

Your monthly overview

Brent Crude \$77/Barrel | Carbon Emissions €15/T CO2 | Coal \$92/Tonne

Prices remained soft throughout August on a comfortable system. The Italian transit gas pipeline went off line depressing European export demand from UK. Ample LNG was also available with cargoes arriving to the UK offsetting lower import flows from Norway. The transit gas pipeline was supposed to be back on line early August but ongoing issues have meant this remains to be closed keeping exports to Europe low. Trading being very illiquid and falls in both coal and oil prices have also contributed to softer gas and electricity prices.

Air Conditioning Inspections

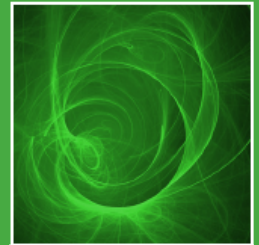
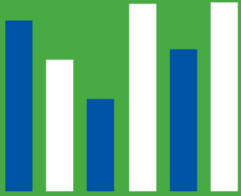
Any air conditioning system over 250kW needs to be inspected by an accredited assessor now and then every 5 years. This level is being lowered to 12kW with a target that all inspections must be completed by the beginning of January 2011. It is the plant operator's responsibility to comply with this legislation. *energyTEAM* have accredited engineers who can carry out these inspections for you.

Click here to find out more about [Air Conditioning Inspections](#).

The CRC Energy Efficiency Scheme

All companies that had a meter settled on the half-hourly market during 2008 must now register for the CRC Energy Efficiency Scheme. Companies that consumed over 6,000MWh during 2008 will participate in the scheme, *but companies below this threshold still need to register*.

"How do I register for the CRC?" Go to www.environment-agency.gov.uk. Click on the **"NEW: CRC Registry now open"** link in the Business & Industry section and follow the information on that page



We are in the process of e-mailing all our clients with consumption data for the 2008 base year, together with a link to a publication we have prepared entitled: "the essential guide to the CRC" [click here](#) if you want to download this guide.

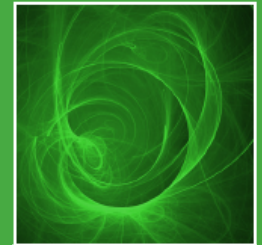
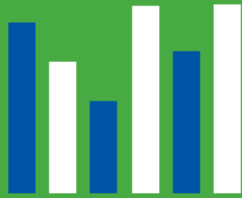
We appreciate that this is a 16 page guide, but the reality is that the registration process is complex, even for companies that are only registering that they are not in the first phase of the scheme. If you need help with the registration please contact us.

If you are not already aware, the CRC Energy Efficiency Scheme is the UK's first mandatory carbon trading scheme. Starting in April 2010, the initial phase of the CRC Energy Efficiency Scheme will be compulsory for organisations that consumed over 6,000 MWh (6,000,000 kWh) of half-hourly metered electricity during the period from January 2008 to December 2008. At today's prices, this is roughly equivalent to total half-hourly electricity bills of approximately £500,000 per year.

If your organisation has a half-hourly metered supply you must complete these registration packs, even if you fall below the 6,000mWh threshold*.

Any organisation that falls within this category will be required to account for all energy (other than transport fuels), including electricity, gas and oil. (*Companies under the 6,000mWh threshold may still be covered under CRC depending on their ownership). If you are eligible you will have to buy allowances costing between 6-8% of your total energy costs to allow you to use energy (refundable depending on your performance in a league table). There are some major fines for non-compliance. For example, failure to register carries a fine of £5,000 plus £500 per day. If it takes the scheme administrators six months to identify you as a non-complier that is a fine of over £90k (and it could take considerably longer).

