Webinar

ConsultivUtilities
CORPORATE DIVISION

THE ENERGY MARKETS

What to expect this Winter



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Director of Trading



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Head of Service Delivery

October 2026

Welcome and Housekeeping



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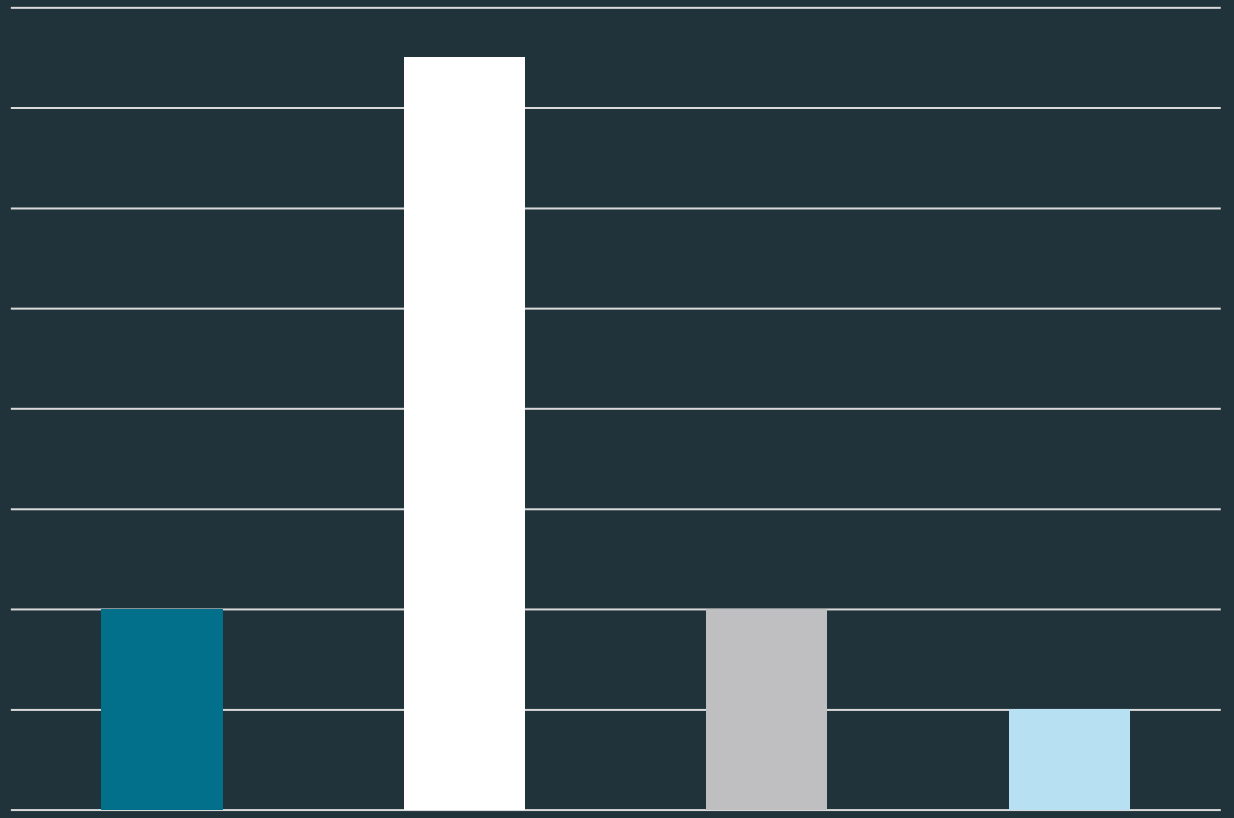
Let’s take a poll



ARE YOU CURRENTLY IN A FIXED OR FLEXIBLE ENERGY CONTRACT?

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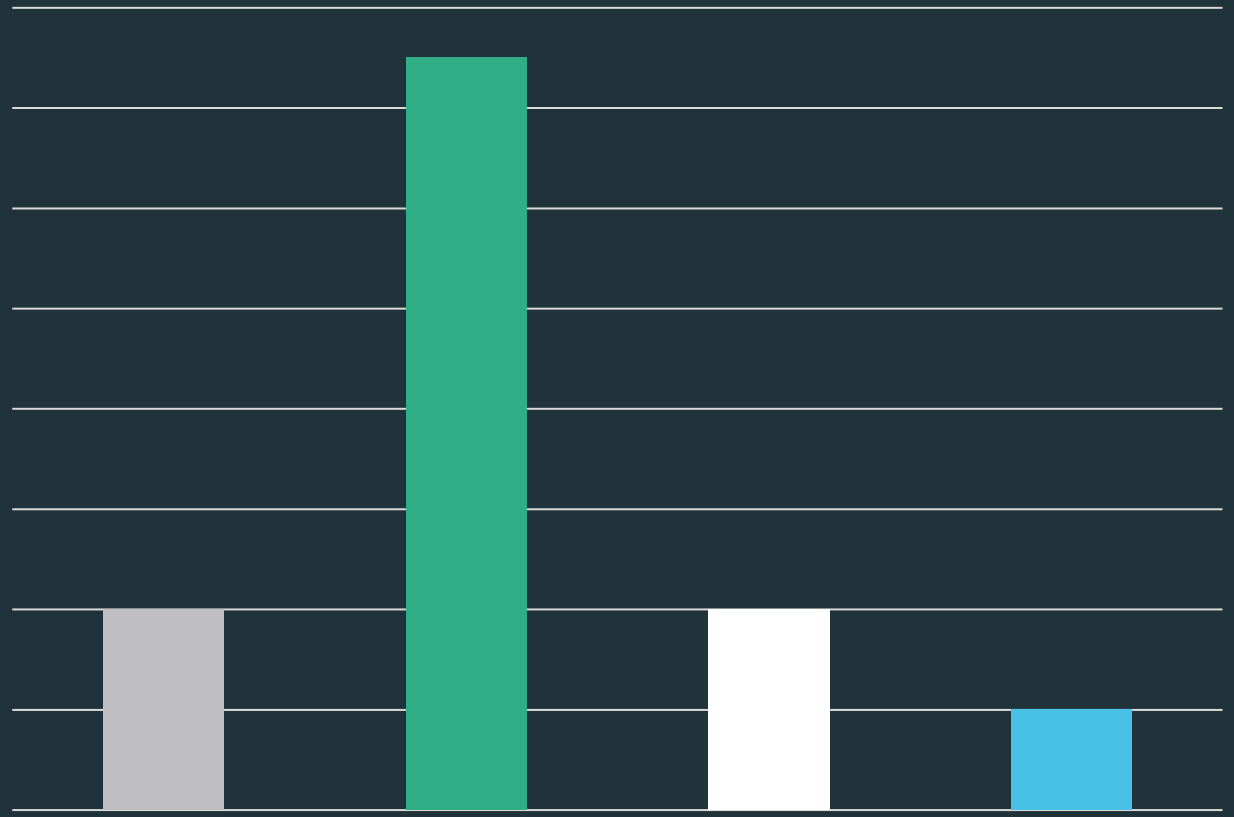
Let’s take a poll

WHEN IS YOUR ENERGY CONTRACT UP FOR RENEWAL?



