

# S&P Global Platts: April UK Power Prices Dip on Record Solar

*Natural Gas Prices Supported by Cold Snap, Storage Withdrawals*

LONDON, May 11, 2017 /PRNewswire/ -- Healthy UK generation margins and a solar power record offset the effects of a cold snap in April as both electricity and natural gas prices dipped again, according to S&P Global Platts data.

Chilly conditions late in April saw day-ahead power prices surge to GBP45/MWh, but averaged across the month spot power prices were down 2% on March.

Natural gas prices lost close to 4% on March but the rate of decline was much reduced by exports, necessitating storage withdrawals. The longer view, however, shows both gas and power prices remain strongly up on year.

April was notable for two events in the power sector. **With coal plant economics firmly stuck in negative territory due to the country's Carbon Price Floor, April 21 was the first day in the UK completely devoid of any coal-fired power generation in over a century.**

Meanwhile solar power availability peaked at over 8 GW midday April 8, a new UK record achieved during a period of extraordinary price formation.

For several days in April day-ahead peak prices out-turned flat with or below baseload for the first time ever.

"Markets with significant solar power penetration are seeing conventional peakload price curves being turned on their heads by surplus midday PV production," said **Anuradha Ramanathan, Team Lead, European Electricity, S&P Global Platts.**

"With around 12-GW installed, the UK is now officially one of those solar markets," she said.

In the gas market, the NBP spot gas price was supported by a cold snap towards the end of the month in addition to strong exports to Belgium.

This led to a heavy reliance on storage withdrawals to balance the system, forcing the day-ahead contract back above the 40 p/th mark, where it has remained well into May.

Some relief was offered from higher LNG regasification and a relatively conservative Norwegian maintenance schedule. Nevertheless storage withdrawals of 627 million cu m compared to injections of just 273 million cu m in April, with the depletion offering price upside into May.

**S&P Global**  
Platts

## Platts UK Day-Ahead Power and Gas Assessments

	Apr-17	Mar-17	MoM change	Apr-16	YoY change
UK power (£/MWh)					
Day-ahead average	41.12	42.02	-2%	33.47	+23
UK gas (pence/therm)					
Day-ahead average	39.54	41.09	-4%	29.30	+35

**Source: S&P Global Platts**

For more information on [electric power](#) or the [methodology used by Platts](#) in its power assessments, visit the S&P Global Platts website [www.platts.com](http://www.platts.com).

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