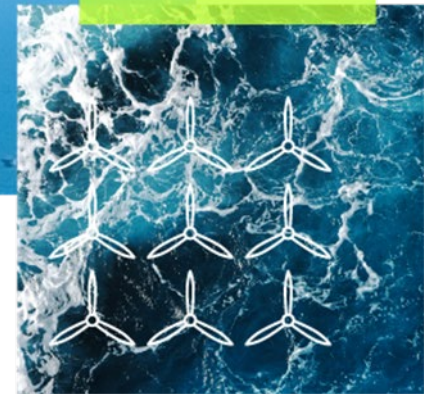
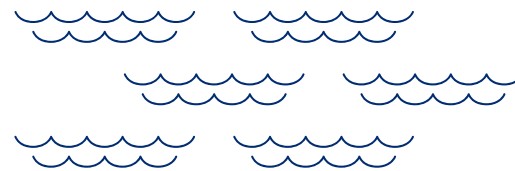


April 2025

Energy overview

Your monthly report featuring market updates
and weather review





Market Update: Power

Review

Despite a windy start to the month, which initially served to suppress spark spread levels, April 25 clean spark spread out-turned at c.£7.50/MWh as gas prices fell relative to the power price.

Solar output increased through the month, which was increasingly dominated by high pressure and sunny conditions across the UK and Northwest Europe.

In Spain and Portugal, the complete failure of the power grid sparked major headlines and investigations into grid resiliency. The cause is still subject to speculation. Solar provided over 50% of Spain's generation at the point of failure, which saw over 15GW of supply disappear in just five seconds.

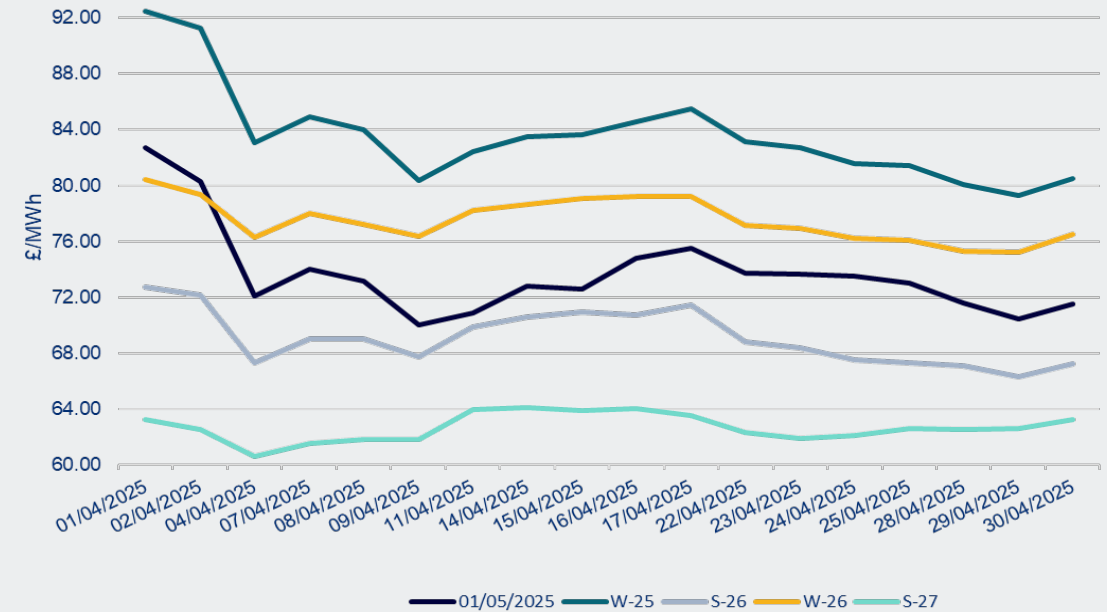
Increasing levels of solar generation has also been a key topic of discussion in the UK, with the 2030 Clean Power Action Plan targeting 45-47GW of capacity. There was only c.250MW of new capacity installed during the first quarter, compared to the 1.2GW of quarterly additions required to meet the low end of the target.

Outlook

Below average wind output for the remainder of the first week of May, and a planned four-day outage on the IFA1 interconnector between UK and France, are likely to influence market direction.

