

CARBON

EC says backloading to start mid-March

The European Commission's plan to delay or "backload" 900 million mt of carbon dioxide allowances from auctions over the next three years is expected to start in mid-March, the EC said late Tuesday, meaning a total of 400 million will be removed from this year's supply.

"The Commission welcomes the European Parliament's decision to shorten the scrutiny period for and to endorse the draft amendment of the EU ETS Auctioning Regulation on backloading," the EC said in a statement.

"The final step is for the Council to take a decision on endorsing the proposal. This is expected to take place on February 24, 2014," the EC said.

"The Commission has already started preparatory work with the Member States and auction platforms, which are responsible for revising the 2014 auction calendars," it said.

"The auction platforms will publish the revised auction calendars in advance of the start of backloading. At this stage of the preparations, the Commission expects that backloading will be implemented as of mid-March," it said.

Further updates on backloading will be announced through the EC's website, it said, and by the ICE Futures Europe exchange in London and the European Energy Exchange in Leipzig, Germany — the two main European auction platforms for carbon allowances.

An ICE spokeswoman said the exchange — which hosts carbon auctions on behalf of the UK government — would consult with the UK's competent authorities and announce any change to its primary auction calendar in good time before the changes went live.

"Prior to making any amendments to the ICE auction calendar or volumes, ICE Futures Europe would consult with the Department of Energy and Climate Change (DECC) and thereafter submit any changes to its auction calendar to the Commission," the spokeswoman said.

"A market circular would be issued to market participants providing notice of any amendment," she said in emailed comments.

Backloading seeks to curb a long-running supply glut that pushed the carbon price as low as Eur2.46/mt in April 2013, down from as high as Eur30.00/mt in 2008.

If backloading starts as planned before the end of March, the EC will remove 400 million EUAs from this year's supply, followed by 300 million in 2015 and 200 million in 2016 — with all 900 million to be returned to market via auctions in 2019 and 2020.

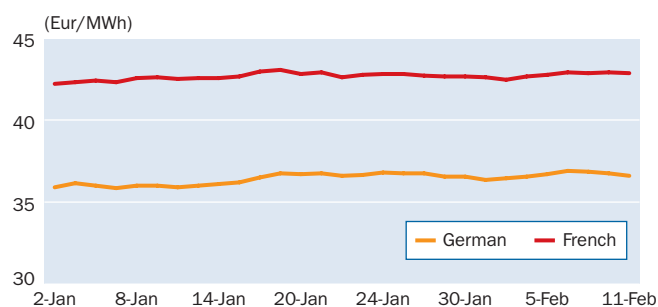
— Frank Watson

Businesses planning for higher prices

Businesses are factoring in a much higher price for emitting carbon dioxide in future, despite relatively low prices under the EU Emissions Trading System at present, analysts said Tuesday.

Guy Newey, head of environment and energy at UK independent think tank the Policy Exchange, said there is a sensible business case for assuming a higher cost of pollution in future.

German, French Cal 15 base



Source: Platts

Northwest European Market Highlights

- European prompt baseload power prices were relatively flat Tuesday as the supply situation remained steady, but traders said they were focusing their attention a little further forward with wind generation in Germany forecast to creep up to 17 GW through to Sunday.
- German day-ahead baseload closed 30 euro cent higher on the day at Eur36.80/MWh, but gained Eur1.75 to close at Eur43/MWh in peakload. The French contracts rose by 50 euro cent to Eur46.50/MWh in base, with peakload up up by the same amount at Eur53.25/MWh.
- On the curve, core contract German Cal 15 baseload fell 15 euro cent on the day to close at Eur36.60/MWh Tuesday, while the French Cal shed just 5 euro cent to Eur42.85/MWh.
- In the UK, prompt prices firmed amid support from rising NBP gas prices, with the day-ahead baseload auction out-turning at over a GBP2 premium to OTC. Day-ahead baseload closed 75 pence higher on the day at GBP46.50/MWh, while peakload power last traded up GBP1.25 at GBP52.75/MWh.

Platts European Power Assessments

At-A-Glance Day-Ahead Baseload Comparisons

February 11, 2014	(Eur/MWh)	Change (%)
Platts PEP Index	43.3841	3.23%
Platts Conti Index	43.7723	-0.04%
Platts UK Power Index	55.8900	1.53%
Platts Mid Germany	36.8000	0.82%
Platts Mid Switzerland	47.0000	-2.08%
Platts Mid France	46.5000	0.54%
Platts Mid Netherlands	45.5000	-2.15%
Platts Mid Belgium	45.0000	-3.23%
Platts Mid Spain	23.0000	58.62%

Platts Indices: Platts Pan-European Power (PEP) Index and the Continental Power (Conti) Index are demand-weighted (Source: ENTSO-E), baseload indices to indicate trends in the free European electricity market as a whole. The Conti Index is based upon assessments in Germany, Switzerland, France, Belgium and the Netherlands. The PEP Index is based on these six assessments plus the UK's GTMA day-ahead market and Spanish bilateral day-ahead assessments.

"I think most businesses are factoring in a carbon price of whatever level going forward to 2030 or 2040," Newey told lawmakers at a hearing of the UK's House of Commons Energy and Climate Change Committee.

"Especially in the energy sector, they would be insane not to, I would have thought, given the current direction of travel in climate policy," he said in a video recording published on the parliament's website.

"Whether the changes to the EU ETS or carbon price are able to match those [higher] shadow carbon prices that businesses impose is another question, but they are certainly factoring in decisions now," he said.

Jonathan Grant, a climate change and carbon markets consultant at PricewaterhouseCoopers, said companies need to consider both today's carbon price — currently around Eur6.30/mt (\$8.61/mt) in Europe — and the risk of higher prices in future, given that new power generating assets and other industrial infrastructure may still be operating in 20 to 30 years.

"While a central case might be today's [carbon] price, they will do sensitivity analysis around that to look at the economics of the investment at a much higher price," Grant told the committee in an evidence session in London.

UK lawmakers asked analysts whether it makes sense for the UK to continue with domestic low-carbon policies when many other countries are not following suit, particularly given concerns over higher environmental costs and their impacts on competitiveness.

"This is a collective action problem — somebody has to move first," said Newey, who likened the scale and difficulty of cutting global emissions to the problem of solving the Cold War.

"It's extraordinarily difficult, and the question is whether you do nothing and wait for everyone, or do you move forward?" he said.

"But the most important thing the UK can do in climate policy is to give an example to the rest of the world that decarbonization doesn't have to be ruinous to your economy — that you can decarbonize in the most cost-effective way possible, and that you can take 'no regrets' policies that have non-climate benefits anyway," he said.

Lawmakers also grilled the analysts on the prospects for a global climate protection deal to be agreed under the UN in 2015, and the likelihood of a coordinated global carbon market emerging.

"I'm skeptical about our ability to ever get a perfect international deal. It seems to me that it's going to come from the bottom-up policy efforts at various points and technology development, i.e., that we can produce low carbon energy or manufacturing when there's carbon at a reasonable cost," said Newey.

"I think the more likely scenario is that we get a series of emissions trading schemes working individually first of all, and then we go through the process of joining them up. It's still extraordinarily difficult, but I think it's a better chance than an international deal," he said.

Grant at PwC said business groups are forging ahead with developing carbon markets in the absence of a comprehensive global agreement.

"What organizations like the International Emissions Trading Association are doing is working at a more bottom-up level to try to introduce those market-based approaches to tackling climate change, so they're working with national governments to support the implementation of those cap-and-trade systems in countries like China, Chile, Korea and elsewhere," he said.

The UK government has already developed future assumed values for traded carbon, for the purpose of appraising public policy.

In a report released in September 2013, the UK's Department of Energy and Climate Change assumed a carbon

German Platts Power Index (PPI)

	11-Feb-14	Change
Midday assessments		
PPI (Month-ahead - Eur/MWh)	34.350	+0.050 ▲
PPI (Quarter-ahead - Eur/MWh)	32.400	+0.000 —
PPI (Year-ahead - Eur/MWh)	36.700	-0.050 ▼
PPI Midday (Eur/MWh)	35.750	-0.030 ▼
End of day assessments		
PPI (Month-ahead - Eur/MWh)	34.200	-0.150 ▼
PPI (Quarter-ahead - Eur/MWh)	32.350	-0.050 ▼
PPI (Year-ahead - Eur/MWh)	36.600	-0.100 ▼
PPI EoD (Eur/MWh)	35.650	-0.100 ▼

Platts Power Index (PPI): The PPI is a weighted forward power index, based on German front-month, front-quarter and front-year base load wholesale prices to indicate curve movements in continental Europe's benchmark power market. Front-month is weighted singularly, front-quarter three-fold and front-year 12-fold. The midday PPI index compares changes with the last end of day PPI, and the last end of day PPI compares changes with the last Midday PPI.