Click on the following link, which will take you to a dedicated web site on the carbon reduction commitment. [CarbonReductionCommitment.](#)

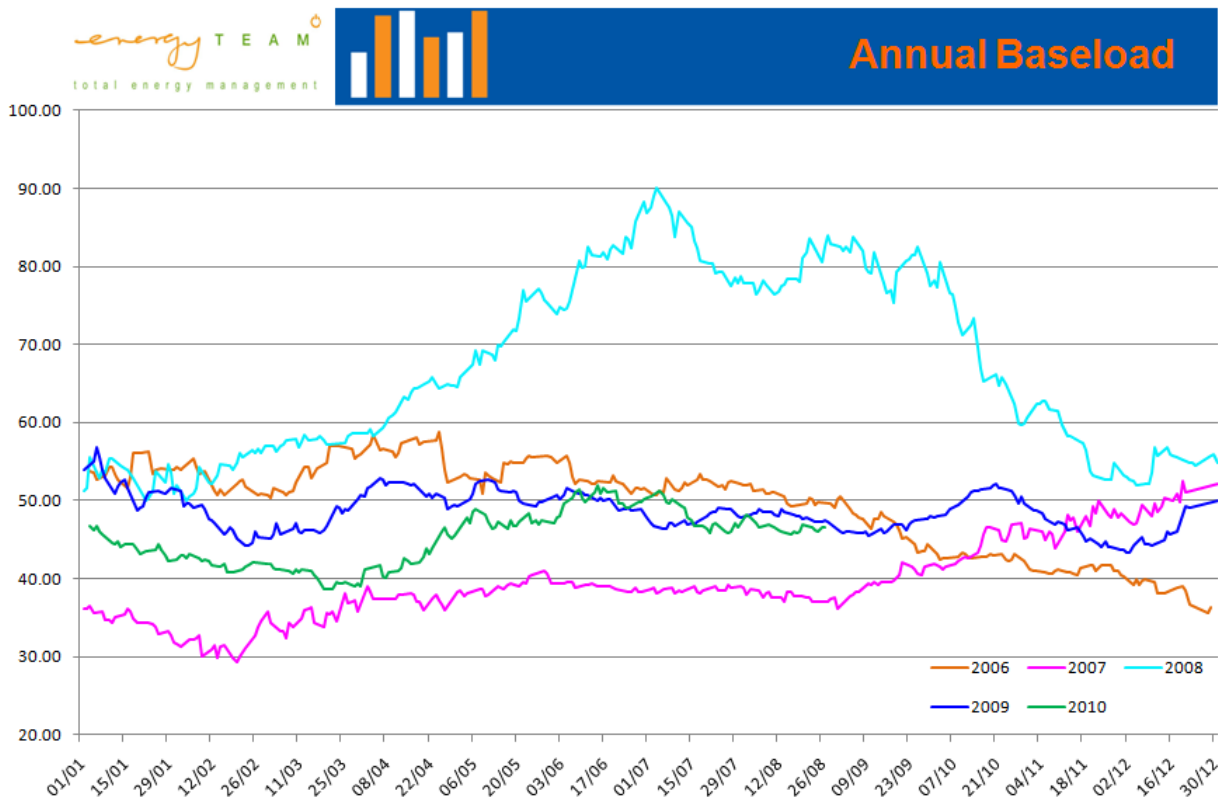


Changes to Gas Transportation Charges

The changes to the charging structure made by the Gas Distribution Networks (GDNs) have now been implemented. System capacity charges are now set at 95% and system commodity charges have been reduced to 5%. These changes mean that consumers on 'pass through' contracts should not see any significant increases on their bills, if at all.

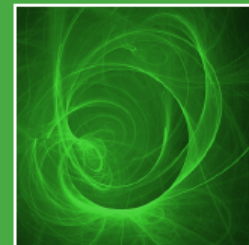
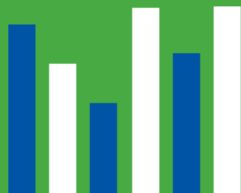
ELECTRICITY ANNUAL BASELOAD

This graph is updated and published on our website every Wednesday morning visit: www.energyteam.co.uk/Market.aspx.