*Clean spark spread: the margin for gas-fired power plants accounting for the difference between power price, the cost generation and the necessary emissions allowances required to produce it.

Baseload Power



Power Bld (£/MWh)	1-Apr-25	30-Apr-25	Change	% Change	High	Low	Average
May-25	103.08	71.49	↓ -31.59	↓ -44%	82.72	70.00	73.68
Winter 25	92.51	80.49	↓ -12.02	↓ -15%	92.48	79.32	83.58
Summer 26	72.71	67.19	↓ -5.51	↓ -8%	72.69	66.26	69.10
Winter 26	80.41	76.49	↓ -3.91	↓ -5%	80.44	75.19	77.53
Summer 27	63.23	63.20	↓ -0.04	↓ 0%	64.10	60.55	62.65



Market Update: Gas

Review

We're now entering injection season for European gas storage with inventories starting to build, albeit slowly, ahead of the mandated target level of 90% full by 1 November.

France and Germany have been vocal in challenging the mandated target, citing concerns that this has had the effect of inflating market prices. In response, the EU has proposed a relaxing of the target to 83%, with member states allowed to meet the target at any point between 1 October and 1 December. Member states would also be permitted to deviate from the target by 4%, if market prices are deemed excessive.

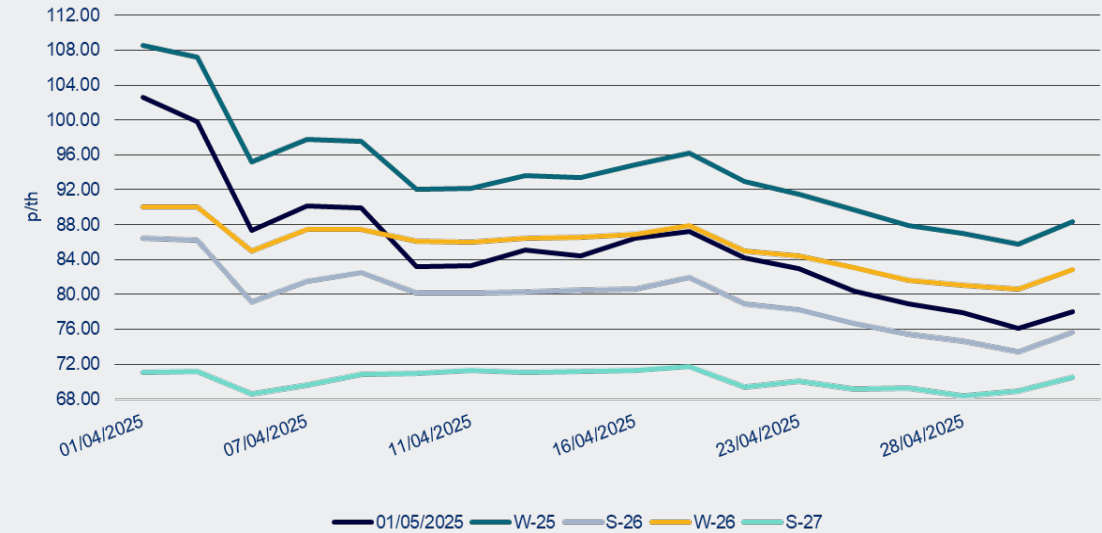
The EU is due to meet on 8 and 9 May to vote on the measure.

The potential legislative change has contributed to the bearish trajectory of the market over the past two weeks. The knock-on effect of the building trade war between the US and China over tit for tat trade tariffs has also been a bearish influence, as China looks to substitute US LNG for Qatari sourced cargoes, meaning the former will flow to Europe.

Outlook

There are signs that traders are starting to shift attention to next winter, with the premium over the current summer price at its highest level since last year.

NBP Gas



Gas NBP (p/th)	1-Apr-25	30-Apr-25	Change	% Change	High	Low	Average
May-25	102.66	77.98	↓ -24.68	↓ -32%	102.65	76.10	85.43
Winter 25	108.52	88.28	↓ -20.24	↓ -23%	108.50	85.80	93.97
Summer 26	86.43	75.69	↓ -10.74	↓ -14%	86.40	73.40	79.57
Winter 26	90.05	82.87	↓ -7.18	↓ -9%	90.08	80.65	85.48
Summer 27	71.13	70.41	↓ -0.72	↓ -1%	71.70	68.40	70.24



Market Update: Oil

Review

Amid ongoing confusion and uncertainty generated by Donald Trump’s “on off” trade tariff policy, oil markets began April in rapid decline, with the price of Brent Crude falling to its lowest mark in over four years.

