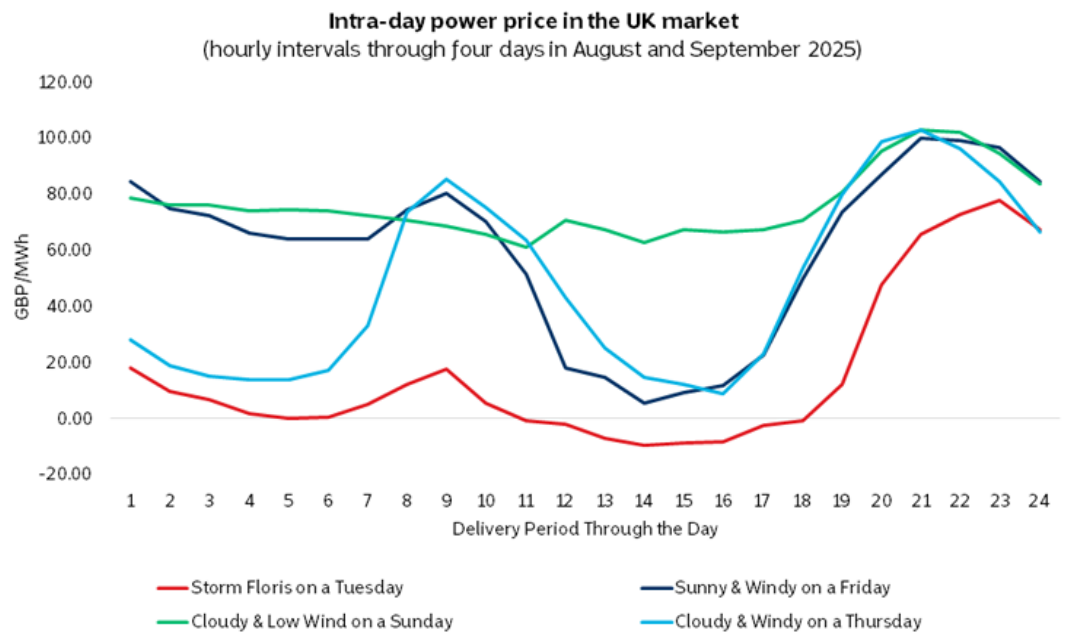


The UK's stormy power market

Richard Parfect



Source: metoffice.gov.uk, Time and Date, Nord Pool and Gridwatch™. Data is for selected dates between 8 August to 19 September 2025.

What this chart shows

This shows the intra-day power price in the UK market at hourly intervals through four days in August and September.

Why this is important

Critics of renewable energy say that it is expensive and unreliable. There is justification for the latter assertion when it is sub-scale, uncoordinated and reliant on the vagaries of the British weather; however scale and coordination are not unsurmountable hurdles, indeed that is a core area of required investment focus. However, when it comes to the assertion of it being expensive (at least relative to the marginal supply source of gas), the data shows the contrary.

The four lines show how the power price varies through four different days which vary between one another in terms of day of the week and weather type. We can see that on a day where there is very little wind or sun the power price is relatively stable but high. Notably that is despite it being on a Sunday where you would typically see less power demand. Conversely a day where there is ample wind (Storm Floris) can generate negative power prices. Therefore, on cloudy, calm days, aside from the UK's baseload nuclear generation, the electricity grid is having to be predominantly powered by gas, the price of which has soared in recent years, especially due to the Russia/Ukraine war.

Other days demonstrate a clear diurnal variation of power price with a bias towards lower prices during the day when solar and wind are more likely to be able to generate electricity (wind speeds are generally higher by day than by night).

The available 'feedstock' for renewables (the sun and wind) is free, but the capital required for construction is high (particularly for offshore wind, less so for ground mounted solar). Nevertheless, once installed and operational the running costs are relatively low. That is before we factor in the hidden financial costs of non-renewable sources of energy.

The UK benefits from other potential sources of energy such as a tidal range that is one of the largest in the world and which could provide semi-base load generation. The offshore wind industry has had a very difficult year, not least due to President Trump's personal animosity towards it which is reflective of his objection to them 'blighting' the view from his Scottish golf courses. However, the UK's significant investment in this space over the last 10 years has softened the blow that would otherwise have occurred if we were more reliant on gas.

There is a huge employment and economic growth opportunity to grasp as various solutions need and can be found to help rectify the intermittency, intra-day demand imbalances and capacity constraints that create these higher price and associated volatility.



Global Matters Weekly

06 Oct 2025

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