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THE MARKET

Europe's generation, consumption up 8% in 2010

Total electricity generation increased 8% from 3,144 TWh in 2009 to 3,400 TWh in 2010 across Europe's 41 transmission system operators, a report by TSO association Entso-e said.

Total consumption in 2010 was 258 TWh higher than in 2009 – also an 8% increase, Entso-e said in its 'The system adequacy retrospect 2010 report' published late Friday.

"The electricity consumption is strongly influenced by the economic recovery," the report said. "However, the colder winter periods at the beginning and end of the year had the biggest impact, increasing the consumption reported by almost every country."

The Entso-e report found that all fuel generation categories, except oil, registered a rise in production. The biggest increase in generation was reported for nuclear power plants 8%, and renewable generation 4%.

Some 49% of energy was produced by fossil fuel power plants, the second most-used fuel was nuclear with 26%, followed by renewable energy sources which accounted for 19%.

Non-renewable hydro power generation covered 1.2% of total generation.

Net generating capacity increased throughout the whole of 2010, the report said.

It found the generating capacity mix in 2010 was just over 50% fossil fuels, almost 26% renewable energy sources including renewable hydro power plants, and almost 15% nuclear.

Compared to 2009, fossil fuel generating capacity increased by about 5% and nuclear by 4% while renewable energy sources (including renewable hydro) increased by 18%.

The 34 European countries covered by the report showed a net importing system in 2010.

The report showed that the net energy flows (imports minus exports) for the whole system were more than 5.6 TWh. The main net exporting countries were the same as in 2009 – France (30.5 TWh), Germany (17 TWh), and the Czech Republic (14.9 TWh).

The main net importers were Italy (44.2 TWh) and Finland (10.5 TWh).

The report is based on data from 41 TSOs from 34 countries.— *Rachel Morison*

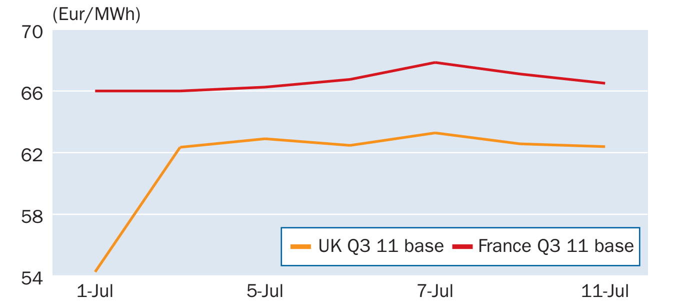
Cypriot LSFO imports to continue despite outage

Cypriot utility Electricity Authority of Cyprus has not as yet declared force majeure on the delivery of low sulfur fuel oil cargoes, a company source said Monday, despite the explosion of a weapons cache at a Greek Cypriot naval base next to the EAC's Vassiliko power station.

The power station has "suffered" from the explosion, a source at EAC said, adding that it would take several days to assess the full extent of the damage.

The EAC source also said that though a force majeure has not been issued it was an option because the Vassiliko power station

UK vs France Q3 base



Source: Platts

European Power Market Highlights

- Weakness in the carbon market due to macroeconomic uncertainty triggered a downturn in Continental European forward power markets, particularly Germany which then weighed on France, the Netherlands and Belgium. The front-month Brent crude oil contract added further pressure, falling $3 to a $115.33/barrel finish.
- UK prompt power prices were lower Monday in tandem with global markets and commodities as investors questioned the fiscal health of Italy.
- German OTC prompt power prices firmed Monday on a virtual lack of wind power expected for Tuesday, although strong solar power output during peak hours and good nuclear availability in France during off-peak hours kept the system well supplied.
- French power for next-day delivery started the week stronger than expected Monday, but traders said there was little change in fundamentals as supply margins remain healthy, especially as the summer holiday period continues to lower demand.

For more information on Continental and UK power markets, please see the Market Comment section.