Platts UK Assessment Midpoints (GTMA, GBP/MWh)

February 11, 2014			Euro equivalents		Calendar basis
	Baseload	Peak	Baseload	Peak	
Day-ahead	46.50	52.75	55.89	63.40	—
Weekend	45.00	—	54.09	—	—
Week Ahead	46.80	52.70	56.25	63.34	—
Week Ahead+1	46.80	53.25	56.25	64.00	—
Mar	46.70	52.75	56.13	63.40	E
Apr	48.15	54.45	57.87	65.45	E
May	47.55	54.05	57.15	64.96	E
Q2 14	47.65	53.80	57.27	64.66	E
Q3 14	46.35	52.50	55.71	63.10	E
Summer 2014	47.00	53.15	56.49	63.88	E
Sept 29-30, 2014	—	—	—	—	Gap 1
Winter 2014/2015	54.05	62.40	64.96	75.00	G
Summer 2015	51.80	57.80	62.26	69.47	G
Winter 2015/2016	57.85	68.15	69.53	81.91	G
Summer 2016	51.25	57.40	61.60	68.99	G

Daily indices

	GBP/MWh	Eur/MWh	Change D-1 (GBP/MWh)
Day-ahead	46.50	55.89	+0.75
Weekend	45.00	54.09	+0.25
Mar	46.70	56.13	+0.10

Baseload = 2300-2300, Peak = 0700-1900. Calendar basis = EFA (E), Gregorian (G). Assessments are mid-points. For high-low range see table on page 9. For full details of assessments, indices and calendar roll dates see Platts methodology on Platts.com

Platts Central European Spot Assessments (Eur/MWh)

February 11, 2014	Baseload	Peak
Day-Ahead (Germany)	36.65 - 36.95	42.85 - 43.15
Day-Ahead (Switzerland)	46.75 - 47.25	51.55 - 53.55
Swiss Franc equivalent	57.22 - 57.83	63.10 - 65.55
Week Ahead (Germany)	36.85 - 37.15	46.85 - 47.15
Weekend (Germany)	20.10 - 20.40	

Baseload = 0000-2400, Peak = 0800-2000.

Swiss Franc equivalents are for Swiss prices.

Platts French Assessments (Eur/MWh)

February 11, 2014	Baseload	Peak
D/A	46.25 - 46.75	53.00 - 53.50
Weekend	20.50 - 21.00	
Week Ahead	40.85 - 41.35	51.50 - 52.00
Mar 14	43.50 - 44.00	54.15 - 54.65
Apr 14	38.35 - 38.85	46.60 - 48.60
May 14	30.20 - 32.20	40.95 - 42.95
Q2 2014	33.65 - 34.15	43.70 - 45.70
Q3 2014	35.95 - 36.45	45.85 - 47.85
Cal 2015	42.60 - 43.10	55.00 - 57.00
Cal 2016	42.30 - 42.80	55.20 - 57.20
Cal 2017	42.40 - 42.90	55.80 - 57.80

price of GBP4.87/mt (\$8.02/mt) in 2020 under its central scenario, but rising sharply to GBP40.55/mt by 2025 and GBP76.23/mt by 2030.

The values are based on an assumption that there is a move from the end of the EU ETS Phase III period, ending in 2020, to a “fully functioning and comprehensive global carbon market in 2030.” — *Frank Watson*

THE MARKET

Monthly balancing needed for GO market

The market for Guarantees of Origin (GO) needs monthly balancing to inject some volatility into prices, Swiss green energy wholesaler Nvalue's managing director Alessandro Faccoli told Platts Tuesday.

Europe's GO market has grown year-on-year since 2003 in terms of volume but suffers from a chronic lack of volatility, with GO prices “close to zero”, Faccoli said.

Guarantees of Origin are EU-wide certificates that prove that one megawatt hour of electricity has been produced by renewable energy sources.

GOs are bought and cancelled as proof of green consumption. Suppliers and consumers of all sizes, from utilities to companies and householders, are doing this to certify that their supply is environmentally sustainable.

The bid-offer price spread for a hydro GO for 2014 is 10-15 eurocent/MWh (\$0.14-\$0.21/MWh) on Swiss green energy wholesaler Nvalue's website.

“We are missing the next stage in energy strategy, governments are scared to move to open trading of green power,” Faccoli said. “I'm a fan of market-based systems, we need to evolve the GO market so it can offer additional support to existing renewables, and we can start to move away from public support.”

The current balance-of-year disclosure system for GOs is at the heart of the problem, Faccoli said.

“Guarantees of Origin are issued on a monthly basis but disclosure is done as a balance of the whole year, and that is a market design error,” he said.

“Say my needs are 100 GWh per month. I can buy my whole annual need of 1.2 TWh in June, July and August [when hydro GOs are plentiful, the market is long and GOs are cheap], that is fine for disclosure as things stand today,” he said.

Nvalue is lobbying the European Commission to change disclosure to balance-of-month. “If I supply in January, I must have January-production GOs, otherwise I'm cheating the client,” Faccoli said.

If balance-of-month was adopted, and January was a dry month, “we'd have a shortage of GOs and that would push prices up,” Faccoli said. “Buyers would turn to other technologies, buying wind or biomass GOs, bringing a certain dynamic to the market. We have a GO standard in Europe that could, with some small changes and a price of Eur2-Eur3/MWh, start to replace public support.”

The introduction of mandatory quota systems for electricity suppliers would be another stimulus to the GO market, Faccoli said, “but unfortunately this is not a priority in the agenda of Member States at present.”

The European Commission appears receptive to disclosure change, “but sometimes the pressure from industrial lobbyists protecting the current market structure is stronger. Nevertheless, it is possible we could see changes made within the next 12 months,” Faccoli said. — *Henry Edwardes-Evans*

Platts German Forward Assessments (Eur/MWh)

February 11, 2014	Baseload	Peak
Mar 14	34.05 - 34.35	42.40 - 42.70
Apr 14	33.25 - 33.55	40.30 - 40.60
May 14	31.75 - 32.05	38.75 - 40.75
Jun 14	30.70 - 32.70	40.95 - 41.25
Jul 14	33.25 - 35.25	41.55 - 43.55
Aug 14	32.50 - 34.50	41.30 - 43.30
Q2 2014	32.20 - 32.50	40.30 - 40.60
Q3 2014	34.95 - 35.25	44.45 - 44.75
Q4 2014	38.75 - 39.05	50.45 - 52.45
Q1 2015	39.95 - 40.25	51.15 - 53.15
Cal 2015	36.45 - 36.75	47.00 - 47.30
Cal 2016	35.80 - 36.10	46.05 - 46.35
Cal 2017	35.60 - 35.90	45.70 - 46.00

Platts Belgian Assessments (Eur/MWh)

February 11, 2014	Baseload
D/A	44.75 - 45.25
Mar 14	43.30 - 45.30
Q2 2014	38.80 - 39.20
Cal 2015	42.00 - 44.00
Cal 2016	41.15 - 43.15

Belpex Spot Prices (Eur/MWh)

	12-Feb-14	Change on day (%)	12-Feb-13
Average Base	47.85	6.03	59.39
Average Peak	53.27	5.38	63.20
Average Off-Peak	42.43	9.67	55.59
Base Volume (MWh)	39244.80	-9.15	54150.50
Peak Volume (MWh)	18855.60	-13.95	28402.50
Off-Peak Volume (MWh)	20389.20	-4.22	25748.00

Base = 01:00-24:00, Peak = 09:00-20:00, Off-peak = 01:00-08:00, 21:00-2400

Platts Dutch Assessments (Eur/MWh)

February 11, 2014	Baseload	Peak
D/A	45.25 - 45.75	52.25 - 52.75
Weekend	35.75 - 36.75	
Mar 14	44.95 - 45.95	54.75 - 55.75
Q2 2014	44.35 - 45.35	53.50 - 54.50
Q3 2014	42.60 - 43.60	52.45 - 53.45
Cal 2015	42.70 - 43.70	53.50 - 54.50
Cal 2016	40.65 - 41.65	52.25 - 53.25

ENDEX Dutch futures, February 11, 2014 (Eur/MWh)

Product	Baseload			Peak*		
	Settle	Change	Volume	Settle	Change	Volume
1st Mth	45.68	+0.47	5	55.25	+0.40	0
2nd Mth	45.07	+0.45	0	54.46	+0.37	0
3rd Mth	44.58	+0.26	0	53.67	+0.46	0
1st Qtr	44.83	+0.35	10	53.89	+0.40	10
2nd Qtr	43.08	+0.42	8	53.05	+0.29	0
1st Yr	43.20	+0.15	15	54.20	+0.52	0
2nd Yr	41.18	+0.13	5	52.79	+0.22	0

*This Dutch power peak load product contains 12 hours (08-20) and includes public holidays.

Platts Italian Assessments (Eur/MWh)

February 11, 2014	Baseload
Mar 14	55.15 - 55.65
Q2 2014	53.00 - 53.50
Q3 2014	60.10 - 60.60
Cal 2015	56.50 - 57.00

EEX to launch Italian power futures

European Energy Exchange [EEX] said Tuesday it will launch Italian power futures for trading on its platform from April, as well as offering the registration of Spanish baseload power future trades from March, in a further step toward creating a pan-European offering for energy trading and clearing.

From April 7, EEX said financially settled power futures for Italy can be traded as base load and peak load products with week, month, quarter and year maturities.

“We have decided to expand our offering for Italian power and to also offer trading via the exchange order book of EEX in the future. In addition, we also plan to support our Italian customers on site and intend to open an office in Milan,” EEX CEO Peter Reitz said in a statement.

The plan remains subject to the approval of the Exchange Council, which will supplement the existing offering of the registration of Italian power futures for clearing through European Commodity Clearing (ECC), implemented in October.

EEX also plans to offer Trade Registration services for Spanish power futures, the next move after EEX and ECC signed a cooperation agreement with the Iberian OMIP and OMI Clear exchanges, agreeing to introduce cross-listing of their power derivatives products.

Market participants will be able to register Spanish baseload power futures for weeks, months, quarters and years on EEX, for clearing via ECC from March 19. — *Darren Stetzel*

French Powernext becomes regulated market

France’s Powernext said Tuesday it has become the country’s second regulated energy market, having been granted approval by the Minister of Economics and Finance, in anticipation of significant evolution of regulatory framework in France.

