

Uncharted Waters....

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The way the MEUC support has adapted to the challenges surrounding COVID should be recognised as not many organisations have been able to adapt that quickly

A collage of various corporate logos including ARK Data Centres, Premier Foods, Sainsbury's, Heathrow, BT, Numatic International, Vodafone, ABB, Heron Foods, mace, JLL, Hanson Heidelberg Cement Group, Reach, BT, B&Q, University of Oxford, ASDA, King's College Hospital NHS Foundation Trust, JM, Northern Ireland Water, Toyota, Seagate, Tarmac, AstraZeneca, ABP Associated British Ports, Tesco, City of London, Fujitsu, Associated British Foods plc, and Arqiva.

Schedule

- Objectives
- Context.....
 - Some good news!
 - What don't we have real control of today?
- The Energy Crisis – Quantified
- Some members' opinions....



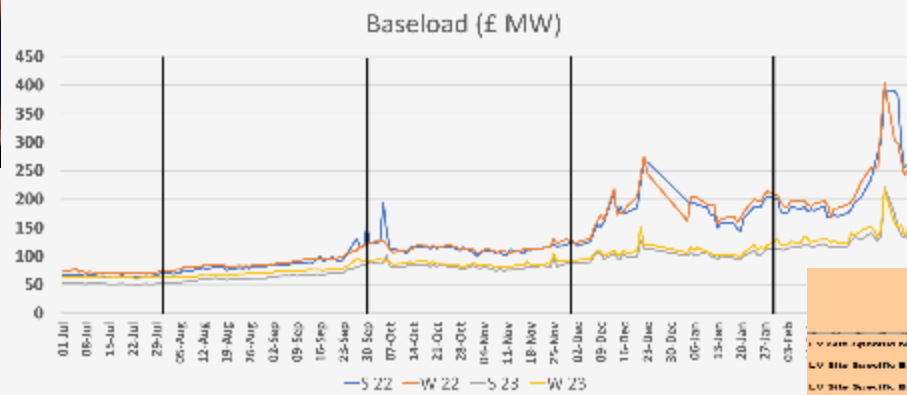
Some Good News

- Almost 50% of gas comes from the UK continental shelf
- A significant volume is from Norway
- LNG is readily available – but increasingly expensive
- Recently, gas prices have been falling....
- We have a broad range of generation capabilities
- There is no shortage of market information



What don't we have full control of today?

- Vladimir Putin -
- Wholesale prices -
- Non-energy Costs -
- Supplier choice -
- Renewables & LNG -
- Wind & Sunshine -