Platts European Power Assessments

At-A-Glance Day-Ahead Baseload Comparisons

July 11, 2011	**(Eur/MWh)**	**Change (%)**
Platts UK Power Index	55.7400	-1.26%
Platts Mid Germany	54.8500	17.96%
Platts Mid Switzerland	54.9000	17.43%
Platts Mid France	49.7500	34.46%
Platts Mid Netherlands	54.5000	17.20%
Platts Mid Belgium	47.0000	27.03%
Platts Mid Spain	52.8000	-1.40%
Platts PEP Index	53.0039	15.57%
Platts Conti Index	52.3528	23.90%

Platts Indices: Platts Pan-European Power (PEP) Index and the Continental Power (Conti) Index are demand-weighted (Source: ENTSO-E), baseload indices to indicate trends in the free European electricity market as a whole. The Conti Index is based upon assessments in Germany, Switzerland, France, Belgium and the Netherlands. The PEP Index is based on these six assessments plus the UK's GTMA day-ahead market and Spanish bilateral week-ahead assessment.

is supplied on a separate term contract to the company's other Cyprus power stations, Dhekelia and Moni. The EAC expects around a 20% reduction in demand for fuel oil.

The Vassiliko power station, which has a capacity of 428 MW, including two 130 MW fuel oil steam units, generates at least a third of Cyprus' electrical power.

"There is a serious chance Vassiliko might be closed for some time", a fuel oil trader said Monday. A source at EAC however could not give a time line for the restarting of the power plant, "it could take several weeks to months...it is too early to tell."

Sources added that it would be likely that cargoes would be diverted to the other EAC power station's Dhekelia and Moni.

At least one 1% fuel oil cargo has been diverted to the other power plants, sources said.

The running of the two other power stations is expected to increase to compensate for the loss of electricity generation from Vassiliko.

"They will increase Dhekelia and Moni use, as they were not running max," a trader said.

The source at EAC added that at least 700 MW would be made available by the other power stations and that this was around 50% of the usual availabilities.— *Sophie Byron*

Volumes at N2EX hits highest level since launch

UK spot power exchange N2EX Monday said last week's total auction volumes of 258.14 GWh were the highest since its April 5, 2010 launch due to several new members boosting confidence in the auction.

"We are very satisfied to see a firm increase in liquidity on the N2EX total auction volume, as new members are joining the marketplace and activity increases as a result," Nord Pool Spot director of European integration, Hans Randen said.

The daily average volume in week 27 was 36.88 GWh, while average daily volume so far in 2011 is 23.51 GWh and the total volume traded on the N2EX auction since January 1 is 4,537.14 GWh.

N2EX currently has a total of 31 members trading on the exchange, and is a market offering from Nord Pool Spot and NASDAQ OMX Commodities.— *Darren Stetzel*

APX-ENDEX changes settlement methodology

Anglo-Dutch energy exchange APX-ENDEX said Monday it has introduced new settlement window methodology to derive reference and settlement prices for its futures markets as part of a transparency drive.

It is aimed at making the pricing process more transparent and enabling members to contribute to the definition of daily reference prices, it said.

"The first pricing sessions under the new rules showed promising results with up to 90% of the reference prices being derived from the order book," APX-ENDEX said in a statement. "Based on the results of the first week, it is apparent that the settlement window introduced has had a positive impact on the liquidity of the APX-ENDEX futures markets."

For each tradable contract on the Power NL, Power BE, Power UK and TTF Gas futures markets, the reference prices are based on the activity on the APX-ENDEX futures markets during a specific time window of 15 minutes.

Power NL and TTF Gas have two pricing sessions in a day, one for Intraday and one for end-of-day, while Power BE and Power UK markets have the settlement window for end-of day reference price.

The exchange said that orders entered and trades executed during these time periods are used to determine the reference price for that session, with only orders and trades that meet the

German Platts Power Index (PPI)

Midday assessments	11-Jul-11	Change	
PPI (Month-ahead - Eur/MWh)	49.500	-0.550	▼
PPI (Quarter-ahead - Eur/MWh)	62.050	-0.700	▼
PPI (Year-ahead - Eur/MWh)	57.250	-0.500	▼
PPI Midday (Eur/MWh)	**57.670**	**-0.540**	▼
End of day assessments			
PPI (Month-ahead - Eur/MWh)	49.500	+0.000	–
PPI (Quarter-ahead - Eur/MWh)	62.000	-0.050	▼
PPI (Year-ahead - Eur/MWh)	57.000	-0.250	▼
PPI EoD (Eur/MWh)	**57.470**	**-0.200**	▼

Platts Power Index (PPI): The PPI is a weighted forward power index, based on German front-month, front-quarter and front-year base load wholesale prices to indicate curve movements in continental Europe's benchmark power market. Front-month is weighted singularly, front-quarter three-fold and front-year 12-fold. The midday PPI index compares changes with the last end of day PPI, and the last end of day PPI compares changes with the last Midday PPI.