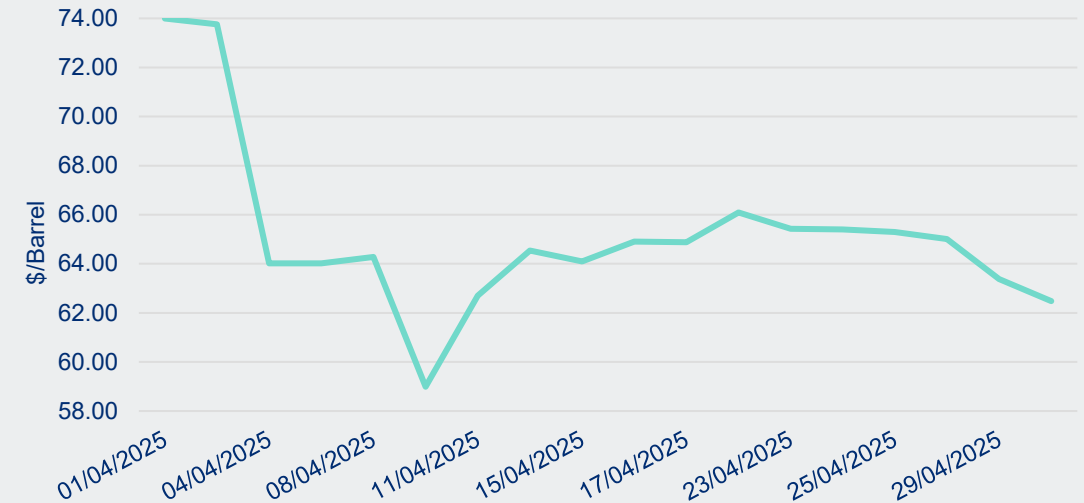
The combination of US tariffs, a retaliatory tariff move by China, and OPEC+ being set to increase production by c.400k bbl/d, all served to weaken the value of crude. The main implication from the application of strict tariffs is the potential for an economic slowdown, thereby dampening global demand for oil.

Later in the month, a more conciliatory tone developed between the US and China, albeit without any substantive remedial action. This prompted a modest rebound and supported EU denominated purchasers, prompted by the weakness of the US dollar, back into action.

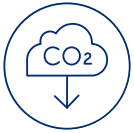
Outlook

Uncertainty regarding the imposition of trade tariffs and the knock-on effect for the global economy is set to continue.

Front Month Brent



Brent (\$/Barrel)	1-Apr-25	30-Apr-25	Change	% Change	High	Low	Average
Front Month	74.01	62.47	↓ -11.55	↓ -18%	73.99	58.99	65.18



Market Update: Carbon

Review

The announcements of US trade tariffs were also felt in the carbon market, with UKA prices dropping over £4/t as the macro economic effects spread far and wide.

