Platts: European Power Prices Rose Nearly 20% in July on Heatwave

Average U.K. Natural Gas Price Realigned with Continent as Trade Resumed

LONDON, Aug. 6, 2013 /PRNewswire/ -- The price of day-ahead electricity in Continental Europe rose significantly in July as a heatwave coincided with reduced levels of supply, according to monthly data just released by Platts, a leading global energy, petrochemicals and metals information provider.

"Europe recorded temperatures 10 degrees Celsius higher than seasonal norms in several areas, which greatly increased power demand for air conditioning," said Anna Crowley, Platts European power editor. "Simultaneously, there was a dip in hydro and wind production from early summer highs and a number of coal and nuclear outages that served to reduce capacity margins."

The Platts Continental Power (CONTI) Index* increased 19.8% in July compared to June, up from EUR33.50 per megawatt hour (/MWh) to EUR40.13/MWh. The June average had been unusually low due to Germany's record solar output flooding a system already awash with hydro and wind power.

Despite the month-over-month surge in the CONTI Index to more than EUR40/MWh in July, it was down nearly 12% when compared to a year ago. West European electricity demand remains well down on the pre-credit crunch levels of 2008, with use continuing to decline in the U.K., Germany, Spain and Italy.

Power prices in the U.K. for day-ahead needs averaged £48.74/MWh in July, up 1.8% from June and up 13.8% from July a year ago.

The day-ahead price of natural gas in the UK also rose last month as the market realigned with Continental Europe.

"The average price of U.K. natural gas in July was up 8% from June, when the price was abnormally low due to an outage on the U.K. Interconnector to Belgium preventing exports," said Crowley. "The month-over-month July rise reflects a return to service of the gas link, and a return to near-parity of the basis spread for day-ahead gas on Belgium's Zeebrugge trading hub and the U.K.'s National Balancing Point hub."

At Continental Europe's most liquid natural gas trading hub, the Dutch TTF, the average price of day-ahead gas in July was EUR26.05/MWh, down from EUR26.25/MWh in June. On a year-over-year basis, the July price well-exceeded that of a year ago, with the market reflecting higher oil prices and the indexing of gas to oil in long-term pricing contracts rather than the retreat in gas use for power generation.

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

	July-13	June-13	July-12
CONTI (EUR/MWh)	40.13	33.50	45.55
TTF (EUR/MWh)	26.05	26.25	24.34
U.K. Power (BPS/MWh)	48.74	47.86	42.84
U.K. Gas (pence/therm)	65.28	60.45	55.63

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.

About Platts: Founded in 1909, Platts is a leading global provider of energy, petrochemicals, metals and agriculture information

and a premier source of benchmark prices for the physical and futures markets. Platts' news, pricing, analytics, commentary and conferences help customers make better-informed trading and business decisions and help the markets operate with greater transparency and efficiency. Customers in more than 150 countries benefit from Platts' coverage of the biofuels, carbon emissions, coal, electricity, oil, natural gas, metals, nuclear power, petrochemical, shipping and sugar markets. A division of McGraw Hill Financial (NYSE: MHFI), Platts is headquartered in New York with approximately 900 employees in more than 15 offices worldwide. Additional information is available at http://www.platts.com.

About McGraw Hill Financial: McGraw Hill Financial (NYSE: MHFI), a financial intelligence company, is a leader in credit ratings, benchmarks and analytics for the global capital and commodity markets. Iconic brands include: Standard & Poor's Ratings Services, S&P Capital IQ, S&P Dow Jones Indices, Platts, CRISIL, J.D. Power & Associates, McGraw Hill Construction and Aviation Week. The Company has approximately 17,000 employees in 27 countries. Additional information is available at www.mhfi.com.

