

Energy Market Update

23rd September 2025

FLAME UK ENERGY MANAGEMENT - WEEKLY MARKET INSIGHT

22 September 2025



Wholesale Market Prices and Trends

Wholesale Gas Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	2.85	↓ -18%	↓ -10%	↓ -4%
Oct-25 24m	2.80	↓ -13%	↓ -4%	→ 0%
Oct-25 36m	2.71	↓ -10%	↓ -2%	↑ 1%
Apr-26 12m	2.86	↓ -12%	↓ -2%	↑ 2%
Apr-26 24m	2.70	↓ -8%	↗ 1%	↑ 3%

Wholesale Power Element (p/kWh)	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Oct-25 12m	8.03	↓ -8%	↑ 2%	↑ 7%
Oct-25 24m	7.86	↓ -5%	↑ 6%	↑ 9%
Oct-25 36m	7.71	↓ -3%	↑ 8%	↑ 8%
Apr-26 12m	7.96	↓ -4%	↑ 9%	↑ 12%
Apr-26 24m	7.67	↓ -1%	↑ 8%	↑ 8%

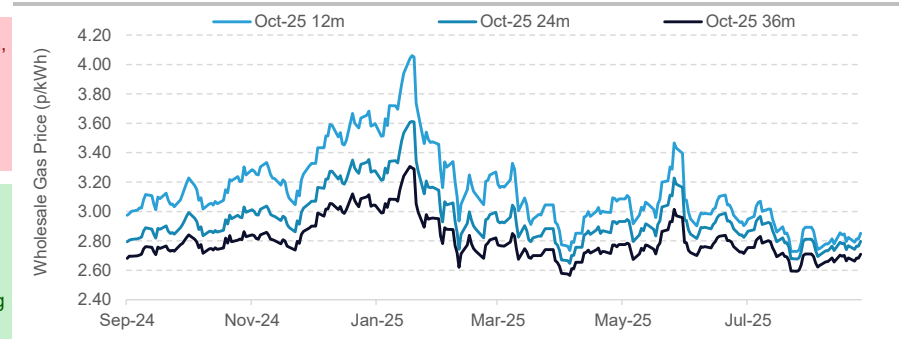
Wider Energy Complex	Indicative Price	3-Month Variance	6-Month Variance	12 Month Variance
Brent (\$/bbl.)	66.68	↓ -7%	↑ 9%	↓ -9%
Coal (\$/t)	102.20	↓ -11%	↓ -7%	↓ -21%
UK Carbon (£/t)	57.60	↑ 13%	↑ 11%	↑ 69%
EU Carbon (€/t)	77.55	↑ 6%	↑ 9%	↑ 12%
€/£	0.87	↓ -36%	↑ 3%	↑ 5%

UK NBP Gas

Wholesale Market Drivers

Bearish (Falling)	<p>The IEA projects that EU gas and LNG imports could decline by 25% by 2030 under a full green transition, signaling less reliance on gas-fired generation and supporting a downward trajectory in EU gas demand.</p> <p>Global LNG supply for Winter 2025/26 is forecast to rise 12% year-on-year, easing concerns over supply risks and partially offsetting reduced Russian flows, while also supporting European storage and market stability.</p>
Bullish (Rising)	<p>The IEA warns most global oil and gas fields are past peak output, with increasing decline rates raising long-term supply concerns and supporting market sentiment.</p> <p>The EU plans to accelerate its Russian LNG ban to January 2027 in its recent 19th sanctions package under US pressure, raising supply risks and reinforcing Europe's reliance on American LNG amid ongoing geopolitical tensions.</p>

