



NEW STREAM
RENEWABLES

New Stream Insight :
Britain's Electricity Mix was the
Greenest on Record Last Month

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“It was great to look back at the generation numbers for last month and see how much of it was renewable. With some base assumptions it looks like May is the greenest on record. The sunny weather and low power demand during lockdown obviously helped because we had no coal requirement.”
Jamie Banks, PPA Manager at New Stream Renewables.

- National Grid said that solar power had provided a record high of 11.5 per cent of electricity generation in May.
- Met Office has said was the sunniest-ever May calendar month.
- No coal-fired power plants were used during the entire month.

“Although demand is lower which reduces coal requirement, this is really positive news for renewables in the UK. We didn’t run any coal generation in May and this the first time that has happened since Britain began generating electricity from coal back in the 1880s!” Banks went on to say.

- The UK’s “coal free run” now stands at 55 days.
- To put this into context : Gas is providing 30% and Nuclear 20%.
- As recently as 2014 Coal generation was supplying over 30% of the UK’s power requirement.

“No better way to celebrate World Environment Day. We all need some positive news at the moment.” Said Banks.



Paul Sanders, Head of Flexible Generation at New Stream added

“Price volatility is certainly playing out in the market. We have seen extremes of low pricing where some of our wind generators are being paid to turn down then on the flip side increase balancing requirement from gas peaking assets.”

“We can see the energy transition playing out in-front of us. Coal is dead and renewables are taking over. However, we are still going to need flexibility to help us manage this new system. At the moment we are clearly short of flexibility and that has to change.” Sanders went on to say.



DID YOU KNOW?

“PPAs are not standardised and each transaction requires a customised solution. New Stream have been delivering those PPA solutions for over 10 years now.”

Jamie Banks - Commentary

“We have seen some stabilisation of PPA pricing over the last couple of weeks. Obviously we are coming from historically low levels in terms of price.

Sentiment is still key but we are seeing evidence of fundamental changes in terms of LNG supply and broader economics that give some reason to be positive but cautious.

Our main concern is demand related uncertainty as we go through summer and into Q4. We are still working with clients to put in place short term PPA fixes but also ensuring we have flexibility to contract if things change. As always every client has slightly different requirements so we work with them on a bespoke basis to find the best PPA solution”

New Stream PPA and Trading Strategy

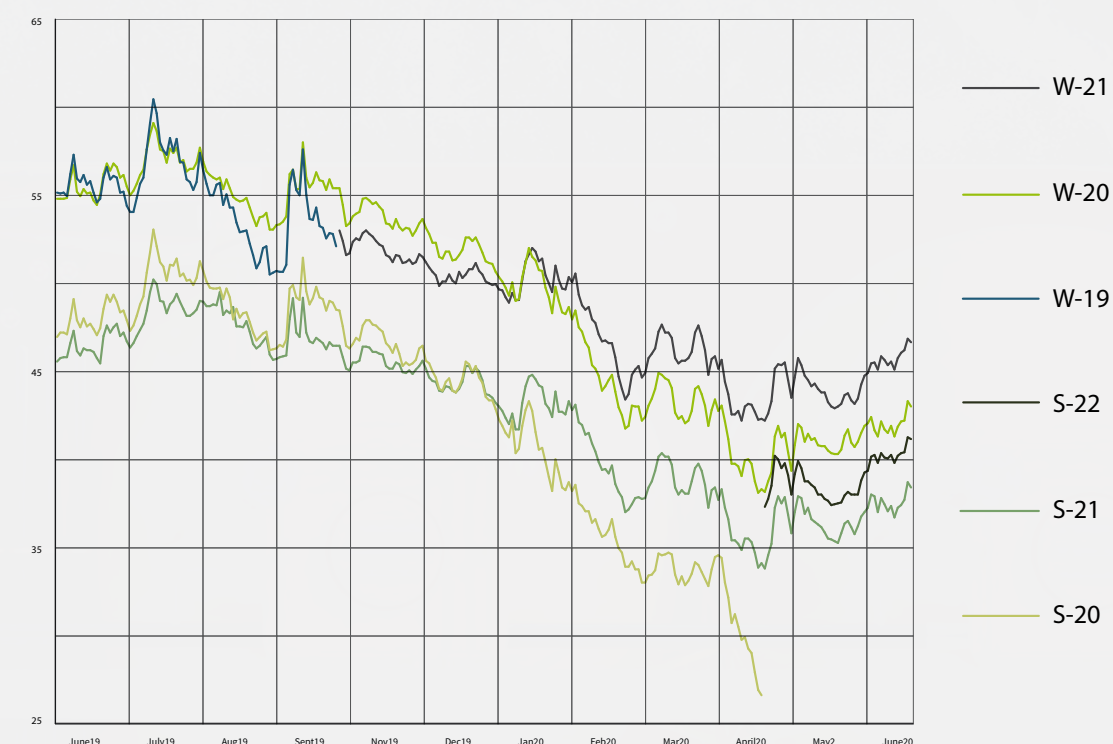
PPA Outlook : Some positive signs PPA market is stabilising and some buying interest returning to UK power.