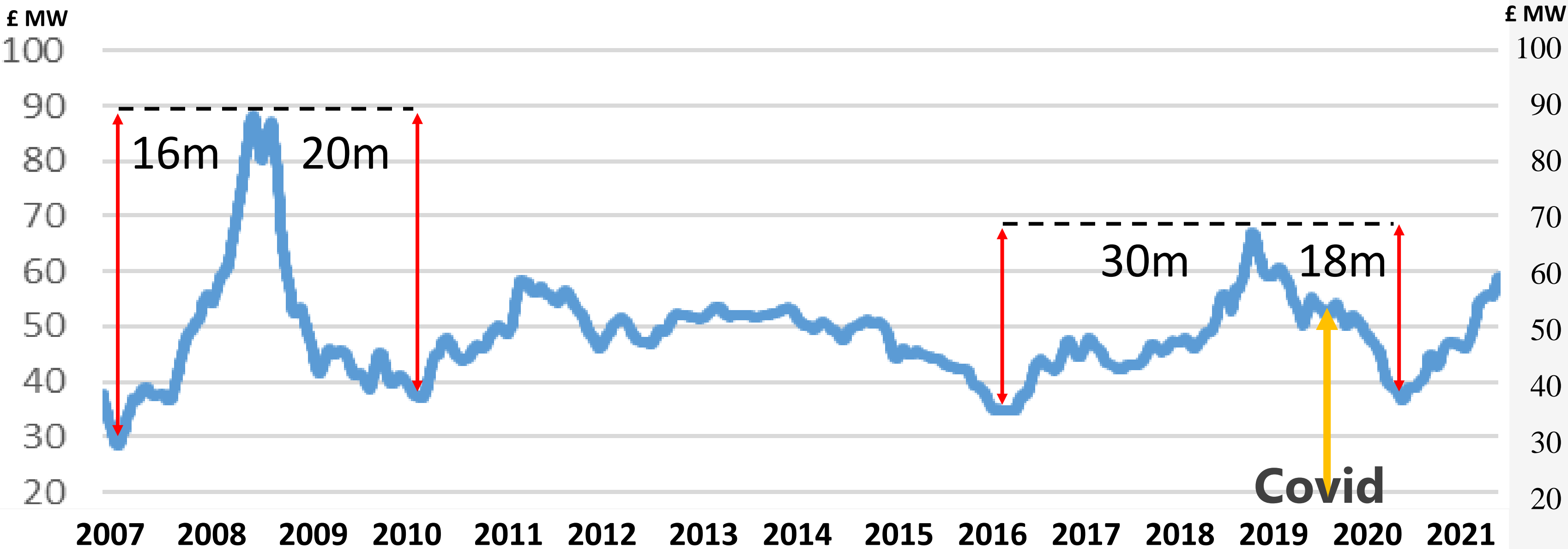


Tariff name	Open 11 ECR	PCR	Red/black unit charge p/kWh	Amber/yellow unit charge p/kWh	Green unit charge p/kWh	Fixed charge p/MPAN/day	Capacity charge p/kVA/day
LV rate response non-essential	1.00, 1.50	0	4.000	0.000	0.000	11.00	2.00
LV Rate Response Band 1	85.000	0	4.000	0.000	0.000	200.00	2.00
LV Rate Response Band 2	1.00	0	4.000	0.000	0.000	200.00	2.00
LV rate response essential	1.00	0	4.000	0.000	0.000	200.00	2.00
LV Rate Response Band 4	1.00	0	4.000	0.000	0.000	1430.00	2.00
LV Rate Response Non-essential	800.000	0	2.000	0.000	0.000	2.00	2.00
LV rate response essential	50	0	2.000	0.000	0.000	200.00	2.00
LV Rate Response Band 2	5.00	0	2.000	0.000	0.000	400.00	2.00
LV Rate Response Band 2	500	0	2.000	0.000	0.000	200.00	2.00
LV rate response essential	500	0	2.000	0.000	0.000	1430.00	2.00
HV Rate Response Non-essential	1400.000	0	1.000	0.000	0.000	82.20	4.32
HV Rate Response Band 1	80.000	0	1.000	0.000	0.000	138.00	4.32
rate response essential	100	0	1.000	0.000	0.000	500.00	4.32
HV Rate Response Band 3	100	0	1.000	0.000	0.000	640.00	4.32
HV Rate Response Band 4	100	0	1.000	0.000	0.000	2400.00	4.32

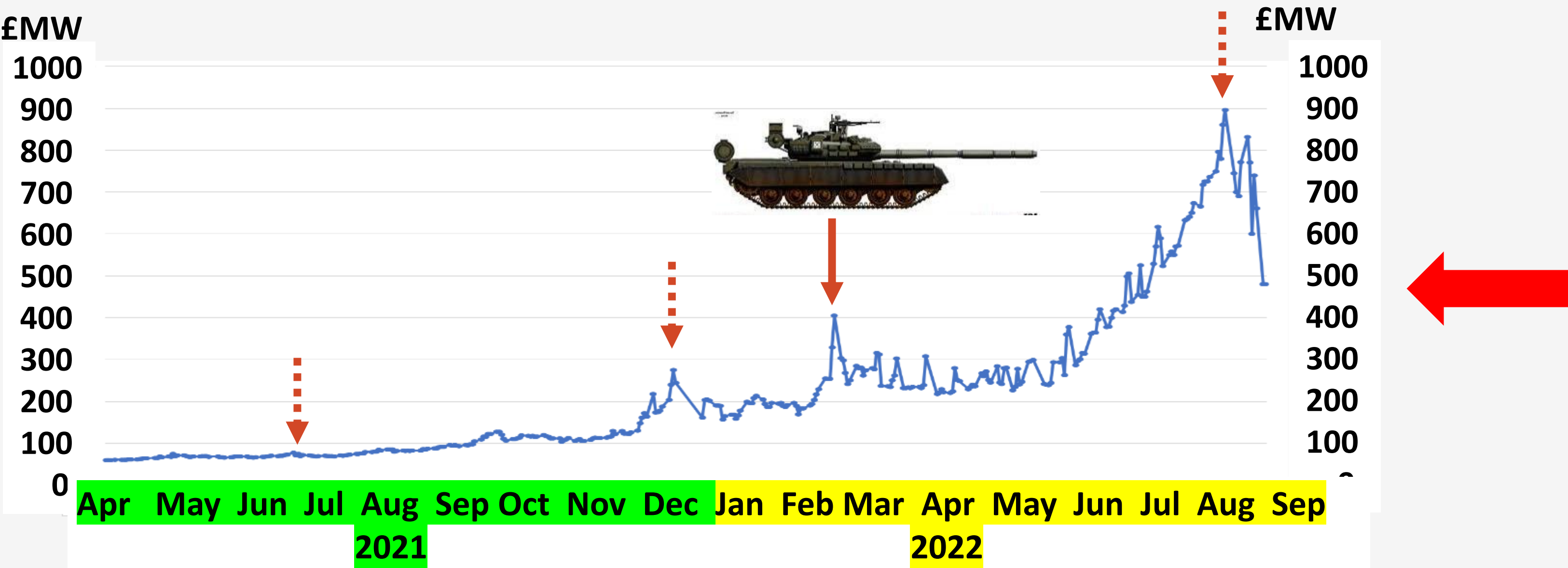
October 1
Which UK energy suppliers are interested?



Historic Wholesale Electricity Costs (Rolling Average)



Recent Wholesale Electricity Costs



Wholesale Electricity Costs & Liquidity (Electricity)