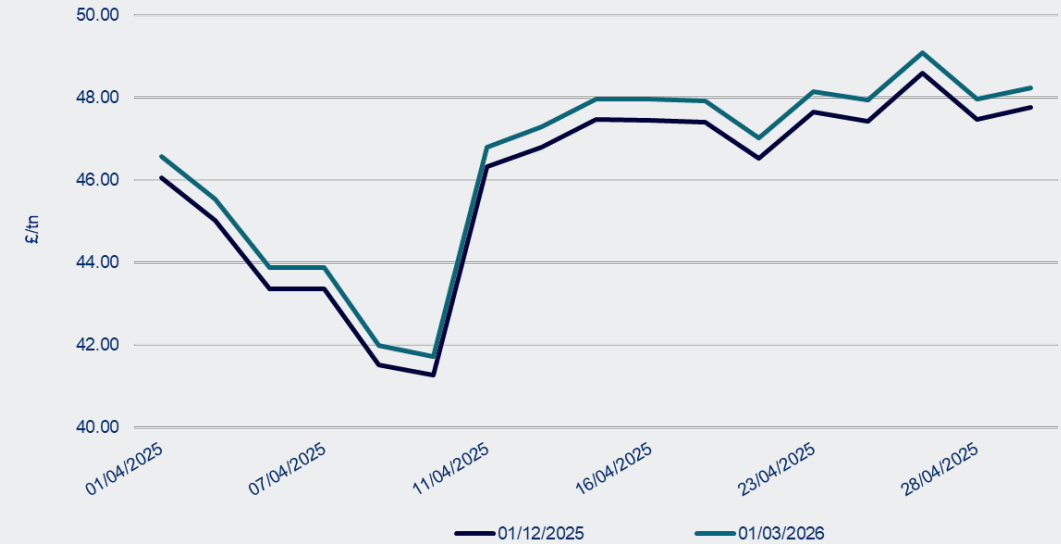
One effect of US trade tariffs could be greater collaboration between the UK and EU, increasing the prospect of a formal linkage of UKAs and EUAs. The two parties are set to meet at an upcoming summit in mid-May.

In terms of market fundamentals, an increase in renewables output, most notably solar, reduced UKA demand.

Outlook

The carbon market looks set to continue to focus on build-up to the UK-EU summit on 19 May, and any further developments in US tariff policy.

Carbon UKA



Carbon (£/ton)	1-Apr-25	30-Apr-25	Change	% Change	High	Low	Average
Dec-25	46.10	47.72	↑ 1.62	↑ 3%	48.59	41.29	45.97
Mar-26	46.68	48.21	↑ 1.54	↑ 3%	49.09	41.73	46.46



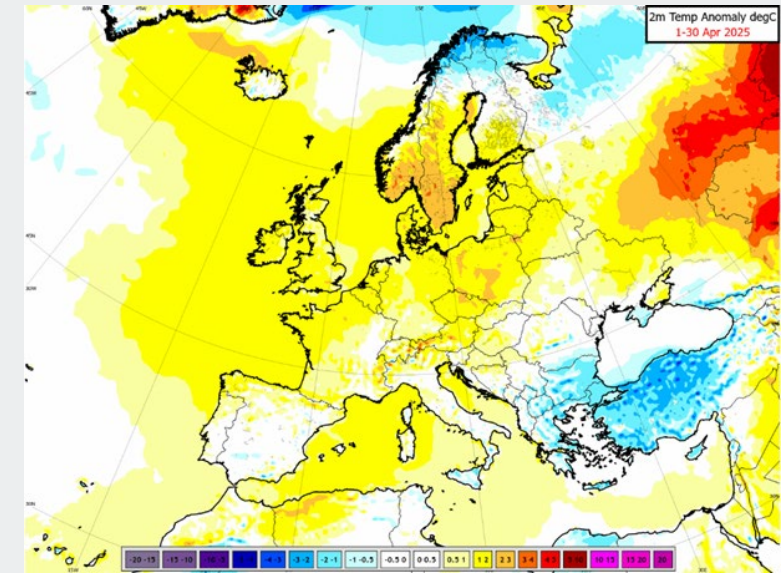
Weather review

April Review

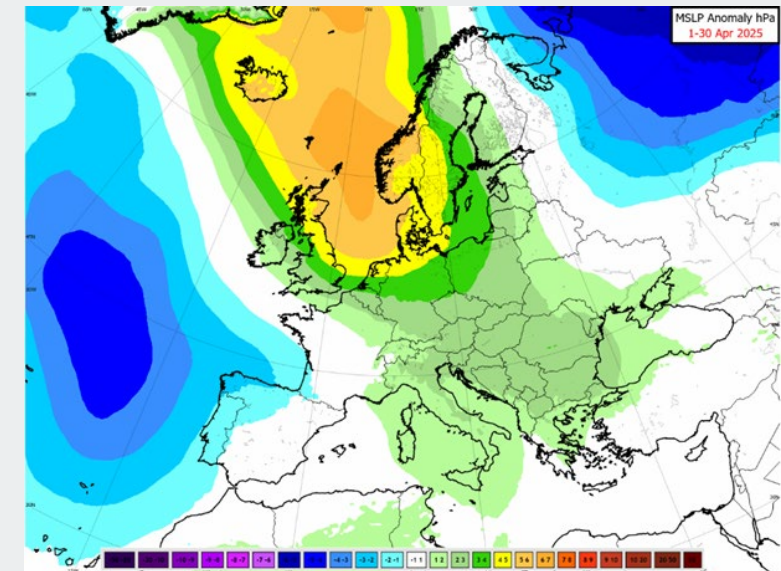
- April was dominated by a lot of high pressure around the North and Norwegian Seas with cyclones west of Europe (right map)
- High pressure caused some very low winds for the North Sea and surrounding areas, including Scotland and Germany
- It was also a sunny and dry month, with very low rainfall for Scotland and some good solar generation across Northwest Europe
- As a result of all the sunshine, temperatures tended to be above average, especially the final week of the month which was very warm

