

September Market Report

15 October 2026



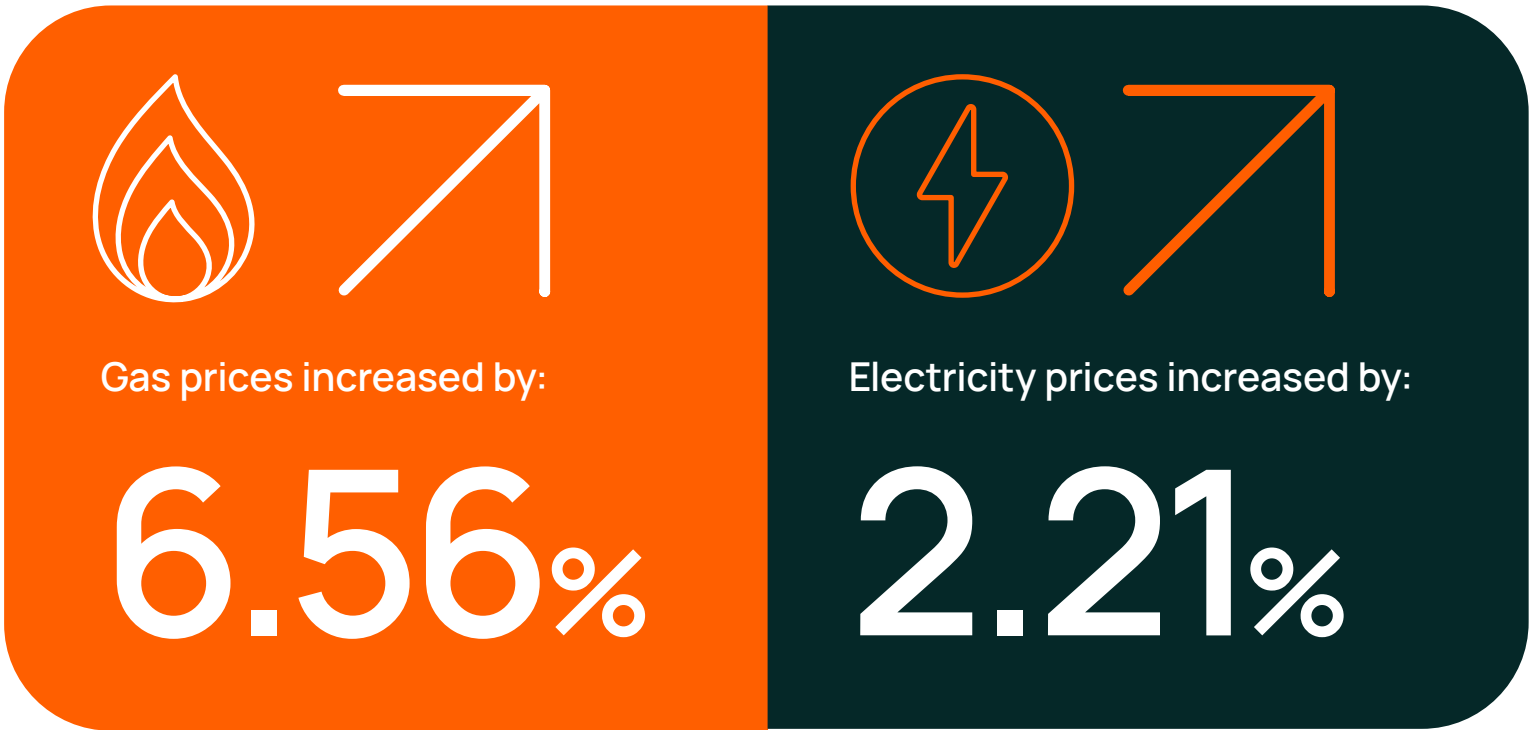
Keeping you updated
with the latest trends,
news and forecasts in
the UK energy market.



Market analysis

Commentary

September saw a broadly upward trend in wholesale gas and power prices, with most periods seeing a net uplift. The front 12-months did see some easing mid-month, with a bearish undercurrent forming out to October, which meant peak levels were not maintained for long.



