

Uncharted Waters....

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The MEUC – Energy Community



What our Members are saying - *The work that MEUC does is great, and it is without a doubt my 'go to place' for information and advice on energy and water.*

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

Some of the companies benefiting from MEUC membership



Schedule

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

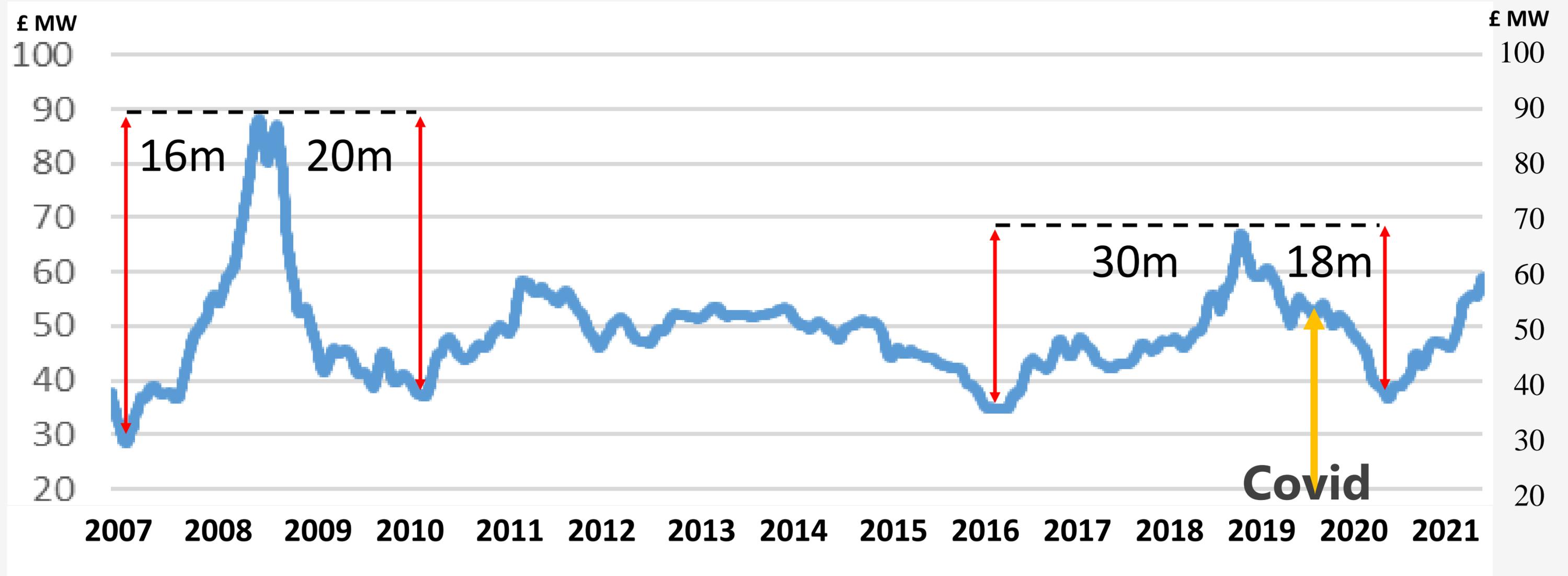


Some Good News

- 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



Historic Wholesale Electricity Costs (Rolling Average)



Recent Wholesale Electricity Costs



Wholesale Electricity Costs & Liquidity (Electricity)



