



## ENERGY PRICES-JANUARY 2024

January started with energy prices a little lower, whilst gas prices were volatile during the month they rose during the last week of the month. Disruptions to liquefied natural gas (LNG) and the events in the Middle East have made energy markets more cautious. The US have paused approval of new LNG export projects, which could affect global prices due to the reduced supply. Attacks by Houthi rebels on shipping have seen LNG tankers divert around South Africa, adding around 10 days to the time it takes to reach the UK. The increased transport costs makes selling to other markets nearer the LNG source more attractive.



Gas prices are back to the same levels of early 2021. If they will ever go back to the 2019/2020 prices is open to debate with the non-commodity costs rising (distribution, administration and billing costs etc).

A major world event could cause prices to soar. Providers need to consider the possible small fall in prices against the risk of an event/s causing prices to spike or soar.

Gas storage levels in Europe are now 2% lower than this time last year, after being above since the beginning of winter.

# FOCUS ENERGY/CARE ENGLAND-ENERGY WEBINAR

Along with Care England we are holding a webinar for providers

## Volatile Energy Markets?

### *How Care Providers Can Come Out On Top*

**Learn** strategies to manage energy costs in a volatile market.

**Understand** current trends and global events contributing to energy instability.

**Discover** solutions to mitigate rising energy costs.

**February 13th 14:00 to 15:00**

**Register at [careengland.org.uk](http://careengland.org.uk) events section**



Focus Energy Services Limited - proud Energy Partner to

# CARE ENGLAND

Representing independent care providers



## ENERGY AUDITS

The latest completed energy audit for a Care England tender member (free to register), resulted in a substantial refund for overcharging on gas bills. The care provider received a refund of over £2,500 per care home (as an average).

The audit of their electricity bills is ongoing.

How many care providers have been overcharged?

## RENEWAL QUOTES

It's always worth getting a quote to compare with your current energy providers renewal, or your brokers quote, if it is still the lowest (and a suitable contract) then you have peace of mind.

This week we were asked by a Care England tender member to provide a quote. When the lowest quote (from a very financially secure and reputable supplier) was compared with the quote from one of the largest energy suppliers it was 33% lower for a 1 or 2 year contract and 50% lower than the 3 year quote.

## **REDUCE YOUR ENERGY USAGE - AND LOSE MONEY!**

Sounds crazy, but most energy contracts have a “tolerance clause” which allows the energy provider to charge you a financial penalty if you use more or less than the consumption figure in your contract. The tolerance varies from supplier to supplier and ranges from 75%/125% to 90%/110%. It isn't difficult for your consumption to vary by 10%, so is a 90/110% safe for you?

It is essential that accurate consumption figures are used for quotes. You may be using a broker or dealing direct with an energy supplier, but have you ever been asked if you intend to:-

Install solar within the contract term you are considering signing.

Outsource your laundry function or bring it back inhouse.

Change bulbs to LED's.

Extend the property.



Install an energy saving product into your heating/cooling system.

Or if you foresee any other events that could significantly increase/decrease your energy usage.

The longer the contract term you are considering the more important the above becomes.



### **CARE SHOW LONDON**

We have two of our directors attending the above, with our stand being next to Care England's.

You can prebook a 15 minute slot to talk through anything to do with energy by emailing [info@focusenergyservices.co.uk](mailto:info@focusenergyservices.co.uk)



## QUESTIONS FROM PROVIDERS

### **Q-Why is the price of gas more volatile than electricity? S.B. London**

Electricity is generated from a number of sources-gas, nuclear, wind, sun, bio, hydro and coal. Between the 1st January 2022 and 31st January 2024 the amount of electricity generated by gas in a calendar month has varied between 26.37% & 52.50%.



The UK is dependent on importing gas, mainly piped gas from Norway and Liquefied Natural Gas (LNG) imported by specialised ships.

The gas storage capacity in the UK is considerably lower than other European Countries.

A cold spell can quickly deplete storage levels, as can breakdowns and maintenance issues in Norway. When stocks are low the UK needs to buy gas whatever the cost, leading to considerable fluctuations in price. It isn't unusual to see gas quotes change several times in a day.

### **Q-We are finding it difficult to fix our budgets as our gas use varies so much, what can we do? M.A. Wiltshire**

If you register with the Care England Energy Tender (no charge) see [careengland.org.uk/energy/](https://careengland.org.uk/energy/) and then contact us and ask for help with your gas budget. We can provide you with a budget forecast tailored to your supply (based on a normal years weather).

If you have a question please send it to [info@focusenergyservices.co.uk](mailto:info@focusenergyservices.co.uk)

Our website [www.focusenergyservices.co.uk](http://www.focusenergyservices.co.uk) has regular updates and testimonials from providers we have helped.