

Opening of the electricity and gas markets Figures as of 31 December 2013

WHOLESALE MARKETS

Wholesale electricity market

On the power spot market (day-ahead and intraday), traded volumes increased by 34.5% compared to the previous quarter reaching 26.45 TWh and decreased by 9% compared to Q4 2012. **Regarding the futures market, traded volumes increased by 7.9%** compared to the previous quarter, reaching 113 TWh. The rise in volumes compared to the previous quarter is due to an increase in trading on monthly (+32%) and quarterly (+8%) contracts, in spite of a decreasing activity for yearly products (-20%). The activity on the broker platforms, concentrating most of future products trading, increased by 7.7% as well as traded volumes on the power exchange (+12%). Activity on EPEX SPOT day-ahead French market ranks in fourth position compared to other European exchanges.

The day-ahead baseload prices on EPEX SPOT established on average at €47.8/MWh, a 27% increase compared to the previous quarter and a 3% increase compared to Q4 2012. **The spread between French and German prices reversed during fourth quarter from €1.2/MWh to €10.2/MWh. The spreads on calendar contracts between France and Germany continued to widen** in a context where calendar baseload prices increased in France (€+0.9 /MWh) and in Germany (€+0.04 /MWh), amounting respectively to €43.2 /MWh and €37.6 /MWh.

The average nuclear generation rate decreased slightly (-4.3%) in the fourth quarter of 2013 compared to same quarter in 2012 and stood at 72.6% against 76%, reflecting a decrease in the availability of nuclear power plants (79% in 2013 against 82.3% in the fourth quarter in 2012). **Hydro storage level declined, reaching 58% at the end of December** (against 70% in early October) following the seasonality observed for several years. **Imports nearly tripled compared to the previous quarter (respectively 12.3 TWh against 4.8 TWh)**, mainly due to increasing electricity consumption (+33 %) whereas exportations increased only by 10%. **The net export balance is 11.1 TWh, a decrease of 33% compared to the third quarter of 2013.** Concentration levels of the different electricity market segments have hardly changed, even though the concentration of import segment increased significantly.

Wholesale gas market

While day-ahead prices at PEG Nord and the main European hubs remained stable during Q4 2013, prices increased sharply at PEG Sud since November. The PEG Sud/PEG Nord spread soared above €10/MWh for several trading days and reached a record high of €16/MWh on December 17. These important spreads appeared in a context of short supply in the south of France, characterized by very low send-out from Fos LNG terminals, a cold snap affecting the south of France and the Iberian Peninsula, and by internal congestions in GRTgaz transmission system that led to lower capacity availability at the North-to-South link.

The volumes traded on the French spot markets increased sharply (+40% over Q3 2013) while those on the term market declined (-15% from Q3 2013). This drop concerns especially the *Month* and *Season* contract types. The spot segment represented 41% of the volumes traded on the French intermediated market, compared to 29% during the previous quarter.

The fourth quarter of 2013 was characterized by very low send-outs from the French LNG terminals, which amounted to a five years low of 17 TWh. LNG deliveries in France, especially at Fos-sur-Mer in the south of the country, were affected by unplanned disruptions of Algerian production (especially from Skikda plant) and by the important demand of Asian and South American markets, where prices reached very high levels.

Wholesale CO₂ market

EUA spot prices increased during the fourth quarter 2013 with an average price of €4.75/tCO₂, i.e. an increase of 3% versus the third quarter 2013. Besides, the CER spot prices decreased to €0.45/tCO₂ in Q4 2013 versus 0.60 €/tCO₂ during the previous quarter.

Total volume of both EUA and CER traded during the 4th quarter 2013 increased, by respectively 36% (at 2,501 Mt) and 59% (at 188 Mt) during the fourth quarter 2013 versus the third quarter 2013. Exchanges and brokers represent respectively 84% and 16% of EUA total traded volumes in Q4 2013 (increase of 31% on exchanges and 73% on brokers). As to CER total traded volume, exchanges and brokers represent respectively 64% and 36 % of volumes (increase of 61% on exchanges and 56% on brokers).

During the fourth quarter 2013, EUA volumes traded on exchanges were mainly term contracts – around 234 Mt were spot contracts, 1,035 Mt were Dec. 2013 contracts and 488 Mt were Dec. 2014 contracts.

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