

# European Power Trading 2011

*This document includes a report summary, a table of contents, report format and price information, and an order form.*

## Report Summary

*This 152 page report offers a comprehensive analysis of the European power trading market, the leading exchanges and brokers, top trading players, power industry fundamentals, and EU power market policies. The market's scale and trends are tracked in 35 tables and 42 charts.*

**Chapter 1 – Power System Performance:** this chapter presents the fundamentals of the European power market, starting with consumption trends. Next it covers production by energy source, the contribution from renewables, and cross-border trading. The chapter concludes with an overview of supply price trends.

**Chapter 2 – EU Power Industry Policies:** this chapter profiles the achievements, disappointments and dilemmas of the European Union's power industry policymakers over many years of reforms. First it presents a summary of key policy and regulatory players. A sketch of policy conflicts at the EU and member state levels follows. Next the chapter lists key policy milestones, including the first directive. It is followed by a review of market opening under the second electricity directive and Regulation 1228 on cross-border trading and remaining policy weaknesses, as revealed by the EC's energy sector enquiry and anti-trust investigations. Next it covers further reforms under the "third energy package" and the "climate action package", followed by a review of the EU Emissions trading scheme. The chapter concludes with the planned new energy strategy for Europe 2011-20 and the Energy Roadmap 2050.

**Chapter 3 - The Emissions Policy Factor:** emissions policy is a crucial issue for the European power industry and an important factor in power trading. This chapter begins with a review of the European Emissions Trading Scheme (EU ETS). It then covers emissions allowance allocation procedures, the latest verified emissions trends, and emissions futures contract prices. The chapter concludes with a review of the latest ETS reform proposals.

**Chapter 4 - Power Trading Markets:** this chapter begins with a review of historical price trends in the wholesale power, fuels and emissions markets. Next it covers power exchange and OTC trading volumes in the major markets - Germany, the Nordic region, the UK, France, Spain, Italy, and the Netherlands. An evaluation of volume performance drivers and market characteristics follows. The chapter concludes with an assessment of major traders.

**Chapter 5 – Power Exchanges and OTC Brokers:** this chapter begins with a summary of the main power exchange products and the energy trading sectors covered by western Europe's 15 exchanges. Next

volume trends in the spot, forward and OTC clearing segments are covered for the period 2006 to 2010. An analysis of rivalry between exchanges and co-operation measures follows. The rest of the chapter's exchange coverage reviews shareholders, including recent strategic deals; clearing providers; trading and clearing fees; trading technology suppliers; clearing providers, and leading exchange participants. The last section of the chapter presents leading OTC broking players and trends in the broking sector.

**Chapter 6 – Power Company Rankings:** this chapter ranks leading European power companies by financial performance and operating data. Positions in the EU Emissions Trading Scheme and power trading volumes of the major companies are also covered. The chapter concludes with a summary of the biggest European power industry mergers and acquisitions over the last five years.

*In 2010 the European power trading business once again showed that economic turmoil is no obstacle to further growth. Total trading volumes (exchanges plus OTC) in the major markets rose by 9% on the year to a new record high of 10,865 TWh. On a five year view (2006 to 2010), the market has grown by 25%.*

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## **About the Authors**

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We research and report on Europe's wholesale markets for power, natural gas, coal and emissions allowances. Our work covers topics such as trading volumes, marketplaces and leading players. We also assess the commercial framework of energy trading operations, from market fundamentals to regulatory developments.

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### **European Gas Trading 2010, October 2010**

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## Report Format and Price and Info



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