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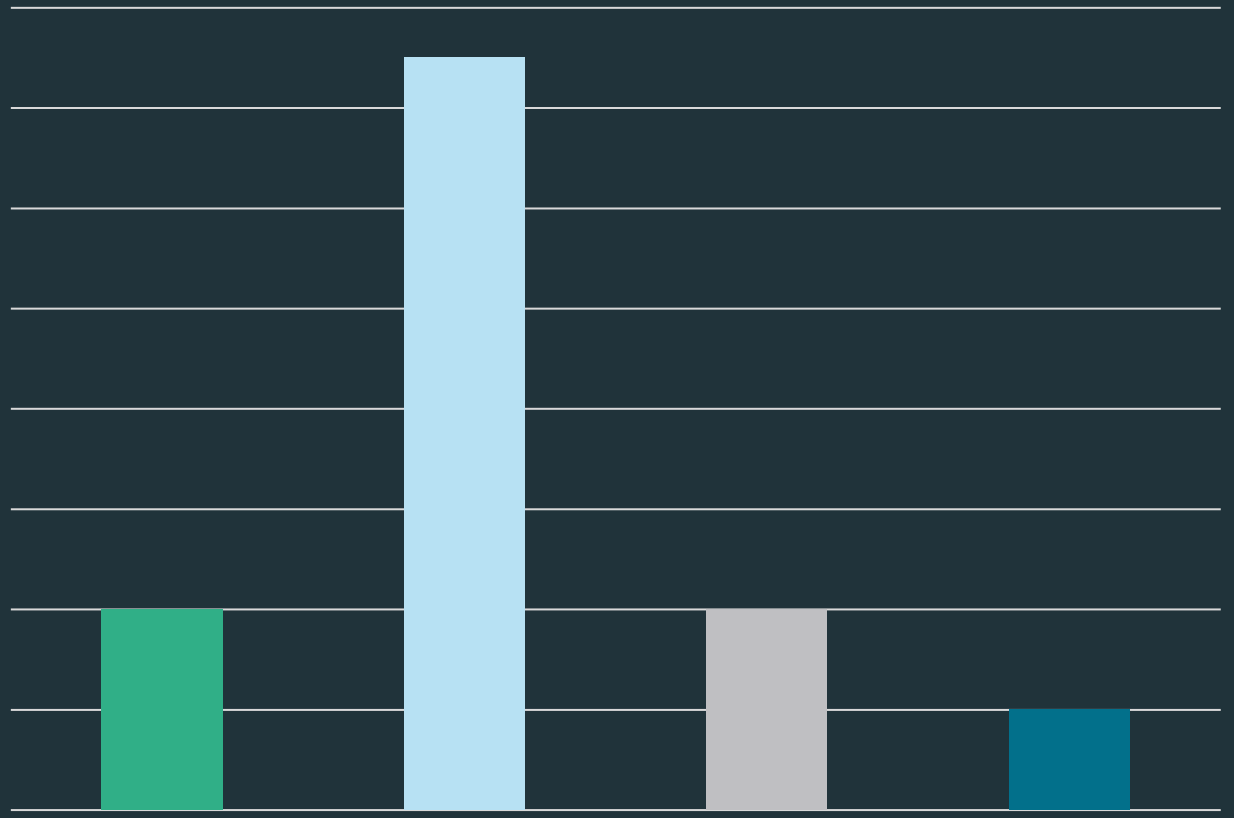

WOULD YOU ANTICIPATE THAT ENERGY PRICES WILL INCREASE OR DECREASE OVER THE NEXT 12 MONTHS?

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Agenda

- Review of Winter 2025
- Current outlook for gas and power in 2026
- Injection gap, and gas storage
- Q&A

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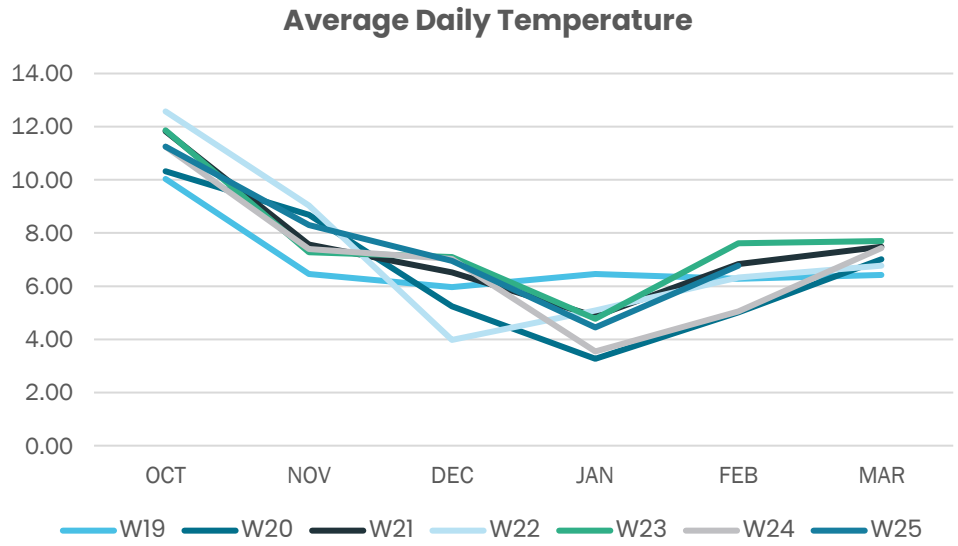
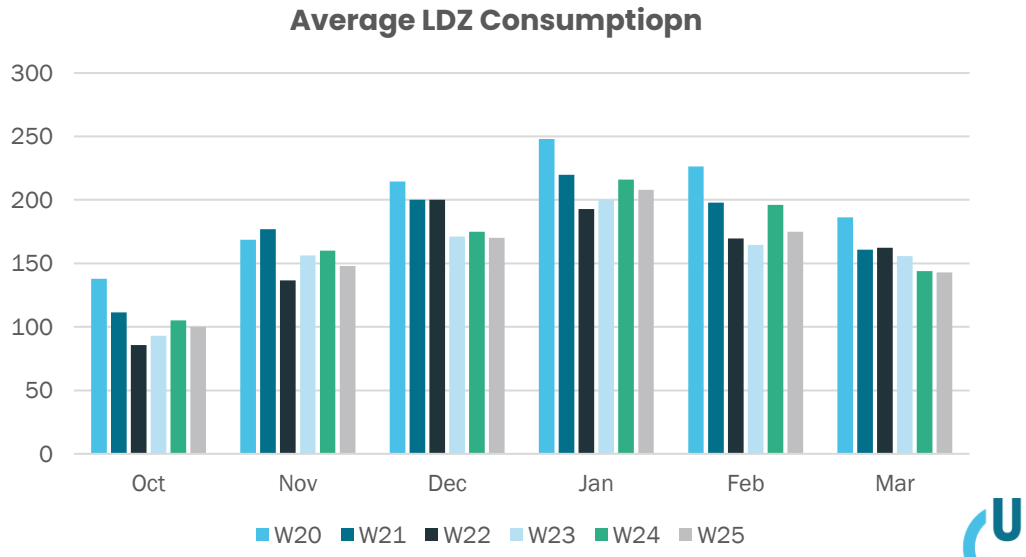
SETTING THE SCENE

- Last winter was distinctly average.
- Lower consumption YoY in every month.
- LDZ demand continues to grow 15% reduction on pre-crisis levels, now running at 20%. Strongest reductions in the shoulder months.
- Last winter, periods of cold and low wind put significant stress on the power system, are we more exposed?
- Wind generation is consistently strong, new major farms are commissioning this winter.
- Temperatures on the continent were significantly colder in January.





