



New Stream Insight : UK Power Prices Spike

New Stream PPA Client Summary

Strong pricing on the spot market provided bullish sentiment further out on the curve pushing forward power contracts higher. We continue to monitor the market on behalf of PPA clients as part of an overall PPA optimisation strategy.

New Stream will flag PPA fixing opportunities based on market fundamentals and price trends.

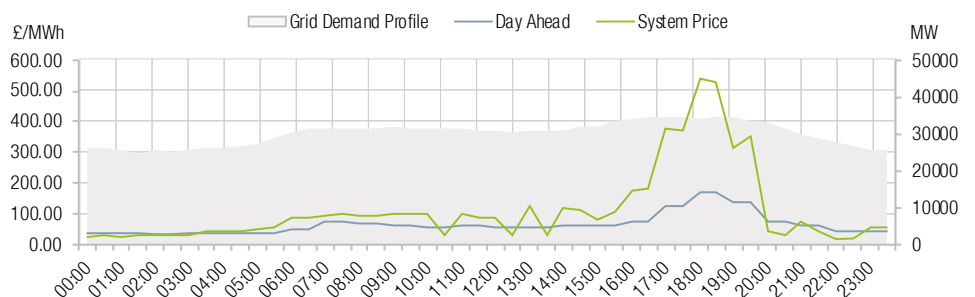
For flexible generators Tuesdays events clearly demonstrate the need for flexibility in the energy transition.

Yesterday UK Power contracts jumped as National Grid issued a Capacity Market Notice.

Commencement Time Of Notice	5.30pm on Tuesday 15th September 2020.
Circumstances that Triggered Notice	Margin below threshold set out in Capacity Market Rules.

- Notice was released as forecast margin fell below 500MW to as low as 120MW, however notice was cancelled as forecast margin later increased.

UK Power Prices



"Yesterday's events remind us all of the growing demand for flexible, smaller-scale assets that use transitional technologies such as natural gas to support the intermittency of renewables and help low-carbon transition."

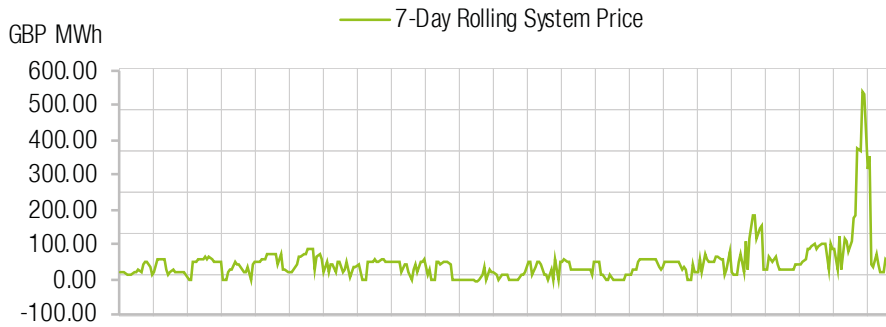


Paul Sanders, Head of Generation at New Stream

- System Price peaked at 540.22 £/MWh.
- Average for the day was 112.65 £/MWh.
- DA Prices also peaked in SP35 to SP40 with prices ranging from 123.38 £/MWh to 170.62 £/MWh.
- Main peak occurred in SP35 to SP40 with prices upwards of 300 £/MWh.



Sept 16th, 2020



- Average was up 55.15 £/MWh from previous day.
- Price Rise most likely down to drop in Wind, which only contributed 3% to daily generation, usually circa 25%.
- CCGT rose to 60.95% in response to this, as well as coal output rising to 2.5GW.

Fuel mix from last week as follows:

CCGT (48.01%), Nuclear (15.28%) and Wind (24.12%) the largest contributors.

Intermittent wind generation was a key driver yesterday :

Onshore wind usually peaks at about 6000MW, yesterday was 1000MW. Offshore wind usually peaks at about 4000MW yesterday was 800 MW.

Wind generation for last 7 days

