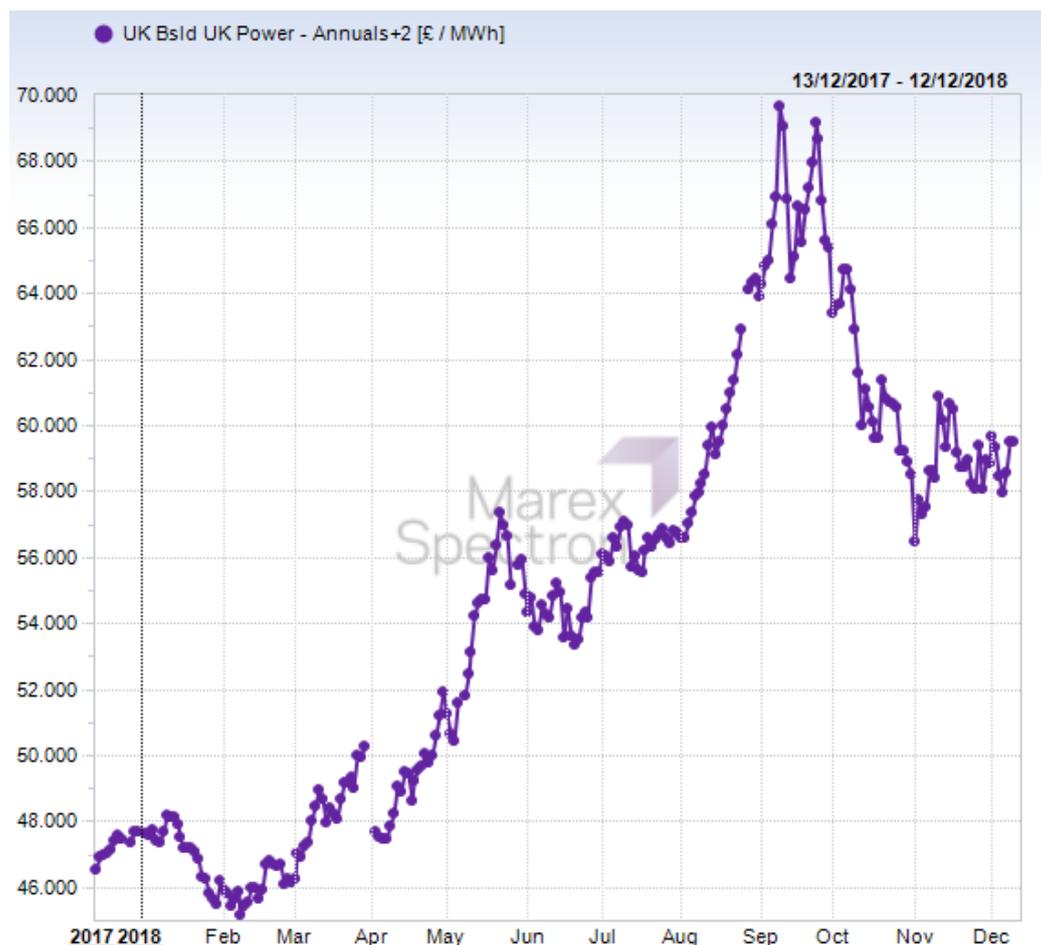




New Stream Market Update

UK Baseload Power over the last 12 months



Drivers of the UK Power Market since the Autumn Peaks

- Fall in the annual NPB gas price from 70 to 60 pence per therm. Gas pricing is a strong driver of UK power pricing with CCGT gas and OCGT gas generating 41% of the UK's power in November.
- Coal plant utilisation has continued to fall to historic lows on the back of negative spark spreads
- EU ETS carbon pricing has fallen from a high of €25 in September to €20 today
- Offshore wind continues to be built out under RO grace periods and CfD. November saw offshore load factors of 58% and with wind (onshore and offshore) accounting for 21% (13% + 8%) of generation

Energy News

Wales' Wylfa Newydd Nuclear Plant in doubt

Hitachi are considering axing their plans for the 2.9GW Wylfa nuclear station on Anglesey following unsuccessful attempts to find investors for the £16bn plant. If the plant is scrapped this would severely damage the UK's overall plans to meet its carbon targets and fill the energy gap created by old coal and nuclear stations being taken offline.