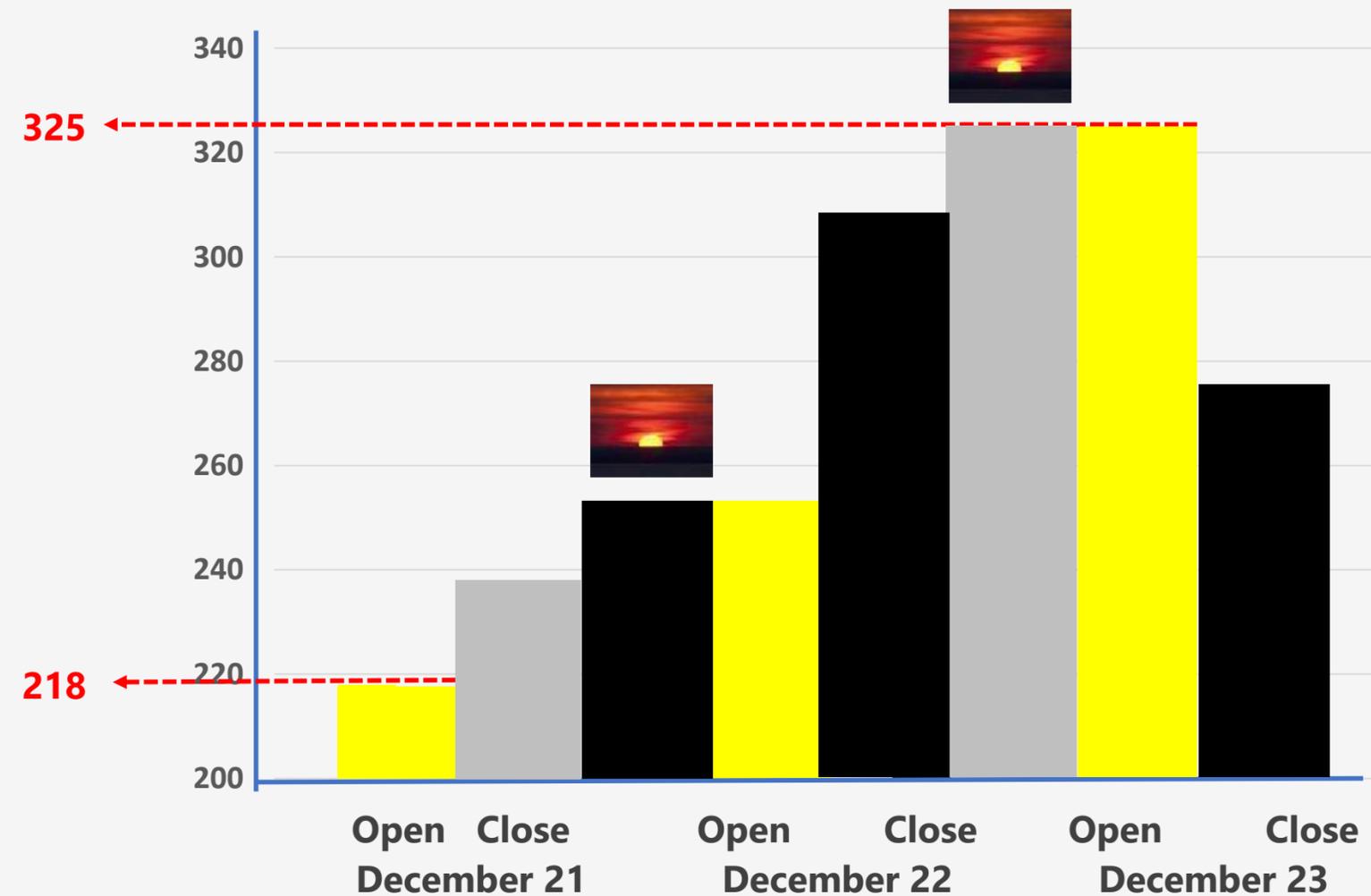
BASELOAD (£ MWh)	Apr 21	Apr 22	Sept 21
Winter 22 Oct - March	60	232	515
Summer 23 Apr - Sept	46	139	350
Winter 23 Oct - March	57	136	368
Summer 24 Apr - Sept		164	216
Winter 24 Oct - March		111	240

