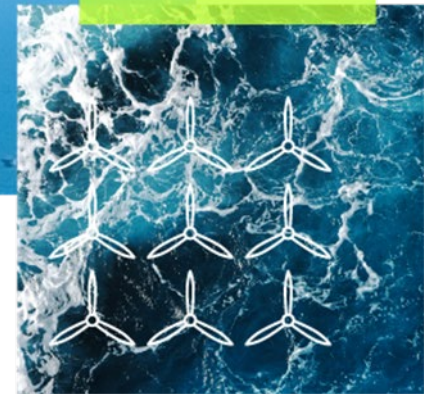
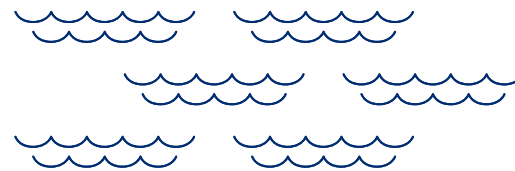


August 2025

# Energy overview

Your monthly report featuring market updates  
and weather review





Monthly Report – August 2025

## Market Update: Power

### Review

August was a month of two halves for prompt power, especially for the clean spark spread.

There were above average winds as Storm Floris blew through, marking the first named storm since January. Clean spark spread levels were -£31/MWh during the period, as unconstrained wind output topped 20GWh.

By contrast, the remainder of the month saw winds fall below average, and temperatures increased to heatwave levels in the UK and on the Continent, which saw the daily spark level top +£7/MWh on 13 August.

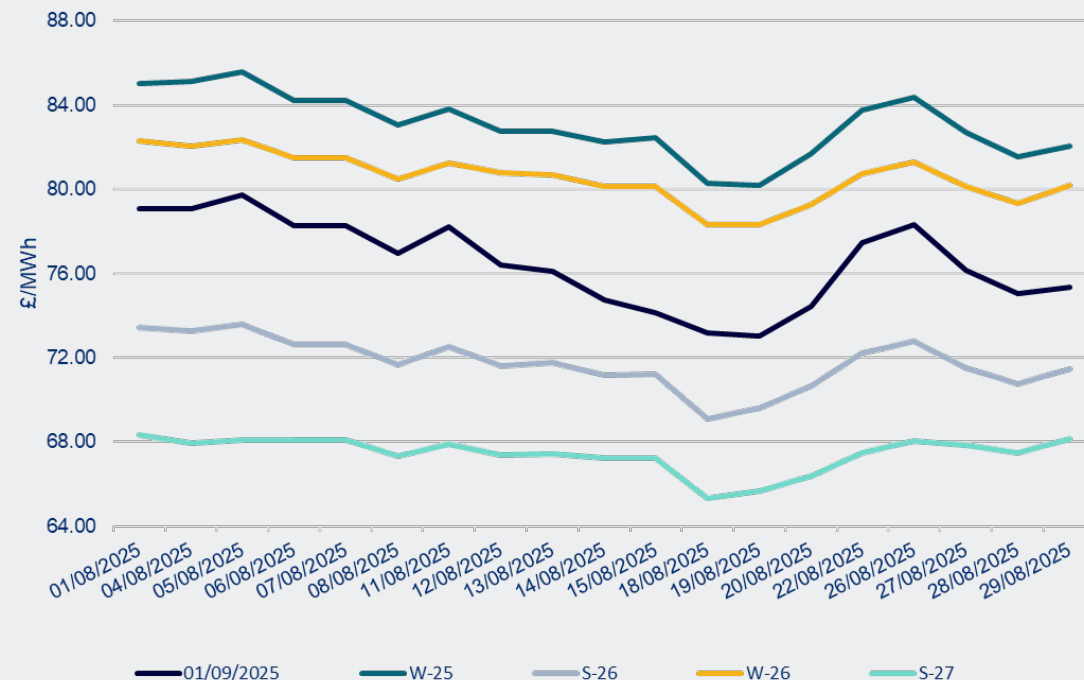
Adding to the bullishness, five of the UK's 10 nuclear power stations were on planned maintenance outage during the latter part of August. In France, nuclear outages were also experienced, though due to natural phenomena, with river temperature increases curtailing output; and at one station, plant shutdown occurred when jellyfish entered water cooling inlets!