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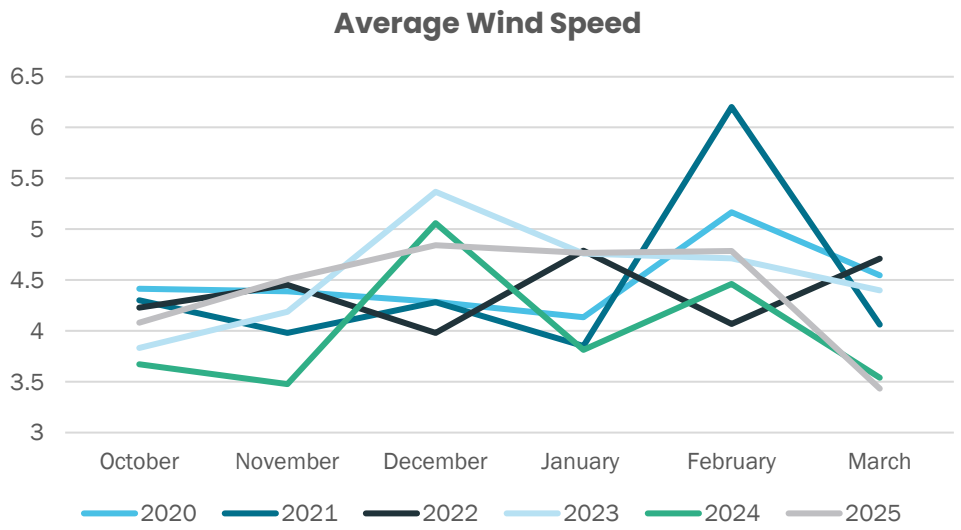

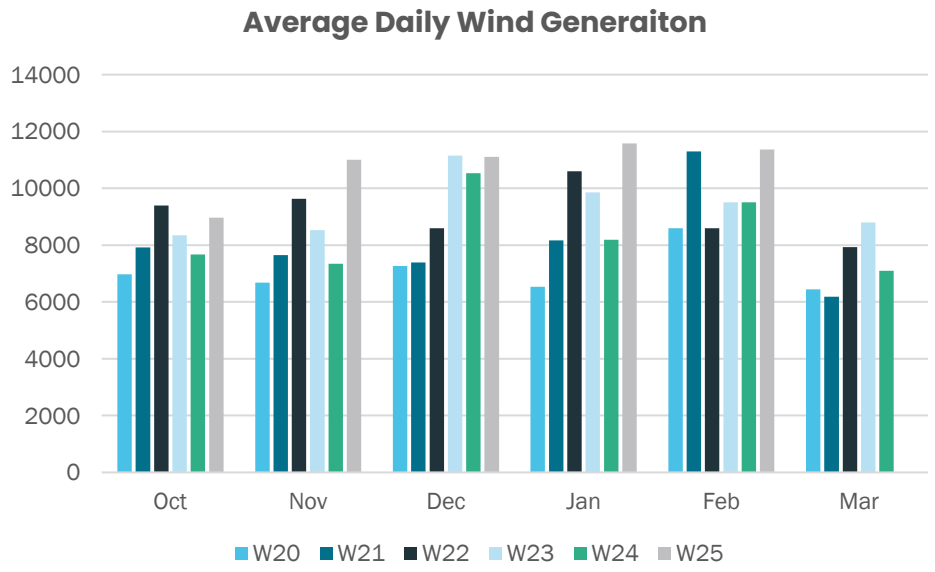

SETTING THE SCENE

Review of wind output

- Average wind speeds were consistent.
- Total wind generation significantly higher this winter.
- 30.2GW of wind capacity now installed.
- El Nino stronger winds in Q4?

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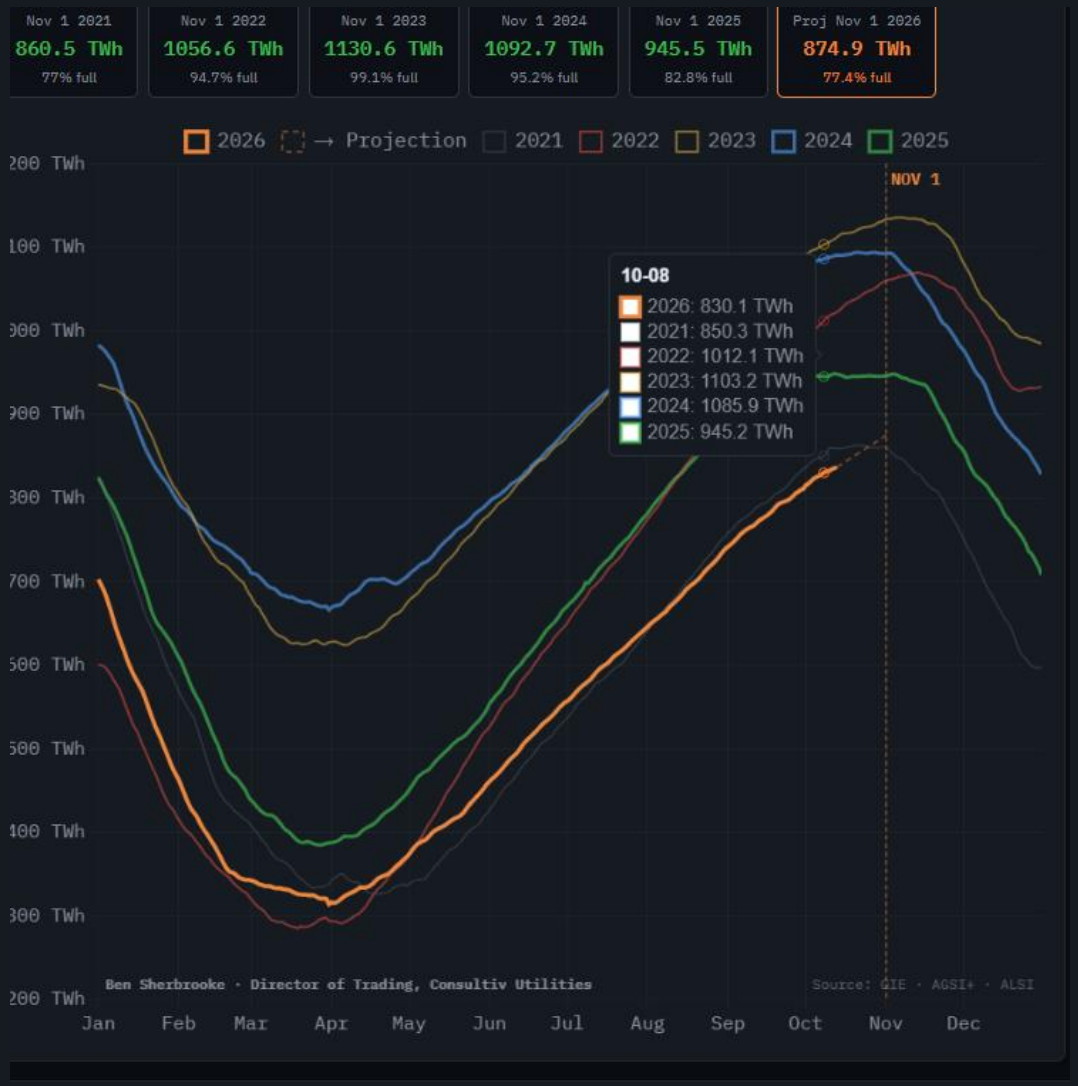
Review of gas storage