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

Suppliers & Volatility

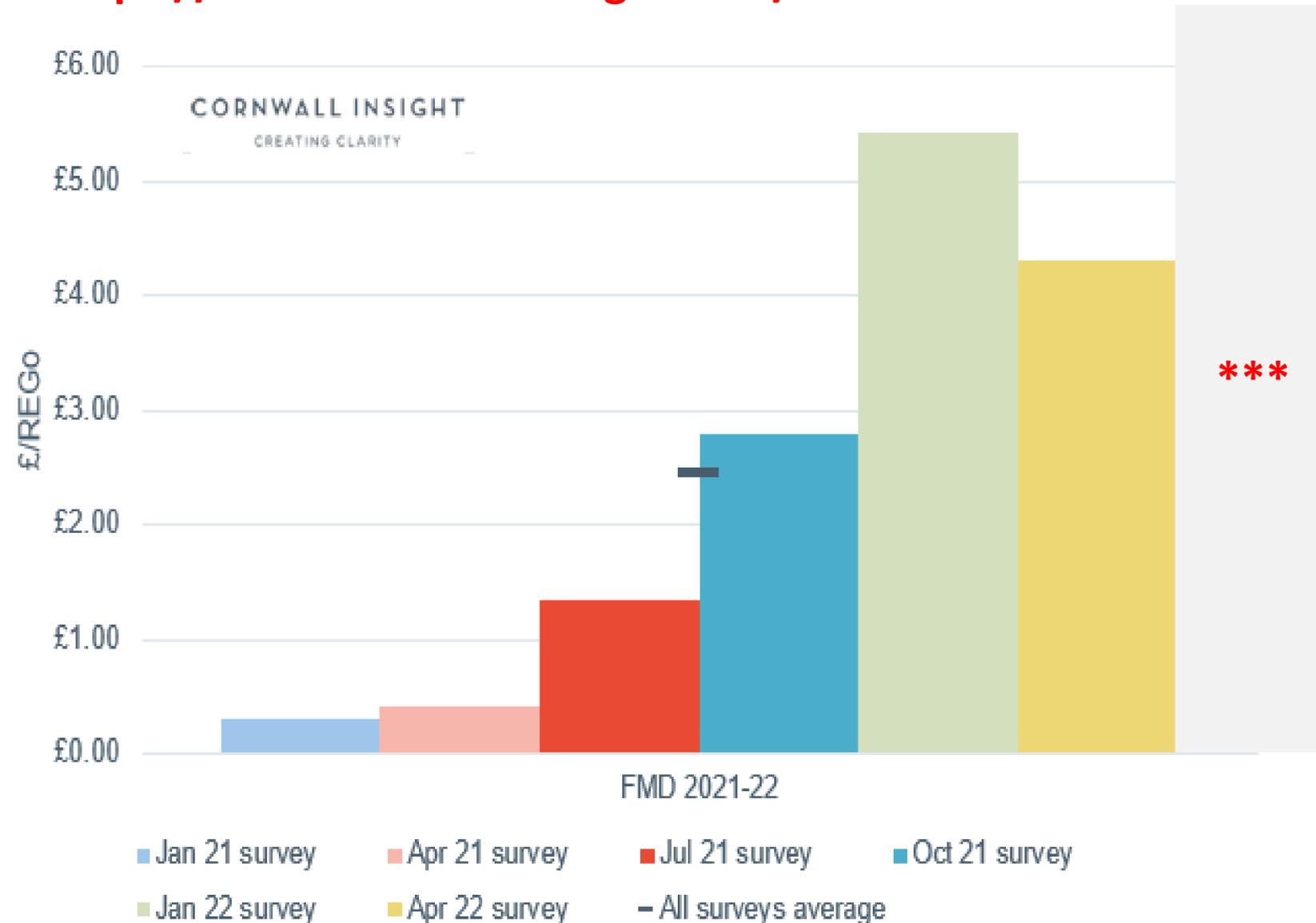
- **Over 30 suppliers failed since 2021**
- It's a sellers market.... credit ratings are key
- Supply contracts need both parties to sign so don't wait.....
- T&Cs have changed – tolerances
- What is included/excluded in pass through?
- Source & availability of green

Wholesale Gas Cost Variations (p/Therm)



Renewable Energy & REGOs

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



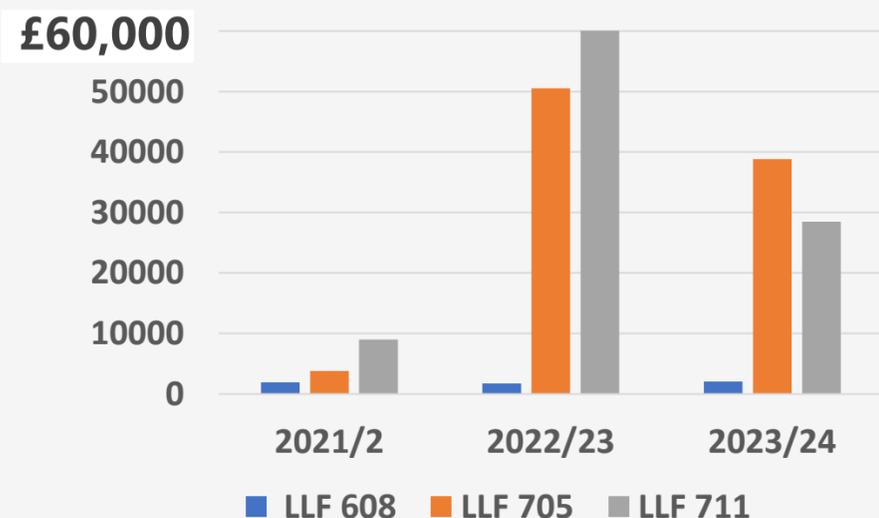
- The past 15 months have seen an unprecedented rise in REGO values.
- January 2021 survey of £0.32/REGO for FMD 2020-21, to £5.43/REGO in the January 2022.
- Drivers:
 - rebounding electricity demand
 - rising demand for renewables
 - period of low renewables output particularly from wind in S2021
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