Commodity	Unit	Price 01/09/26	Price 30/09/26	% Change
Gas (12-month forward)	p/therm	142.08	151.40	+6.56%
Power (12-month forward)	£/MWh	120.66	123.33	+2.21%
Brent Crude Oil (\$/bbl.)	\$/bbl	88.10	102.59	+16.45%
Coal (\$/tn)	\$/tonne	129.71	134.19	+3.45%
Carbon (ETS Dec-26)	£/tonne	59.39	61.86	+4.16%

Market analysis

Key drivers

Market volatility – Middle East

Gas and power market volatility increased substantially during September, with prices reaching levels not seen since early 2023 on the front month. Geopolitical tensions in the Middle East remained a key driver of the markets, reinforcing risk premiums despite supply fundamentals seeming to pick up (more LNG cargoes passing through the Strait). The impact of these developments has also been reflected further along the curve, with higher prices extending from 2028 being observed.

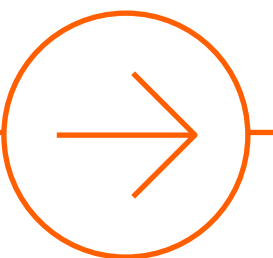
European gas storage

Updated forecasts suggest that the European gas storage level is unlikely to reach the European Commission target of 80% by 1 November. Recent internal analysis suggests that the most likely outcome range will fall between 73.34% and 77.47% - with an average base case of 75.22%. Injections have reduced significantly, caused in part by a major dry spell in much of Europe this year (resulting in less hydro & nuclear generation), alongside Norwegian peak cyclical maintenance occurring through September.

El Nino

Market participants are increasingly assessing the potential impact of El Nino on the forthcoming winter. The general view is that the first half of the period should be milder than normal, and potentially windier, allowing for plentiful wind generation. The second half of the winter could be far more unpredictable - with a chance of a longer cool spells and sharp freezes as the polar vortex is weakened, allowing cool air to seep deeper into the northern hemisphere. A colder than normal winter could increase gas demand for heating and power generation, while lower than expected wind output could further tighten the electricity market. However, the extent and direction of the impact remain uncertain.

September saw prices reach new highs across much of the curve for gas and power – although Winter 26 and Summer 27 did show a reversion in the latter half of the month.



Wholesale market graphs

Gas market prices (p/kwh)



*Based on 12-month forward profiled data

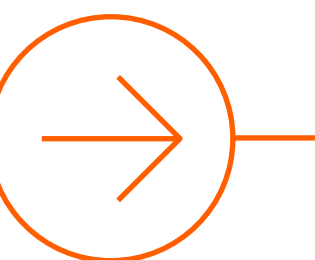
Electricity market prices (p/kwh)



*Based on 12-month forward profiled data

Zenergi recommendation

September has proved to be markedly different from what we saw in August, with net increases far less significant across the month as momentum slows. Flexible contracting offers substantial future value, enabling customers to capitalise on future cost savings and avoid buying at current peak levels. It offers the best option for contracts starting in late 2027 especially. Fixed price contracts are reflecting the elevated market prices, therefore a considered approach must be taken if this route is chosen.



