

Platts: Continental European Day-Ahead Power Prices Rose 2.7% in February

Natural Gas Prices Held Steady in Europe, Rose 3% in U.K. on Cold Snap

PR Newswire
LONDON

LONDON, March 7, 2013 /PRNewswire/ -- Cold, calm weather conditions in Europe last month lowered renewable energy output, pushing the price of wholesale electric power up 2.7% from January, according to monthly Continental day-ahead power prices just released by [Platts](#), a leading global provider of energy, petrochemicals and metals information.

The average cost of day-ahead power in Continental Europe was EUR53.95 per megawatt hour (/MWh) in February 2013, the Platts Conti Index* showed. This is up from the January average of EUR52.52/MWh but down nearly 24% from February 2012, when a severe cold snap brought the French power system close to collapse.

"For the second month in a row we've seen the effect of still, gloomy conditions on the German and French markets," said Darren Stetzel, Platts European power editor. "When low wind power output in Germany combines with a dip in French nuclear power availability, the result is a near-term spike in power prices. France still calls on oil-fired generating units during winter demand peaks, and these units are expensive to run."

Markets less reliant on wind power generation showed the opposite trend. On a month-over-month basis, day-ahead power prices in the U.K. fell 2% in February. "While the U.K. had its own cold snap, the price impact was less due to the fact that U.K.'s heating is largely natural gas based and because the U.K. has less than a third of Germany's installed wind base," said Stetzel. "The solar power gap is even greater, with 32 gigawatts installed in Germany compared to the UK's 1.5 gigawatts."

Natural gas prices in February were relatively stable on the Continent, but edged higher in the U.K.

The latest monthly price assessments from Platts show the average cost of day-ahead natural gas at Continental Europe's most liquid hub, the Dutch TTF, was EUR26.38/MWh in February, down just 1% from January's EUR26.55/MWh and up fractionally from the February 2012 average of EUR26.09/MWh.

The U.K. natural gas market was slightly more reactive than electric power to February's temperature downturn, given that it was the fourth cold snap of the winter and natural gas storage inventories had begun to be affected. According to the latest Platts data, the day-ahead natural gas price was 68.86 pence per therm (p/th) in February, up 3% from January's 66.83 p/th and up 6% from the February 2012 price of 65.26 p/th.

"By mid-February, spot prices at the U.K.'s NBP natural gas trading hub had pushed to a five-week high on the return of cold temperatures," said Alex Froley, Platts gas editor. "To keep the power system well supplied

during this time, it was necessary to tap into stored gas supplies and at one point, combined mid-range inventories fell to below half-full."

Platts Continental Europe and U.K. Day-Ahead Monthly Averages

	Feb-13	Jan-12	Feb-12
CONTI (Euro/MWh)	53.95	52.52	70.79
TTF (Euro/MWh)	26.38	26.55	26.09
U.K. Power (GBP/MWh)	49.38	50.49	49.02
U.K. Gas (pence/therm)	68.86	66.83	65.26

Source: Platts

NOTE: All figures are monthly averages of daily day-ahead contract prices as assessed by Platts.

*Platts Continental Power (CONTI) Index is a demand-weighted baseload average of day-ahead contracts assessed in Germany, Switzerland, France, Belgium and the Netherlands. The Platts U.K. assessments reflect day-ahead contracts assessed for firm delivery of power on the high voltage network of England, Wales and Scotland, and at the National Balancing Point for gas. The Platts assessments reflect prices as determined between buyer and seller in the open physical markets.

For more information on [electric power](#) or the [methodology used by Platts](#) in its power assessments, visit the Platts website www.platts.com.

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