SOURCE Platts

SOURCE: Platts

Platts: European Power Prices Rose Nearly 20% in July on Heatwave

Average U.K. Natural Gas Price Realigned with Continent as Trade Resumed

PR Newswire

LONDON, Aug. 6, 2013

LONDON, Aug. 6, 2013 /PRNewswire/ -- The price of day-ahead electricity in Continental Europe rose significantly in July as a heatwave coincided with reduced levels of supply, according to monthly data just released by Platts, a leading global energy, petrochemicals and metals information provider.

"Europe recorded temperatures 10 degrees Celsius higher than seasonal norms in several areas, which greatly increased power demand for air conditioning," said Anna Crowley, Platts European power editor. "Simultaneously, there was a dip in hydro and wind production from early summer highs and a number of coal and nuclear outages that served to reduce capacity margins."

The Platts Continental Power (CONTI) Index* increased 19.8% in July compared to June, up from €33.50 per megawatt hour (/MWh) to €40.13/MWh. The June average had been unusually low due to Germany's record solar output flooding a system already awash with hydro and wind power.

Despite the month-over-month surge in the CONTI Index to more than €40/MWh in July, it was down nearly 12% when compared to a year ago. West European electricity demand remains well down on the pre-credit crunch levels of 2008, with use continuing to decline in the U.K., Germany, Spain and Italy.

Power prices in the U.K. for day-ahead needs averaged £48.74/MWh in July, up 1.8% from June and up 13.8% from July a year ago.

The day-ahead price of natural gas in the UK also rose last month as the market realigned with Continental Europe.

"The average price of U.K. natural gas in July was up 8% from June, when the price was abnormally low due to an outage on the U.K. Interconnector to Belgium preventing exports," said Crowley. "The month-over-month July rise reflects a return to service of the gas link, and a return to near-parity of the basis spread for day-ahead gas on Belgium's Zeebrugge trading hub and the U.K.'s National Balancing Point hub."

At Continental Europe's most liquid natural gas trading hub, the Dutch TTF, the average price of day-ahead gas in July was €26.05/MWh, down from €26.25/MWh in June. On a year-over-year basis, the July price well-exceeded that of a year ago, with the market reflecting higher oil prices and the indexing of gas to oil in long-term pricing contracts rather than the retreat in gas use for power generation.

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

	July-13	June-13	July-12
CONTI (€/MWh)	40.13	33.50	45.55
TTF (€/MWh)	26.05	26.25	24.34
U.K. Power (£/MWh)	48.74	47.86	42.84
U.K. Gas (pence/therm)	65.28	60.45	55.63

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.

About Platts: Founded in 1909, Platts is a leading global provider of energy, petrochemicals, metals and agriculture information and a premier source of benchmark prices for the physical and futures markets. Platts' news, pricing, analytics, commentary and conferences help customers make better-informed trading and business decisions and help the markets operate with greater transparency and efficiency. Customers in more than 150 countries benefit from Platts' coverage of the biofuels, carbon emissions, coal, electricity, oil, natural gas, metals, nuclear power, petrochemical, shipping and sugar markets. A division of McGraw Hill Financial (NYSE: MHFI), Platts is headquartered in New York with approximately 900 employees in more than 15 offices worldwide. Additional information is available at http://www.platts.com.

About McGraw Hill Financial: McGraw Hill Financial (NYSE: MHFI), a financial intelligence company, is a leader in credit ratings, benchmarks and analytics for the global capital and commodity markets. Iconic brands include: Standard & Poor's Ratings Services, S&P Capital IQ, S&P Dow Jones Indices, Platts, CRISIL, J.D. Power & Associates, McGraw Hill Construction and Aviation Week. The Company has approximately 17,000 employees in 27 countries. Additional information is available at www.mhfi.com.

SOURCE Platts

CONTACT: Kathleen Tanzy, 212-904-2860, Kathleen.tanzy@platts.com Additional media contact: Elizabeth Catalano at elizabeth.catalano@platts.com or +44 207 176 6024

Web Site: http://www.mhfi.com

---

https://press.spglobal.com/2013-08-06-Platts-European-Power-Prices-Rose-Nearly-20-in-July-on-Heatwave