*** MEUC Estimate

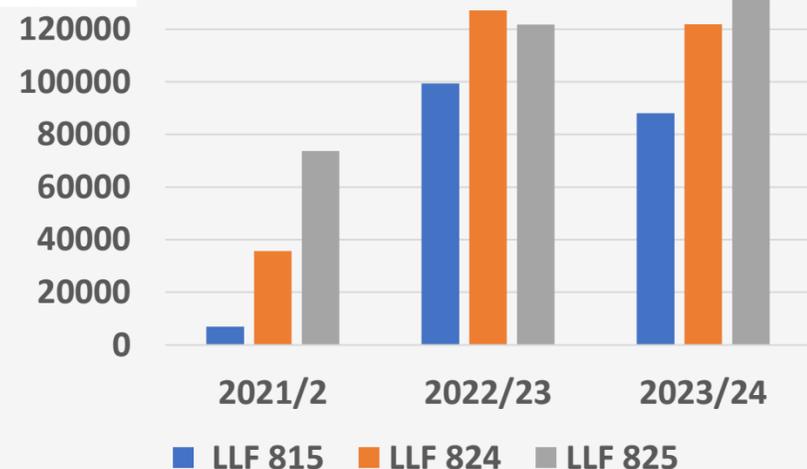
one REGO certificate per megawatt hour (MWh)

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

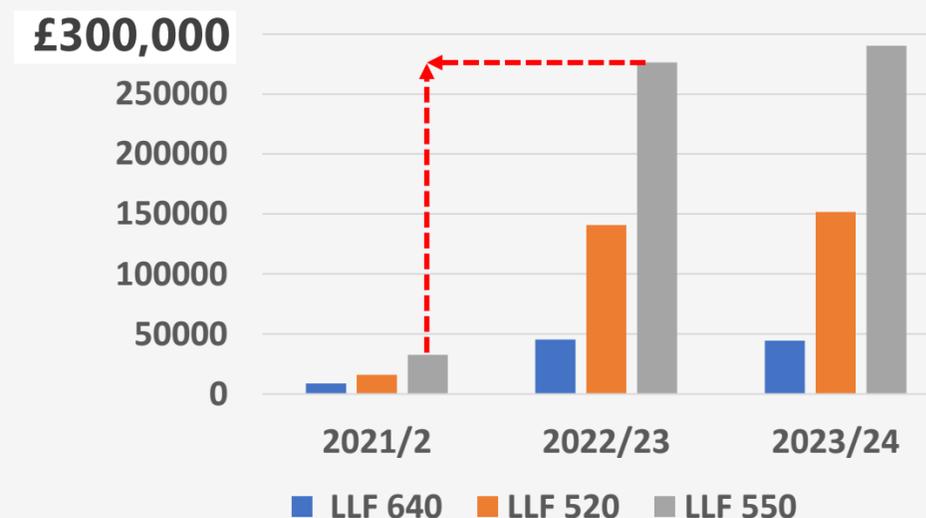
Hydro – Annual Fixed Cost
EHV Import fixed charge (£)



£140,000



North West – Annual Fixed Cost
EHV Import fixed charge (£)