“Powernext has carried out in 2013 all the necessary steps in order to become a Regulated Market,” Powernext said. “The new market rules and status will take effect on February 12 2014, at which the reporting obligations of the EMIR regulation will also enter into force.”

Powernext launched its day-ahead market on November 26, 2001, but has since become an investment firm managing a multilateral trading facility (MTF), which until now the company said had offered both flexibility and security.

However, with the introduction of EMIR, Powernext said the regulated market status allowed it to best provide execution to its trading members, making the company the second to manage a regulated market in France after NYSE Euronext.

Powernext is active in the power, gas and emissions markets, while also holding a 50% equity stake in EPEX SPOT and a 20% in EEX Power Derivatives. — *Darren Stetzel*

Austria-Slovenia auction price below Eur4

The auction price for cross-border transmission capacity awarded between Austria and neighboring Slovenia in March fell below Eur7/MWh (\$9.54/MWh) for the first time in four months to Eur3.99/MWh, according to data published by the Central Allocation Office Tuesday.

The scheduling of capacity offered from Austria to Slovenia for the month-ahead auctions held Tuesday was awarded at 50 MW for Eur3.99/MWh, the highest auction price seen this month but well below last month when capacity was awarded at Eur7.56/MWh.

This reflects an adjustment in power flows from Austria with 574 MW initially requested from participating companies, data from the CAO showed.

APX Spot Prices (Eur/MWh)

	12-Feb-14	Change on day (%)	12-Feb-13
Baseload	47.85	6.03	53.72
Peakload	53.27	3.30	59.29
Off-Peak	42.43	9.67	48.14
Total Volume (MWh)	118087.7	-7.21	130983.2
Peak Volume (MWh)	69604.0	-1.00	71658.2
Off-Peak Volume (MWh)	48483.7	-14.87	59325.0

Baseload: 0000-2400, Peakload: 0700-2300, Peakload*: 0800-2000, Off-peak: 2000-0800

Platts Spanish Assessments (Eur/MWh)

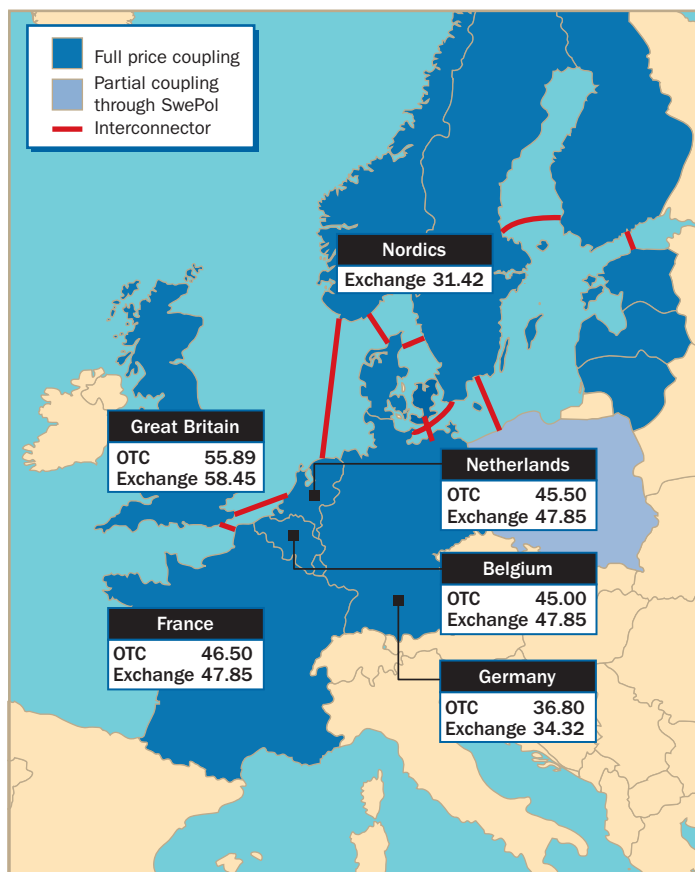
February 11, 2014	Baseload
D/A	22.75 - 23.25
Weekend	20.00 - 24.00
Week Ahead	32.75 - 33.25
Mar 14	31.50 - 32.00
Apr 14	31.40 - 31.90
Q2 2014	38.50 - 39.00
Q3 2014	50.45 - 50.95
Q4 2014	47.10 - 47.60
Cal 2015	48.50 - 49.00

Spanish Systemwide Pool Prices (Eur/MWh)

	12-Feb-14	Change on day (%)	12-Feb-13
Weighted Average	20.012	-3.519	47.287
Simple Average	20.219	4.173	45.858
Volume Matched (MWh)	589,937.0	-23.366	636,861.0

Source: OMIE, Daily Turnover in MWh, prices Eur/MWh

NWE Day-Ahead Markets (Eur/MWh)



Source: Platts assessments, APX, Belpex, Epex Spot, N2EX, Nord Pool Spot

Meanwhile, the price for capacity offered from Slovakia to Hungary for March was awarded at 400 MW for Eur3.15/MWh, less than half the price for February when capacity was awarded at Eur6.66/MWh.

In addition, the scheduling of capacity awarded in the monthly auction between Austria and the Czech Republic in either direction, as well as from Austria to Hungary, was revised to show that there will be no exports offered in the month of March.

There was also no capacity awarded from the Czech Republic, Germany and Slovakia to Poland in the month of March, according to the CAO.

All remaining capacities between Austria, Slovenia, the Czech Republic, Poland, Slovakia and Germany have been awarded between 66 MW and 450 MW with prices below Eur0.77/MWh, data showed.

The CAO, the auction office responsible for allocating cross-border transmission capacity in Central and Eastern Europe, also published awarded capacities on the Hungarian-Croatian and Croatian-Slovenian borders.

Month-ahead auction scheduling made 200-300 MW/hour in export capacity available between Hungary and Croatia for 29-46 euro cent, with 300-400 MW/hour awarded between Croatia and Slovenia for 13-29 euro cent.

Following the month-ahead auctions, if additional transmission capacity fulfils the increased requirements on the individual days, exports can also be made available in the daily auction. — *Petra Witowski*

HUPX Jan day-ahead volume exceeds 1 TWh

The total volume of electricity traded on the Hungarian power exchange's day-ahead market in January reached a record 1,041.294 GWh, according to data published by HUPX Tuesday.

Day-ahead volumes increased nearly 18% month-on-month from 883.875 GWh in December 2013 but rose 47% from the same period last year when traded volumes reached 706 GWh.

The average daily volumes were 33.59 GWh and reached 39.536 GWh for delivery January 20, HUPX said, still shy of April's record of 41 GWh.

The monthly baseload price on the day-ahead market averaged Eur42.72/MWh (\$58.24/MWh), a month-on-month decrease of Eur9.10, while the monthly peakload price averaged Eur53.33/MWh, down Eur11.70 from the previous month amid healthy supply margins and as mild weather subdued demand, according to market sources.

Meanwhile, the Physical Futures Market had a slow start to the year with just 143.683 GWh traded in January, down 80% month-on-month from 707.957 GWh and also nearly 66% down from the same period last year when traded volumes reached 418 GWh, data showed.

There were no over-the-counter trades in January, continuing the trend seen in the second half of 2013. The HUPX exchange has cooperation agreements with two power brokerages for clearing services on the exchange. — *Petra Witowski*

CAPACITY & GRID

France's EDF slashes capacity at Paluel 4

France's EDF cut capacity at its 1.3 GW Paluel 4 nuclear reactor by over half in an unplanned outage Tuesday afternoon, the latest data from grid operator RTE showed.

Output at the Paluel 4 reactor was reduced to 600 MW at

Platts Polish Assessments

February 11, 2014	(Zloty/MWh)		(Eur/MWh)	
	Baseload	Peak	Baseload	Peak
Day-Ahead	177.15	201.85	42.40	48.31
Week-Ahead	163.25	195.00	39.07	46.67
Mar 14	155.00	188.00	37.10	44.99
Q2 2014	156.00	190.50	37.33	45.59
Cal 2015	165.00	201.25	39.49	48.16

Prices are for physical delivery to the Polish high voltage electricity grid. Polish peak 0700-2200 CET hours on working days.

Polish Power Exchange Spot (Zloty/MWh)

	12-Feb-14	Change on day (%)	12-Feb-13
Average base price	177.17	3.48	168.20
Average peak price	201.83	3.38	183.21
Minimum Hourly Price	128.79	10.32	131.49
Maximum Hourly Price	221.00	6.09	193.54
Total Volume	71,746.9	9.21	57,667.0

Base=0000-2400, Peak=0700-2200

Source: PolPX

Platts Czech Assessments (Eur/MWh)

February 11, 2014	Baseload	Peak
D/A	36.00 - 36.50	42.25 - 42.75
Weekend	20.00 - 21.00	NA - NA
Week Ahead	36.00 - 37.00	46.75 - 47.25
March	33.50 - 34.00	42.00 - 42.80
Q2 2014	31.40 - 32.00	40.00 - 40.60
Cal 2015	35.40 - 35.90	46.90 - 47.40
Cal 2016	34.55 - 35.05	45.75 - 46.25

Prague Energy Exchange Futures Prices (Eur/MWh)

February 11, 2014	Base			Peak		
	Settle	Change	Volume	Settle	Change	Volume
First Month	33.60	+0.05	0	42.35	+0.35	0
First Quarter	31.70	+0.00	0	40.25	-0.05	0
First Year	35.60	-0.15	0	47.10	-0.10	0
Second Year	34.75	-0.15	43920	45.95	-0.40	0

Czech OTE Day-Ahead Indices (Eur/MWh)

	12-Feb-14	Change on day (%)	12-Feb-13
Base	36.54	-1.03	46.38
Peak	42.48	1.65	53.70
Offpeak	30.60	-4.49	39.07

Index calculation does not include marginal prices for hours when no volume of electricity was traded.