Platts UK Assessments (GTMA, GBP/MWh)

July 11, 2011			Euro Equivalents	
	Baseload	Peak	Baseload	Peak
Day-ahead	49.25 - 49.75	55.15 - 55.45	55.46 - 56.02	62.11 - 62.44
Weekend	46.50 - 47.00		52.36 - 52.93	
Week Ahead	48.00 - 48.50	54.00 - 55.00	54.05 - 54.62	60.81 - 61.94
Week Ahead+1	47.60 - 48.10	54.00 - 55.00	53.60 - 54.17	60.81 - 61.94
Aug	47.25 - 47.75	53.00 - 53.80	53.21 - 53.77	59.68 - 60.59
Sep	48.00 - 49.00	54.30 - 55.30	54.05 - 55.18	61.15 - 62.27
Oct	52.00 - 52.50	58.30 - 59.30	58.56 - 59.12	65.65 - 66.78
Q4 11	55.00 - 55.80	62.00 - 63.00	61.94 - 62.84	69.82 - 70.95
Q1 12	58.00 - 58.60	65.50 - 66.50	65.32 - 65.99	73.76 - 74.89
Winter 11/12	56.70 - 57.10	64.00 - 64.80	63.85 - 64.30	72.07 - 72.97
Summer 11	54.00 - 54.50	61.00 - 61.40	60.81 - 61.37	68.69 - 69.14
Winter 12/13	58.25 - 58.75	66.00 - 66.80	65.60 - 66.16	74.32 - 75.23
Summer 13	57.00 - 58.00	65.00 - 65.80	64.19 - 65.32	73.20 - 74.10
Winter 13/14	61.85 - 62.65	71.25 - 72.25	69.65 - 70.55	80.24 - 81.36
April 12 Annual	56.05 - 56.55	63.40 - 64.00	63.12 - 63.68	71.40 - 72.07

Baseload=2300-2300, Peak=0700-1900

Daily indices

	GBP/MWh	Eur/MWh	Change D-1 (GBP/MWh)
Day-ahead	49.50	55.74	-1.25
Weekend	46.75	52.65	-1.75
Aug	47.50	53.49	-0.55

Index definitions are published in the Platts methodology guide available on the Platts website.

Platts Central European Spot Assessments (Eur/MWh)

July 11, 2011	Baseload	Peak
Day-Ahead (Germany)	54.70 - 55.00	60.60 - 60.90
Day-Ahead (Switzerland)	54.40 - 55.40	60.00 - 61.00
Swiss Franc equivalent	65.01 - 66.20	71.70 - 72.90
Week Ahead (Germany)	48.25 - 48.75	57.25 - 57.75
Weekend (Germany)	38.75 - 39.25	

Baseload = 0000-2400, Peak = 0800-2000.

Swiss Franc equivalents are for Swiss prices.

Platts French Assessments (Eur/MWh)

July 11, 2011	Baseload	Peak
D/A	49.50 - 50.00	60.00 - 60.50
Weekend	30.75 - 31.25	
Week Ahead	43.25 - 43.75	57.15 - 57.65
Aug 11	44.50 - 45.00	57.75 - 58.25
Sep 11	54.75 - 55.25	65.75 - 66.25
Oct 11	63.75 - 64.25	79.25 - 79.75
Q4 2011	66.25 - 66.75	82.55 - 83.05
Q1 2012	65.10 - 66.10	81.00 - 81.50
Cal 2012	55.85 - 56.85	72.25 - 72.75
Cal 2013	56.35 - 57.35	72.25 - 72.75
Cal 2014	57.05 - 58.05	72.75 - 74.75

minimum criteria taken into account.

In the event no valid orders and/or trades are available during the applicable time period, the reference price is derived from the input of the Pricing Panel, which will remain in place for all markets.

APX-ENDEX said all reference and settlement prices are made arbitrage free, in order to ensure a secure margining process at the clearing house.

The settlement window is not applicable to the industrial wood pellets and power NL 16 hours peak load contracts.—*Darren Stetzel*

CAPACITY & GRID

Czech EPH eyes expansion to Germany: report

Czech energy group EPH wants to invest in aging coal-fired power stations in neighboring Germany as part of the group's regional expansion plans, the company's chairman Daniel Kretinsky said in a report published Monday by Czech economic daily E15.