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

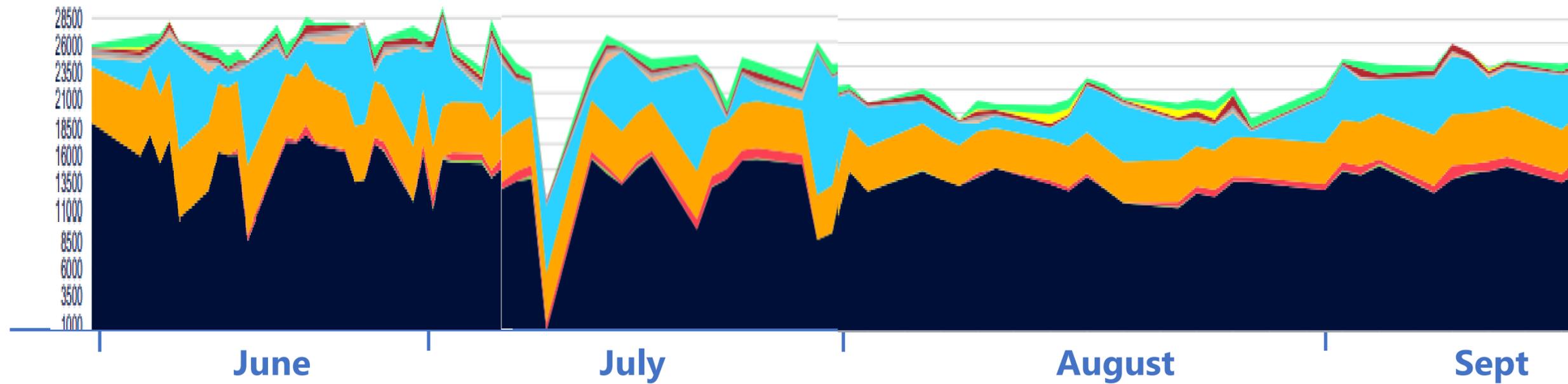
TNUoS

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



■ CCGT

■ OCGT

■ Oil