May Outlook

- We could see another mid-month sharp cold snap develop, but chances for this are currently low, around 15%. Spring is here...



Temperature anomaly



Atmospheric pressure anomaly



Monthly Report – April 2025

NESO – Summer 25 Outlook

The National Energy System Operator (NESO) has released its Summer Outlook covering the anticipated running of the operational network over the coming season.

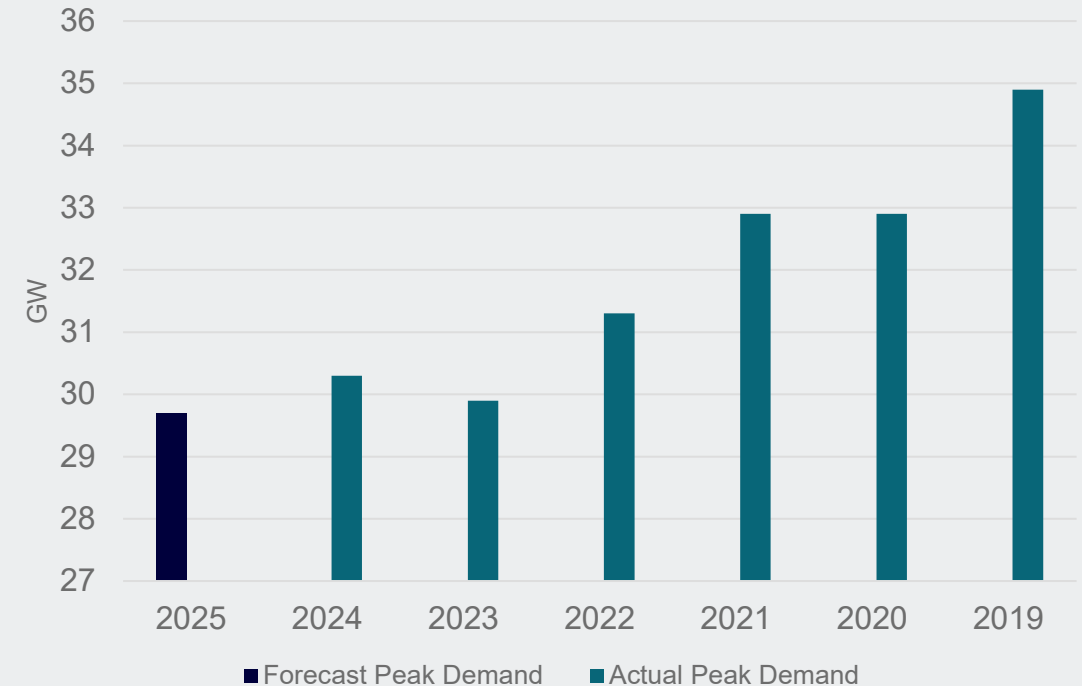
The main headlines are as follows:

- Sufficient supply is expected to meet demand and operational reserve requirements
- Increased international renewable generation will likely see GB importing cheaper surplus power from its European neighbours
- Forecast absolute peak demand is at the lowest level for seven years
- Embedded renewable generation and a broadening range of weather patterns will continue to increase low demand variability, with increasing likelihood that minimum demand will fall in the afternoon, rather than overnight

www.neso.energy/document/359121/download

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Peak National Demand between 1 June and 31 August



2025 – summer peak demand forecast **29.7GW**

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