- Strong withdrawals this January particularly in Netherlands and Germany, meant a very low starting point of injections this summer.

- The middle east crisis meant LNG was more expensive and with no commercial incentive German and Dutch storage remains at only 60% full.

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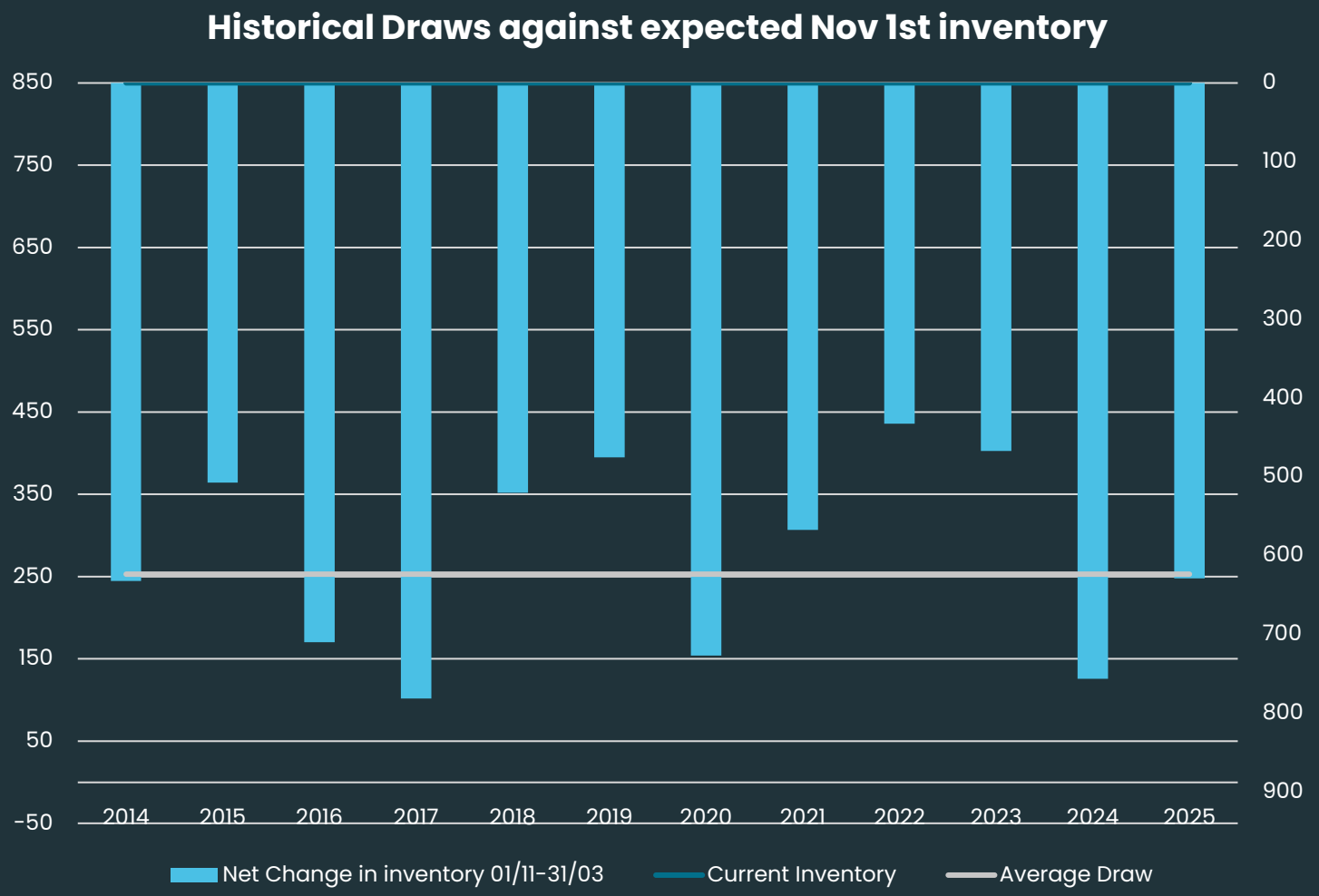
Storage Withdrawals



- From 850 TWh in store on 01/11/26.
- Average draw would leave 250TWH in store lowest on record.
- El Niño draws were lower.
- But more significant on the wind and blocking.