Wholesale Price Graphs

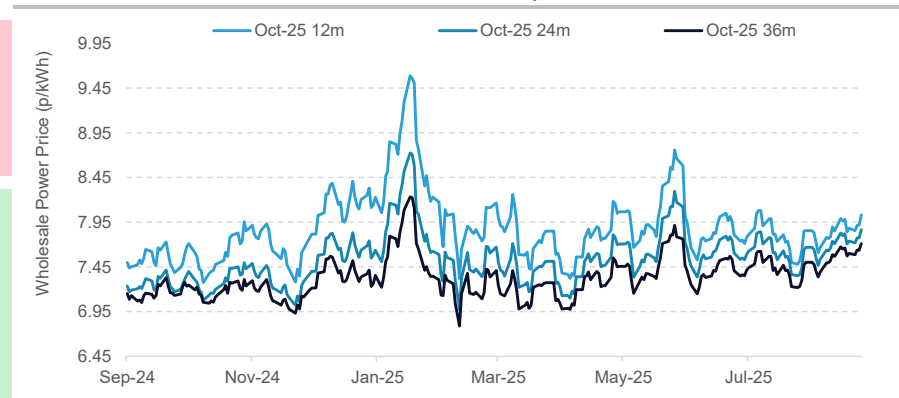


UK Baseload Power

Market Drivers

Bearish (Falling)	<p>During Trump's UK state visit last week, a US-UK nuclear energy pact was agreed, helping to secure investment to fund new plants in the UK.</p> <p>UK inflation remains high at 3.8%, fueling doubts over further Bank of England rate cuts, while slowing economic activity and the upcoming price cap increase could curb winter demand.</p>
Bullish (Rising)	<p>Rising concerns over nuclear-renewable incompatibility highlight risks to Europe's energy transition, as inflexible nuclear output threatens renewable integration, reduces market flexibility, and pressures affordability despite low-carbon ambitions.</p> <p>EU carbon prices could hit €90/t by year-end, driven by a tighter EU ETS balance through 2026 and a shorter market over the next three years, supporting baseload futures.</p>

Wholesale Price Graphs



Energy Market News:

EU accelerates Russian LNG ban under US pressure. The European Union is preparing to advance its ban on Russian liquefied natural gas (LNG) imports by one year, moving the deadline to Jan-27 as part of its 19th sanctions package against Moscow. The shift follows direct pressure from the US President Donald Trump, who has repeatedly urged Europe to cut energy ties with Russia more quickly. European Commission President, Ursula von der Leyen, said fossil fuel revenues continues to sustain Russia's war economy. The proposed measures also target Russia's shadow tanker fleet, cryptocurrency channels, and third-country refineries accused of helping Moscow circumvent sanctions. The plan still requires unanimous approval from all 27 member states, with Hungary and Slovakia expected to raise objections. Analysts warn the accelerated phase-out will increase Europe's reliance on the US LNG, at a time when Washington is using trade tariffs as leverage. Meanwhile, Russia dismissed the move, insisting it would not alter its stance on Ukraine.

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Market Prices and Trends

Gas (p/therm)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	80.10	80.50	0.5%	-16%
Oct-25	80.05	79.92	-0.2%	-21%
Nov-25	84.55	84.13	-0.5%	-21%
Dec-25	87.68	87.29	-0.4%	-21%
Jan-26	89.25	88.97	-0.3%	-20%
Q4-25	84.09	83.78	-0.4%	-21%
Q1-26	87.97	87.65	-0.4%	-19%
Winter-25	86.01	85.70	-0.4%	-20%
Summer-26	79.30	79.09	-0.3%	-13%
Winter-26	86.95	87.18	0.3%	-9%
Summer-27	72.98	73.00	0.0%	-5%
Winter-27	80.72	81.00	0.3%	-2%
Summer-28	67.36	67.95	0.9%	0%

Baseload (£/MWh)	Close	Indicative Price*	% Change	3-Month Variance
Day-Ahead	83.00	92.15	11.0%	5%
Oct-25	76.00	77.00	1.3%	-16%
Nov-25	84.85	84.50	-0.4%	-10%
Dec-25	83.75	84.50	0.9%	-13%
Jan-26	87.50	87.50	0.0%	-8%
Q4-25	81.50	81.70	0.2%	-13%
Q1-26	86.57	86.25	-0.4%	-9%
Winter-25	84.00	83.75	-0.3%	-11%
Summer-26	74.98	75.00	0.0%	-3%
Winter-26	83.34	83.44	0.0%	-2%
Summer-27	70.09	72.00	2.7%	3%
Winter-27	79.64	80.50	1.1%	3%
Summer-28	68.08	69.00	1.4%	7%

Wider Energy Complex	Close	Current Offer	% Change	3-Month Variance
Brent (\$/bbl)	66.68	66.59	-0.1%	-7%
Coal (\$/t)	102.20	102.20	0.0%	-11%
UK Carbon (£/t)	57.85	57.15	-1.2%	13%
EU Carbon (€/t)	77.80	76.65	-1.5%	6%
€/£	0.871	0.872	0.1%	2%
€/€	1.174	1.178	0.3%	1%