### Outlook

A forecast for below average solar in the near week should be offset by above average wind output.

\*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-Aug-25	31-Aug-25	Change	% Change	High	Low	Average
Sep-25	79.07	75.37	↓ -3.71	↓ -5%	79.73	73.05	76.52
Winter 25	85.03	82.06	↓ -2.97	↓ -4%	85.58	80.20	83.05
Summer 26	73.41	71.45	↓ -1.96	↓ -3%	73.58	69.10	71.76
Winter 26	82.30	80.20	↓ -2.10	↓ -3%	82.35	78.30	80.57
Summer 27	68.34	68.13	↓ -0.21	↓ 0%	68.34	65.33	67.44



## Market Update: Gas

### Review

The easing of European heatwaves dampened gas demand as August progressed. By contrast, heatwave conditions across Asia persisted and intensified, leading to near record LNG cargoes heading to China for the time of year, despite pipeline imports and strong domestic production.

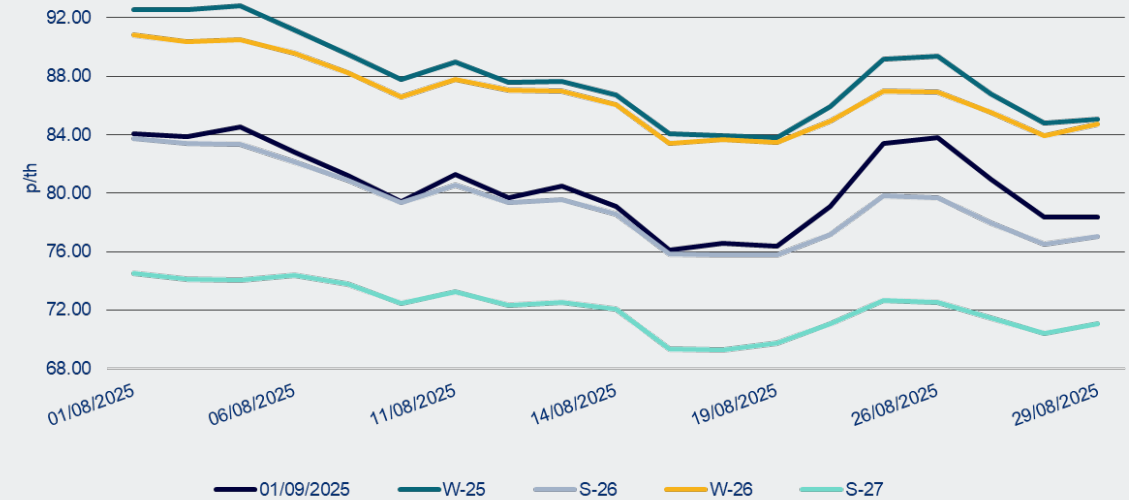
Conversely, European LNG imports have dropped, but not totally to the detriment of storage injections, which continued to build across the month. By the end of August EU storage sat at 77% full, compared to 92% on the corresponding date last year, but still on target to exceed the 80% target before the end of September. Inventories remain well below the five-year average.

Bullish factors influencing the market as the month ended included the start of late summer maintenance in Norway, with flows set to drop by 100mcm/d well into September.

### Outlook

The ongoing geopolitical situation and lower than average storage heading towards winter are set to continue to be dominant market factors.

