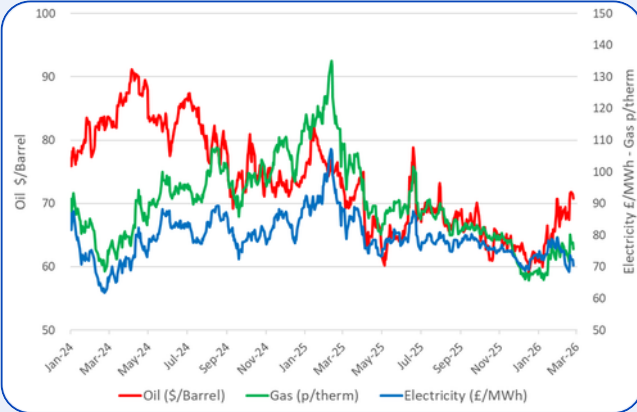


March 2026

March began with major escalation in the Middle East following US and Israeli strikes on Iran and subsequent retaliation across the region. With the Strait of Hormuz effectively closed (carrying around 20% of global oil supply), energy markets have reacted sharply.

Energy price history

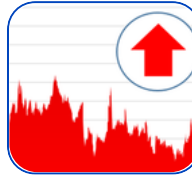
The graph shows that since early 2024, wholesale oil, gas and power prices have been volatile but have generally trended slightly downward, with occasional spikes caused by supply, storage or geopolitical concerns.



Since early 2024, wholesale oil, gas and electricity prices have been volatile, with a general downward trend interrupted by spikes driven by supply concerns, low gas storage and geopolitical tensions. Late last year, UK gas and power prices rose due to colder weather and very low European storage levels.

Oil prices were also pushed higher by OPEC production limits, weather disruption in North America, tighter sanctions on Russia, and supply issues in Kazakhstan.

Oil



Oil prices have surged due to supply disruption risks, existing OPEC production limits, and wider geopolitical tensions. Further volatility is expected, particularly if disruption spreads to Gulf producers or LNG exports from Qatar.

Electricity

Electricity prices are rising alongside gas, though strong wind generation and lower carbon prices have provided some offset. Short-term increases are likely, but panic buying should be avoided.



Gas



Gas prices had started to ease with milder weather, but Middle East tensions have reversed that trend.

- Short-term prices jumped around 30%.
- Longer-term prices may rise by up to 10%.

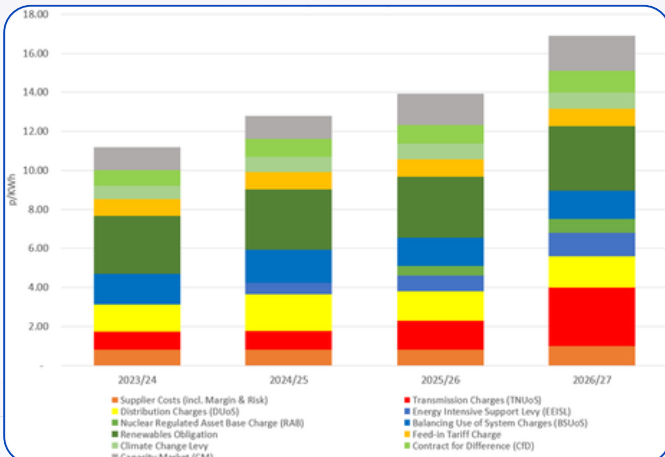
While this is significant, it is not on the scale of the 2022 Russian supply crisis. Low European storage levels (around 30%) may keep prices firm through summer as stocks are replenished. Buyers should avoid reacting to short-term spikes.

Non-Commodity Costs

Non-commodity costs (also known as non-energy charges or NECs) cover:

- National transmission networks
- Local distribution
- Renewable and environmental levies
- Capacity payments to ensure security of supply

These charges now make up around 60% of the average energy bill.



Transmission Charges (TNUoS)

New transmission charges were confirmed in January, increasing costs for consumers from £5.1bn to £7.6bn for 2026/27. For some users, charges will double from April.

These sharp increases have led to calls for a full review of non-energy ("non-commodity") charges. Critics argue these costs act like a hidden tax on electricity users, raising bills and discouraging the switch to technologies like air-source heat pumps and electric vehicles, which are important for the UK's decarbonisation targets.

Nuclear Support Scheme (RAB)

The Nuclear RAB charge was introduced in December at 0.35p/kWh. It will rise to 0.47p/kWh in April, just four months later.

Although it remains a small part of the total bill, the quick increase is significant. The charge is reviewed every three months, so it could rise again from July.

Shift to CPI Indexation (RO and FIT)

There is a small positive change in April: Renewable Obligation (RO) and Feed-in Tariffs (FIT) will move from RPI to CPI indexation. CPI is usually lower than RPI, so future increases should be slightly smaller.

This won't reduce bills, but it may help slow down cost increases over time.

For more information, please get in touch with your Utility Aid Account Manager or call us on 0808 1788 170

DISCLAIMER - This Outlook Paper is provided for information purposes only and may include opinions expressed by Utility Aid Ltd ("UA") which are not guaranteed in any way. UA does not represent or warrant that the information provided to you is comprehensive, up to date, complete or verified, and shall have no liability whatsoever for the accuracy of the information or any reliance placed on the information or use made of it by any person or entity for any purpose. Nothing in this Outlook Paper constitutes or shall be deemed to constitute advice or a recommendation to engage in specific activity or enter into any transaction.