Platts Hungarian Assessments (Eur/MWh)

February 11, 2014	Baseload
D/A	36.25 - 36.75
Weekend	27.50 - 28.00
Week Ahead	38.50 - 39.00
Mar 14	37.20 - 37.70
Q2 2014	35.90 - 36.40
Cal 2015	43.15 - 43.65

17:00 local time due to an issue with the turbine, feed water and condenser sections of the plant. No return date or time was given.

Prior to the outage, nuclear supply availability was at 55 GW Tuesday, down just 200 MW from Monday, with 58.4 GW forecast to be available Wednesday, amid expectation of a number of nuclear reactor returns. — *Darren Stetzel*

French hydro stocks edge down 2% on week

French hydro power stocks fell by two percentage points last week to 64% of capacity, maintaining a surplus over normal levels of 8 percentage points, the latest data from grid operator RTE showed Tuesday.

National geological survey agency BRGM has said that significant rainfall in recent months means that France's water reservoirs are set for "very positive" refill levels under normal conditions going forward.

The potential energy stored at hydroelectric plants makes them a key strategic asset to react to sharp swings in power demand and nuclear power outages.

French power consumption is particularly sensitive to temperature changes, and mild weather so far this winter has also curbed demand.

However, a strike by coal power plant workers for the last three weeks has also raised demand for other types of generation able to respond to demand swings.

State-controlled EDF operates all 58 of France's nuclear reactors, as well as most of the nation's hydroelectric capacity and fossil fuel-fired output.

France's hydroelectric stocks are now one percentage point above levels recorded in the same week in 2013 and 8 percentage points above the five-year rolling average for that week, the RTE data shows.

Stocks were 9 percentage points below normal levels at the end of December, but reserves rose for three consecutive weeks as mild winter weather curbed power demand, and this has been followed by just a slight fall in reserves in the last few weeks.

N2EX UK power auction, spark spread: February 11

Delivery date: February 12

N2EX - Day-Ahead Power Auction	48.66	GBP/MWh
Platts - EFA Day-Ahead Gas*	61.24	p/th
NASDAQ OMX - UK Day-Ahead Spark Spread	6.14	GBP/MWh

*Reflects 11pm start electricity day

UK Dark Spreads, February 11, 2014

	(Eur/MWh)	(GBP/MWh)
UK Dark Spreads (35% efficiency)		
Month-Ahead	33.19	27.62
Month-Ahead + 1	35.04	29.15
Quarter-Ahead	34.48	28.69
Quarter-Ahead +1	32.89	27.37
Season-Ahead	33.41	27.80
UK Clean Dark Spreads (35% efficiency)		
Month-Ahead	27.10	22.55
Month-Ahead + 1	28.94	24.08
Quarter-Ahead	28.39	23.62
Quarter-Ahead +1	26.80	22.29
Season-Ahead	27.03	22.49

Platts Spark Spread Assessments, February 11, 2014

	Spark Spread		Clean Spark Spread	
	50% Efficiency	60% Efficiency	50% Efficiency	60% Efficiency
UK (GBP/MWh)				
Day-Ahead	4.7258	11.6882	2.7382	10.0319
Month-Ahead	5.2998	12.1999	3.3123	10.5436
Month-Ahead +1	7.0221	13.8764	5.0345	12.2201
Month-Ahead +2	6.5978	13.4229	4.6102	11.7667
Quarter-Ahead	6.8640	13.6614	4.8765	12.0052
Quarter-Ahead +1	5.3997	12.2249	3.4121	10.5686
Season-Ahead	6.1152	12.9293	4.1277	11.2730
Season-Ahead +1	7.8374	15.5390	5.8030	13.8436
Season-Ahead +2	9.6845	16.7038	7.6030	14.9693
Season-Ahead +3	11.2570	19.0223	9.1223	17.2434
UK (Eur/MWh)				
Day-Ahead	5.6800	14.0483	3.2911	12.0576
Month-Ahead	6.3700	14.6633	3.9811	12.6726
Month-Ahead +1	8.4400	16.6783	6.0511	14.6876
Month-Ahead +2	7.9300	16.1333	5.5411	14.1426
Quarter-Ahead	8.2500	16.4200	5.8611	14.4293
Quarter-Ahead +1	6.4900	14.6933	4.1011	12.7026
Season-Ahead	7.3500	15.5400	4.9611	13.5493
Season-Ahead +1	9.4200	18.6767	6.9747	16.6389
Season-Ahead +2	11.6400	20.0767	9.1383	17.9919
Season-Ahead +3	13.5300	22.8633	10.9643	20.7253
German (Eur/MWh)				
Day-Ahead	-12.2000	-4.0333	-14.5889	-6.0241
Month-Ahead	-14.9000	-6.7167	-17.2889	-8.7074
Month-Ahead +1	-15.9000	-7.6833	-18.2889	-9.6741
Quarter-Ahead	-17.0500	-8.8167	-19.4389	-10.8074
Quarter-Ahead +1	-14.2000	-5.9833	-16.5889	-7.9741
Year-Ahead	-15.0000	-6.4000	-17.5017	-8.4848
Dutch (Eur/MWh)				
Day-Ahead	-3.5000	4.6667	-5.8889	2.6759
Month-Ahead	-3.6500	4.5333	-6.0389	2.5426
Quarter-Ahead	-4.5500	3.6833	-6.9389	1.6926
Quarter-Ahead +1	-6.2000	2.0167	-8.5889	0.0259
Year-Ahead	-8.4000	0.2000	-10.9017	-1.8848
Belgian (Eur/MWh)				
Day-Ahead	-4.0200	4.1500	-6.4089	2.1593
Month-Ahead	-4.8000	3.3833	-7.1889	1.3926
Quarter-Ahead	-10.2200	-2.0167	-12.6089	-4.0074
Italian (Eur/MWh)				
Month-Ahead	4.4000	12.9000	2.0111	10.9093
Quarter-Ahead	1.8500	10.4167	-0.5389	8.4259
Clean spreads based on typical kg CO2/mmBtu rates of 55 for natural gas. Power and gas contracts used are midpoints of Platts' assessments for those commodities.				
Details of methodology at www.platts.com				

German Dark Spreads, February 11, 2014 (Eur/MWh)

	Dark Spread (35% efficiency)	Clean Dark Spread (35% efficiency)
Month-Ahead	11.26	5.17
Month-Ahead +1	10.57	4.47
Quarter-Ahead	9.56	3.47
Quarter-Ahead +1	12.28	6.19
Year-Ahead	12.57	6.19
Year-Ahead + 1	11.10	4.39
Year-Ahead + 2	9.98	3.27

France has not yet been subjected to a lengthy severe cold spell this winter, which has limited consumption over peak demand hours.

From a supply perspective, the national geological survey said 84% of France's water reservoirs were above normal levels at the start of January.

Reservoirs are generally refilling, as is typical this time of year, and heavy rainfall in December boosted supplies in several areas of France, including the Rhone valley in southeast France and the Paris basin, BRGM said.

EDF's French nuclear fleet produced 403.7 TWh of power in 2013, down by 0.3% on the year, and below its 405-410 TWh target.

French hydroelectric production rose by 18.7% in 2013 to 75.7 TWh.

Plentiful water supply in the first half of 2013 allowed dominant power generator EDF and other smaller hydro power generators to produce significantly more hydroelectric power last year and still see water stocks remain at high levels during the first three quarters. — *Robin Sayles*

Spain's hydro reserves climb to 72.2%

Spain's hydroelectric reserves rose 2.8 percentage points to 72.2%, or to 16.03 TWh from 15.41 TWh, during the week-ended Sunday, according to figures released Tuesday by the country's Environment Ministry.

That compares to 48.4%, or 10.82 TWh, at the same time last year and the 10-year average of 49.0%, or 10.95 TWh.

For rivers flowing to the Atlantic, reserves were at 73.7%, or 12.10 TWh, as of Sunday, while reserves on rivers flowing to the Mediterranean were at 67.8%, or 3.94 TWh.

Hydroelectric production this year up to Sunday was 5.50 TWh, compared to 3.83 TWh for the same period of 2013, while output last week was 1,228.3 GWh, up from 862.6 GWh for the same week a year ago.

Precipitation during the past week totaled 26.6 millimeters compared to the 10-year average of 13.8 millimeters.

— *Henry Cybulski*

Swiss-Italian reduction extended to Feb 14

A reduction in transmission capacity on the Switzerland to Italy interconnector has been extended until Friday, according to a note published late Monday by European auction platform CASC.EU.

The initial curtailment, which started February 7 and was due to end Tuesday has been extended until midnight CET (2300 GMT) Friday, CASC.EU said, citing network security reasons.

Capacity from Switzerland to Italy will be reduced to between 90% and 94% of its full 4 GW capacity from 6 am Wednesday until midnight Friday having been already reduced to 72% of its maximum capacity between 8 am and 7 pm on Monday, and between 92% and 96% for all other hours between from midnight on February 6 and midnight Tuesday. — *Gianluca Baratti*

GAS

Strikes at Total Shetland gas project avoided

The contractor and workers unions associated with Total's giant Shetland gas project in the UK have agreed on a deal which has prevented industrial action, contractor Petrofac told Platts Tuesday.

