

Platts: German, U.K. Wind Records Drove Down January European Power Prices

Natural Gas Prices Fell as Liquefied Natural Gas (LNG) Imports & Storage Offset Outages

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LONDON, Feb. 3, 2015 /PRNewswire/ -- European day-ahead electricity prices trended sharply lower in January as wind power generation posted new records in Germany and the U.K., according to data just released by [Platts](#), a leading global energy, petrochemicals, metals and agriculture information provider.

The Platts Continental Power (CONTI) Index* fell 7.44% in January to EUR35.81 per megawatt hour (/MWh) compared to December 2014's EUR38.69/MWh. The Index was down 11.12% compared to January 2014's EUR40.29/MWh.

Platts' regional analysis of European power and gas markets in January showed the following:

- Germany: Day-ahead power prices averaged EUR29.15/MWh, down 13% from December and down 20% from January 2014. Wind output reached a new monthly record for a second month in a row, up 52% year-over-year at 9.44 terawatt hours (TWh), according to grid operator data compiled by Platts PowerVision.
- France: Day-ahead power prices averaged EUR39.72/MWh, down 3% from December but up 3% compared with this time a year ago. Electricite de France (EDF)'s nuclear generation remained strong through January, only dipping below 60 gigawatts (GW) from week 5 commencing January 26 as a second of the company's 58 reactors entered a maintenance period.
- U.K.: Having fallen 7% in December, U.K. day-ahead power prices fell again in January, this time by 10% to £39.14/MWh. The year-over-year decline was 17%. Natural gas prices fell 14% from December and were down 29% year-over-year. The wind sector had its most productive month ever, generating 4.13 TWh, some 14% of U.K. electricity.
- Netherlands: On the Dutch TTF, continental Europe's most liquid natural gas hub, day-ahead gas prices fell 12% month-over-month, and were a full 25% below January 2014 levels.

"German wind output exceeded nuclear generation for a second month in a row," said *Andreas Franke*, Platts managing editor of European power. "More relevant to those having to manage the grid, however, is the extreme volatility of wind demonstrated last month. Output fell from a new record of 31 GW January 9 down to 0.2 GW at times in week 4 commencing January 19."

The U.K. saw weekly, monthly and half-hourly wind generation records exceeded as installed capacity topped 12 GW, according to trade association RenewableUK. The half-hourly record on January 2 saw wind supply 31% of Britain's electricity demand. By late January, however, much colder, stiller weather conditions saw natural gas, coal and nuclear plant resume dominance of the generation mix as winter demand peaked at 53 GW.

Meanwhile the U.K. gas market "benefited from a year-over-year upturn in LNG deliveries due to lower Asian spot prices this year reducing global competition," said *Alex Frole*y, Platts energy analyst.

The U.K. was also able to call on storage gas to meet demand, Frole

y added. "The comfortable supply position was revealed by the market's ability to cope with some major Norwegian production outages during stormy weather in the middle of the month without any major increase in prices," he said.

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

	Jan-15	Dec-14	Jan-14
CONTI (EUR/MWh)	35.81	38.69	40.29
TTF (EUR/MWh)	19.70	22.51	26.24
U.K. Power (BPS/MWh)	39.14	43.55	47.26
U.K. Gas (pence/therm)	46.14	53.57	65.11

Source: Platts

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

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

* The Platts 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 (NBP) for gas. The Platts assessments reflect prices as determined between buyer and seller in the open physical markets.

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