

CLIENT DASHBOARD

This is just a sample of the in-depth pricing information we upload every morning.

NEW STREAM
RENEWABLES

23/03/23

New Stream PPA and GPA Market Analysis

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End of Winter Season: Gas and Power Prices Drop Further

- European TTF and UK NBP prices again moved lower.
- The most significant weekly decline since December.
- The front-month contract for gas closed 3.5% lower on Friday (17th March which is nearly 20% down for the week.
- Gas and Power have sold down from highs seen through 2022.
- PPA pricing moves lower relative to NBP gas moves and UK Baseload Power.
- Price volatility reduces in line with underlying commodity levels.

“We have seen European gas markets post their biggest weekly drop this year as milder weather reduced demand further and supply concerns eased.

Unfortunately, the market fundamentals that we have been flagging for some time now create weaker pricing on the PPA side of things for generators.

Fortunately, the vast majority fixed well before this last leg down.

As a result, we are now focusing on downside price risk protection and PPA hedging strategy for our clients further out along the price curve.”

Charles Ward

Head of Renewables at New Stream

“It looks like we have made it through winter,”

“It will surprise some, but we managed to navigate through last year's Russian supply shock.

Then we had a warm spell at the start of this year that reduced demand, which has kept gas storage in Europe fuller than normal. LNG cargo movements and supply are still strong despite lower TTF and NBP gas pricing.

We continue to monitor developments at the Freeport export terminal in Texas. Until last week downward price momentum had slowed, but that was a big move down at the front end, which has moved pricing down further along the curve.

We still see some great relative value for PPA fixes out into 2025 and 2026, but it has been a challenge getting pricing given volatility ”

Jamie Banks

PPA Manager at New Stream





2024 – 2027 Forward PPA Fixing Strategy

“In March, we have continued to see our generator clients and green gas producers move to fix out further out into the future.

People like the PPA pricing levels based on a historical basis, and gone are the days of simply renewing a PPA in a six-month window before expiry.

Last year's price volatility changed the approach to PPAs from generators and asset managers.

The front-end fundamentals look weak, and then we look forward to large off-shore wind build through 2027, and we can start to see some good value in fixing forward now.”

Francesca Reay

Energy Market Analyst at New Stream



More European Renewable Capacity Coming

- The EU’s climate and energy security goals require it to build over 30GW of new wind farms annually by 2030.
- EDPR to invest 20 billion Euro by 2026 in renewable generation capacity.
- RWE will complete and commission over 30 new wind facilities this year.
- SSE’s Dogger Bank will be the largest offshore wind farm in the world at 3.6 GW.
- Equinor and SSE are to file a planning report for a potential 1.4GW fourth phase of the Dogger Bank.



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Short-Term Supply and Demand Outlook

- LNG imports continue at all-time highs replacing the Russian pipeline supply.
- Gas pricing is significantly down.
- PPA and Green Gas pricing are lower on the back of this.
- Norwegian pipeline flows continues to be strong.
- Europe's gas storage levels at the end of winter are high.
- There are still risks from unexpected bouts of freezing weather or supply disruptions, but these risks are reducing.
- For now, the market is pricing in a much better outlook for power and gas market fundamentals.

Winter 2023 PPA Price Risk?

- The demand outlook remains weak on the industrial and commercial side.
- End of winter "heating season".
- Mild to normal conditions are forecast to persist into Q2.
- Prices have dropped to 2021 levels as mild conditions reduce demand.
- Ahead of winter, French nuclear plant outages could create some upside price risk if summer is warm.
- Monitoring LNG cargoes as we move through the summer months and "storage injection season" will be necessary.



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LNG Market Update

“LNG supply will be key for PPA and green gas pricing as we move through storage injection season and look ahead to winter 2023.”

Fran Reay

Energy Market Analyst at New Stream Renewables

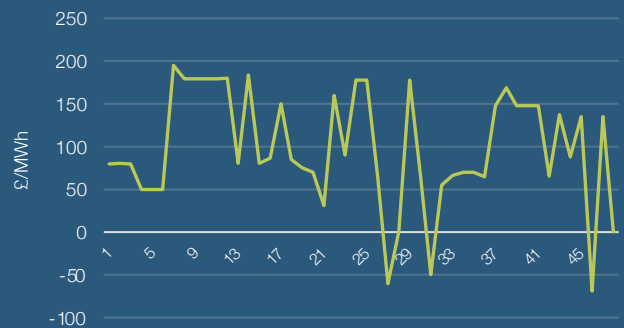
- Italy commissions floating LNG facility “The Golar Tundra”.
- Italy imported around 40% of its gas from Russia before the invasion of Ukraine.
- The terminal is one of two planned and will allow Italy to replace pipeline gas flows from Russia.

- This follows Germany's opening of its first-ever LNG terminal in January.
- The first shipment of liquefied natural gas was delivered from the U.S. to a floating terminal off the port of Wilhelmshaven.
- Two other LNG terminals are set to open in Germany next year.
- The Freeport LNG terminal in Texas has received regulatory approval to restart commercial operations partially.
- This should mean more cargo available for European markets.
- The UK and Spain have the most significant import capacities for LNG in Europe.

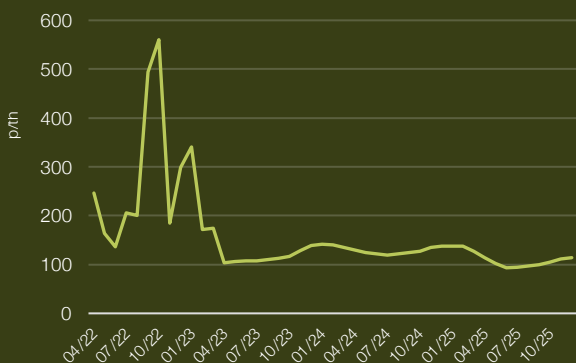
April23 Gas price data



System price data



GPA (Gas Purchase Agreement £/MWh)



PPA (Power Purchase Agreement £/MWh)