New Stream PPA Strategy Rationale :

- New Stream see potential price support from sentiment and rises in broader commodity markets.
- However, we caution the supply demand fundamentals pre Covid-19.
- Late May and early June has marked a decrease of LNG imports to Europe.
- This LNG supply impact contributed in part to price increases on the regional gas hubs.
- We still caveat that in the UK despite some signs of demand increases we continue to view a second Covid-19 wave as potential downside demand risk through Q4.

UK Power Chart : Off the Lows

NS UK Power ahead



ROCs

Total values for CP18 ROCs forecast to be £54.65, assuming a recycle value of £5.85.

For CP19 ROCs, the forecast value has fallen sharply as a result of the recycle value falling to £3.05. There are still many things that are unclear about the restart of industry and the impact on overall electrical demand. Alongside this we have seen high load factors from solar in May.

REGO

UK CP18 REGO market has collapsed as a result of a large fall in demand and downward pricing trends for GoOs on the continent.

For the years generation, we are seeing more interest from suppliers, trading houses and end corporate buyers for certificates and we are beginning to see the green shoots of recovery in pricing.

UK Green Gas Certificates

Increasing interest from various offtakes in the UK and from Europe. Pricing whilst still below the peaks has recovered somewhat.

We are seeing buying interest from different sources who are specifying particular technologies and feedstocks and geographical locations.

Premium pricing can be achieved by meeting cert sustainability criteria from the NE European buyers.

DID YOU KNOW?

“Our team of market specialists are responsible for sourcing and structuring PPAs for all projects throughout Europe but the focus remains on the UK where it all started. What we bring is market know-how, genuine trading experience, a huge amount of data and analytics”.

NEWS

DID YOU KNOW?

"We work closely with developers and funders to develop an optimal PPA structure for the project duration individual assets or for entire portfolios."



"Consent for Cleve Hill is an important and tangible step on the UK's world-leading path to bring all greenhouse gas emissions to net-zero by 2050 and New Stream Renewables is proud to have played its part in achieving that milestone. "

Charles Ward
Head of Renewables



Cleve Hill Solar Park Given Planning Consent.

The Secretary of State, Alok Sharma has granted development consent for the UK's largest solar scheme – Cleve Hill Solar Park, located on the north Kent coast.

Cleve Hill Solar Park will generate up to 350MW of clean renewable electricity, powering more than 91,000 UK homes and saving 68,000 tonnes of CO2 emissions every year.

New Stream has worked with Cleve Hill since 2018 and has played an active role in getting this project over the line.

Activity included:-

- Writing and presenting a Statement of Need to support the case presented to the Planning Inspectorate (PINS).
- Developing a detailed financial model for the development.
- Developing a strategic approach to take the power to market.
- PPA Structuring and supporting the Grid Connection process.

New Stream Renewables is excited to continue to support the project as it takes its next steps through contracting, construction, commissioning and on to operation in the coming years.

In other news....



French oil and gas major Total will buy a 51% stake in SSE Renewables' Seagreen 1 offshore wind farm.



SSE Seagreen is a 1.1GW project that has a 15 year CfD contract for 454MW.



Boris Johnson under pressure to ensure green recovery in UK.



Campaigners and Prince of Wales urge government to prioritise low-carbon solutions to economic fallout of coronavirus.



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New Stream Renewables is a specialist consulting and support services group operating across renewable energy markets and technologies.