■ Coal

■ Nuclear

■ Wind

■ Pumped Storage

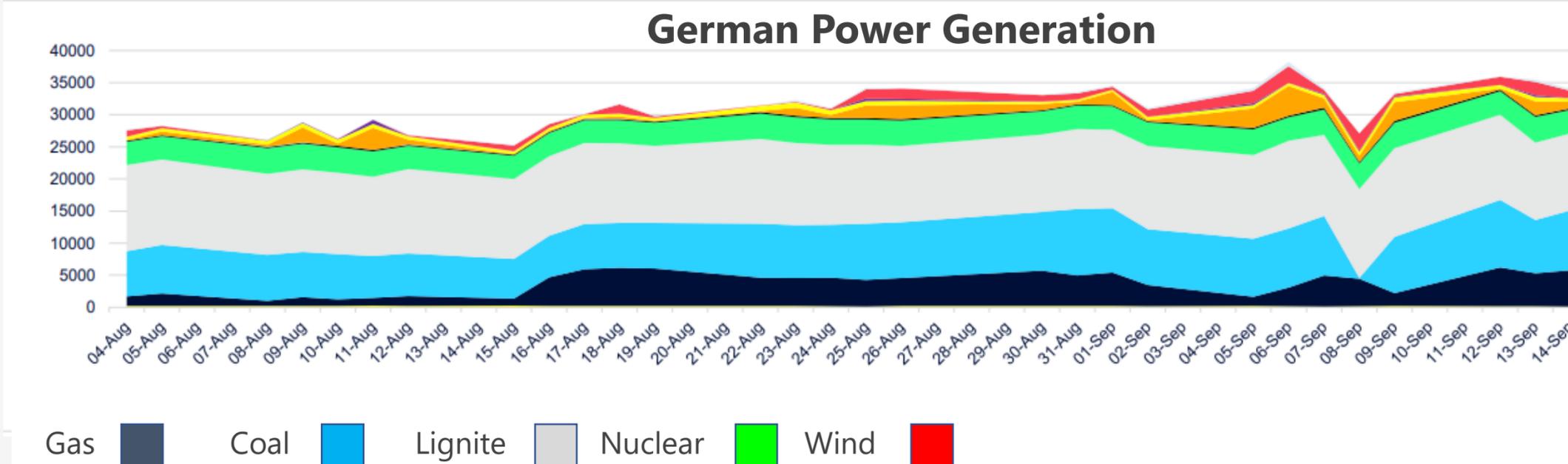
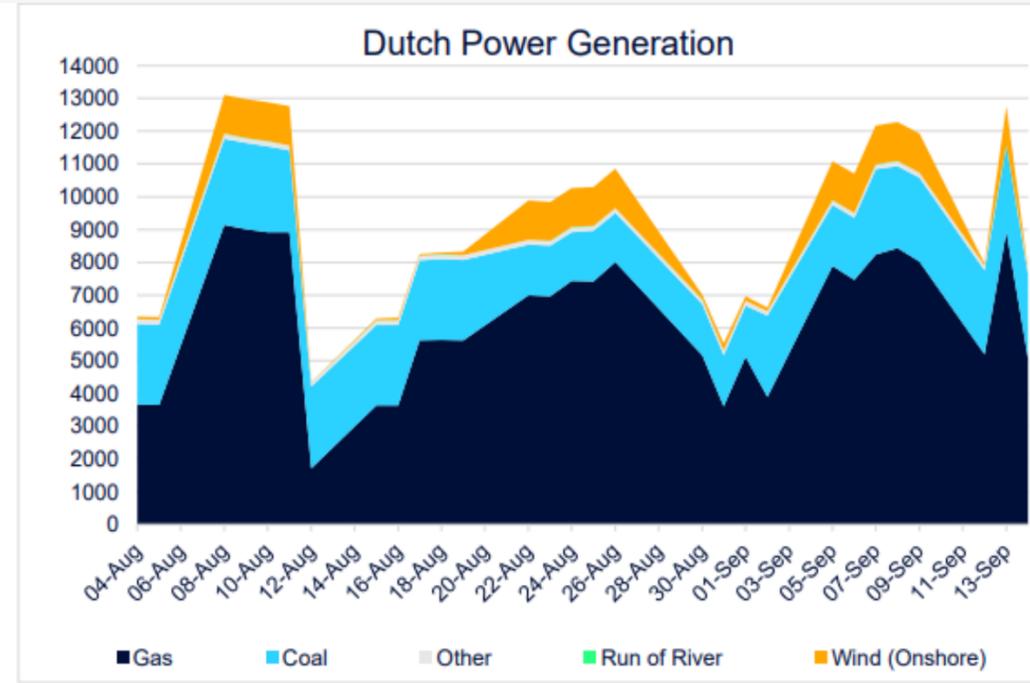
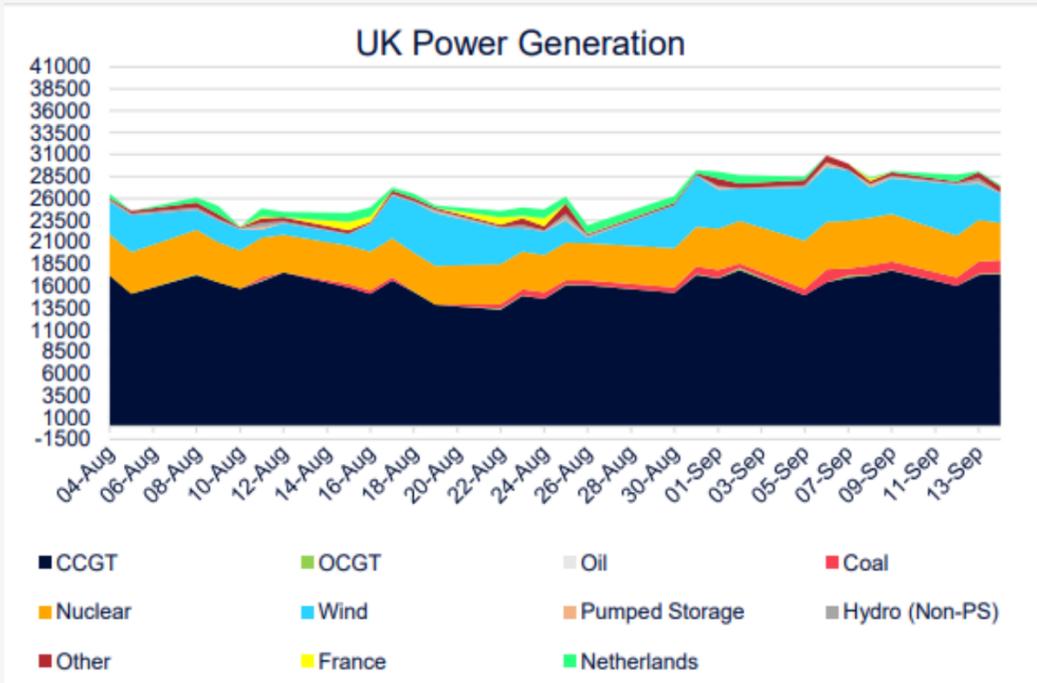
■ Hydro (Non-PS)

