May 2026

Energy overview

Your monthly report featuring market updates
and weather review

SSE Energy Solutions

Monthly Report – May 2026

Market Update: Power

Price Movement

Early May: Prices at similar levels to end of April, but remaining well above pre Middle East conflict levels.

Mid-late May: Heatwaves hit UK and Europe, increasing near term prices to meet cooling demand.

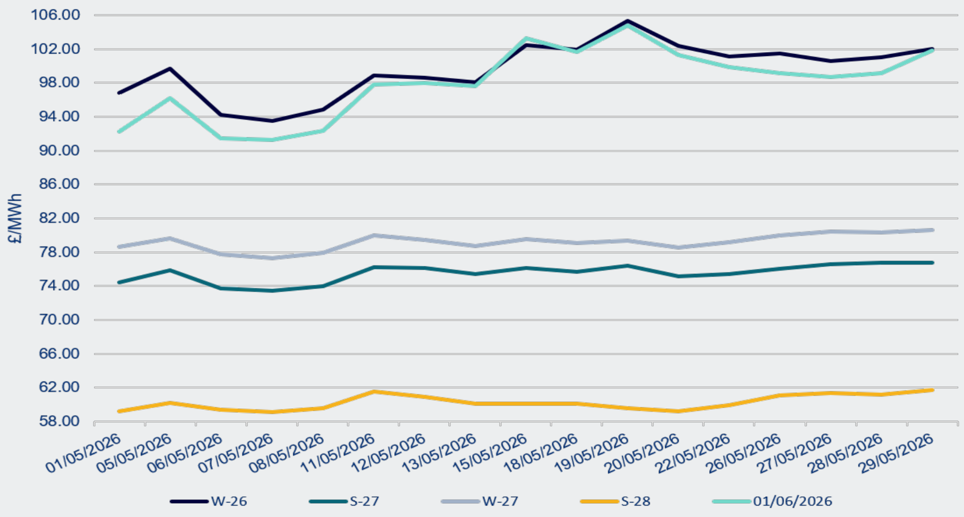
Early June: Cooling temperatures and a return to higher wind output eased prompt prices with DA power at £79/MWh at time of writing.

Drivers

Supply: Above average wind early in the month, solar above average throughout May. Strong flows via interconnector from continent to UK, driven by French nuclear output at five-year high.

Renewables 45%, 22% gas-fired generation, 11% nuclear and 19% via interconnectors were the principle sources of power production.

Baseload Power



Power Bld (£/MWh)	1-May-26	31-May-26	Change	% Change
Jun-26	92.30	101.85	9.55	9%
Winter 26	96.79	102.02	5.23	5%
Summer 27	74.42	76.79	2.37	3%
Winter 27	78.66	80.62	1.96	2%
Summer 28	59.19	61.74	2.55	4%

High	Low	Average
104.76	91.26	98.05
105.31	93.48	99.59
76.79	73.45	75.54
80.62	77.29	79.21
61.74	59.13	60.25

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Monthly Report – May 2026

Market Update: Gas

Price Movement

Early May: Continued softness from April, LNG inflows healthy. Rangebound trading as market balances strong supply versus intermittent upside from geopolitical spillover.

Mid-late May: Upside pressure builds on tighter Norwegian availability and stronger prompt demand, front-end lifts.

Early June: Firmer with volatility from outages and geopolitical backdrop, July currently 118p/th.

Drivers

Supply: LNG offset partially by Norwegian outages.

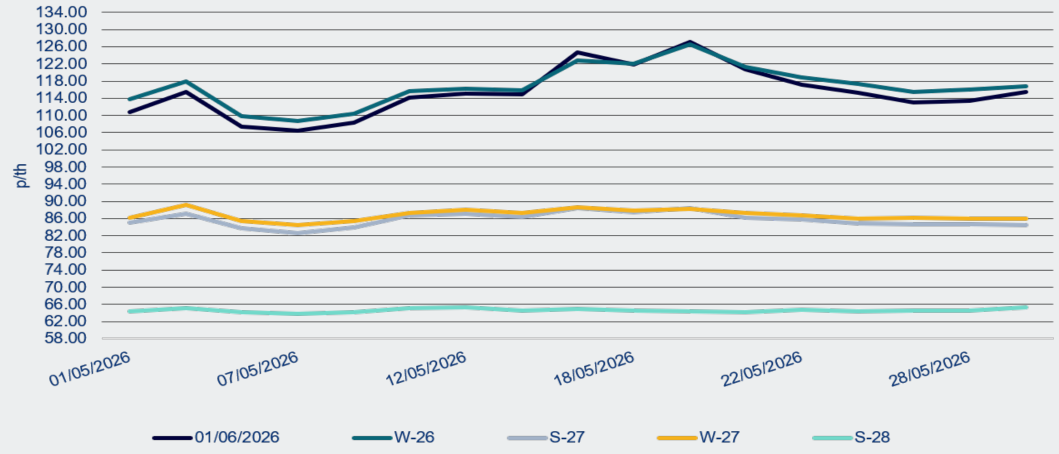
Demand: Weather and gas-for-power generation increasingly relevant.