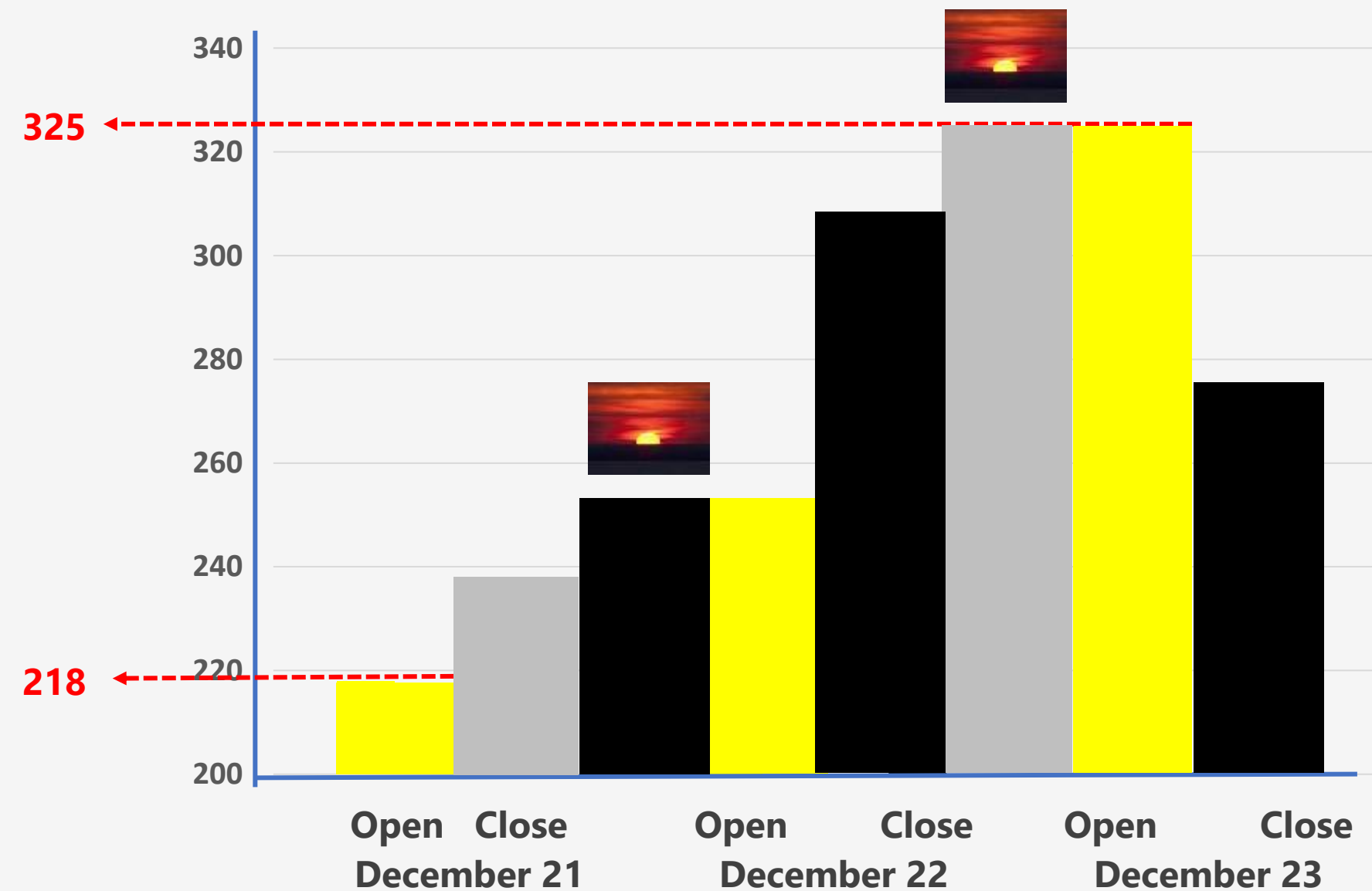
BASELOAD (£ MWh)	Apr 21	Apr 22	Sept 21
Winter 22 Oct - March	60	232	515
Summer 23 Apr - Sept	46	139	350
Winter 23 Oct - March	57	136	368
Summer 24 Apr - Sept		164	216
Winter 24 Oct - March		111	240

60W Incandescent Light Bulb x 2 hours x 30days = 6kW (£3.00)

Suppliers & Volatility

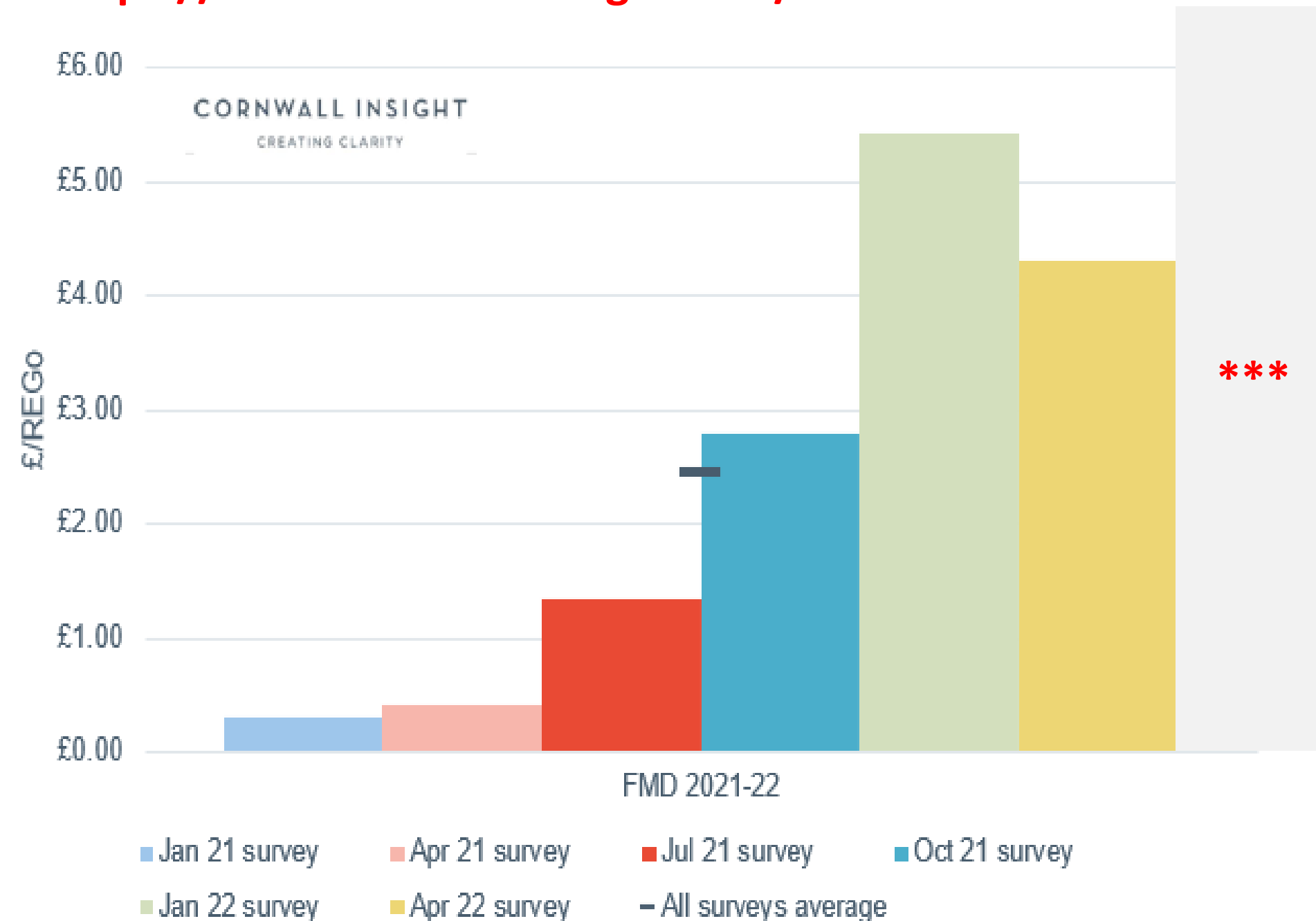
- **Over 30 suppliers failed since 2021**
- It's a sellers market.... credit ratings are key
- Supply contracts need both parties too sign so don't wait.....
- T&Cs have changed – tolerances
- What is included/excluded in pass through?
- Source & availability of green