UK-Belgium Interconnector Link Launched

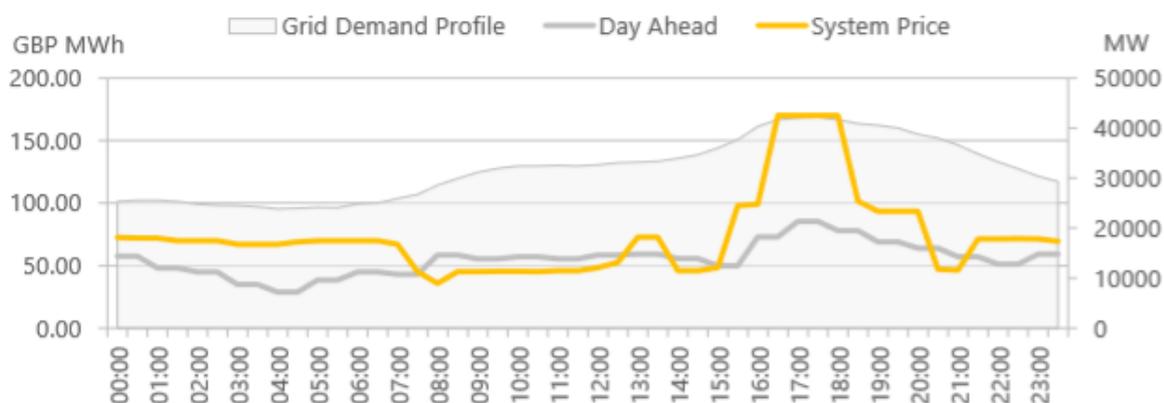
£60m subsea power link between the UK and Belgium has officially launched and set for operation early 2019. The project is a joint venture between Belgian operator, Elia and National Grid and can provide enough energy to one million homes across both countries.

Monthly Fuel Mix Breakdown

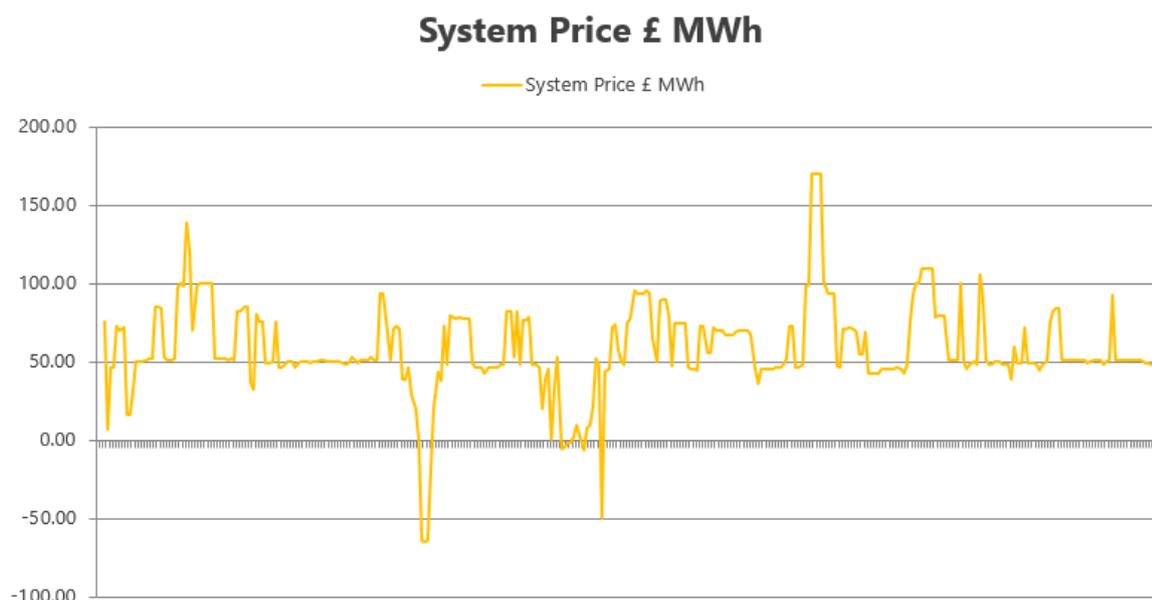
Fuel	Output (TWh)	Percentage
Combined Cycle Gas Turbines (CCGT)	7.3	32%
Nuclear	4.5	19%
Offshore Wind	3.0	13%
Coal	2.4	10%
Other Fossil	2.2	9%
Other Renewables	2.0	9%
Onshore Wind	1.8	8%
	23.2	100%

Intraday Market Prices

We have seen continued volatility in the cash out market over the winter period with changes in demand and weather conditions, coupled with lower than expected wind output. This increased volatility has also presented opportunity outside of the usual 4pm to 7pm weekday periods. New Stream have been capturing within day price spikes and running our "peaking" assets throughout the day and across the weekend. The below is the profile for Sunday 9th December where the price hits £170/MWh across 2 hours and shows that the opportunity is possible outside of typical periods.