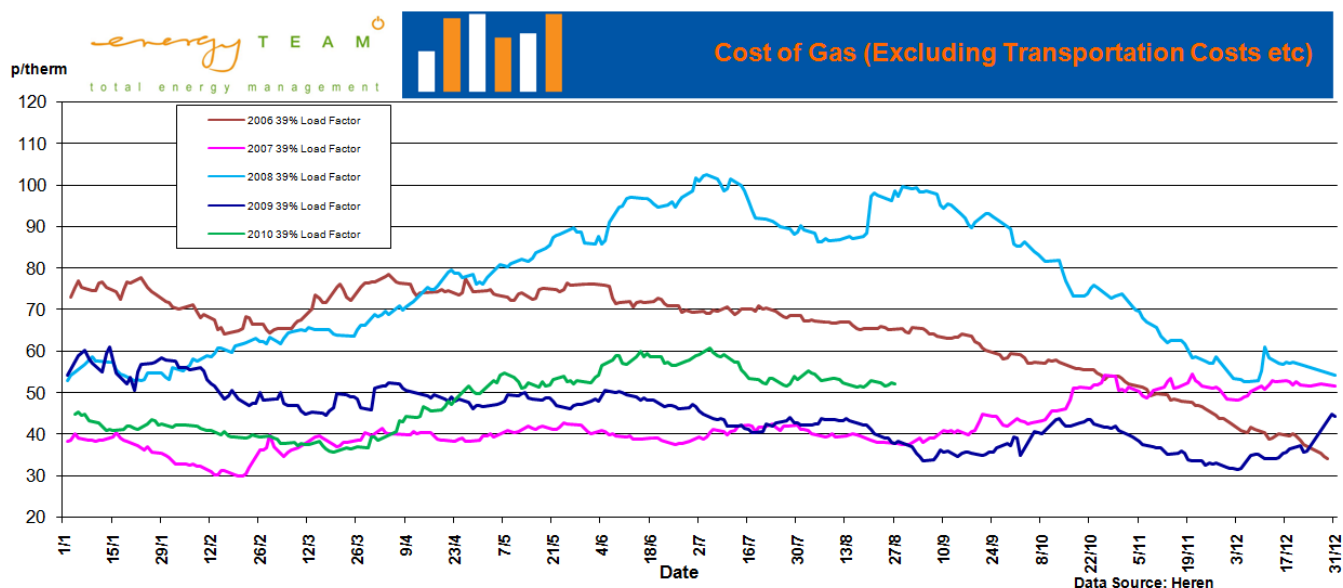
Data Source: Argus European Electricity Report

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GAS ANNUAL BASELOAD

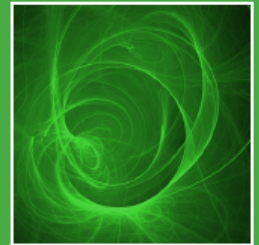
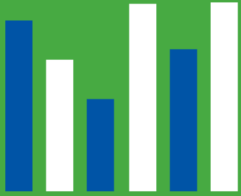
This graph is updated and published on our website every Wednesday morning visit: www.energyteam.co.uk/market.aspx.



The industry provides for gas ordered today but delivered at some time in the future. These "Forward prices" alter day by day.

In order to give a constant price (P) over the term of retail contract these prices are averaged on a weighted basis. This weighting can vary for individual consumer, but a consumer with a load factor of 39% is assumed to have a standard offtake profile e.g. 12.7% of gas will be consumed in December and will attract the price for that period ruling on the day the contract price (P) is being prepared. The graph represents these contract prices (P) charted on a daily basis. It is important to note that they represent the Cost of Gas in the market (excluding transportation costs etc.) so they do not equate to the retail price of gas. However, the chart does illustrate the trend of prices.

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Overall % Increases

In order to provide our clients with information on how retail prices are moving we have averaged all prices received during January.

The level of increases depends on a number of factors including when the contract was negotiated, as well as when the contract starts. The following averages are therefore provided purely to give an indication of price movements

Electricity

Clients who are renewing contracts negotiated in August 2009 are showing an average increase of 5.30%

Clients who are renewing contracts negotiated in August 2008 are showing an average decrease of 32.80%

Gas

Clients who are renewing contracts negotiated in August 2009 are showing an average decrease of 3.59%

Clients who are renewing contracts negotiated in August 2008 are showing an average decrease of 43.01%

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