Storage: Refill pace under scrutiny – key support for winter price.

Flows: European balance still reliant on LNG.

Geopolitics: Oil/gas linkage via LNG plus broader Middle East risk providing intermittent upside shocks.

NBP Gas



Gas NBP (p/th)	1-May-26	31-May-26	Change	% Change
Jun-26	110.69	115.55	↑ 4.86	↑ 4%
Winter 26	113.85	116.80	↑ 2.95	↑ 3%
Summer 27	84.95	84.50	↓ -0.45	↓ -1%
Winter 27	86.15	86.05	↓ -0.10	↓ 0%
Summer 28	64.45	65.35	↑ 0.90	↑ 1%

High	Low	Average
127.10	106.40	115.37
126.60	108.66	116.80
88.45	82.56	85.74
89.10	84.41	86.83
65.35	63.81	64.61

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Market Update: Oil

Price Movement

Early May: Market retraces from late April high as disruption premium fades.

Mid May: Volatile, headline-driven range as flows partially adjust and risk premium stabilises.

Late May: Renewed upside price move as supply risks re-emerge.

Early June: Market firming with spikes on escalation risk, currently $97.60/bl.

Drivers

Supply: Ongoing Middle East disruption (~10mb/d missing). Logistics constraints key driver of volatility.

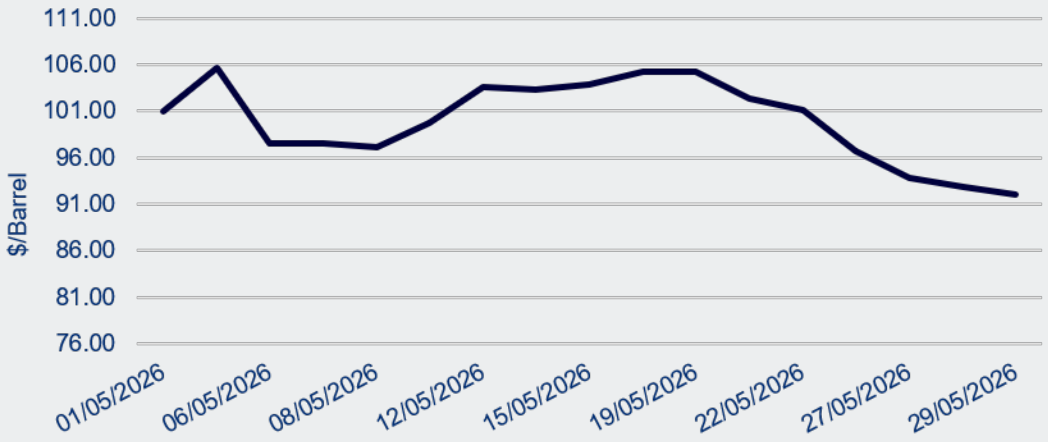
Demand: Signs of softening (IEA), but less supply risk.

Policy: OPEC+ has limited optionality to respond.

Macroeconomy: Sticky inflation plus higher rates, cap on demand but not dominant.

Geopolitics: Primary driver remains escalation risk around Strait of Hormuz.

Front Month Brent



Brent ($/Barrel)	1-May-26	31-May-26	Change	% Change
Front Month	101.06	92.09	-8.97	-10%

High	Low	Average
105.67	92.09	99.96

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Monthly Report – May 2026

Market Update: Carbon

Price Movement

Early May: Rebound on stabilising energy backdrop.

Mid May: Choppy/rangebound, no clear direction.

Late May: Slow grind higher.

May: Firmer again but no clear trend. £51.50/te at time of writing.

