

Opening of the electricity and gas markets Figures as at 30 September 2013

WHOLESALE MARKETS

Wholesale electricity market

On the power spot market (day-ahead and intraday), traded volumes decreased by 9.3% compared to the previous quarter reaching 19.7 TWh and by 6.2% compared to Q3 2012. **Regarding the futures market, traded volumes decreased by 5.8%** compared to the previous quarter (105 TWh). The drop in volumes compared to the previous quarter is due to a reduction of trading on monthly (-19%) and quarterly (-19%) contracts, in spite of an increasing activity for yearly products (+8.6%). The activity on the broker platforms, concentrating most of future products trading, keeps dropping (-5.4%) as well as traded volumes on the power exchange (-14%). Activity on day-ahead French market ranks in fourth position, after having been bypassed by Dutch APX market during the third quarter.

The day-ahead baseload prices on EPEX SPOT established on average at €37.9/MWh, a 13% increase compared to the previous quarter, but a 15% decrease compared to Q3 2012. **The spread between French and German prices reversed during third quarter from €0.88/MWh to €0.7/MWh. The spreads on calendar contracts between France and Germany continued to widen** in a context where calendar baseload prices continued to decline in France (€0.3 /MWh) and Germany (€1.3 /MWh), amounting respectively to €42.3 /MWh and €37.6 /MWh.

The average nuclear generation rate increased slightly in the third quarter of 2013 and stood at 64.1% against 60.9% in the same period in 2012, reflecting an increase in the availability of nuclear power plants (68.3% in 2013 against 65.6% in the third quarter in 2012). **Hydro storage level declined, reaching 72% at the end of September** (against 77% in early July) following the seasonality observed for several years. **Imports dropped (-27.4 %) compared to the previous quarter**, mainly due to decreasing electricity consumption (-9.6 %). The net export balance is 16.5 TWh, an increase from 12.1% compared to the second quarter of 2013.

Wholesale gas market

In the third quarter of 2013, day-ahead prices in Europe decreased by 3% compared to Q2 2013 but increased by 6% compared to Q3 2012. The PEG Nord day-ahead contract traded on average € 0.5/MWh above prices on the main European hubs (NBP, TTF, NCG and Zeebrugge). This can be partially explained by supply difficulties at PEG Nord, especially since September 20, as a consequence of entry capacity reductions at the interconnections of Obergailbach and Dunkerque. **Prices of calendar contracts in Europe increased temporarily by € 1/MWh in September, mainly because of the upwards moves of oil prices following geopolitical tensions in Syria.**

The spread between PEG Sud and PEG Nord oscillated between 0 and € 4.2/MWh during the third quarter of 2013. The spread registered strong volatility in the quarter, following the capacities reductions at GRTgaz North-to-South link, which was generally congested during the period (utilization rate of 96%).

Volumes exchanged at the PEG maintained their growing trend during Q3 2013, increasing by 19% compared to Q3 2012. Volumes traded on the intermediated markets strongly increased (+40%) from Q3 2012. Term contracts trades particularly increased (+56%), especially for monthly or seasonal maturities. The spot market keeps its growing trend during Q3 2013, especially on Powernext platform. Spot volumes increased by 11% compared to the third quarter of 2012.

Wholesale CO₂ market

During the third quarter 2013, auctions of emission allowances took place on the common European platform (EEX) for 26 of 28 EU Member States, and on the two individual auction platforms- EEX for Germany and ECX for the United Kingdom several times a week. On the 16th of September 2013, **Poland began its individual weekly auctions on EEX**, and expects to develop its own platform. In July, the banking of quotas from Phase II to Phase III of the EU ETS took place.

EUA spot prices increased during the third quarter 2013 with an average price of €4.60/t, i.e. an increase of 19% versus the second quarter 2013. Beginning of July, the carbon price increased above the €4/t threshold, mainly due to the **vote of the European Parliament in favour of the backloading proposal**. From September, the price increased above the €5/t threshold, mainly due to the **decision of the European Commission concerning the reduction of free allocation of emission allowances from 2013**. Moreover, **the CER spot prices established on average at €0.60/t.**

Total volume of EUA traded decreased by 37% (at 1,836 Mt) during the third quarter 2013 versus the second quarter 2013, with a 29% decrease on exchanges (at 1,606 Mt) and a 65% decrease via brokers (230 Mt). **Total CER volumes traded decreased by 25%** (at 118 Mt) with an 18% decrease on exchanges (75 Mt) and a 34% decrease via brokers (43 Mt). **During the third quarter 2013, EUA volumes traded on exchanges were mainly term contracts** – around 195 Mt were spot contracts, 899 Mt were Dec. 2013 contracts and 254 Mt were Dec. 2014 contracts.

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