### NBP Gas



Gas NBP (p/th)	1-Aug-25	31-Aug-25	Change	% Change	High	Low	Average
Sep-25	84.05	78.37	↓ -5.68	↓ -7%	84.55	76.12	80.50
Winter 25	92.55	85.05	↓ -7.50	↓ -9%	92.83	83.80	87.90
Summer 26	83.75	77.05	↓ -6.70	↓ -9%	83.75	75.80	79.29
Winter 26	90.85	84.75	↓ -6.10	↓ -7%	90.85	83.42	86.72
Summer 27	74.50	71.05	↓ -3.45	↓ -5%	74.50	69.30	72.17



Monthly Report – August 2025

## Market Update: Oil

### Review

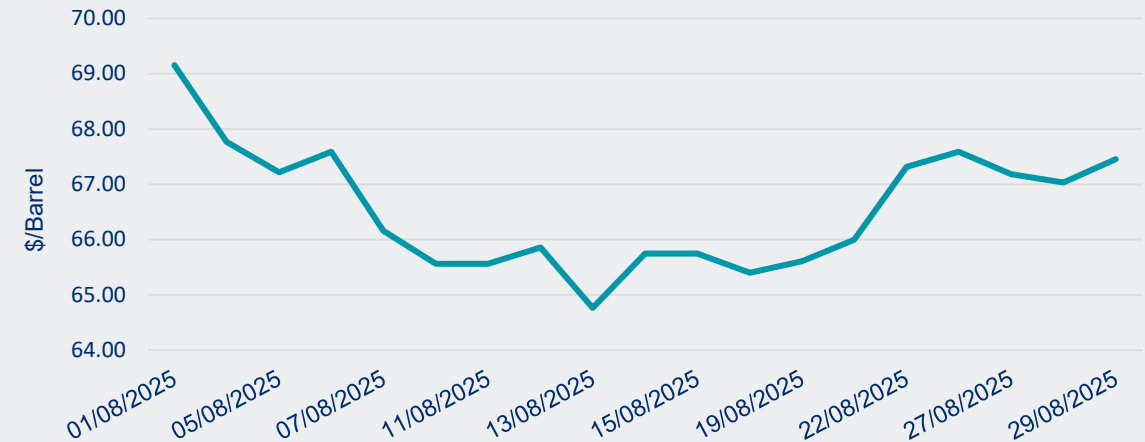
August began with a sell off, as Brent crude fell \$3/barrel. This followed confirmation from OPEC+ of a production increase by 500,000 barrels/day from September, thus fully unwinding the 2.2m barrels/day cuts since April, originally announced in 2023.

Mid-month saw talks between Presidents Trump and Putin, which briefly saw prices lift modestly on tentative prospects for an easing in geopolitical tensions. However, this was quickly tempered as the US carried out its threat to impose 50% tariffs on India, the world's third largest oil importer, for continuing to buy Russian gas.

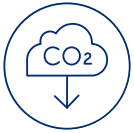
### Outlook

Heading towards Q4, market fundamentals continue to be bearish, with increasing OPEC+ production, but modest demand growth forecasts. A backdrop of ongoing geopolitical uncertainty persists.

### Front Month Brent



Brent (\$/Barrel)	1-Aug-25	31-Aug-25	Change	% Change	High	Low	Average
Front Month	69.15	67.46	↓ -1.70	↓ -3%	69.15	64.77	66.56



## Market Update: Carbon

### Review

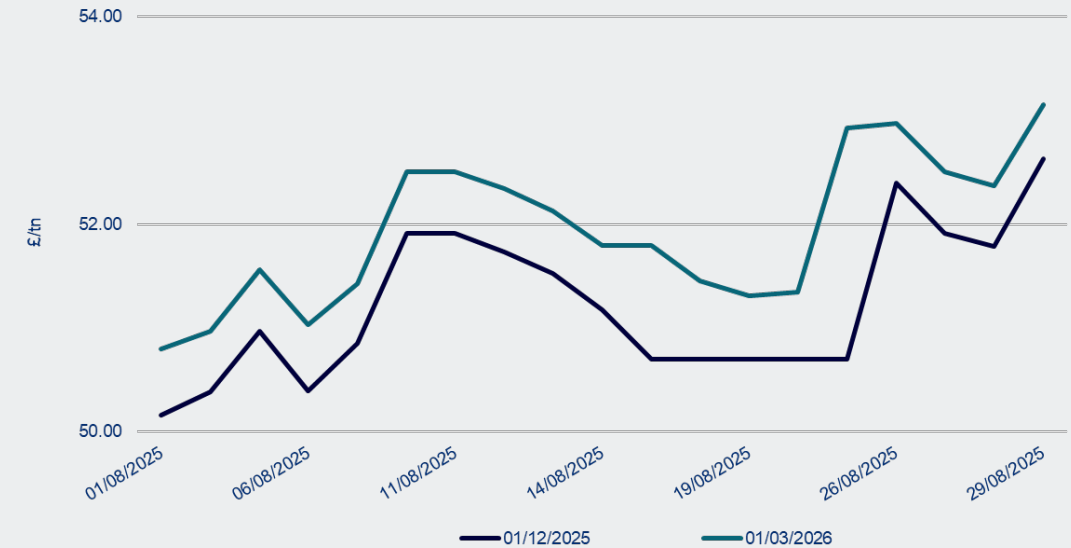
Carbon markets were fairly muted throughout August, with UKAs remaining at a significant discount to EUAs, primarily driven by policy uncertainty, market speculation around UK-EU Emissions Trading Schemes (ETS) linkage, and evolving regulatory developments in both markets.