Current Market Drivers

A sharp drop in wind generation, alongside outage extensions to 1.2 GW of UK nuclear output, is supporting prompt baseload contracts. Despite a rebound in Norwegian flows, maintenance extensions add bullish risk. Global LNG supply for Winter 2025/26 is anticipated to be 12% higher compared to last year's levels, alleviating some concerns over supply risks into winter amid reduced Russian gas flows, limiting upside risk along the curve. NATO will hold an emergency meeting on Tuesday over Russian violations of Estonian airspace, with reports of Russian incursions into neutral airspace over the Baltic Sea also heightening regional concerns. UK gas futures remain sideways, with geopolitical risks emanating from Russia-Ukraine and the Middle East, leaving little scope for downside; however, comfortable fundamentals continue to abate further upside risk. Following pressure from Trump, the EU is preparing to bring its deadline for phasing out Russian LNG forward by a year. Market reaction has remained somewhat muted, as ongoing diversification improves regional energy security.

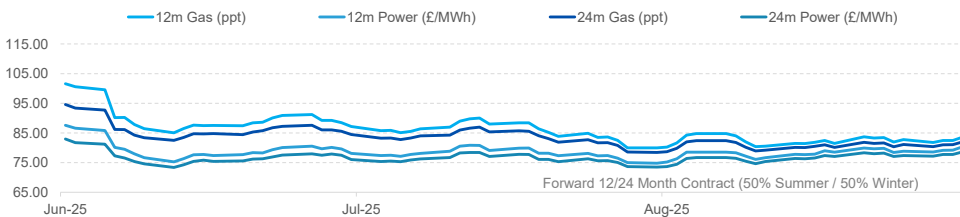
Market Focus

EU accelerates Russian LNG ban under US pressure. The European Union is preparing to advance its ban on Russian liquefied natural gas (LNG) imports by one year, moving the deadline to Jan-27 as part of its 19th sanctions package against Moscow. The shift follows direct pressure from the US President Donald Trump, who has repeatedly urged Europe to cut energy ties with Russia more quickly. European Commission President, Ursula von der Leyen, said fossil fuel revenues continues to sustain Russia's war economy. The proposed measures also target Russia's shadow tanker fleet, cryptocurrency channels, and third-country refineries accused of helping Moscow circumvent sanctions. The plan still requires unanimous approval from all 27 member states, with Hungary and Slovakia expected to raise objections. Analysts warn the accelerated phase-out will increase Europe's reliance on the US LNG, at a time when Washington is using trade tariffs as leverage. Meanwhile, Russia dismissed the move, insisting it would not alter its stance on Ukraine.

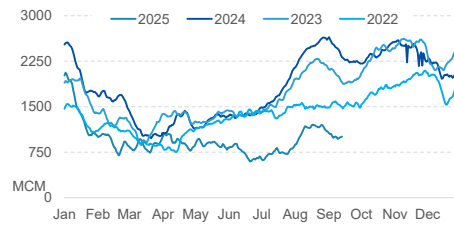
Energy transition concerns grow amid nuclear-green incompatibility. In a bid to secure baseload capacity and meet climate targets, European countries are expanding nuclear power; however, its inflexible nature could hamper renewable integration and undermine the energy transition. France-based think tank Negawatt noted that nuclear and renewables are difficult to combine both technically and economically, as it would require either nuclear output modulation or curtailment of renewables, resulting in a loss of productivity. This came not long after the EC President stressed that Europe needs to generate more homegrown renewables, with nuclear as baseload. Her remarks reflect views that nuclear is essential to replacing gas and coal in the energy mix with secure low-carbon power, though critics warn its rigidity could undermine flexibility, markets and affordability. France illustrates this challenge, as weak demand, rising renewables and record exports in 2024 left surplus capacity, forcing EDF to ramp up nuclear modulation, increasing wear and tear on reactors.