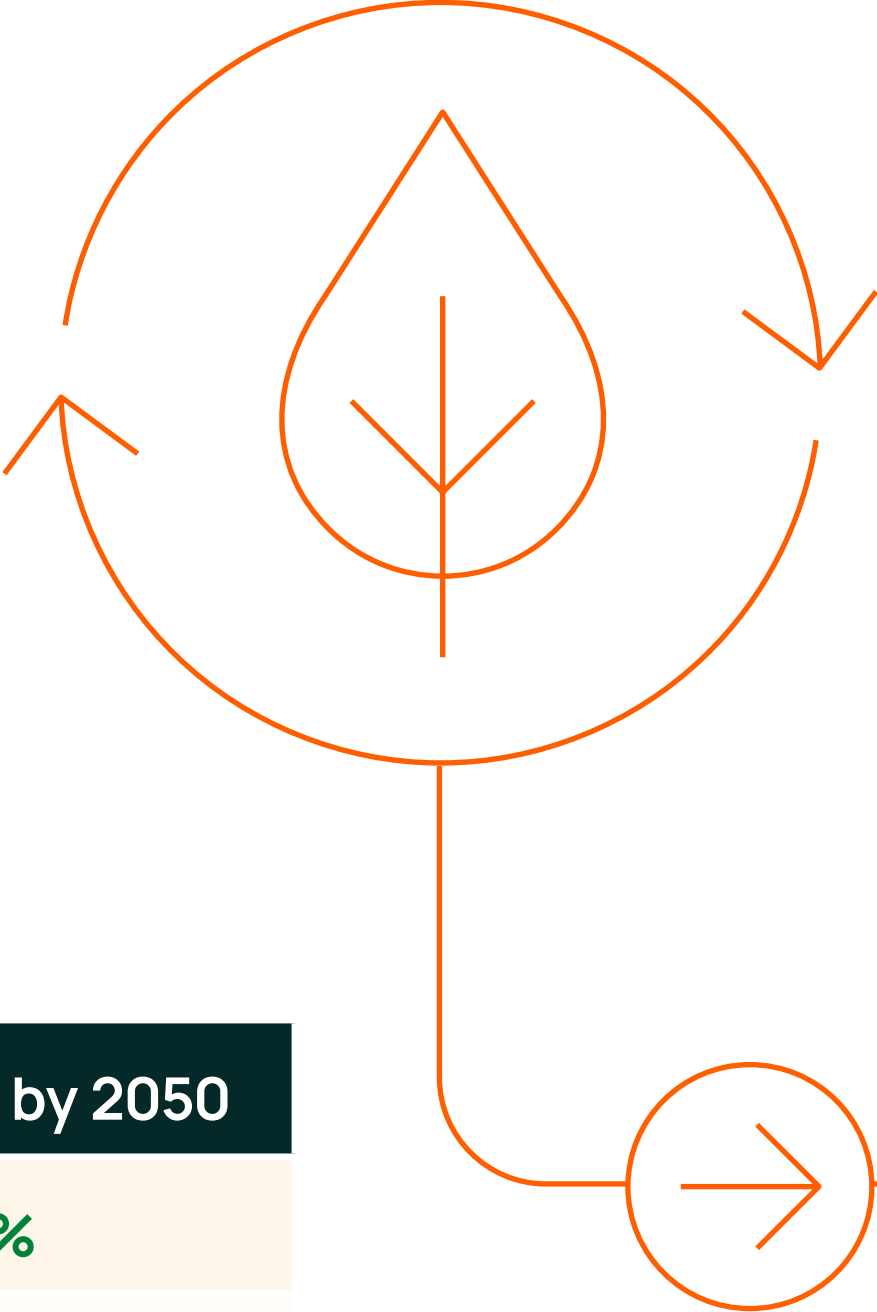
UK long-term fundamentals – renewables focus

The long-term view in the UK is that energy demand is set to increase - fuelled by population growth, data centre investment, and the move away from gas. Supply in renewables is expected to increase at a rapid rate, offsetting additional demand-side requirements, which is one of the reasons for long-term curve pricing at lower levels than the near term. Renewables are important to the UK as they reduce reliance on external gas supply. This is very important considering the impacts of the Russia-Ukraine war and the current Middle East conflict. They also provide greater domestic grid security – which is enhanced as battery storage grows simultaneously with renewables generation capacity.

As per UK government targets and NESO data (which is profiled below; electricity demand is set to increase by 11% by 2030 and 170% by 2050 – whereas renewables supply is set to grow by 224% by 2030 and 498% by 2050.

The data below shows the key renewable energy technologies and their expected growth. On the next page, we show how the renewable energy mix is forecast to evolve over time. Note that these are current forecasts, and figures do change greatly year on year and will differ by source.

	2026 capacity (GW)	2030 capacity (GW)	% increase by 2030	2050 capacity (GW)	% increase by 2050
Offshore wind	14.7	46.5	216%	95	546%
Solar PV	10.5	46	338%	94	795%
Onshore wind	14.8	28	89%	40	170%
BESS	3.3	25	658%	35.5	976%
LDES	3.2	5	56%	13.4	319%