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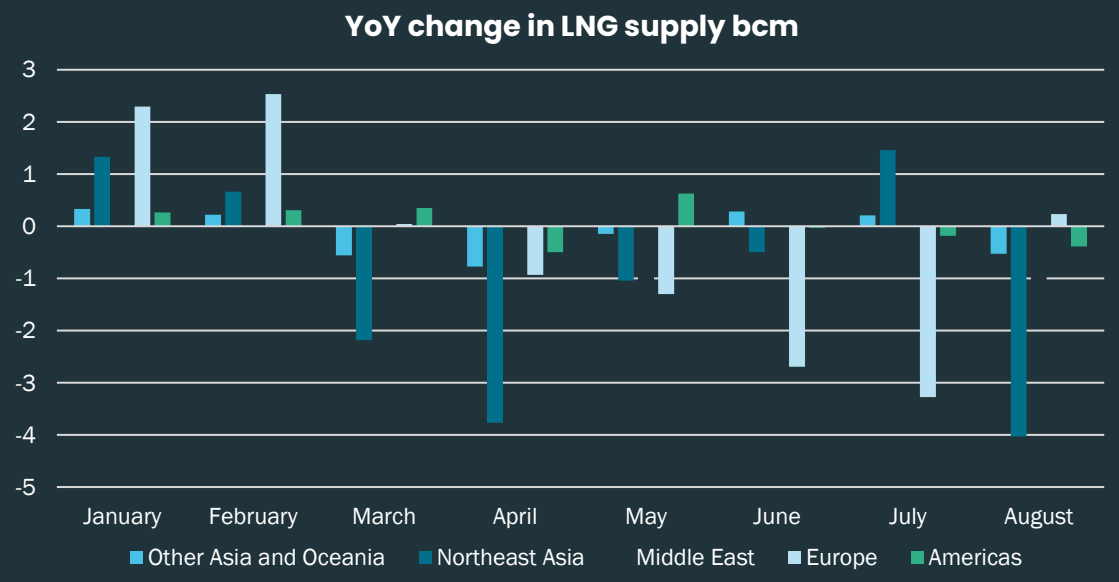
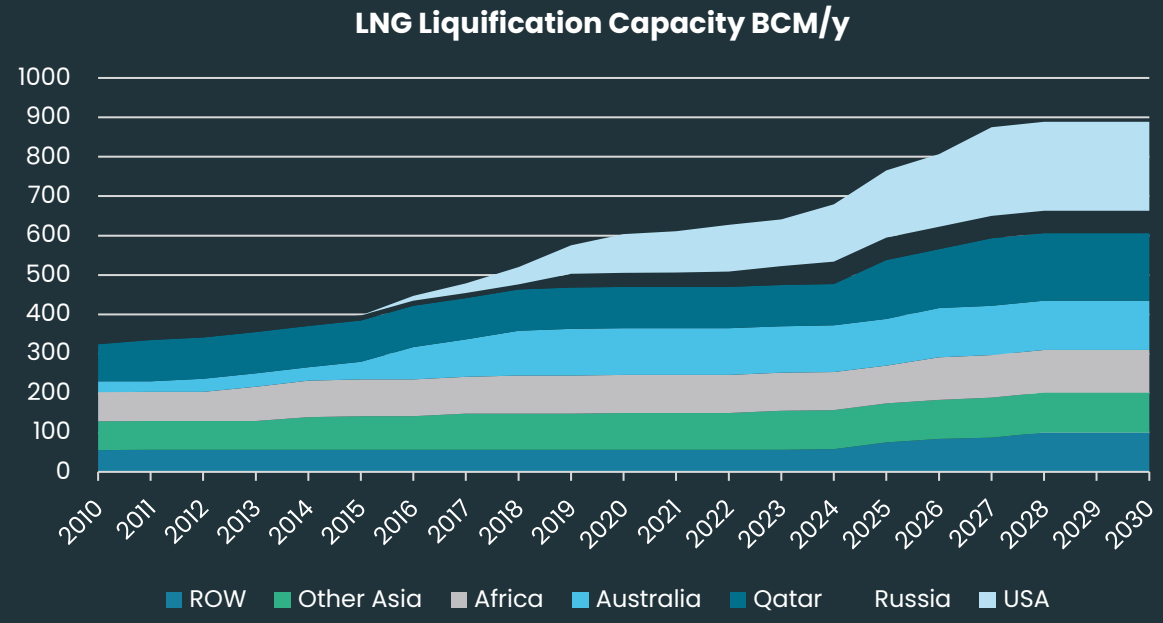
LNG

- LNG supply was growing at the start of the year.
- Qatar strikes remove 20% of LNG supply.
- LNG supply almost as large as a year ago.
- Qatar has the potential to return quickly but should not be expected.
- NE Asia has taken the biggest hit so far.
- Other Asia is still growing.





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Recap

KEY TAKEAWAYS

1. Low storage means greater reliance on LNG this winter.
2. LNG market tighter due to reduced Qatari supply, but the same size as two years ago.
3. LNG is the only source of supply that can provide the flexible gas required.
4. Demand response to the energy crisis has been very strong.

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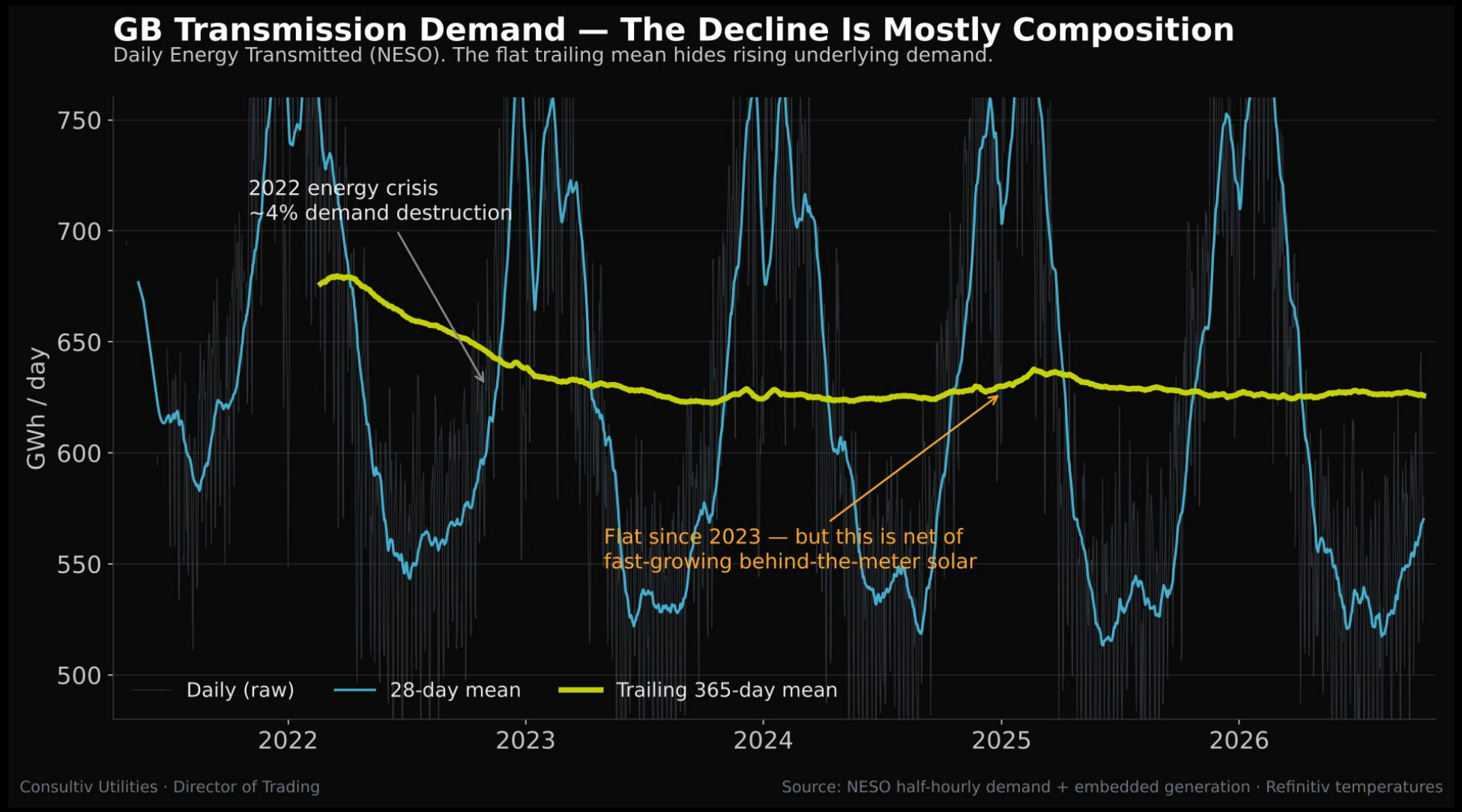
Straits of Hormuz



