

Platts: European Power Prices Continue Decline in April to 10-Month Lows

U.K., European Natural Gas Price Drop Accelerated on Early Storage Fills

PR Newswire
LONDON

LONDON, May 6, 2014 /PRNewswire/ -- Day-ahead electricity prices in continental Europe fell for the fourth consecutive month in April to the lowest monthly average since June, 2013, according to data just released by [Platts](#), a leading global energy, petrochemicals and metals information provider.

Meanwhile the decline in European and U.K. natural gas prices accelerated in April, down 11% and 12% respectively from March levels, the data showed.

The Platts Continental Power Index* (CONTI) fell 2.3% in April to EUR34.25 per megawatt hour (/MWh). This compared to the March level of EUR35.06/MWh and is down more than 28% from the EUR47.85/MWh peak in December 2013.

"The German market, which influences price movements in a number of neighboring countries, continued to drive Continental power prices lower last month," said Anna Crowley, Platts editorial director, European power. "Over the four days of Easter, German day-ahead baseload power prices were on average 37% lower than last year due to milder weather and booming wind and solar output."

Germany's day-ahead prices averaged EUR20/MWh for the Easter period compared to EUR31.95/MWh for Easter 2013, while intra-day prices for the Easter weekend entered negative territory. The nation's hourly solar power output exceeded 24 gigawatts (GW) for the first time on April 17, while combined wind and solar power output reached a record 37.5 GW on April 14.

In the natural gas market, U.K. day-ahead prices again fell heavily in April, down 12% after a 4% drop in March and a 9.6% drop in February. Year-over-year, U.K. day-ahead gas was some 29% cheaper this April than last.

"April's day-ahead average of 49.87 pence per therm (p/th) was the first monthly average below 50 p/th since November 2010, and a marked decline from the January average just over 65 p/th," said Alex Frole, Platts natural gas analyst.

"This winter's mild weather left U.K. gas stocks at 63% of capacity versus last year's 17%, pulling down prices," said Frole. "But our calculations show that if natural gas prices were to near 40 p/th, they'd be more competitive against coal in power generation and gas demand could increase."

At continental Europe's most liquid natural gas trading hub, the Dutch TTF, the average price of day-ahead natural gas was EUR20.27/MWh in April, down 11% from March and down 28% year over year.

TTF prompt delivery gas dropped below EUR19/MWh in early May trade, as healthy Norwegian gas flows continued to combine with easing demand for heat and storage gas.

Regarding delivery of Russian gas to Europe via Ukraine, energy officials from the two countries and the European Union (EU) agreed May 2 that there would be no natural gas supply disruptions to customers in Ukraine and the EU while negotiations were ongoing in May.

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

Apr-14 Mar-14 Apr-13

CONTI (EUR/MWh)	34.25	35.06	44.47
TTF (EUR/MWh)	20.27	22.76	28.16

U.K. Power (BPS/MWh)	41.14	43.82	51.79
U.K. Gas (pence/therm)	49.87	56.55	69.99

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.

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