

# Europe traded less power in 2018, but at higher prices - Reuters News

25-Mar-2019 15:09:23

By Vera Eckert

FRANKFURT, March 25 (Reuters) - Power trading volumes in Europe's main wholesale markets fell by 1 percent to 9,270 terawatt hours (TWh) last year but a rise in prices pushed the market's notional value up 25 percent to a seven-year high, research firm Prospex said on Monday.

The market turned over 459 billion euros (\$519.50 billion) in 2018 as global fuel demand and political support for the carbon emissions market drove up the price of wholesale contracts, Prospex, which has been monitoring the market since 2001, said in a report.

Power trading remains a core component of commercial operations for utilities, while commodity trading houses and investment funds also take part.

"2019 appears to have started well in volume terms and the fundamental attractions of trading for utilities are still very much in place," said Ben Tait, one of the authors.

Prospex in its 2018 round-up included energy exchanges and the broker-based over-the-counter (OTC) market, which is losing its dominance as operators turn to regulated marketplaces to comply with European Union rules and reduce counterparty risks.

The OTC market accounted for 63 percent in 2018, far below a share of around three quarters in 2000.

The total volume in 2018 ended below its historic peak of 11,812 TWh in 2016, a year that had seen a run on supply amid extended French nuclear plant closures.

Among exchanges, Germany's EEX Group is the market leader with total volumes to 3,749 TWh, especially in forwards contracts and OTC power clearing, while Nasdaq Commodities came second with total volumes of 1,067 TWh.

Other sizeable power exchanges are Norway's Nord Pool, Spain's OMIE, Italy's GME and an American global operator, ICE.

(\$1 = 0.8835 euros)

(Reporting by Vera Eckert, editing by Louise Heavens)