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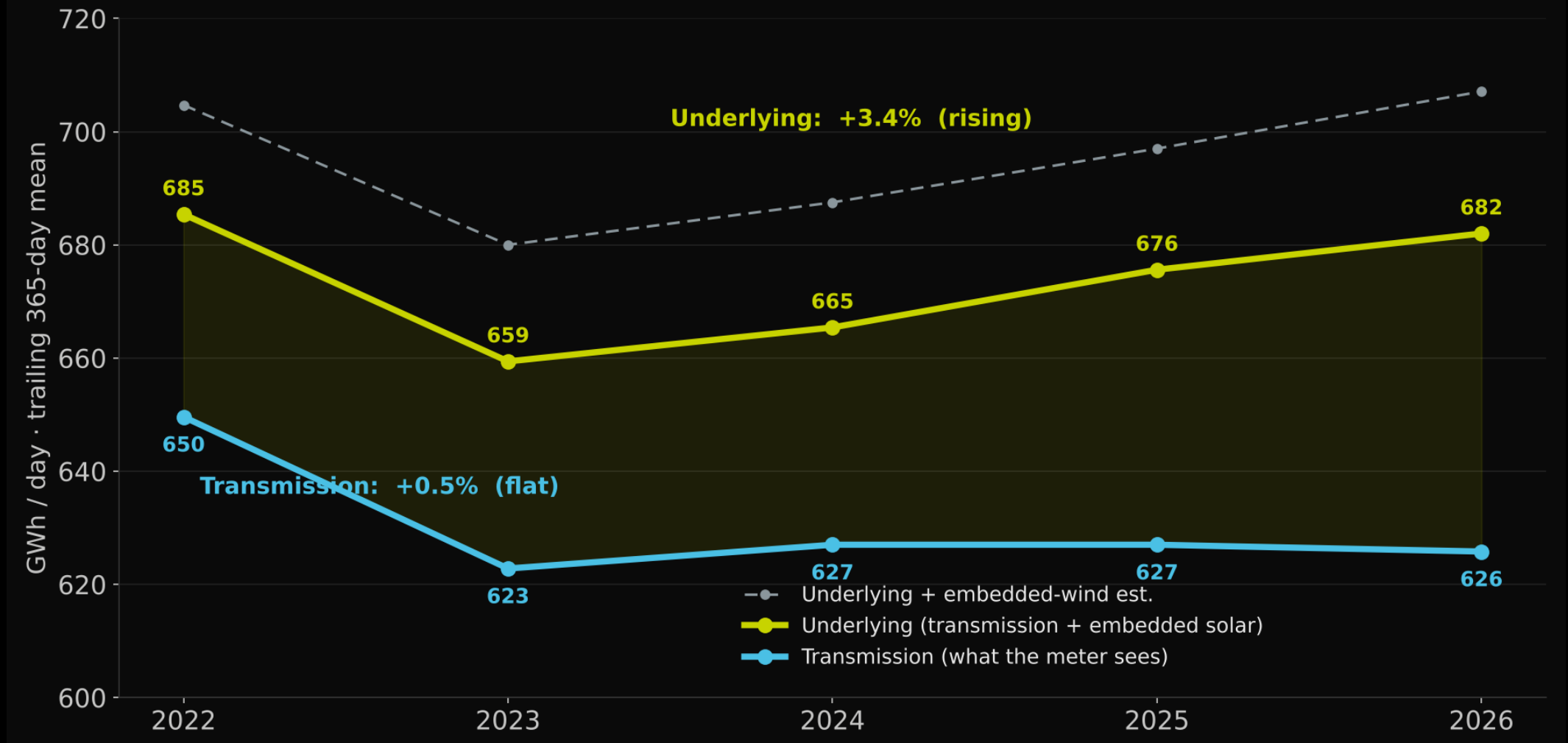
GB Demand Is Rising — The Grid Just Doesn’t See It

Underlying demand (transmission + behind-the-meter solar) vs transmission demand.



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Source: NESO half-hourly demand + embedded generation · Refinitiv temperatures

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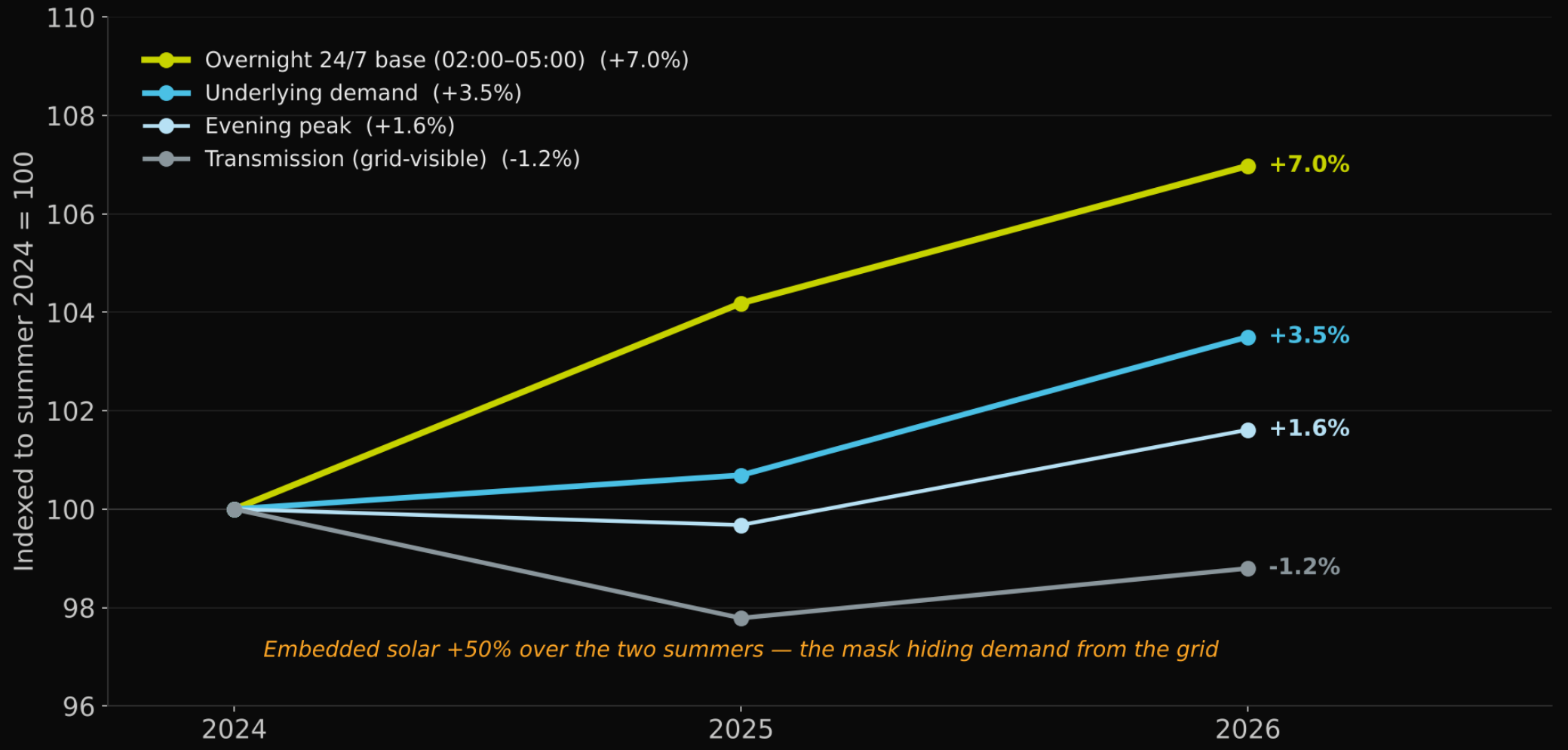
The 24/7 Base Is Rising Fastest — And The Grid Can’t See It

Three summers, working days. Overnight floor: no solar, little cooling — the weather-robust read.