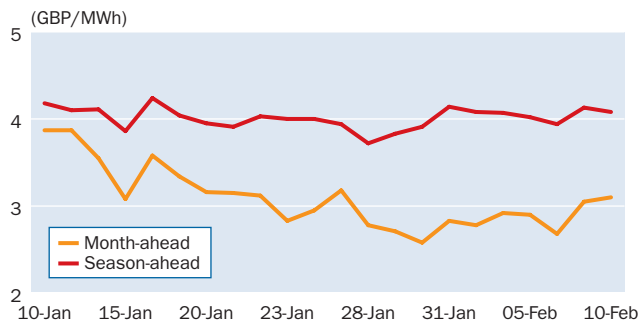
Throughout January and into February the unions Unite and

Generating fuel cost comparisons, February 11, 2014

Fuel	/MWh	Plus CO ₂	Total /MWh	Profit/Loss in GBP	Profit/Loss in Eur	Profit/Loss in \$
UK Baseload (GBP)						
Gas						
Next month	42.46	2.03	44.49	2.21	2.66	3.62
Next Q	41.83		43.86	3.79	4.56	6.21
Coal						
Next month	20.33	5.36	25.69	21.01	25.25	34.44
Next Q	20.26		25.62	22.03	26.48	36.11
NW Europe Baseload (Eur)						
Gas						
Next month	45.33	2.20	47.53	-13.33	-11.09	-18.19
Next Q	45.60		47.81	-15.46	-12.86	-21.10
Coal						
Next month	24.42	6.45	30.86	3.34	2.78	4.56
Next Q	24.33		30.77	1.58	1.31	2.15
NW Europe/UK Peak load						
Fuel Oil 1%S						
Next month	118.69	4.83	123.52	NWE Eur -80.97	UK GBP -50.02	
Next Q	118.15		122.98	-82.53	-48.52	
Fuel Oil 3.5%S						
Next month	113.11		117.93	-75.38	-45.37	
Next Q	113.15		117.98	-77.53	-44.36	
Gasoil 0.1%S						
Next month	174.93		179.76	-137.21	-96.81	
Next Q	173.23		178.06	-137.61	-94.35	

Note: Based on typical kg CO₂/mmBtu rates of 101.5 for coal, 55 for natural gas, and 72.5 for oil; and on generating efficiencies of 49% for UK gas plant, 54% for western Europe gas plant, 34% for all coal plant, and 32% for all oil-fired plant. Benchmark coal and distillates are priced at ARA. Details of methodology at www.platts.com

UK clean spark spreads, 50% efficiency



Source: Platts

German clean dark spreads, 35% efficiency



Source: Platts

GMB threatened strikes over a dispute surrounding accommodation and traveling arrangements for the workers on the project.

Strikes due to take place on the successive Fridays of January 24 and 31 and February 7 were all suspended in turn as talks continued, with a deal reached Monday, a spokesman for Petrofac said.

"Petrofac had made an offer that was accepted by the full-time union officials and shop stewards but was then rejected by the union membership," he said.

But, informally, some of the membership indicated that they would accept the offer which led to a re-balloting, he said.

"This ballot closed [Monday] and a majority were in favour of accepting the offer so the action will not go ahead."

The Shetlands terminal at Sullom Voe will be part of Total's project to bring gas from the Laggan and Tormore fields to the UK from summer this year.

Work started on the site in early 2010 and Petrofac said in January it was 85% complete.

It is one of a number of projects that will help unlock an estimated 17% of the UK's remaining oil and gas resources, Petrofac said. — *Nathan Richardson*

MARKET COMMENT

European Power Markets

UK prompt firms, auction at strong premium

UK prompt power prices firmed on the day with support from rising NBP gas prices with the day-ahead baseload auction outturning at an over GBP2 premium to OTC, market sources said.

On the OTC market liquidity remained thin with the last trade on day-ahead baseload heard at 08.04 GMT at GBP46.50/MWh, while peakload power last traded at GBP52.75/MWh at 09.35 GMT, respectively 75 pence and GBP1.25 higher on the day.

But the result of the day-ahead baseload power auction through the N2EX and APX exchanges came out much higher at GBP48.66/MWh at the 11.00 GMT.

"[T]here are plants off and returning at different times tomorrow, so [there's] some uncertainty there. With a lot of plant shifting around you could expect some volatility," a trader said.

Both OTC and auction prices are stronger on the day with NBP gas prices rising due to stronger temperature-drive residential demand.

Gas for same day delivery edged up 0.50 p/th to 61.20 p/th and the day-ahead increased 0.40 p/th to 61.25 p/th at 11.00 GMT.

Demand for power though will remain relatively steady, peaking at 51.6 GW Wednesday at 17.00 GMT from Tuesday's 51.8 GW peak forecast for 17.30 GMT. However, over Tuesday's peak demand hours wind generation will be healthy at 4.8 GW but is forecast by National Grid to dip to around 3.7 GW Wednesday evening.

At midday Tuesday wind power generation was at 4.5 GW (or 9.9% of the total generation mix), subduing the need for more expensive gas-fired power generation to 13.5 GW compared to coal-burn of 16.3 GW midday.

Nuclear power was lower at just under 7 GW but continental power imports were strong at almost 4 GW from France (nearly 2 GW) and the Netherlands (nearly 1 GW) midday.

Buoyant pricing levels were seen across the prompt in line with NBP gas gains with baseload power for delivery in week 8

Platts Continental European Indices (Eur/MWh)

	11-Feb-14	Change
ContiMonth	39.760	+0.210
ContiQuarter	34.600	+0.010
ContiCal	40.150	-0.070

Deviation from Continental European Indices and Germany (Eur/MWh)

	ContiMonth	Germany
France	+3.990	+9.550
Netherlands	+5.690	+11.250
Belgium	+4.540	+10.100

	ContiQuarter	Germany
France	-0.700	+1.550
Netherlands	+10.250	+12.500
Belgium	+4.400	+6.650

	ContiCal	Germany
France	+2.700	+6.250
Netherlands	+3.050	+6.600
Belgium	+2.850	+6.400

ContiMonth, ContiQuarter, ContiCal: The Conti-indices are monthly, quarterly and yearly base load indices of consumption-based German, French, Belgian and Dutch assessments to indicate trends in continental European forward power prices in the wholesale market.

Power Price Fundamentals

	11-Feb-14	Change
Brent Oil (Month-ahead - \$/bbl)	109.000	-0.170
Coal CIF ARA (Year-ahead - \$/mt)	81.500	-0.100
EUA (Front December - Eur/mt)	6.350	-0.150
UK NBP (Year-ahead - Eur/MWh)	26.540	+0.050

Forex Indicators, February 11, 2014

	NOK	SKr	DKr	SFr	GBP	US \$	Zloty
Euro	8.369	8.846	7.462	1.224	0.832	1.365	4.178
US \$	6.132	6.481	5.468	0.897	0.610	1.000	

Weather Summary, February 11, 2014

Week Normal high/low temps (C) and projected deviations from normal								
Celsius	Normal	11	12	13	14	15	16	17
CENTRAL EUROPE								
Berlin	4/-3	+3	+2	+2	+3	+3	+6	+4
Frankfurt-am-Main	5/0	+2	+1	+2	+2	+5	+4	+3
Prague	2/-4	+4	+3	+3	+4	+3	+6	+5
Vienna	4/-3	+5	+4	+2	+3	+3	+4	+6
Warsaw	1/-4	+3	+3	+2	+3	+2	+5	+5
NORTHWEST EUROPE								
Amsterdam	6/0	+3	+2	+2	+2	+4	+3	+3
Brussels	6/0	+3	+1	+2	+2	+6	+3	+3
London	8/3	-1	-1	-1	0	+2	+1	+2
Paris	8/2	+1	0	+3	+1	+4	+3	+2
SCANDINAVIA								
Copenhagen	3/-2	+1	+2	+1	+1	+2	+2	+2
Helsinki	-2/-7	0	0	+1	+1	-2	-1	0
Oslo	-2/-9	+6	+5	+6	+3	+1	+7	+6
Stockholm	0/-4	+2	+3	+4	+3	+2	+4	+3
SOUTHERN EUROPE								
Lisbon	16/9	0	-1	+2	+1	-2	-3	-3
Madrid	13/1	-3	-3	+6	+5	+3	0	-1
Milan	9/-1	+2	+4	+2	+3	+1	+2	+2

Source:CustomWeather, 11Feb14/06:57 AM EST/1157 GMT

closing 70 pence firmer at GBP46.80/MWh.

Further out along the forward curve prices were steady with far curve contracts finding greater support from stronger NBP gas gains.

The Summer 14 baseload contract remained flat at GBP47/MWh while the Winter 14 base contract moved just 5 pence higher to GBP54.05/MWh. However, the Winter 15 base contract gained 40 pence on the day to GBP57.85/MWh in line with gains of 0.45 p/th to 68.25 p/th.

French prompt higher ahead of demand rise

French prompt power prices edged higher Tuesday ahead of a slight increase in demand but were expected to recede as the week progresses amid rising wind generation in Germany and no major limitations to domestic supply, market sources said.

Baseload power for delivery Wednesday closed 50 euro cent higher on the day at Eur46.50/MWh Tuesday, while the peakload contract was 50 euro cent higher at Eur53.25/MWh.

Epex Spot settled the day-ahead contracts around Eur1.40 above the OTC market at Eur47.85/MWh in base, but in line at Eur53.27/MWh in peak.

In the Netherlands, Platts closed day-ahead baseload Eur1 lower on the day at Eur45.50/MWh, and peakload had also fallen Eur1 to Eur52.50/MWh. APX settled Wednesday base at Eur47.85/MWh and peakload at Eur53.27/MWh, in convergence with France.