Drivers

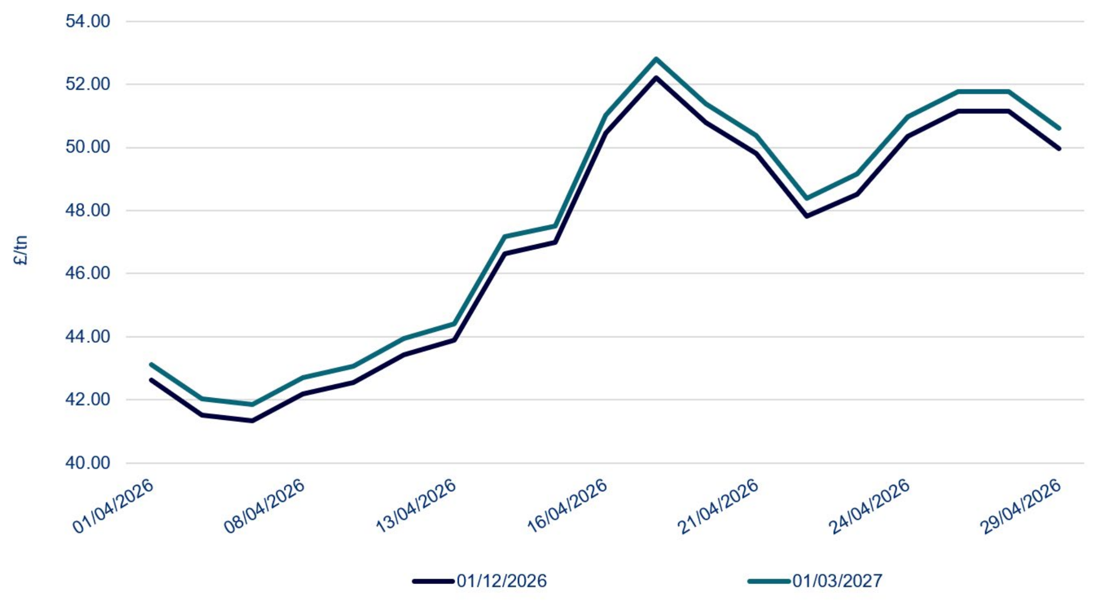
Policy: Linkage of UK/EU ETS supportive, but not driving price.

Fundamentals: Energy volatility feeding through, but impact fading versus March.

Supply: Auction supply plus selling is capping and price rallies.

Regulatory: Limited current market impact.

Carbon UKA



Carbon (£/ton)	1-May-26	31-May-26	Change	% Change
Dec-26	49.97	58.30	8.33	14%

High	Low	Average
58.30	49.15	52.54

Monthly Report – May 2026

Weather Review and Outlook

May Review

May was a very changeable month with a colder, windier, wetter start while finishing out with an extreme heatwave.

Early on, low pressure in Scandinavia brought in Arctic air, with late-season frosts and some hill snow in Scotland.

After a very dry end of April, rainfall started to pick up toward mid-May with a wet, windy, and cool fortnight in Northwest Europe.

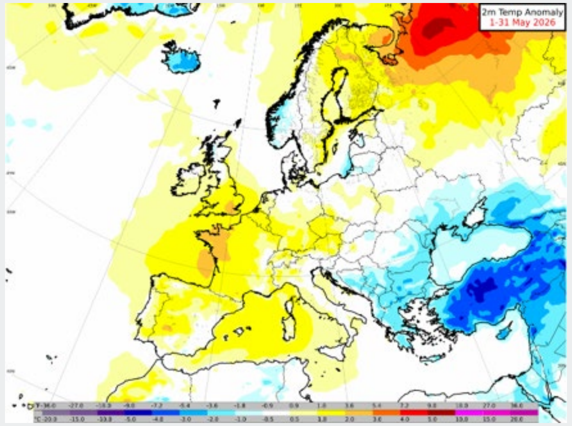
From 21-30 May, much of NW Europe was under a strong “heat dome” style heatwave, which broke the all-time UK May maximum temperature record twice. This brought in ~10 days of hot, low wind, dry, sunny weather that really skewed the monthly averages (charts right).

June Outlook

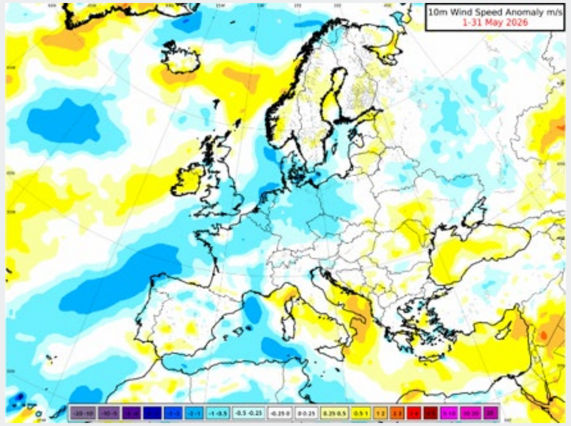
The weather turned right at the end of May into a cooler, wetter, and windier pattern, and that has persisted through early June.