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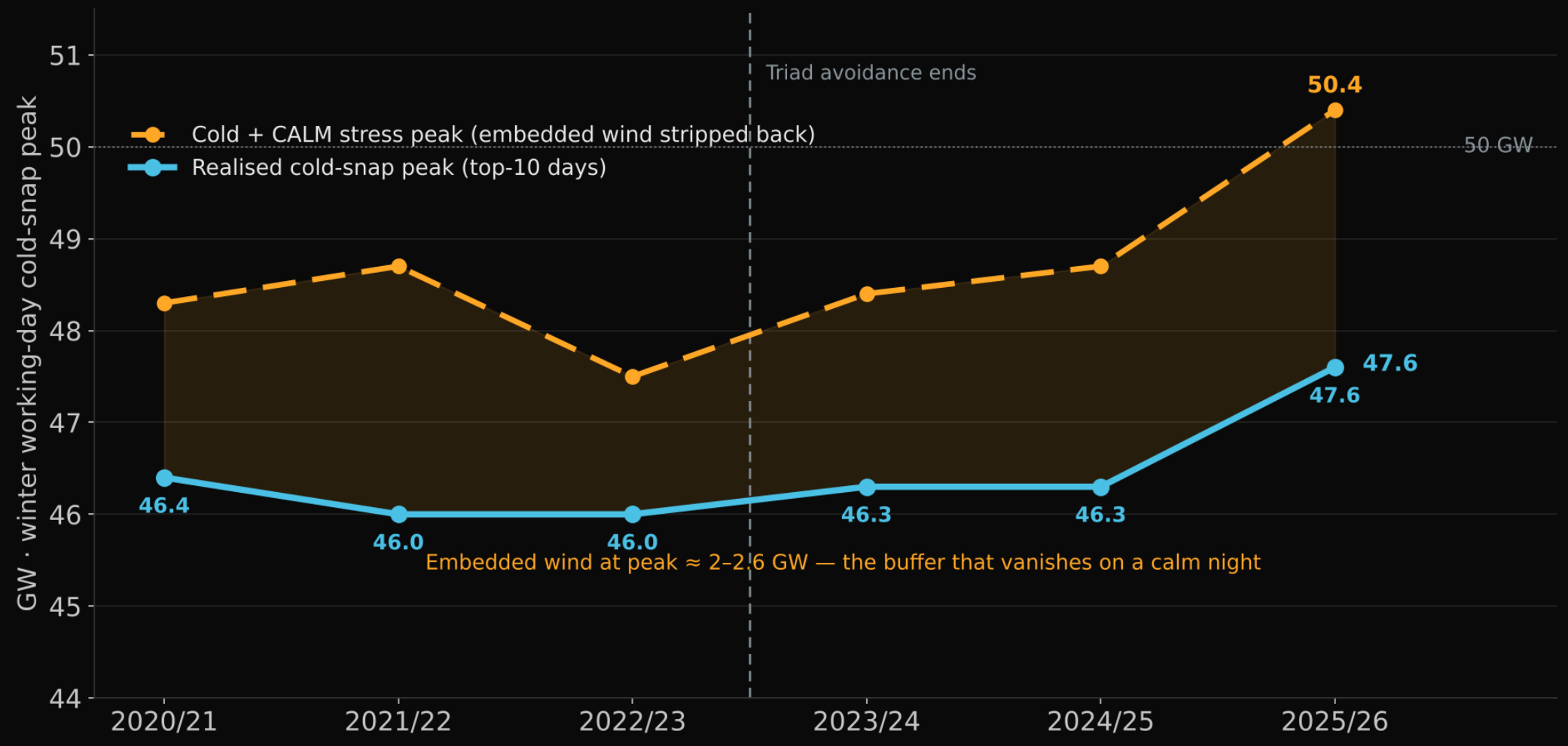
One Calm Cold Snap From 50 GW — And the Buffer Is Weather

Realised peaks stay below 50 only because embedded wind shows up on cold days. Triad shaving gone.



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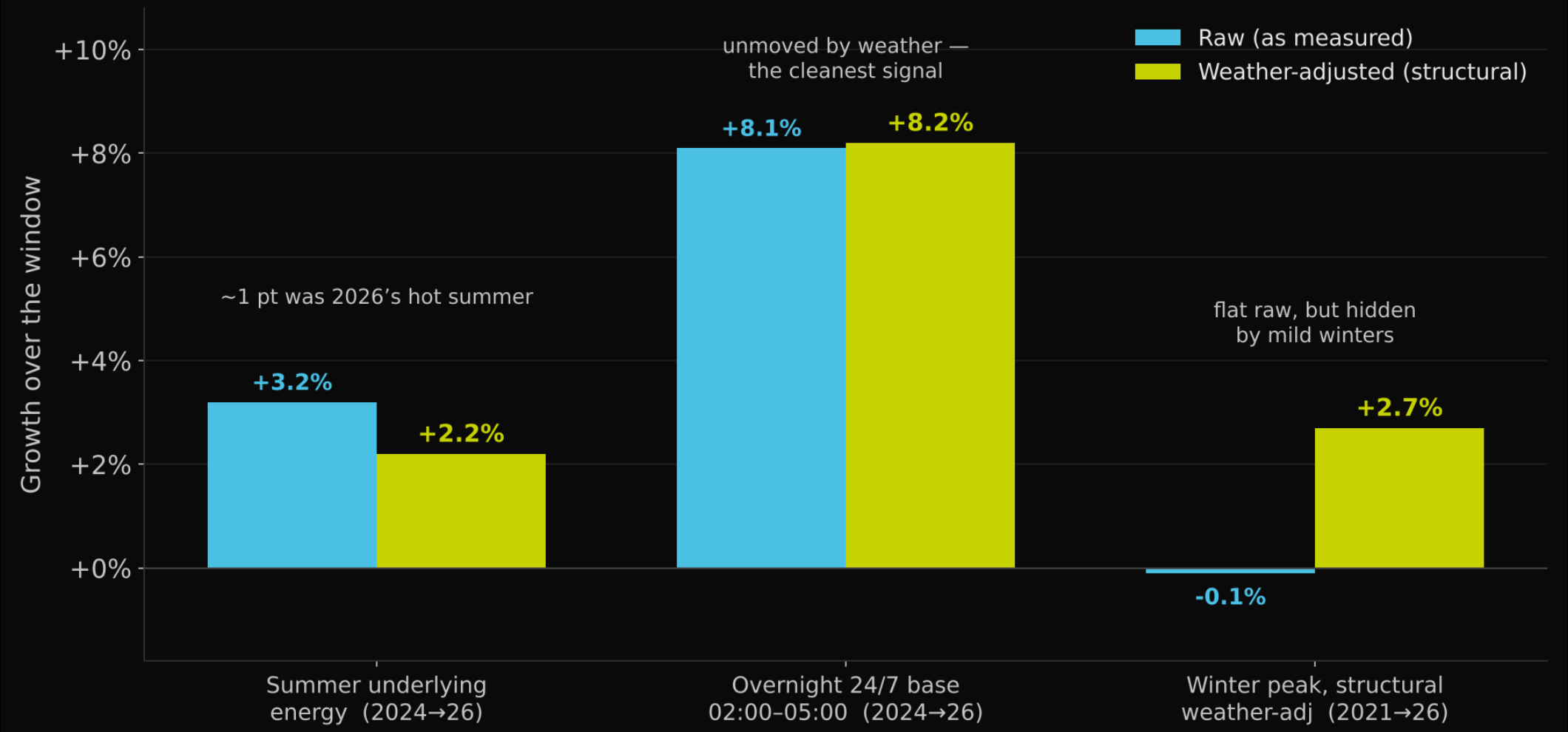
After Stripping Solar, Wind and Weather — What's Structural