The latest RTE data showed that maximum demand in France was at 75 GW Tuesday and forecast to rise to 78.7 GW Wednesday, before falling back to 77.9 GW Thursday and 73.3 GW Friday.

CustomWeather data showed temperatures in Paris would drop 1 degree Celsius to the seasonal norm of 2-8 C Wednesday before rising 3 C Thursday, while those in Amsterdam are expected to remain 2-3 C above the 0-6 C average for this time of year.

Although there was an uptick in prices Tuesday, traders said German wind levels increasing through to the weekend have weighed on the market for the rest of the week.

German wind power generation was pegged around 1 GW lower than current levels in average peakload hours at 8.7 GW Wednesday, according to market sources, but is forecast to rise to 13.6 GW Thursday, and as high as 17 GW at the weekend.

Platts UK Assessments (GTMA, GBP/MWh)

February 11, 2014	Euro Equivalents			
	Baseload	Peak	Baseload	Peak
Day-ahead	46.25 - 46.75	52.55 - 52.95	55.59 - 56.19	63.16 - 63.64
Weekend	44.50 - 45.50		53.49 - 54.69	
Week Ahead	46.30 - 47.30	52.20 - 53.20	55.65 - 56.85	62.74 - 63.94
Week Ahead+1	46.30 - 47.30	52.25 - 54.25	55.65 - 56.85	62.80 - 65.20
Mar	46.20 - 47.20	52.25 - 53.25	55.53 - 56.73	62.80 - 64.00
Apr	47.65 - 48.65	53.95 - 54.95	57.27 - 58.47	64.84 - 66.05
May	47.05 - 48.05	53.55 - 54.55	56.55 - 57.75	64.36 - 65.56
Q2 14	47.15 - 48.15	53.30 - 54.30	56.67 - 57.87	64.06 - 65.26
Q3 14	45.85 - 46.85	52.00 - 53.00	55.11 - 56.31	62.50 - 63.70
Summer 2014	46.50 - 47.50	52.65 - 53.65	55.89 - 57.09	63.28 - 64.48
Winter 2014/15	53.55 - 54.55	61.90 - 62.90	64.36 - 65.56	74.40 - 75.60
Summer 2015	51.30 - 52.30	57.30 - 58.30	61.66 - 62.86	68.87 - 70.07
Winter 2015/16	57.35 - 58.35	67.65 - 68.65	68.93 - 70.13	81.31 - 82.51
Summer 2016	50.75 - 51.75	56.90 - 57.90	61.00 - 62.20	68.39 - 69.59
April 2014 Annual	50.03 - 51.03	57.28 - 58.28	60.13 - 61.33	68.85 - 70.05

Baseload=2300-2300, Peak=0700-1900

Daily indices

	GBP/MWh	Eur/MWh	Change D-1 (GBP/MWh)
Day-ahead	46.50	55.89	+0.75
Weekend	45.00	54.09	+0.25
Mar	46.70	56.13	+0.10

Index definitions are published in the Platts methodology guide available on the Platts website.

UK power consultation

Platts is proposing to refocus its UK annual power assessments to reflect changing trading patterns in the electricity market as forward delivery periods migrate to the Gregorian calendar.

Effective March 31, 2014, Platts proposes to launch daily baseload and peakload assessments of year-ahead calendar power for delivery January 1-December 31, assessed as a midpoint only.

Platts also proposes to discontinue its April annual baseload and peakload assessments — which cover the forward period from April to March — when the April 2014 annual contract expires on March 28, 2014.

Please send comments and questions to power@platts.com with a copy to pricegroup@platts.com by February 21.



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Domestically, RTE data showed that EDF cut capacity at its 1.3 GW Paluel 4 nuclear reactor to 600 MW at 17:00 local time due to an issue with the turbine, feed water and condenser sections of the plant. No return date or time was given.

Prior to the outage, nuclear supply availability was at 55 GW Tuesday, down just 200 MW from Monday, with 58.4 GW forecast to be available Wednesday, amid expectation of a number of nuclear reactor returns.

Meanwhile, French hydro stocks fell 2% last week to 64% of capacity, maintaining a surplus over normal levels of 8%, with significant rainfall in recent months meaning reservoirs are set for "very positive" refill levels under normal conditions going forward.

Further forward, baseload power for March delivery rose by 45 euro cent to Eur43.75/MWh, with the Q2'14 baseload price was unchanged at Eur33.90/MWh Tuesday.

On the far end of the curve, core contract German Cal 15 baseload fell 15 euro cent on the day to finish at Eur36.60/MWh Tuesday, while the French contract fell 5 euro cent to Eur42.85/MWh.

German prompt steady ahead of strong winds

German baseload power for Wednesday delivery was flat Tuesday with stable supply margins ahead of a surge in wind power generation through to the end of the week and into the weekend, triggering a flurry of downward trading for the days ahead, market sources said.

Baseload power for Wednesday delivery was last heard OTC just 30 euro cent higher on the day at Eur36.80/MWh by 11:00 London time, with peakload Eur1.75 higher on the day at Eur43/MWh.

Epex Spot settled the German Wednesday contracts around Eur2 lower than the OTC market in baseload at Eur34.32/MWh, and Eur5 below in peakload at Eur37.97/MWh.

"German wind is pulling everything down," one trader said.

"The spot is much lower today. It is all about the weather dominating the market," another trader said.

Platts saw some deals done on Thursday baseload around Eur2.40 lower than current levels at Eur34/MWh as the wind gains strength.

Wind power generation was pegged around 1 GW lower than current levels in average peakload hours at 8.7 GW Wednesday, according to market sources, but is forecast to rise to 13.6 GW Thursday, and as high as 17 GW at the weekend.

Nuclear availability is expected to remain around its full 12.1 GW capacity Wednesday, with lignite plant at 18.7 GW, alongside gas-fired generation at 8.7 GW, and coal plant availability at 14.6 GW, EEX transparency data shows.

The latest CustomWeather data showed that temperatures across many major German cities were forecast at around at 1-4 degrees Celsius above seasonal norms Wednesday, reaching as much as 6 C above normal by the end of the week.

Further forward, Platts assessed March baseload 10 euro cent lower on the day at Eur34.20/MWh, with Q2'14 down just 5 euro cent to Eur32.35/MWh.

On the far end of the curve, Cal 14 baseload closed 15 euro cent lower on the day at Eur36.60/MWh on a retreating emissions market, which had been dominated by the bulls in past sessions.

EUA emissions allowances were down 16 euro cent on the day at Eur6.33/mt for the Dec 14 contract by close, while year-ahead coal into Europe was also down \$0.10 to \$81.50/mt.

Hungary trades at discount to Germany

Day-ahead power prices in Hungary were trading below Germany Tuesday as weakened fundamentals continued to boost supply margins across the Central and Eastern European region, ensuring spreads further out on the near curve remained tight.

Baseload power for Wednesday delivery was last heard trading OTC at Eur36.50/MWh, down 75 euro cent on the day and 30 euro cent below Germany, which closed at Eur36.80/MWh.

Day-ahead power prices in the Czech market closed even lower with Wednesday base at Eur36.25/MWh before Platts' 11am close, down 45 euro cent on the day, while the peakload contract changed hands 90 euro cent higher at Eur42.50/MWh.

Prices on the HUPX, OTE and OKTE power exchanges aligned Tuesday with day-ahead base at Eur36.54/MWh and peak Eur42.48/MWh.

Prompt power prices across the region have been bearish this year as above-seasonal temperatures continue to dampen winter demand amid healthy hydro levels in the Balkans, with Hungary yet again a net exporter to Serbia this week, data from the grid operator showed.

Although flows on the Austrian border into Hungary would be reduced to 235 MW between the hours 7-15 Wednesday, imports would rise back up to 385 MW during peak evening demand, keeping capacity prices below Eur1.50, according to data from the CAO.

Temperatures in Budapest were pegged up to 5 degrees Celsius above seasonal norms this week, data from CustomWeather showed, rising up to 6 C above the average in week 8. Although the week-ahead baseload contract saw little change on the day, closing at Eur38.75/MWh, the location spread with Germany narrowed sharply from Eur8 last week to just Eur1.75 Tuesday, Platts data showed.

Further forward, March base traded flat at Eur37.45/MWh, maintaining a Eur3.25 spread with Germany, while Cal 15 base also moved sideways at Eur43.40/MWh.

Meanwhile temperatures in Prague would also rise from 3 C above the norm Wednesday to 6 C above the average by Monday, CustomWeather said. Rising wind power generation in Germany was likely to pull prompt power prices lower, sources said.

Further forward, Czech March base gained 25 euro cent on the day to Eur33.75/MWh while the year-ahead contract softened 10 euro cent to Eur35.65/MWh.

Polish prompt rises on tightened supply

Polish day-ahead power prices edged higher Tuesday as weakened wind output and exports during peak evening demand tightened supply, sources said, while the bullish prompt also lifted prices further out on the curve.

POLPX settled day-ahead base at Zloty 177.17/MWh, up Zloty 5.96 or 3.5% on the day, while the peakload contract cleared nearly 7 Zloty or 3.4% higher at Zloty 201.83/MWh.

Market sources said the high prices were an "anomaly" as mild weather continues to subdue demand.

"Prices should fall as temperatures are stable and we will have more wind," said a trader. "Germany is also expected to have more wind through to Sunday, and that is likely to influence the Polish market".

While Polish wind power generation has been forecast to climb up 2 GW by Sunday, comprising 75% of total installed wind capacity, forecasts for Wednesday were revised downwards with the national grid operator expecting less than 500 MW during peakload hours.

