

# Platts: European Power Prices Fell 8.4% in March as German Solar Ramped Up

Natural Gas Prices Declined Again in U.K. and Continental Europe on Mild Weather

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LONDON, April 8, 2014 /PRNewswire/ -- Day-ahead electricity prices in continental Europe recorded a fifth consecutive monthly decline in March as surging German solar and wind output helped chase prices lower in neighboring countries, according to data just released by [Platts](#), a leading global energy, petrochemicals and metals information provider.

The Platts Continental Power Index\* (CONTI) fell 8.4% in March to EUR35.06 per megawatt hour (/MWh) compared to the February level of EUR38.28/MWh. The index is down more than 39% since peaking at EUR50.50/MWh in November last year.

"A mid-March surge in German wind output followed seven days of peak solar output, which rose above 20 gigawatts (GW) to a new monthly record of 23 GW on March 20," said Andreas Franke, Platts managing editor, European power and gas.

"German power prices for March 16 delivery turned negative as wind power output rose above 24-GW combined with stronger solar production," Franke said. "Further along the curve, German year-ahead power prices fell below EUR34/MWh in March for the first time in more than nine years as the price CO2 fell drastically and coal prices retreated."

Outside of Germany's immediate influence, near-term power prices in the United Kingdom and Italy declined as natural gas prices weakened, aided by falling coal and CO2 prices.

In the natural gas market, U.K. day-ahead prices fell again in March, down 4% after a 9.6% drop in February. Early April price saw further declines, to levels not seen since 2011, as the unusually mild winter gave way to warm early spring weather.

"U.K. natural gas prices are down 35% year-over-year," said Nathan Richardson, Platts associate editor. "Last year we had a late cold snap that drove gas storage levels down to around 3% of total capacity, while today those levels are already more than 52% ahead of the summer injection season."

At continental Europe's most liquid natural gas trading hub, the Dutch TTF, the average price of day-ahead natural gas was EUR22.76/MWh in March, down 4% on February and down 29% year-over-year.

"The decline has accelerated in recent days," Richardson said. "TTF prompt delivery gas has dropped below EUR20/MWh in early April trade, the first time we've seen it this low since December 2011. Norwegian gas flows have been healthy and demand for heat and storage have been low."

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

	Mar-14	Feb-14	Mar-13
CONTI (EUR/MWh)	35.06	38.28	51.82
TTF (EUR/MWh)	22.76	23.80	31.96
U.K. Power (BPS/MWh)	43.82	45.14	60.10
U.K. Gas (pence/therm)	56.55	58.88	86.51

Source: Platts

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

\*Platts Continental Power Index (CONTI) 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](http://www.platts.com).

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