Wholesale Gas Cost Variations (p/Therm)



Renewable Energy & REGOs

<https://www.cornwall-insight.com/>

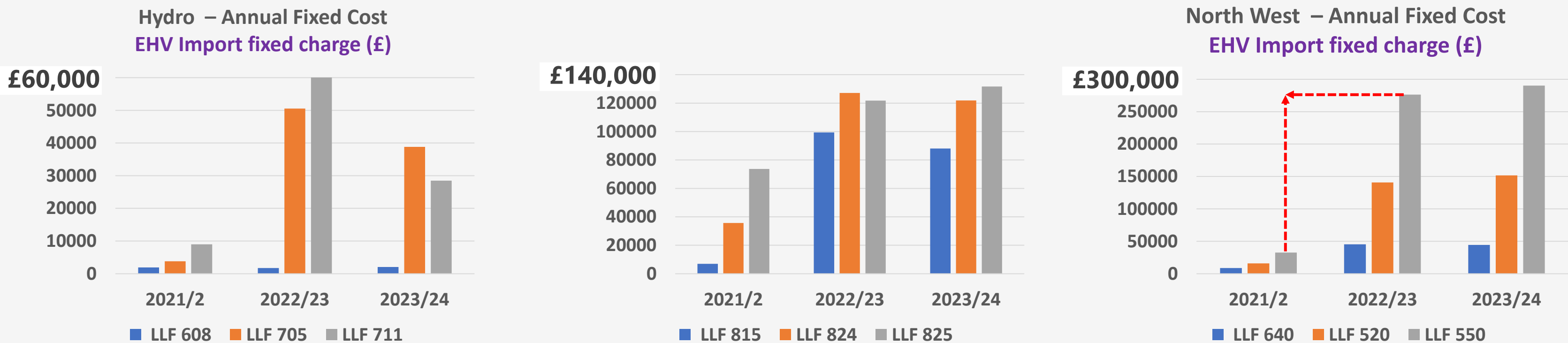


one REGO certificate per megawatt hour (MWh)

- The past 15 months have seen an unprecedented rise in REGO values.
- January 2021 survey of £0.32/REGO for FMD 2020-21, to £5.43/REGO in the January 2022.
- Drivers:
 - rebounding electricity demand
 - rising demand for renewables
 - period of low renewables output particularly from wind in S2021
 - demise of EU GoOs for FMD

*** MEUC Estimate

Non-energy costs (DNO Extra High Voltage Fixed Charges)