In addition, exports have been limited to peak morning

hours and hour 19, which has been pegged as peak demand at 23.8 GW, data from the grid operator showed, narrowing supply margins to less than 1 GW.

Temperatures were forecast 2-3 degrees Celsius above seasonal norms this week, CustomWeather data showed, before rising up to 5 C above the average at the start of week 8. Despite the warmer weather, baseload power for next-week delivery was valued Zloty 1.25 higher at Zloty 163.25/MWh.

Contracts on the curve also posted strong gains Tuesday triggered by the bullish prompt, sources said.

"Even though the weather is warm, the spot is still high," said a trader, adding that the bullish sentiment in Poland has "no correlation with the German market". In Poland, March base gained nearly 2 Zloty on the day to close at Zloty 155/MWh or Eur37.10/MWh, nearly 3 euros above its German counterpart which softened to Eur34.20/MWh Tuesday. The Polish front-month contract has been trading at a premium to Germany since the start of February, Platts data show.

Further forward, Cal 15 base also climbed Zloty 1.25 higher to close at a 13-month high of Zloty 165/MWh.

Spanish prompt rebounds above €20/MWh

Spanish prompt power prices rebounded above Eur20/MWh in the day-ahead market Tuesday as wind generation continued to subside from last week's highs, but sentiment softened on the far prompt and near curve as prices retreated from the gains posted Monday.

Wednesday baseload was last heard trading at Eur23/MWh in the OTC market, moving Eur8.50 higher on the day and around Eur3.50 above the Tuesday-delivered pool price. The pool for Wednesday outturned below OTC expectations and was only marginally higher than the Tuesday settlement, clearing on OMIE at Eur20.22/MWh.

Wind generation was forecast below 8 GW during Wednesday morning hours, rising to 10-12 GW during the afternoon and evening peaks, according to Red Electrica. Grid operator data showed Tuesday wind output peaking at 12.3 GW as of 13:00 local time.

Further forward, week-ahead and the monthly contracts traded lower to outstrip most of the gains seen in the previous session, although March and April held above Eur30/MWh and at a premium to Friday closing values. Week-ahead baseload was assessed Eur3 down day-on-day at Eur33/MWh at the close with March and April at Eur31.75/MWh and Eur31.65/MWh, respectively, marking on-day losses of Eur2.05 and Eur1.25.

At the far end, volumes picked up for the front-year which was heard trading in a Eur48.65/MWh-Eur48.90/MWh range. Cal 15 was assessed at Eur48.75/MWh by close, down 25 euro cent from Monday.

Curve falls as fundamentals remain bearish

Italian power prices continued to fall across the curve on Tuesday, in line with gas prices on the PSV hub and on the back of ongoing bearish fundamentals in the markets.

The front-month March contract fell by 20 euro cent to close at Eur55.40/MWh.

The Q2 14 and Q3 14 edged 40 and 5 euro cent lower to be assessed at Eur53.25/MWh and Eur60.35/MWh, while the Cal 15 was pegged at Eur56.75/MWh, down by 15 euro cent on the day.

Similarly, the day-ahead and March contracts on the Italian PSV gas hub fell by 20 and 25 euro cent on the day and were valued at Eur25.35/MWh and Eur25.50/MWh at the 16.30 GMT market close.

The PUN - single national day-ahead purchasing price - settled at Eur54.93/MWh, with minimum and maximum hourly prices of Eur31/MWh and Eur80.26/MWh respectively.

Zonal selling prices cleared at Eur54.56/MWh in the north, Eur49.98/MWh in the centre-north, Eur49.95/MWh in the centre-south, south and Sardinia and Eur86.37/MWh in Sicily.

Temperatures in Italy continued to be warm for the time of year, with 3/13 degrees Celsius expected in Milan on Wednesday and 7/15 C in Rome, according to the weather forecaster service of the Italian newswire ANSA.

Power demand on Wednesday was forecast at 45.1 GW for hour 19, according to data from exchange manager GME.

EUA Market

EUAs fall on signs of profit-taking

EU Allowances fell Tuesday, on apparent profit-taking after prices hit a 13-month high the previous week.

December 2014 EUAs were trading at around Eur6.50 in early deals, unchanged from the previous close.

Prices held steady in the first half of the morning, ahead of the day's primary auction.

The EU on Tuesday sold 4.0185 million spot EUAs at Eur6.30/mt, down from the year's high auction price of Eur6.45/mt on Friday.

Secondary market prices began to slip lower from mid-morning, and the bearish momentum gathered pace in the early afternoon, sending prices as low as Eur6.23.

The lower prices were suggestive of profit-taking, after prices rallied to a 13-month high of Eur6.53 at the close on February 6, as the EU parliament cleared a fast-track scrutiny process for the European Commission's backloading proposal.

The measure is expected to start before the end of March, allowing the EC to withhold 400 million EUAs from this year's auctioning schedule.

The market may have paused to consolidate the earlier gains, amid recent analyst warnings that current levels represent a selling opportunity.

The underlying energy markets were mixed on Tuesday.

UK natural gas for summer delivery was quoted up 0.40 p/th at 60.30 p/th around midday, while German Cal 15 baseload power prices were quoted down 15 euro cents at Eur36.60/MWh in late trades.

Carbon prices shifted up a few cents off the intra-day low in late deals, but still closed well into negative territory on the day.

December 2014 EUAs were quoted at Eur6.35 at the close Tuesday, down 15 euro cents or 2.31% from the previous close.

December 2014 CERs were quoted at Eur0.38, down 1 euro cent on the day.

CARBON EMISSIONS SUMMARY

Platts EUA assessments, February 11, 2014 (Eur/mt)

Delivery	Assessment	Midpoint	Change
Phase 3			
EUA 2014 Dec	6.330-6.370	6.350	-0.150
EUA 2015 Dec	6.630-6.670	6.650	-0.140
EUA 2016 Dec	6.970-7.010	6.990	-0.150

Monthly Rolling Average

EUA 2014 Dec	Feb-14	6.271	0.013
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Forward market daily assessments: The low end of the range reflects prices for larger parcels, while the upper end reflects prices for smaller parcels. The typical size range is 5,000 to 50,000 mt. Monthly Rolling Average: This is a mathematical average of assessments for the most actively traded contract each month, usually the next December contract.

Platts CER assessments, February 11, 2014 (Eur/mt)

Delivery	Assessment	Midpoint	Change
CER 2014 Dec	0.360-0.400	0.380	-0.010
CER 2015 Dec	0.500-0.540	0.520	0.000
CER 2016 Dec	0.530-0.570	0.550	0.000

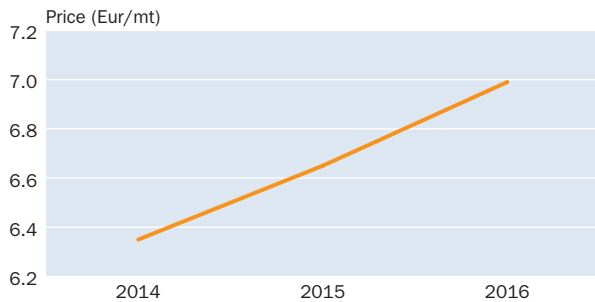
Monthly Rolling Average

CER 2014 Dec	Feb-14	0.413	-0.005
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Platts EUA/CER spread, February 11, 2014 (Eur/mt)

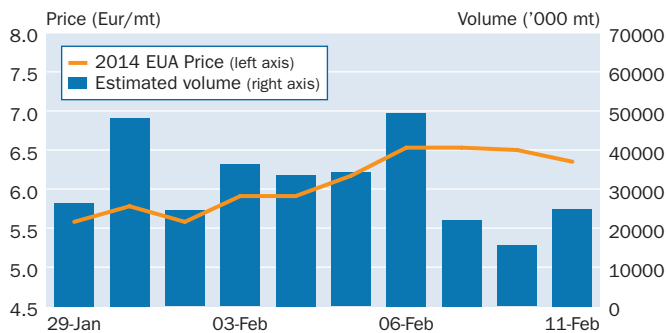
Delivery	Spread	Change
2014 Dec	5.970	-0.140

Platts EUA forward curve, February 11, 2014



Source: Platts

EU CO₂ volume and price



Source: Platts (Volume = exchanges only: ICE, EEX, Nord Pool)

ECX/ICE Emissions data, February 11, 2014

Settlement	Price (Eur/mt)	Volume (mt)
EUA spot	NA	NA
EUA Dec 2014	6.33	20,838,000
EUA Dec 2015	6.62	2,637,000
EUA Dec 2016	6.96	1,296,000
CER spot	NA	NA
CER Dec 2014	0.38	115,000
CER Dec 2015	0.53	280,000
CER Dec 2016	0.55	0

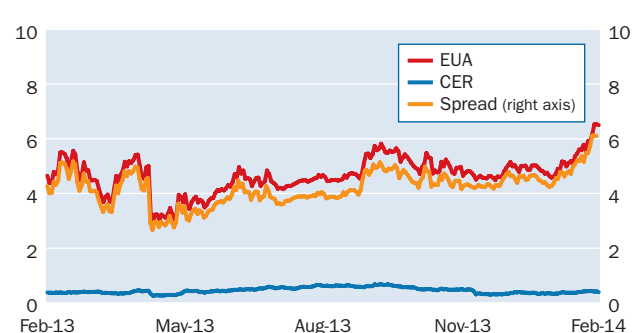
EEX Emissions data, February 11, 2014

Settlement	Price (Eur/mt)	Volume (mt)
EUA spot	6.23	50,000
European Carbon Futures (Mid December)		
EUA 2014	6.34	100,000
EUA 2015	6.64	0
EUA 2016	6.99	0
Certified Emission Reductions Futures (Mid December)		
CER 2014	0.39	0