■ Other

■ France

■ Netherlands

Electricity Generation - How are others doing?



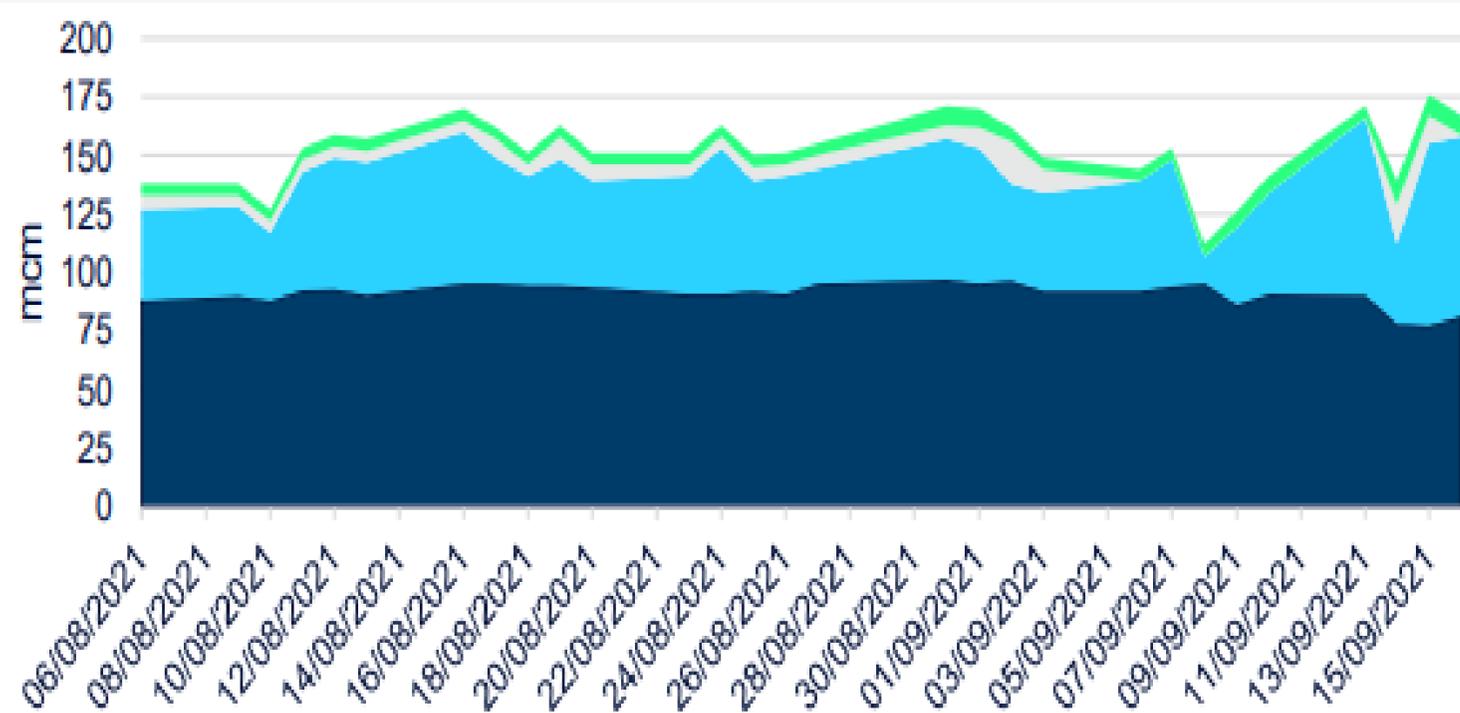
The combustion of lignite produces less heat for the amount of carbon dioxide and sulphur released than other ranks of coal.