Every estimate replaced with NESO half-hourly data; weather-normalised on temperatures back to 2006.



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Future Outlook

Gas

- The world needs to manage a winter without Qatari LNG.
- US midterms in November.
- Russian LNG ends in January.
- Demand destruction remains strong.

Power

- Renewable generation increases but is largely matching increased global demand.
- Demand from AI and increased electrification are expected to increase the load.
- Huge investment needed to support the above.
- Increased load stresses margins this winter.

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Market outlook

BULLISH PRICE DRIVERS

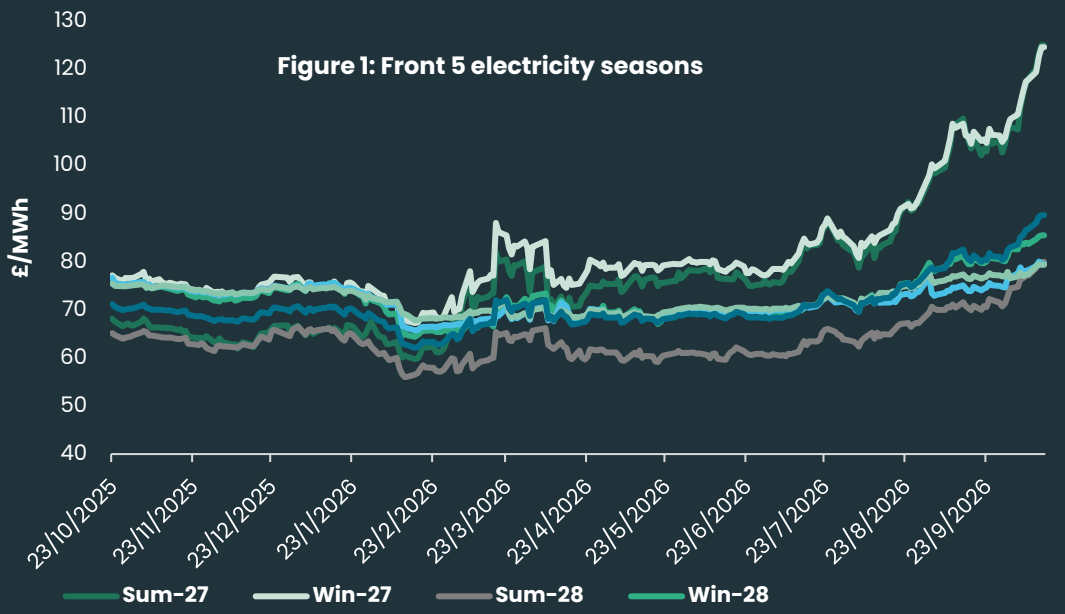
- Very low start to storage ahead of winter leaves the system vulnerable this winter to colder weather.
- Competition for LNG this winter.

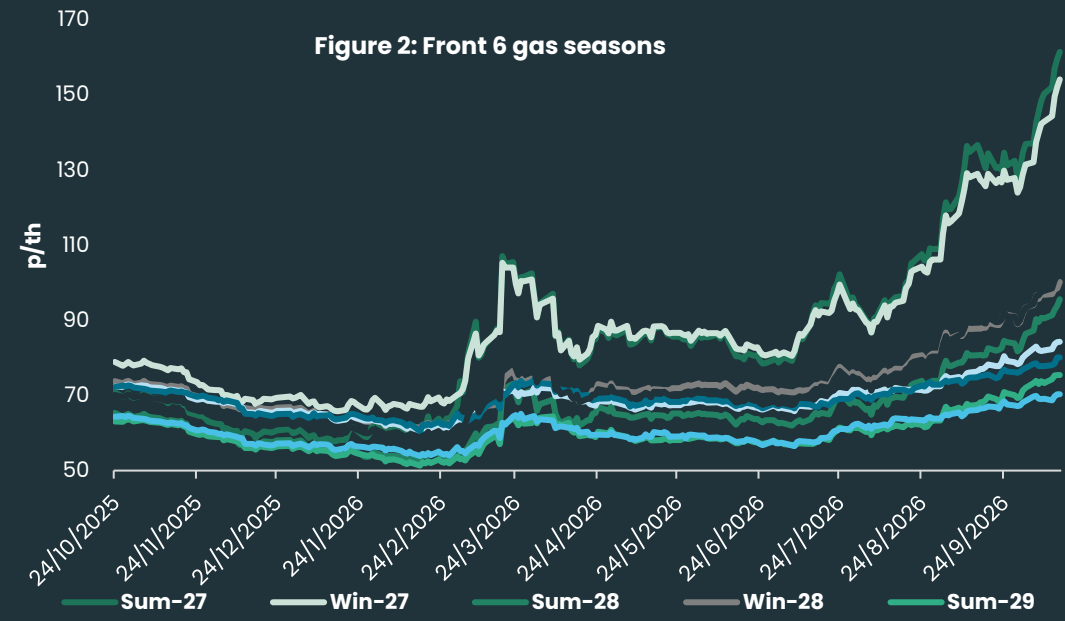
NEUTRAL

- Solar installations since the energy crisis. LNG projects are expected to come online through this summer and into 2027.

BEARISH PRICE DRIVERS

- Healthy levels of French nuclear generation.
- Demand destruction.
- Macro outlook.





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Recap

KEY TAKEAWAYS

1

Europe is at critically low storage levels heading into winter.

2

Forward curves have accelerated higher in the last two months.

3

Supply response to the last energy crisis was beginning to bear fruit. Further demand response needed.

4

Energy additions dampen the effect of increased supply.

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Q&A



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Thank you
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