UK-US agree to tech prosperity deal. As Trump's second state visit to Britain is underway, the UK and US have agreed to a technology pact, with top US firms pledging £31bn in UK investment. The agreement is set to involve joint initiatives to develop AI models for healthcare, enhance quantum computing capabilities, and advance civil nuclear projects. This comes after the UK and US recently signed a nuclear energy pact, with the US currently being Britain's single largest trading partner. British Prime Minister Starmer hopes these efforts will promote economic growth, scientific research, and energy security in both nations. Starmer is under pressure to reverse years of weak economic growth under previous Tory governments and aims to position the UK as an attractive destination for investment by adopting the more flexible regulatory approach favoured by the US in sectors such as AI, forgoing the more interventionist model of the European Union. Companies slated to invest in the UK under the deal include chipmaker Nvidia, Microsoft, Google, CoreWeave, and BlackRock, among others.

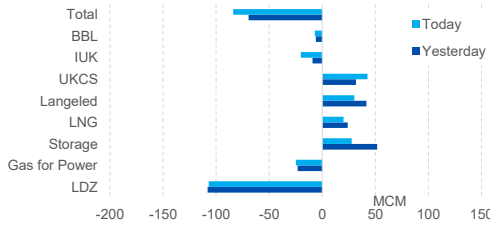
Forward Curve Price Action



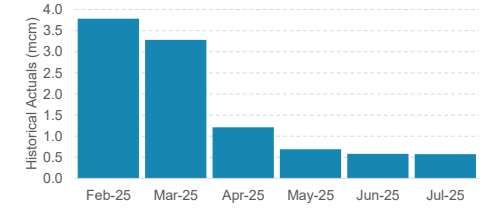
UK Gas Storage Level



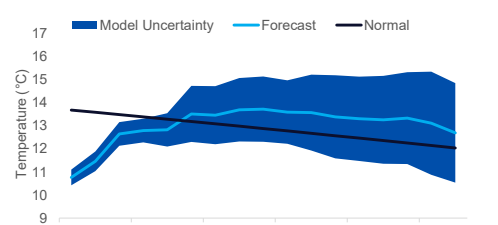
UK Gas Supply/Demand Sources



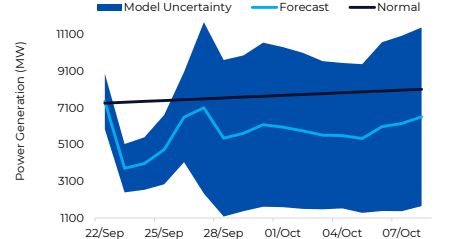
Historical Monthly LNG Supply



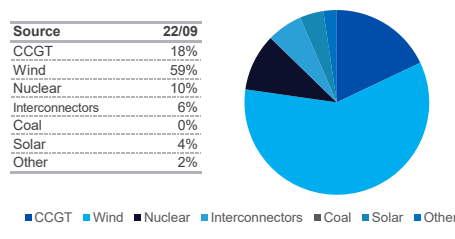
Temperature Forecast



Wind Power Generation Forecast



Power Generation Mix (Last 24 Hours)

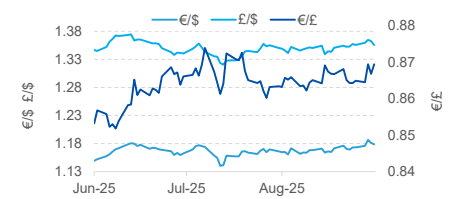


Nuclear Outages

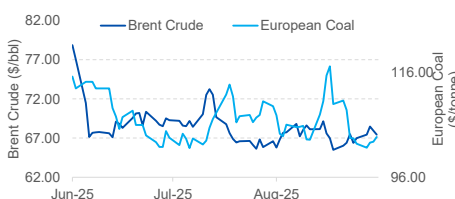
Facility	Capacity (MW)	Start Date	End Date
Hartlepool 1	595	28/04/25	29/09/25
Hartlepool 2	595	04/06/25	27/09/25
Heysham 2-7	615	07/08/25	01/10/25
Heysham 2-8	615	09/09/25	02/10/25

Current online capacity: 4080 MW (63%)

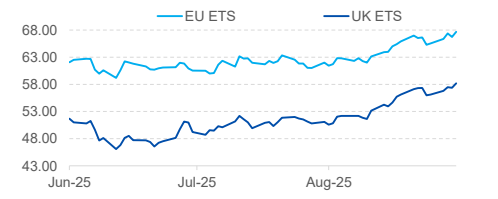
UK, EU and US Currencies



Brent Crude vs European Coal



Emissions Trading Scheme Carbon



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