Use of System Charging – Transmission (TNUoS) & Balancing (BSUoS) Costs

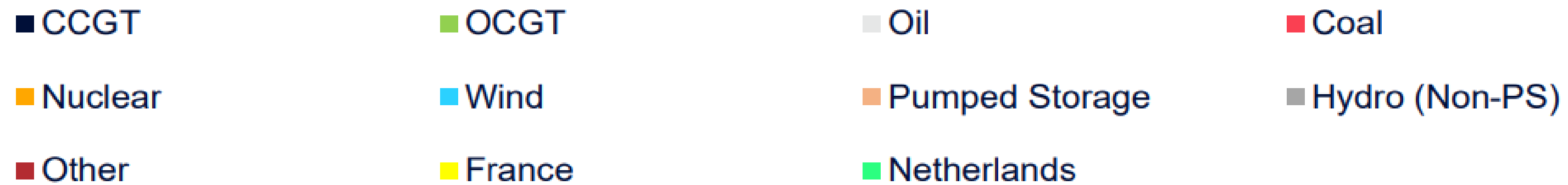
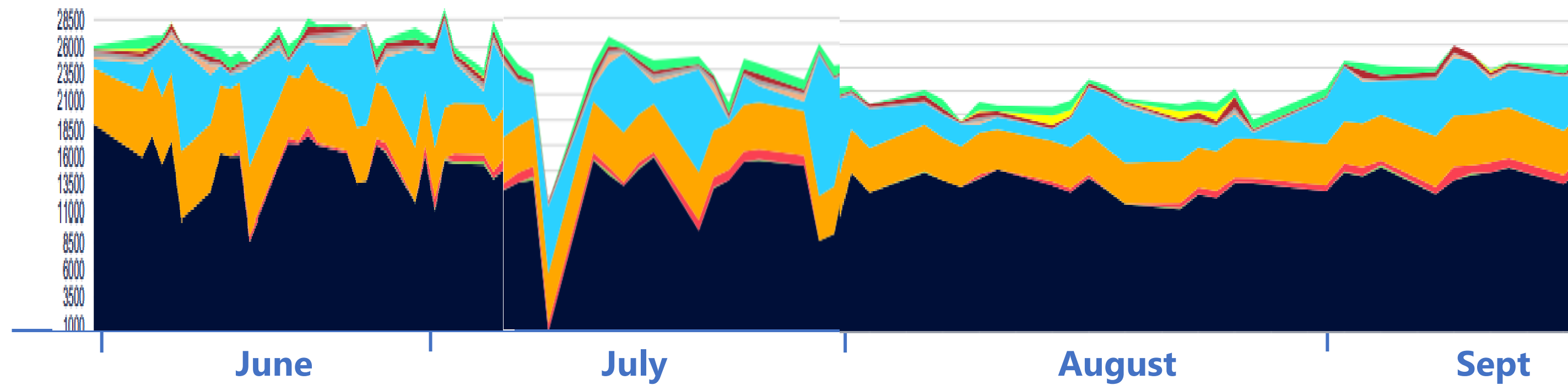
TNUoS

2020/21	£2,840m	} 44%
2021/22	£3,500m	
2022/23	£3,600m	
2023/24	£3,950m	
2024/25(E))	£4,100m	