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

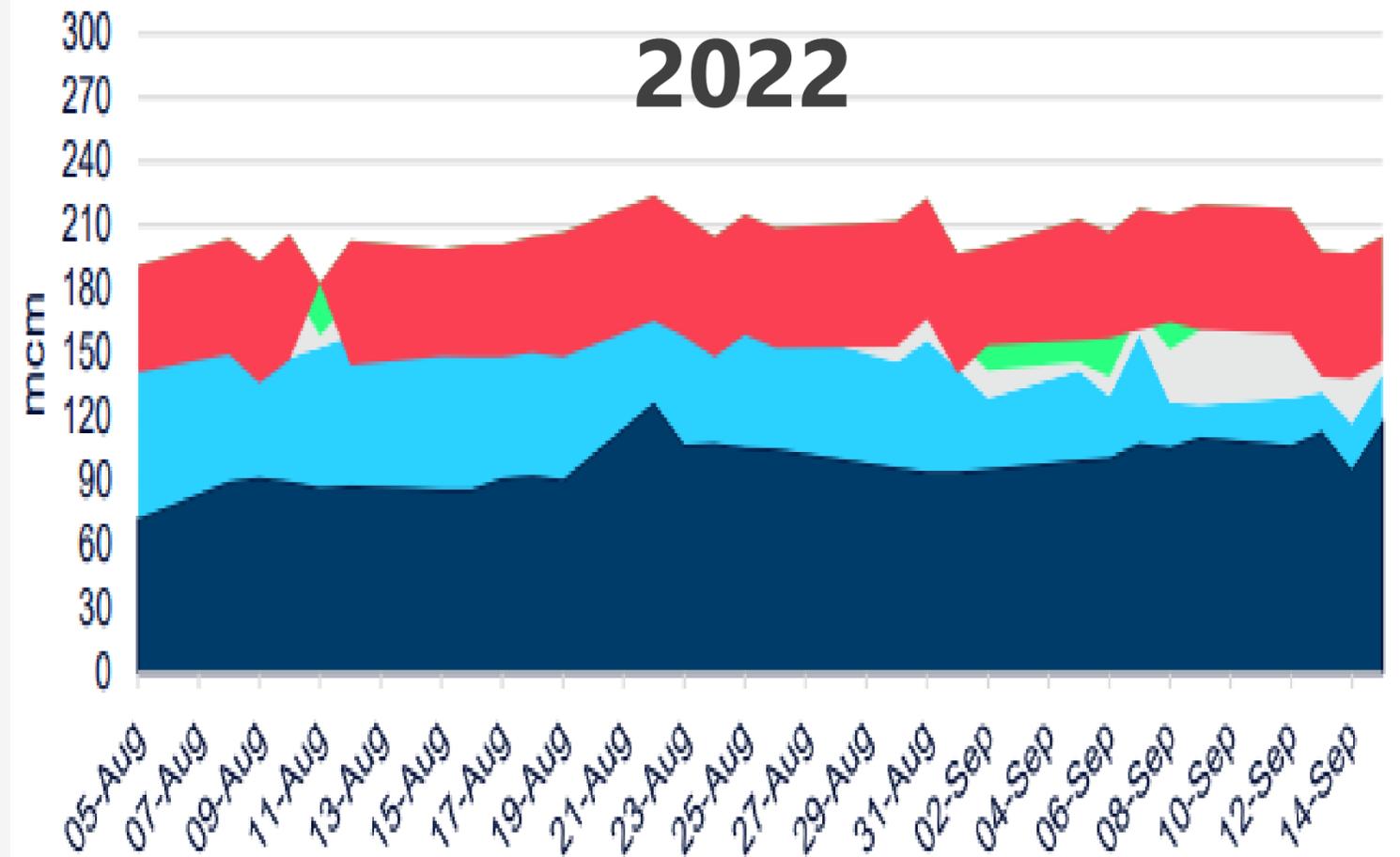
UK Gas Flows



2021

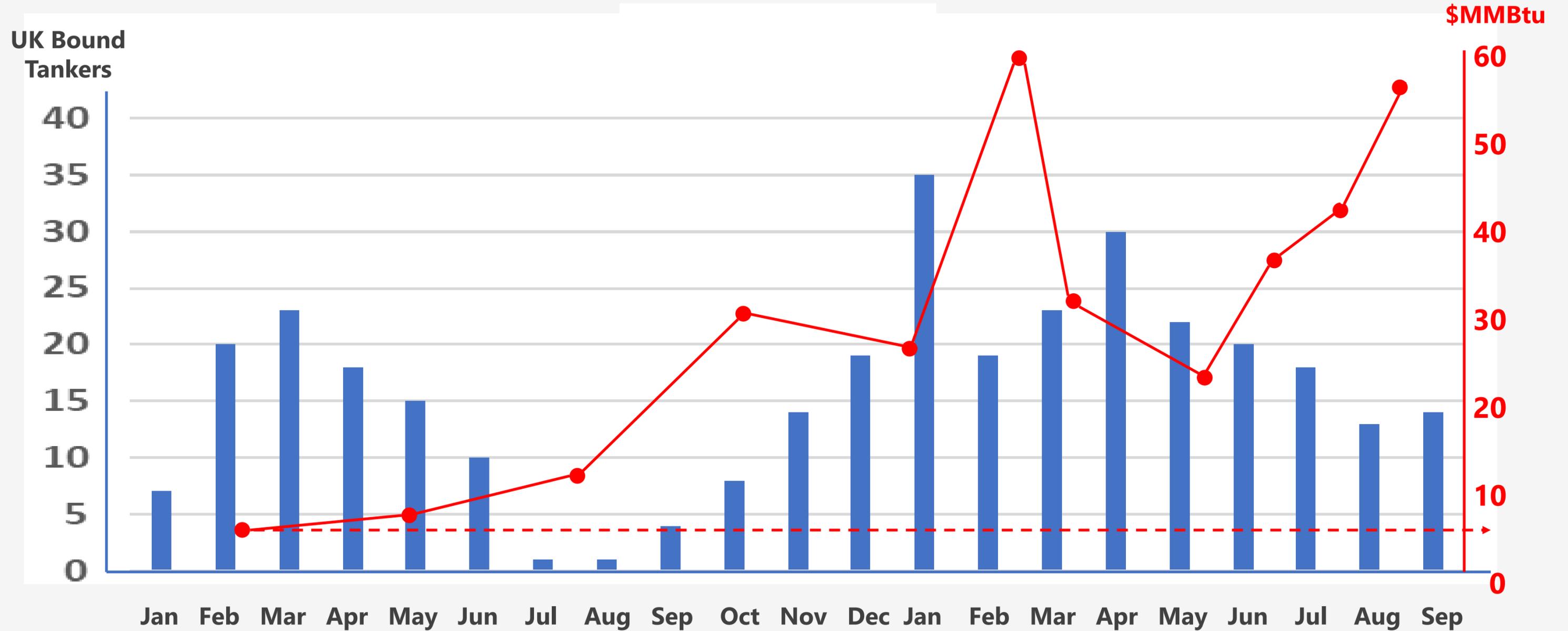


2022



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

LNG Price & Delivery



Government Support ?



CO₂