Below details the last 7 day rolling system price.



PPA Market

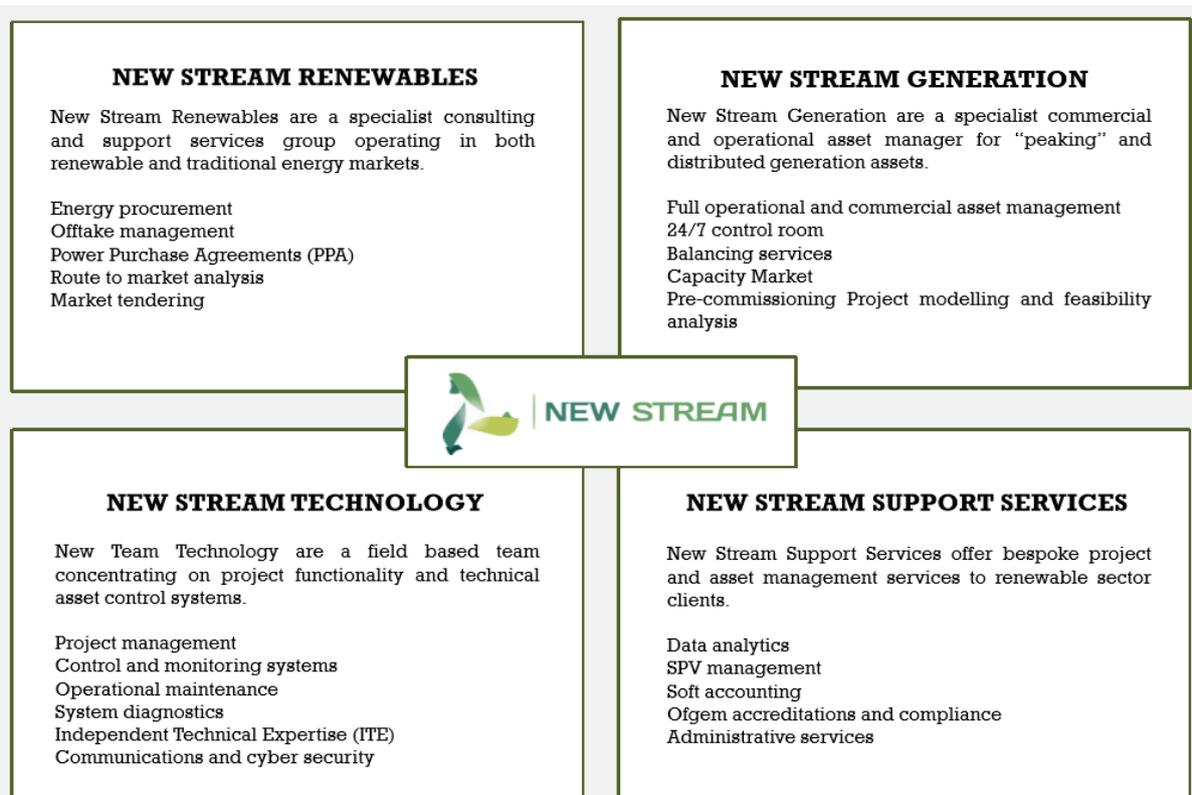
- PPA contracted prices have stabilised but fallen from the autumn peak
- Strong competition from new entrants and incompetents in the market.
- Proposed changes to BSUoS yet to impact pricing. Whilst Ofgem has only issued a “minded to” notice, we expect PPA revenues to fall by around £2.80MWh from 2020/21
- Given rates of supplier failure, New Stream have concerns over some PPA providers and routes to market.
- Both 33 and 11KV FIT sites continue to be pricing about the export tariff.

Green Gas

- Increased liquidity in Green Gas Certificates with a strong upward trend in pricing. New Stream have been active in matching trade buyers and sellers

REGOs

- Stand-alone buyers coming into market and we expect pricing to increase on the back of the UKs withdrawal from the EU as GoOs become less fungible.



New Stream Renewables

Email: info@newstreamrenewables.com

Telephone: 01962 807060

Website: www.newstreamrenewables.com

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