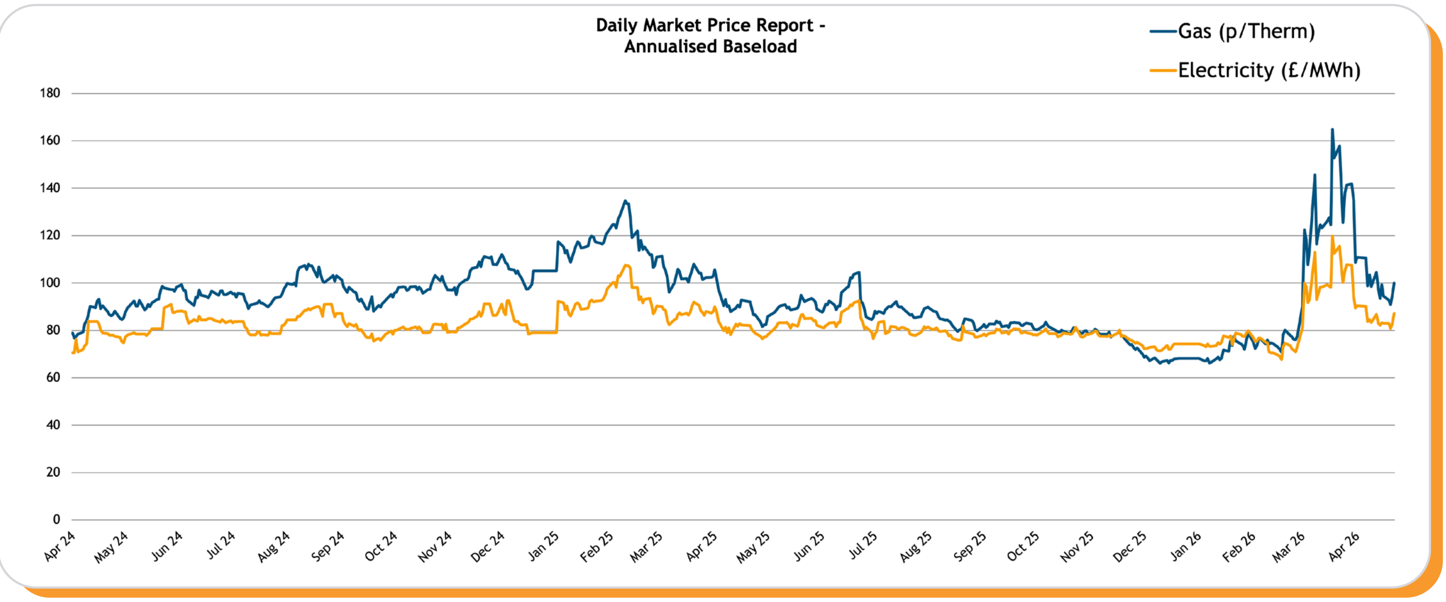
Energy Market Report

April 2026

For perspective, attached are 2 market graphs. The first shows the previous 24 months of market energy pricing with the March 2026 spike, whilst the second expands the review period back to January 2022 immediately prior to the invasion of Ukraine.

In the grand scale of world events, April has been fairly quiet in terms of gas pricing. The graphs show that although the Strait of Hormuz remains closed for the foreseeable future, the market price of gas for the UK and Europe remains stable. A 40% premium for gas (as at 24th April), compared to the lows of pre-war February, is remarkable when considering that the current 'premium' rates are almost identical to those of June 2025.

The relative stability could be due to the time of year with both solar and wind taking the edge off the need for gas-fired electricity generation combined, with the end of the winter heating season. This would stifle near-term demand and the upward pressure on supply pricing. The ability to reduce demand and prevent price inflation could be expected to continue through the summer months. However, delaying the start of replenishment of reserves could create an even bigger problem later in the year - when the reality of winter demand requirements becomes unavoidable. There will be significant global increase in availability of Liquified Natural Gas (LNG) in the coming years with several major new projects coming on line; so the outlook beyond 36 months is very positive.



Gas storage in the UK is down 5% on the month at 41% full, whilst the EU is fairly stable at 31% full. Both areas still face sharp falls in the availability of Norwegian gas over the summer due to crucial maintenance. The November gas storage target for the EU is 80% full.

The cost of electricity tracked that of gas over the period; however when looking at the actual cost (p/kWh) contracted, the energy content only amounts to around 50% of the price paid. Following an end to consultations with the Government, April has seen suppliers increase the prices paid on existing fixed price energy contracts under the ‘change of law’ clause. The new charges are being applied to agreements placed before the duties were announced by the government - to cover the cost of investment in nuclear (nRAB) and network upgrades (TNUoS). The new tax year also saw an increase in Climate Change Levy charges from 0.775p/kWh to 0.801p/kWh for both electricity and gas.