Mid-month there is a strong signal for high pressure around north-western Europe, bringing some sunny, dry, calm weather. This comes with a risk of a heatwave as well, with the most likely places being Spain and France, but possibly elsewhere too. Even if heatwave conditions are not met, temperatures will likely widely be above average through the middle of June. Dry weather is likely for southern France, and often for Germany too, lowering river levels and increasing river temperatures, increasing risk of nuclear plant outages.

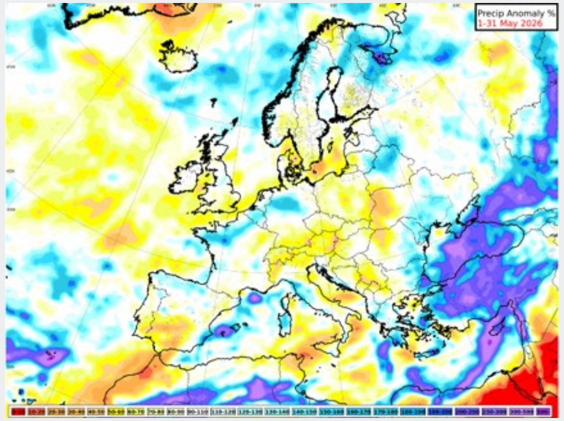
Late in June, unsettled and cooler weather patterns should return and persist in July, but the continent may stay warm and dry.



Temperature anomaly



Wind Speed anomaly



Precipitation anomaly

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EU Gas Storage Watch

Storage levels

European gas storage inventory now 41.8bcm, 8.5bcm behind last year.

Key headlines

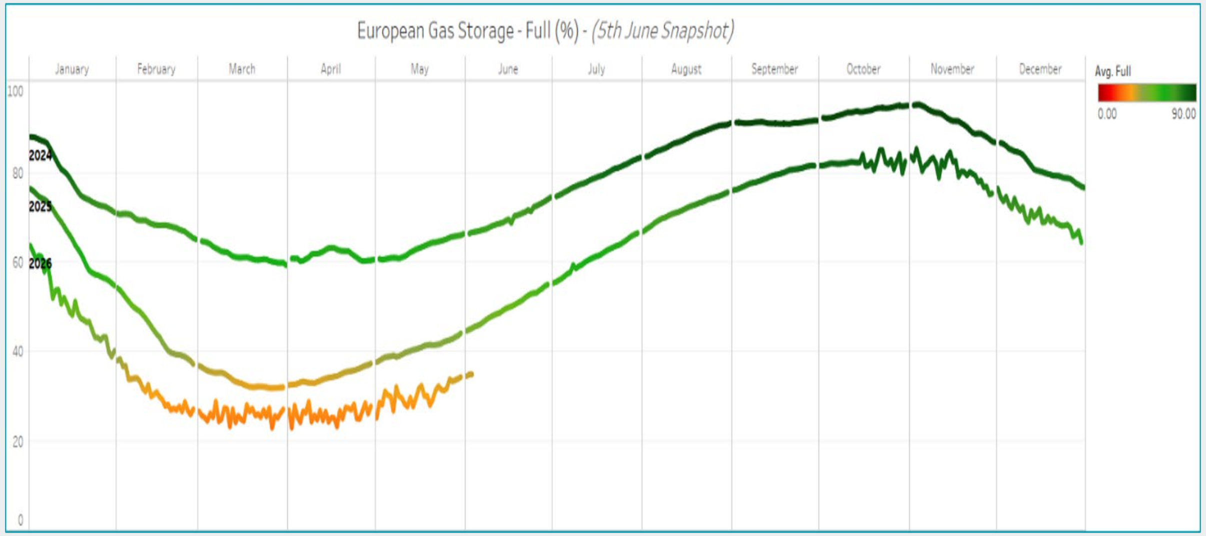
Total EU storage injections stable at 2.2bcm last week.

Norwegian outages end with flows now c 310mcm/d.

LNG send-out falls to c390mcm/d (c600mcm/d in March). Chinese LNG output increases from c150mcm/d in May to 310mcm/d currently.

Overall

Gap remains crucial for winter balances and risk premium.



31 May – EU Gas Storage 38%

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