The UK Government announced a shortlist of 10 carbon capture utilisation and storage (CCUS) projects across four industrial clusters. Around £22 billion of government investment has been allocated to accelerate these projects, representing the largest global investment in CCUS.

### Outlook

Further discussion is anticipated in the move towards UK-EU ETS linkage. The next stage in the process will be for the Council of the EU to grant permission to the European Commission to commence negotiations, likely in Q3 25, with formal negotiations then due to start in Q4 25.

### Carbon UKA



Carbon (£/tn)	1-Aug-25	31-Aug-25	Change	% Change	High	Low	Average
Dec-25	50.16	52.63	↑ 2.46	↑ 5%	52.63	50.16	51.22
Mar-26	50.79	53.14	↑ 2.35	↑ 4%	53.14	50.79	51.94



## Weather review

### August Review

August capped off the warmest summer on record for the UK, with above average temperatures and winds along with dry weather. The charts (right) show what should be a windy but dry month, which hides some sub-monthly variability in the weather patterns.

For the first 10 days, the weather was very unsettled, with high winds and wet weather, and cool. The remainder of the month saw high pressure, sunshine and warmth but low winds. The final weekend of August then turned rather stormy as the remnants of Hurricane Erin arrived with high winds and rainfall.

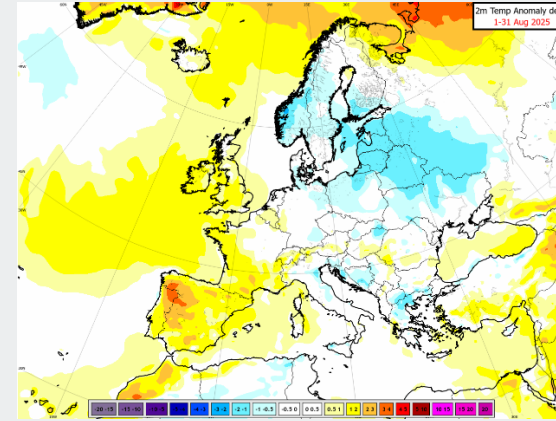
### September Outlook

Meteorological autumn came as August finished: wet, windy and cloudy with temperatures near normal.

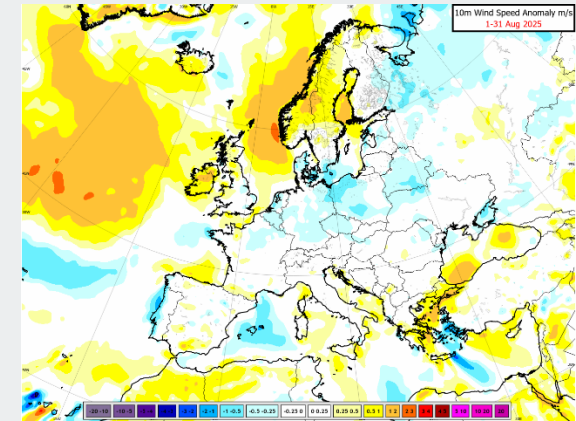
The forecast to mid-month is for high winds, heavy rain and near average temperatures.

