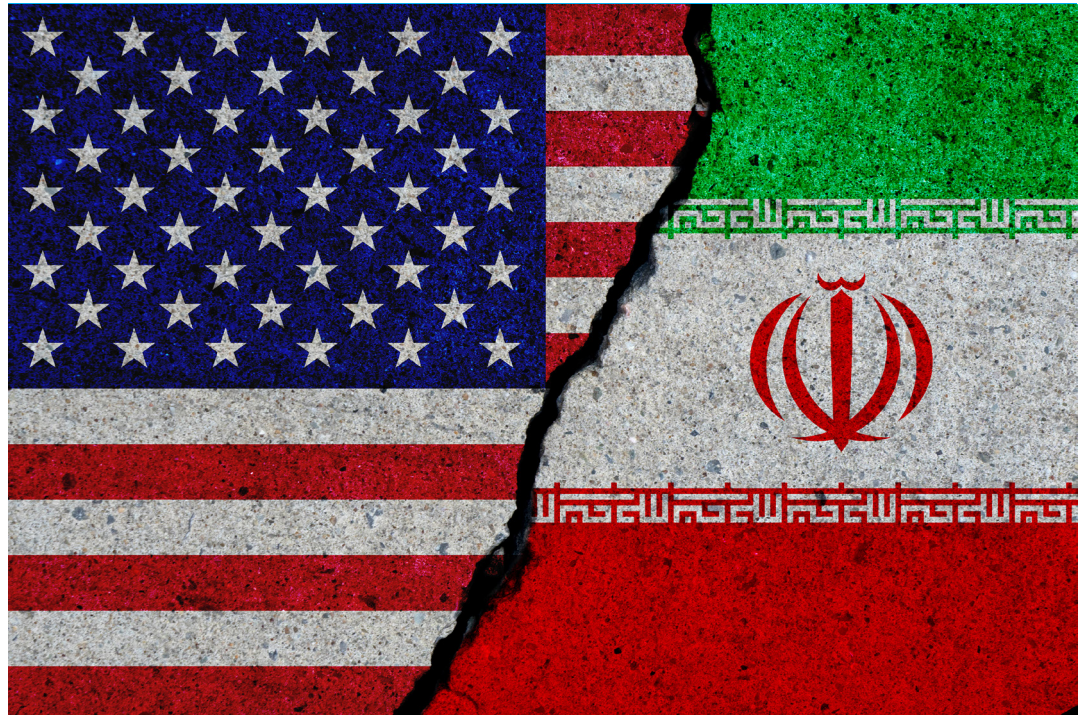
OTC Power Price Assessments £/MWh

	Trading date		Increase
	23-Jul-19	23-Aug-19	
Winter 19	58.30	51.60	-6.70
Summer 20	51.45	47.45	-4.00
Winter 20	57.65	53.75	-3.90
Summer 21	49.60	46.60	-3.00
Day-Ahead	42.90	39.20	-3.70

OTC Electricity Forward Price Curve



OIL REVIEW



Tariffs under focus

UK government is reviewing plans to remove tariffs on oil imports post-Brexit because of fears that competition from untaxed imports could put some UK refineries out of business. Refineries turn crude oil into petrol and diesel, adding £8.6bn to the UK economy and employ 120,000 people. The current tariff on fuel imports from non-EU countries is 4.7%. Critics argue that the UK could become too dependent on producers such as Russia if they were to be removed.

Kenya successfully exported its first ever crude oil shipment from port Mombasa on 23rd August. It was seen as an historic day and a vital step towards the full exploration and development of oil in the East African nation. The country is expected to earn

£69m over the next two years. After establishing themselves in the industry, Kenya's oilfield in Turkana is hoping to produce up to 100,000 barrels per day from 2022.

“ **The current tariff on fuel imports from non-EU countries is 4.7%** ”

The Iranian oil tanker, now under the name Adrian Darya 1, previously detained by British authorities in Gibraltar, is still causing some concern, with the US Secretary of State tweeting that America had “reliable information” the vessel

was on course to Tartus, a major Syrian port city. He also added that it was a “big mistake” to trust any assurances about the ship from Iranian Foreign Minister Javad Zarif. Fears are that ships like Adrian Darya 1 are being used to sell oil illicitly to fund Iran's malign activities and promote terrorism.



**LOOKING
FORWARD**

Remember the date!

There is now less than 12 weeks until the proof of compliance deadline for ESOS phase 2, with December 5th now at the forefront of everyone's minds. From previous experience, we have found it takes roughly three months to become fully ESOS compliant.

Your business will be required to complete this mandatory reporting if you meet either of the following criteria;

- You have 250+ employees
- Your turnover is greater than/equal to €50,000,000 and your balance sheet totals €43,000,000

Failure to comply could land you financial

penalties of up to £90,000 as well as being published on a "name and shame" list.

Resource is becoming scarce in the market so secure your lead assessor now. For more information on ESOS compliance, visit [here](#).

As well as this, organisations reported under the CRC Scheme for the last time at the end of July 2019, while businesses must surrender allowances for emissions from energy supplied in the 2018-19 compliance year by the end of October 2019.

For more information on how we can help your business with any of the above, please contact us on 01225-867722 or alternatively email sales@energymanagementltd.com