Nordpool Emissions data, February 11, 2014

Settlement	Price (Eur/mt)	Volume (mt)
EUA spot	NA	NA
EUA 2014	6.29	0
EUA 2015	NA	NA
EUA 2016	NA	NA
CER spot	NA	NA
CER 2014	NA	NA

EUA/CER 2014 spread (Eur/mt)



Source: Platts

EXCHANGE SUMMARY

EPEX France Spot Auction Day-Ahead (Eur/MWh)

	12-Feb-14	Change on day (%)	12-Feb-13
Minimum Hourly Price	28.43	1.35	41.46
Maximum Hourly Price	68.42	1.38	79.08
Average Base Price	47.85	6.02	59.39
Average Peak Price	53.27	3.29	63.20
Total Volume (MWh)	165,353.0	-1.30	212,672.0

EPEX Germany/Austria spot Auction (Eur/MWh)

	12-Feb-14	Change on day (%)	12-Feb-13
Phelix base	34.32	-10.86	49.46
Phelix peak	37.97	-15.26	56.75
Total Volume (MWh)	850,993.9	-0.78	668,486.5

Base = 0000-2400, Peak = 0800-2000

Source: EEX

Austria EXAA Power Exchange (Eur/MWh)

	12-Feb-14	Change on day (%)	12-Feb-13
Minimum Hourly Price	24.80	-4.62	32.20
Maximum Hourly Price	54.15	5.72	70.01
Baseload	36.30	-1.89	48.25
Peakload	42.25	2.18	55.80
Total Volume (MWh)	20,225.7	-3.00	21,959.3

EEX French Power Futures (Eur/MWh)

February 11, 2014		Base			Peak		
Month	Settle	Change	Volume	Settle	Change	Volume	
First Month	43.63	0.50	22290	54.13	0.50	0	
Second Month	38.88	0.10	14400	47.63	0.00	0	
Third Month	31.25	-0.05	0	42.00	0.00	0	
First Quarter	34.00	0.07	0	44.75	0.25	0	
Second Quarter	36.25	0.30	0	46.83	-0.17	0	
Third Quarter	50.00	0.12	0	62.30	0.17	0	
Fourth Quarter	52.85	0.10	0	64.63	0.30	0	
First Year	43.00	0.00	0	56.05	0.05	0	
Second Year	42.74	0.01	0	56.25	0.07	0	
Third Year	42.75	0.00	0	56.75	-0.25	0	

EEX Phelix Futures (Eur/MWh)

February 11, 2014		Base			Peak		
Month	Settle	Change	Volume	Settle	Change	Volume	
First Month	34.33	0.15	223643	42.43	0.26	15120	
Second Month	33.42	-0.09	14400	40.15	-0.19	0	
Third Month	31.86	0.16	0	39.80	-0.10	0	
Fourth Month	31.76	-0.13	0	40.95	-0.13	5040	
Fifth Month	34.29	0.36	0	42.58	0.00	0	
Sixth Month	33.54	-0.36	0	42.35	0.00	0	
Total			238,043			20,160	
Quarter	Settle	Change	Volume	Settle	Change	Volume	
First Quarter	32.34	-0.02	196560	40.29	-0.14	3900	
Second Quarter	35.08	-0.12	26496	44.71	0.02	0	
Third Quarter	38.90	0.00	46389	51.47	-0.11	0	
Fourth Quarter	40.04	-0.16	32385	52.21	-0.34	0	
Total			301,830			3,900	
Year	Settle	Change	Volume	Settle	Change	Volume	
First Year	36.59	-0.16	1454160	46.86	-0.42	15660	
Second Year	35.91	-0.13	263520	46.10	-0.15	0	
Third Year	35.74	-0.03	140160	45.68	-0.18	31200	
Fourth Year	36.75	-0.18	0	47.18	-0.12	0	
Fifth Year	37.38	-0.12	0	48.63	-0.15	0	
Sixth Year	38.33	-0.10	0	50.35	-0.15	0	
Total			1,857,840			46,860	

APX Power UK Daily Market Bulletin - 11-Feb-14

APX Power UK Spot Market Statistics for 11-Feb

(Half Hourly Contracts)	
Traded contracts (MW)	32796
Total volume (MWh)	16398
Highest price (GBP/MWh)	88.00
Lowest price (GBP/MWh)	0.00

Data includes trades made between 00.00 and 18.00 11-Feb for all half hourly contracts.

Previous day total spot volume (MWh) **47347**

Includes all spot and prompt trades between 00.00.00 and 23.59.59 10-Feb

Elexon UK Balancing Prices (GBP/MWh)

Sell - Buy		Sell - Buy		Sell - Buy		Sell - Buy	
P1	P13	P14	P15	P16	P17	P18	P19
36.50 - 36.50	40.50 - 48.97	41.50 - 49.81	42.23 - 63.48	40.85 - 57.91	41.99 - 57.45	63.32 - 70.83	40.45 - 62.77
P2 36.20 - 54.27	P25 58.83 - 58.83	P26 42.23 - 63.48	P27 40.85 - 57.91	P28 40.28 - 57.76	P29 40.59 - 58.52	P30 40.59 - 58.52	P31 40.45 - 62.77
P3 36.64 - 55.29	P32 40.73 - 61.56	P33 40.25 - 66.81	P34 39.04 - 61.47	P35 41.16 - 79.10	P36 78.40 - 78.40	P37 72.13 - 72.13	P38 41.51 - 77.74
P4 35.56 - 52.79	P39 59.25 - 88.87	P40 56.95 - 91.72	P41 57.40 - 62.51	P42 44.96 - 55.88	P43 52.88 - 57.69	P44 50.96 - 59.30	P45 38.98 - 51.15
P5 49.00 - 49.00	P46 38.59 - 50.78	P47 47.07 - 57.75	P48 38.78 - 49.15				
P6 36.19 - 52.45							
P7 36.64 - 52.50							
P8 36.28 - 52.50							
P9 36.12 - 51.99							
P10 49.00 - 49.00							
P11 40.47 - 44.75							
P12 36.50 - 39.90							

Delivery date: February 10, 2014

Source: Elexon, BM Reporting

Nord Pool Average Spot Prices (Eur/MWh)

	12-Feb-14	Change on day (%)	12-Feb-13
Oslo	31.26	-0.57	43.13
Bergen	31.26	-0.57	43.13
Molde	31.34	-1.79	43.09
Trondheim	31.34	-1.79	43.09
Tromso	31.34	-1.54	43.09
Kristiansand	31.26	-0.57	43.13
Lulea	31.27	-2.01	43.09
Malmö	31.27	-2.01	43.09
Stockholm	31.27	-2.01	43.09
Sundsvall	31.27	-2.01	43.09
Finland	35.32	-1.51	43.09
West Denmark	30.56	-8.56	43.00
East Denmark	30.66	-12.02	43.09
Systemwide	31.42	-1.32	43.10

Nord Pool Futures

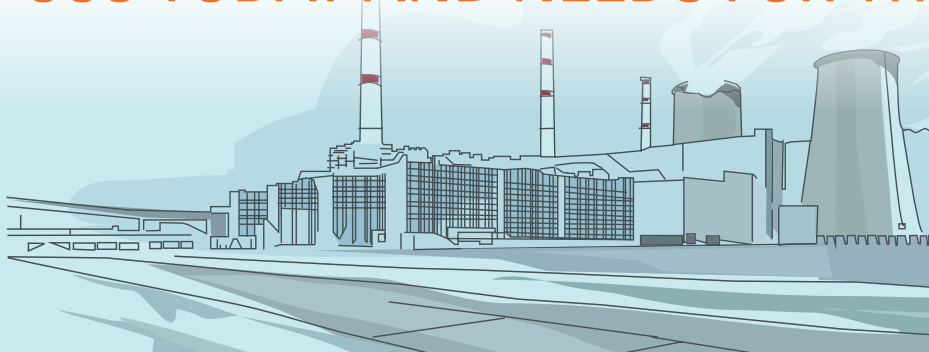
Contract	Close	Change	High	Low	Volume
Day ahead (Eur/MWh)	31.00	-0.83	31.00	31.00	50
First Week (Eur/MWh)	33.25		33.35	32.75	308
Second Week (Eur/MWh)	32.50	—	32.75	32.50	80
Third Week (Eur/MWh)	31.50	-0.13	—	—	—
First Month (Eur/MWh)	31.15	+0.05	31.25	31.00	310
Second Month (Eur/MWh)	30.00	-0.10	30.25	30.00	45
Third Month (Eur/MWh)	29.40	+0.05	29.45	29.40	41
Fourth Month (Eur/MWh)	28.85	-0.13	28.85	28.85	11
Fifth Month (Eur/MWh)	26.28	+0.20	26.00	25.95	15
Sixth Month (Eur/MWh)	28.20		28.20	28.20	1
First Quarter (Eur/MWh)	29.45	-0.05	29.70	29.30	498
Second Quarter (Eur/MWh)	28.30	-0.10	28.40	28.25	26
Third Quarter (Eur/MWh)	34.15	-0.15	34.35	34.15	16
Fourth Quarter (Eur/MWh)	36.35	-0.15	36.40	36.35	18
First Year (Eur/MWh)	32.45	-0.15	32.60	32.40	12
Second Year (Eur/MWh)	31.90	-0.22	32.00	31.85	18
Third Year (Eur/MWh)	30.70	-0.25	30.95	30.70	14

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