Hurricane activity in the Atlantic has eased a bit, but should increase again next week and into mid-month. These storms can influence European weather patterns, so we may see more high pressure and low winds later (20% chance).

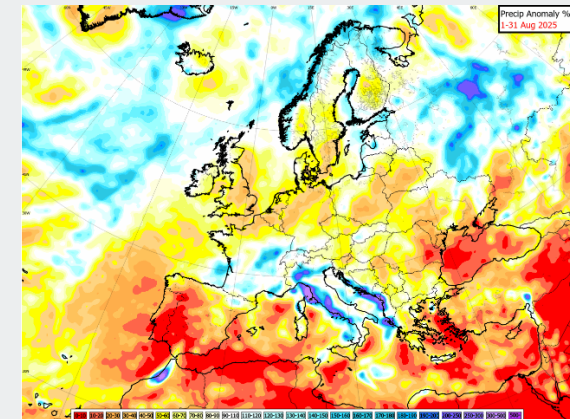
Overall, we're anticipating September to see above average winds and rainfall and slightly cool temperatures for the British Isles. Confidence is high for this weather pattern, but lower on the specifics due to likely hurricane activity later in the month.



Temperature anomaly



Wind speed anomaly



Precipitation anomaly



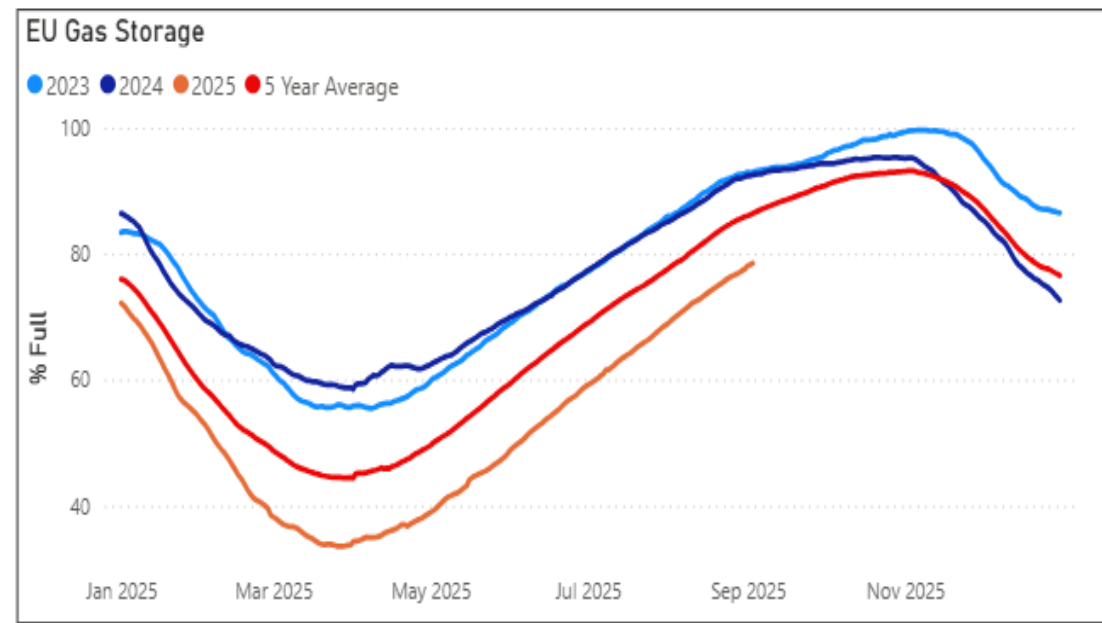


Monthly Report – August 2025

## EU Gas Storage Watch

EU gas in store continues to build ahead of winter, albeit slowly.

By the end of August, EU storage sat at 77% full, compared to 92% on the corresponding date last year, but still on target to exceed the 80% target before the end of September. Inventories remain well below the five-year average.



31 August 2025 – EU Gas Storage at 77.65%

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