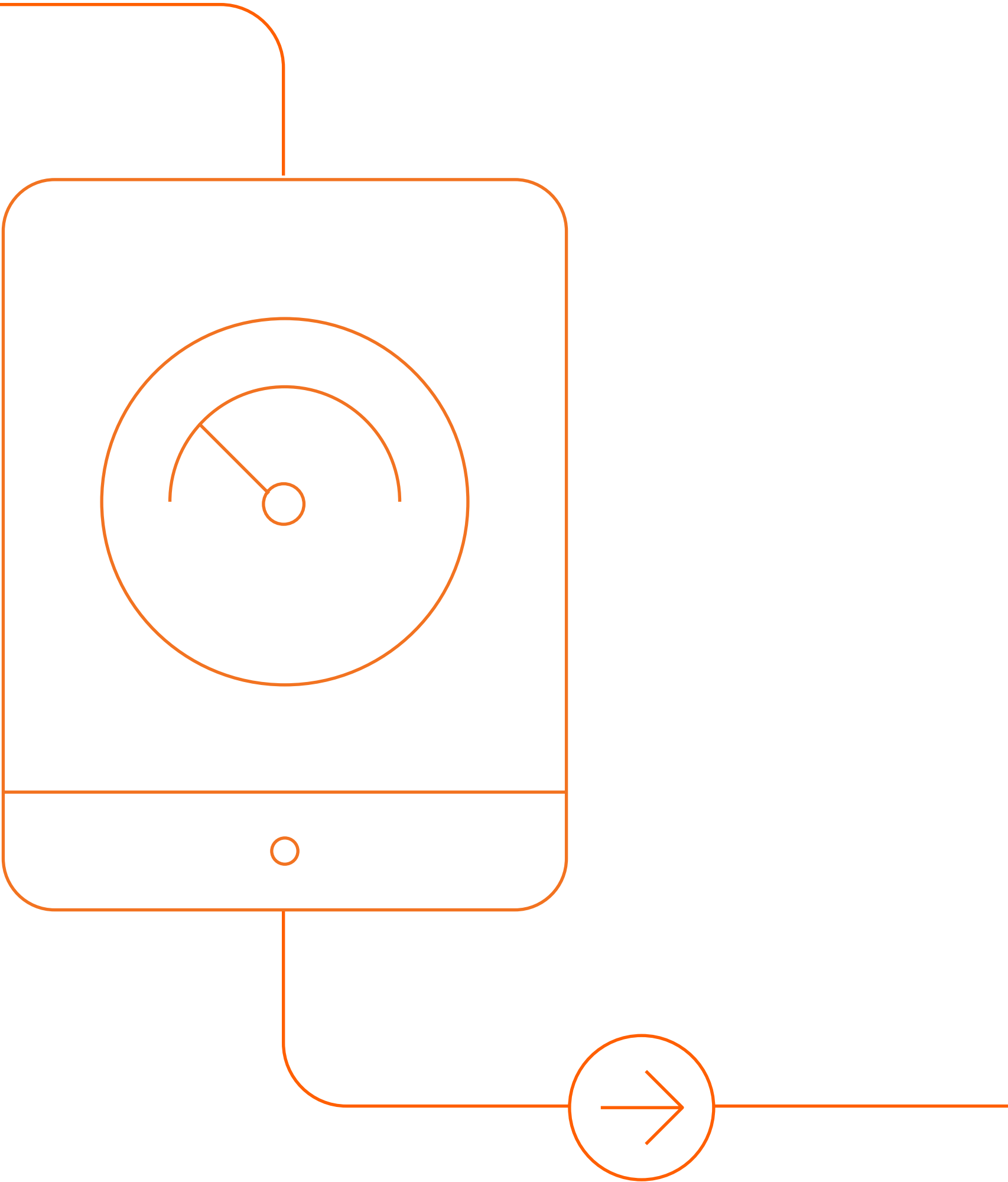


	2026 share of mix	2030 share of mix	2050 share of mix
Offshore wind	31.6%	30.9%	34.2%
Solar PV	22.6%	30.6%	33.8%
Onshore wind	31.8%	18.6%	14.4%
BESS	7.1%	16.6%	12.8%
LDES	6.9%	3.3%	4.8%

It is important to recognise that renewable energy growth can fluctuate significantly. Zenergi monitors these developments closely to support informed longer term purchasing decisions. In principle, increased renewable generation should reduce the commodity aspect of energy prices (wholesale rates). However, if growth falls short of expectations, prices may decline more gradually as forward prices adjust upwards to compensate for this shortfall (and perhaps vice versa if development is quicker).

BESS = Battery Energy Storage Systems (short-term storage) - These operate and can hold energy typically from 1 to 4 hours to enable electricity to be stored for a short period and then discharged. Generally manufactured from lithium-ion batteries.

LDES = Long Duration Energy Storage - These can store and discharge electricity over a longer timespan, usually over 8 hours to a few days, with some types able to extend for weeks. Examples are pumped hydro, flow batteries, thermal storage, chemical storage, and more.



Simplifying complexity. Delivering progress.

Zenergi is committed to being your trusted energy partner, combining expertise and a personal service to deliver exceptional value and long-term resilience.

Let's future-proof your portfolio

Get in touch with one of our experts today.

hello@zenergi.co.uk