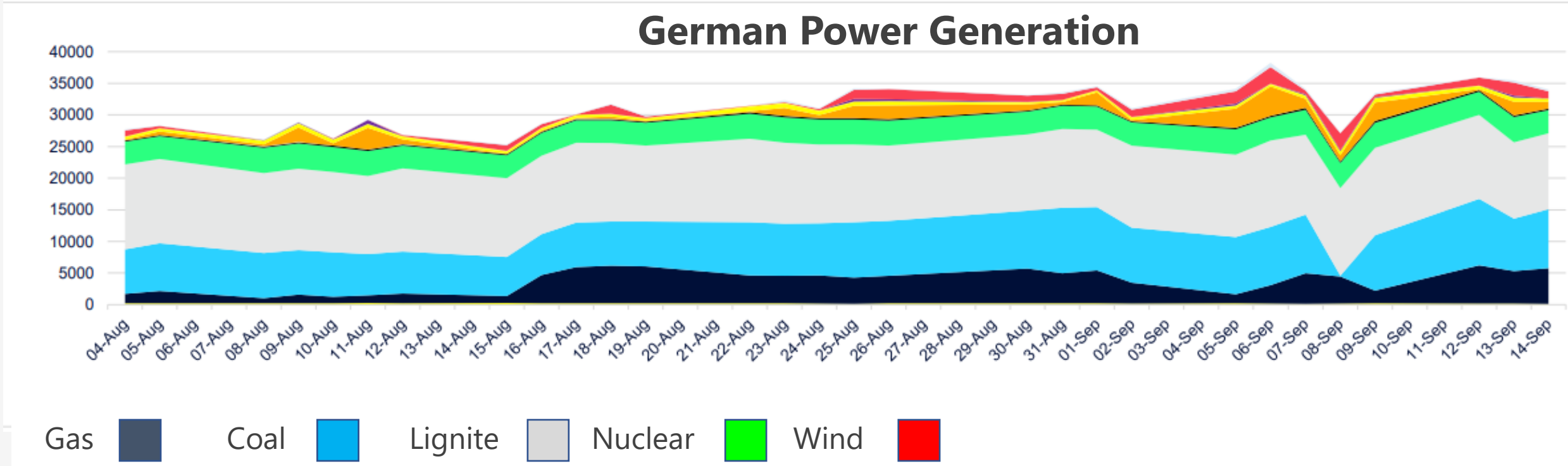
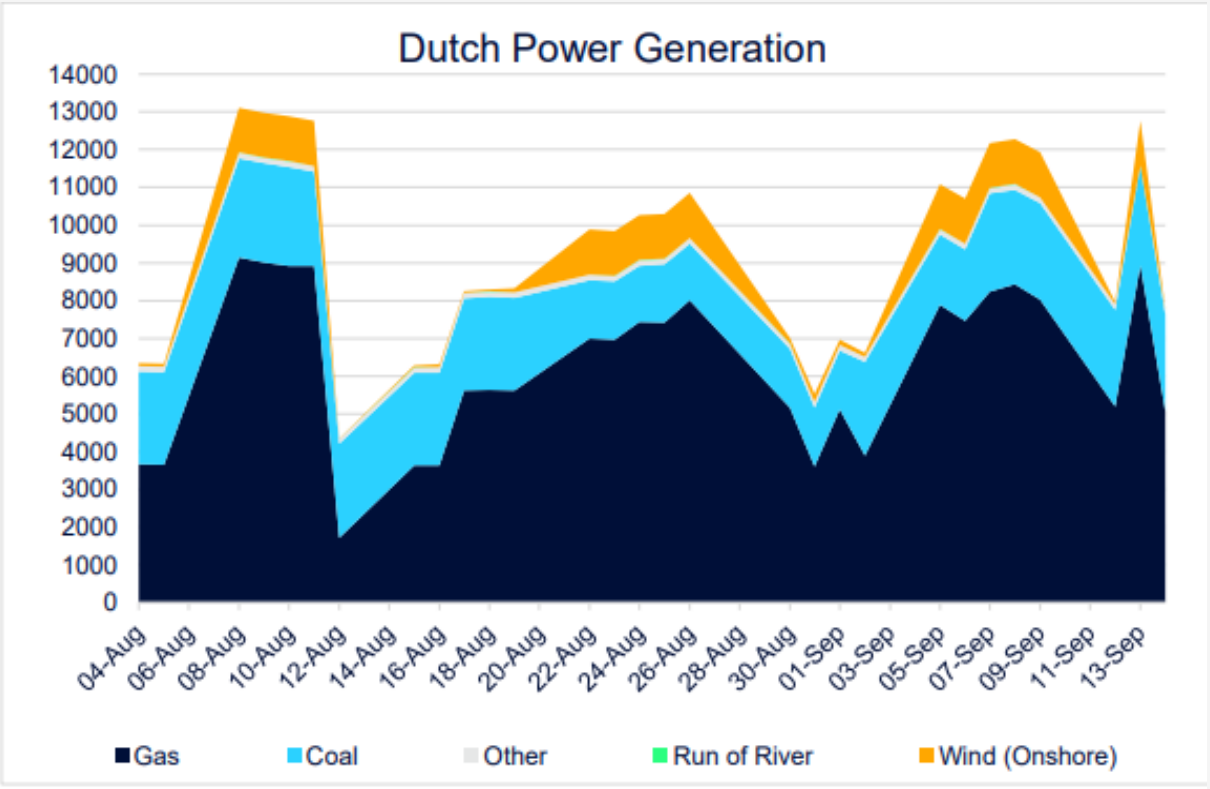
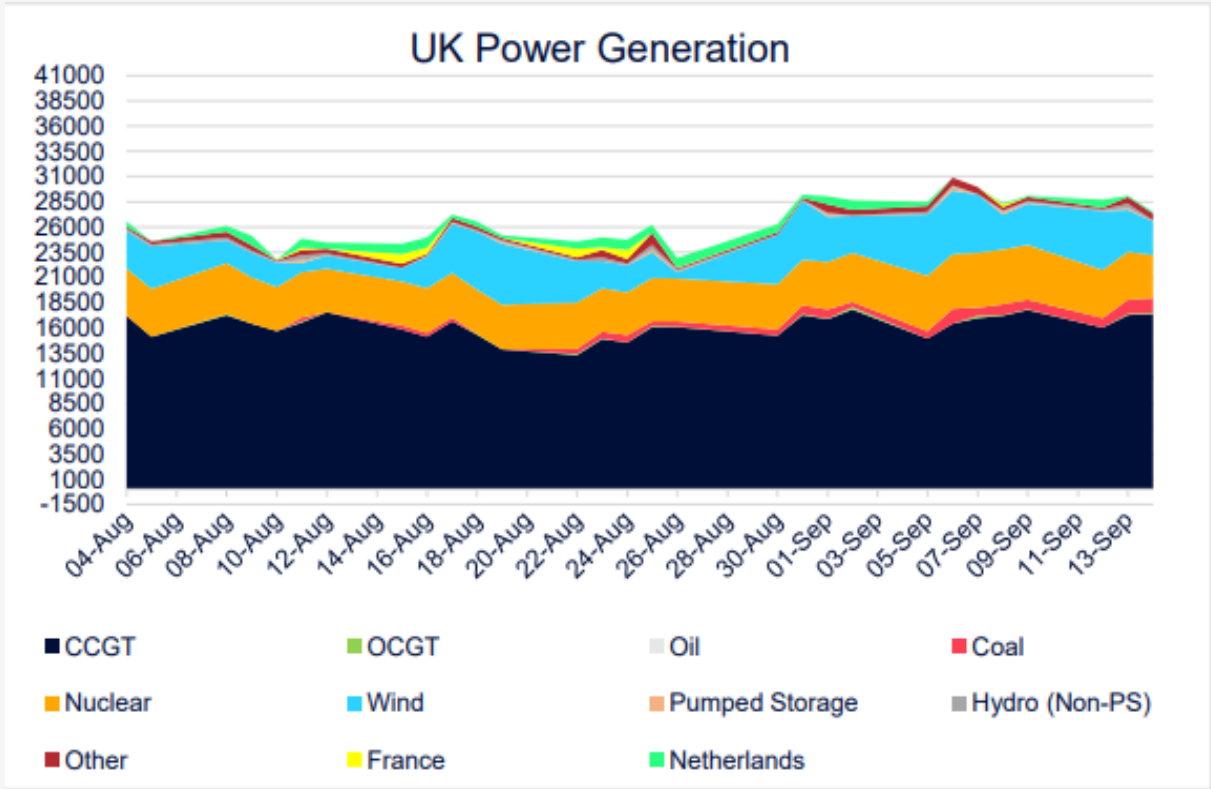
BSUoS

2018/19	£1,400m	} 400%
2019/20	£1,600m	
2020/21	£2,000m	
2021/22	£3,500m	
2022/23(E)	£5,700m	

Electricity Generation



Electricity Generation - How are others doing?

