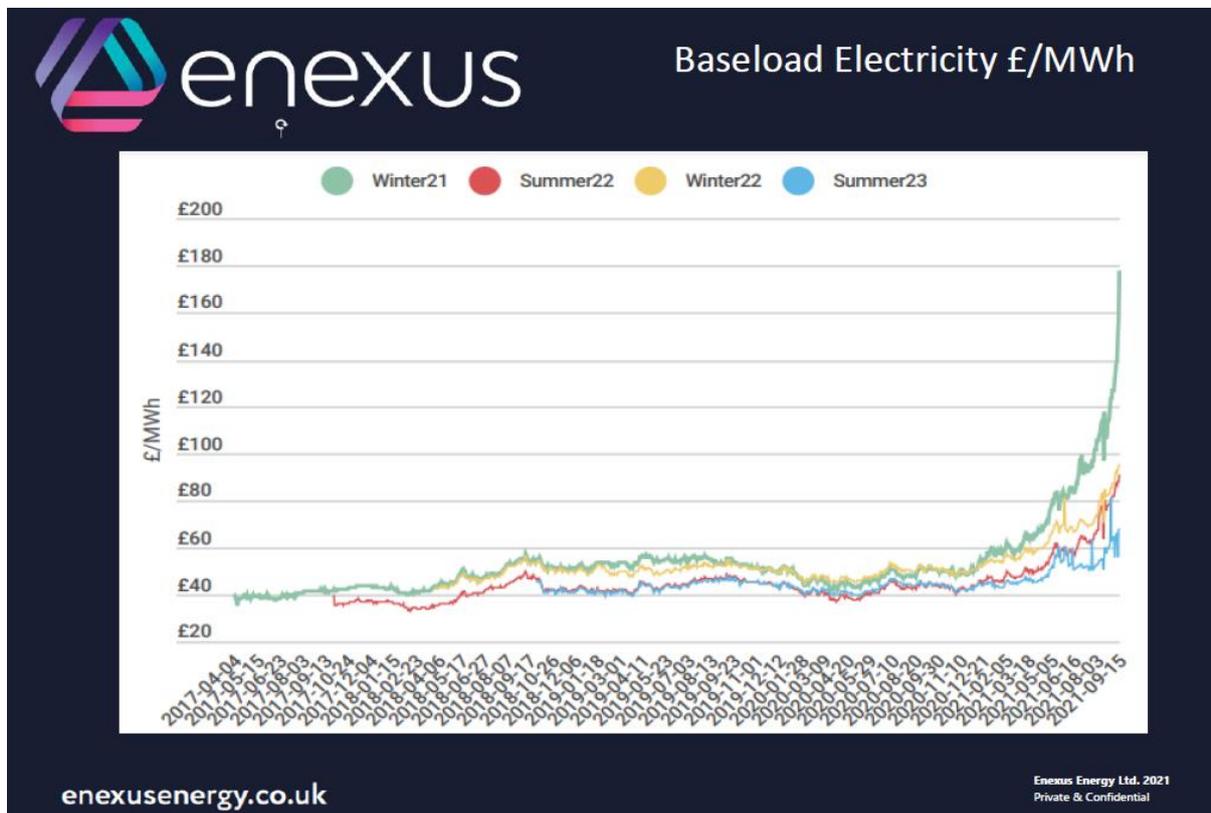


Energy Prices Soar To Record Levels

Energy Market update for Flexible Space Association members
September 2021



National news outlets have begun reporting on energy prices hitting record levels over the last week. In reality, prices have increased steadily throughout the year with a significant spike in the last month.

The ongoing increases have been due to a particularly tight supply/demand picture across Europe and the UK, with the further spike due to 2 recent incidents which have sent a wave of panic in the energy markets.

What has caused the recent spike?

Firstly, it was announced that the much-anticipated Russian-German gas pipeline, Nordstream2, would not start transporting gas until 2022, meaning Europe's lack of gas would likely continue until this point.

Secondly, there was a fire at the IFA1 interconnector, which the UK uses to import gas from the continent, significantly reducing the amount of gas the UK has access to.

As a Flexible Space Association member – what should I do?

- Firstly – **do not** be pushed into agreeing a new rate now, unless you absolutely have to! Our opinion is that early next year (particularly after Nordstream2 comes online) may see prices softening. Enexus can track the market on your behalf, so you are ready to strike as the market settles and prices fall.
- If you **have** to secure an energy rate in 2021, secure for a shorter term – it will be painful but will be more cost effective than securing for a longer term at the peak. Speak to us about arranging a shorter term contract at the best possible rate.
- If you have tenants which are responsible for their own energy, encourage them to engage with a reputable energy consultant that can help them navigate this difficult period of energy prices. There is genuine concern that increasing energy prices will push a significant percentage of organisations, out of business. This could also leave work space providers under tenanted.
- If you charge your tenants for energy in a service charge, budget for this as far ahead as possible. **The increases will likely be more than you anticipate, leaving you at risk of under collecting for energy, or 'blindsiding' your tenants with an unexpected level of increase.**
- Where possible, reduce consumption to mitigate the increasing cost. Enexus helps business put strategies in place for reducing consumption and becoming more energy efficient.

If you would like Enexus to help you track the market, or budget for next year, please get in touch



Dan Serghi

Founder & Director
of Enexus Energy

Phone: 01253 966 960

Email: info@enexusenergy.co.uk