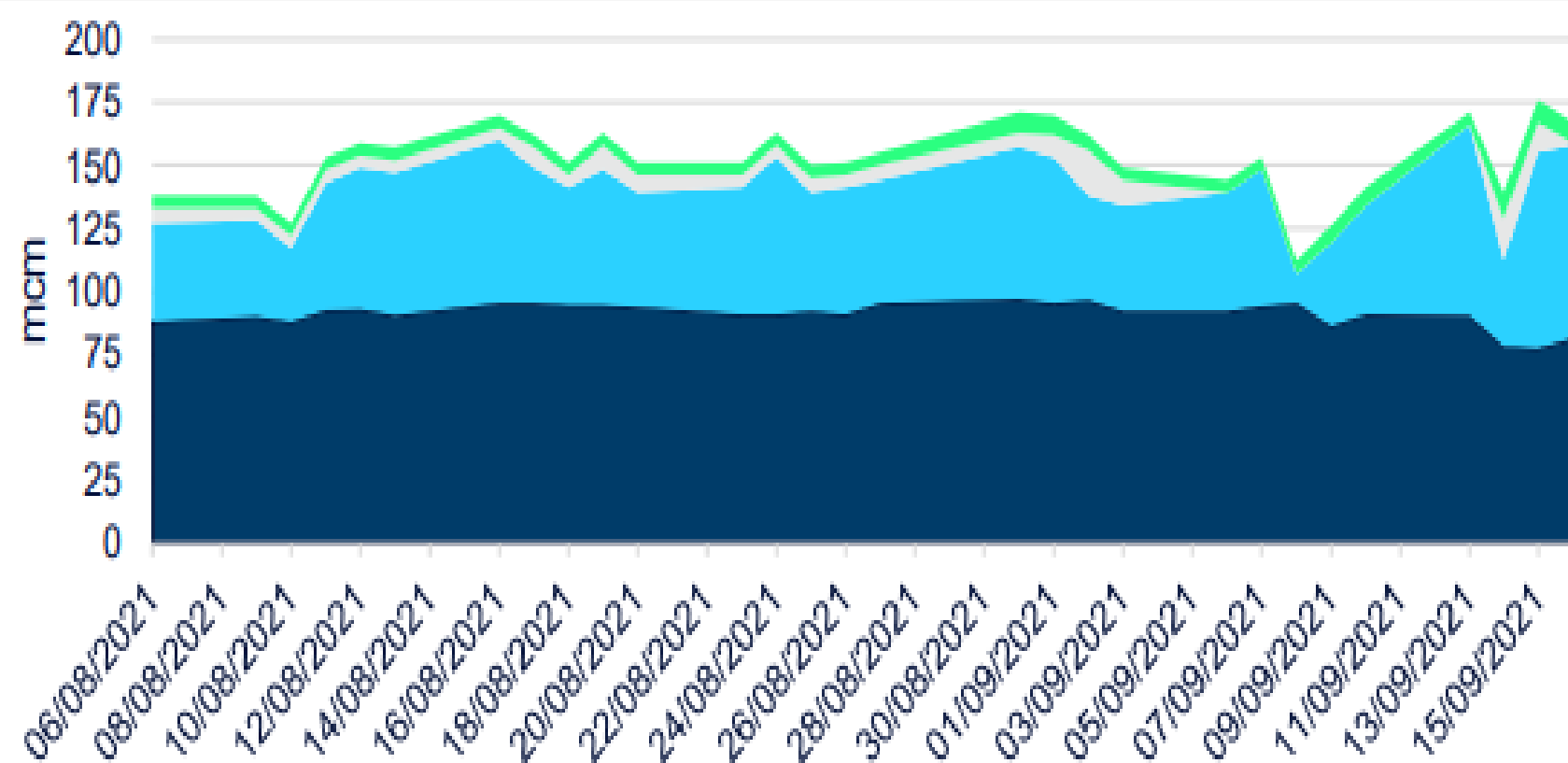


The combustion of lignite produces less heat for the amount of carbon dioxide and sulphur released than other ranks of coal.

As a result, environmental advocates have characterized lignite as the most harmful coal to human health.

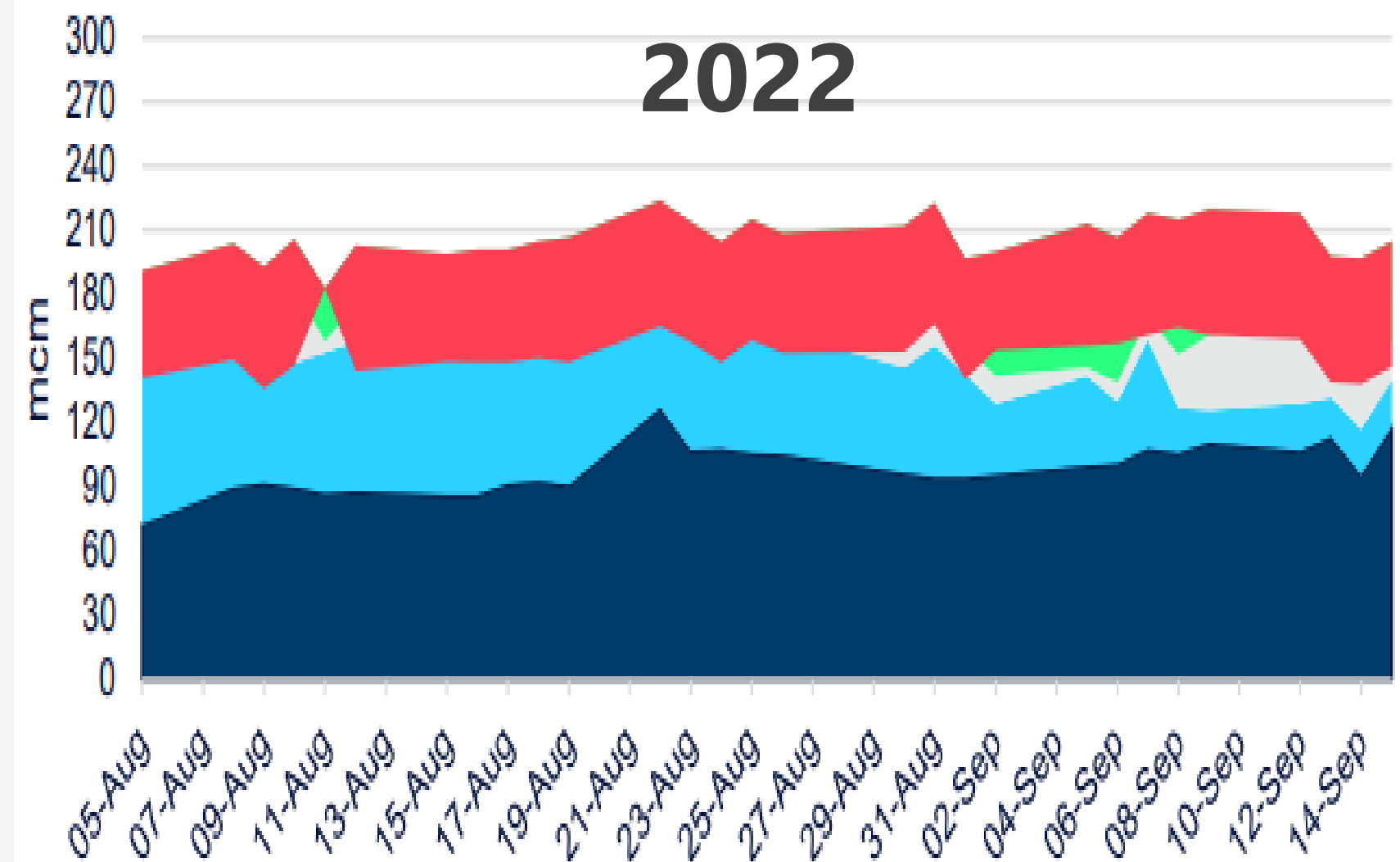
UK Gas Flows

2021

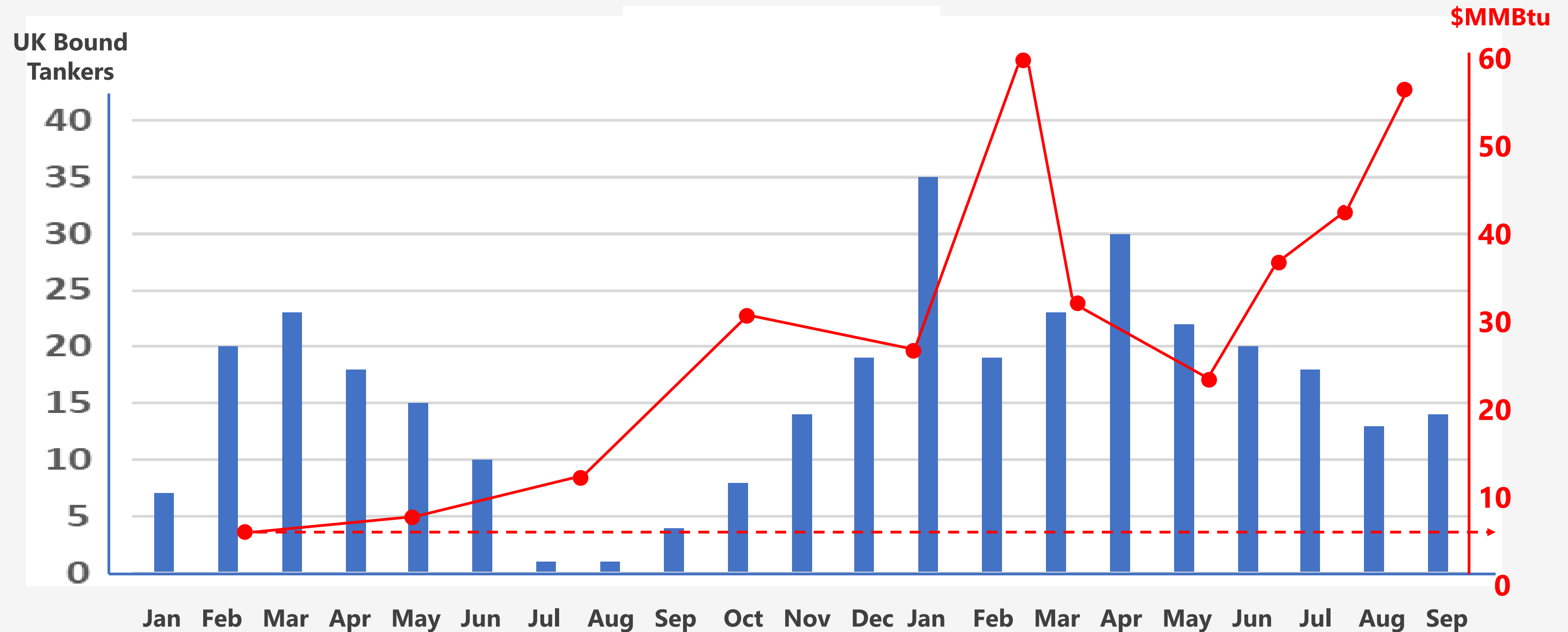


■ UKCS ■ Norwegian ■ Storage ■ LNG ■ BBL ■ IUK

2022



LNG Price & Delivery



Government Support ?



CO₂