Kretinsky told the paper local lack of interest in the lignite-powered plants created favorable conditions for foreign investors.

"We expect that the risk associated with ownership will be commensurate to the relatively low acquisition price," Kretinsky said.

EPH is the Czech Republic's second largest energy group after the state-controlled CEZ, and the number one heat producer. The group owns more than 20 regional heat and power companies including Prazska Teplarenska, United Energy and Plzenska Energetika.

Increasingly, it is focusing on expansion abroad in neighboring Slovakia, Poland and Germany. The group recently acquired 50% of Germany's Mibrag open-cast brown-coal mine near Leipzig and according to unconfirmed reports in the Czech media it could soon acquire the remaining 50% stake from present owners CEZ.

Some believe investing in coal-fired power stations could be risky, amid the present uncertainty over Germany's energy mix. Germany has pledged to abandon nuclear power by 2022, but coal is hardly popular either – especially lignite, or brown coal, which is seen as more harmful to the environment.

Kretinsky, however, told E15 he sees such uncertainty as an opportunity.

"It's certainly true that the German market is risky at the moment, because of exaggerated political interference in energy. Our interest in Germany partly stems from the fact that there are no buyers for such types of activity," he told the paper.

"That creates opportunity for attractive investment – for instance in Germany's older brown-coal power stations," Kretinsky said.

Brown coal is currently used to generate 24.6% of Germany's electricity, and with the planned retreat from nuclear that is unlikely to be reduced in the near future.

Germany's Association of Energy and Water Industries (BDEW) estimates that Germany will have to build 17 GW of new gas and coal plant.— *Rob Cameron*

First phase of UK Walney wind farm operational

The first 51-turbine, 183.6 MW phase of Walney offshore windfarm in the Irish Sea is operational, Scottish and Southern Energy said Monday.

SSE has a 25.1% stake in the wind farm, Denmark's DONG Energy has 50.1%, while between them PGGM and Ampere Equity Fund hold the remaining 24.8%.

Construction of the 183.6 MW second phase of the wind farm "is now well under way," SSE said, with 18 of 51 turbines installed. Phase two is due to be commissioned next year.

Platts German Forward Assessments (Eur/MWh)

July 11, 2011	Baseload	Peak
Aug 11	49.25 - 49.75	58.25 - 58.75
Sep 11	55.25 - 55.75	65.00 - 65.50
Oct 11	60.25 - 60.75	74.25 - 74.75
Nov 11	63.00 - 65.00	80.00 - 82.00
Dec 11	60.80 - 62.80	77.90 - 79.90
Jan 12	63.00 - 65.00	80.00 - 82.00
Q4 2011	61.75 - 62.25	78.25 - 78.75
Q1 2012	62.15 - 62.65	78.80 - 79.50
Q2 2012	51.95 - 52.45	63.20 - 64.20
Q3 2012	52.50 - 53.50	63.50 - 64.50
Cal 2012	56.85 - 57.15	70.75 - 71.25
Cal 2013	57.75 - 58.25	72.00 - 72.50
Cal 2014	58.20 - 59.20	72.00 - 73.00

Platts Belgian Assessments (Eur/MWh)

July 11, 2011	Baseload
D/A	46.00 - 48.00
Weekend	28.50 - 30.50
Week Ahead	42.25 - 44.25
Aug 11	43.15 - 45.15
Sep 11	53.85 - 55.85
Oct 11	61.20 - 63.20
Q4 2011	63.00 - 65.00
Q1 2012	63.05 - 65.05
Cal 2012	55.05 - 57.05
Cal 2013	55.45 - 57.45
Cal 2014	56.30 - 58.30

Belpex Spot Prices (Eur/MWh)

	12-Jul-11	11-Jul-11
Average Base	48.11	49.02
Average Peak	56.36	62.10
Average Off-Peak	39.85	35.95
Base Volume (MWh)	35986.30	33572.50
Peak Volume (MWh)	21365.70	20367.10
Off-Peak Volume (MWh)	14620.60	13205.40

Base = 01:00-24:00, Peak = 09:00-20:00, Off-peak = 01:00-08:00, 21:00-2400

Platts Dutch Assessments (Eur/MWh)

July 11, 2011	Baseload	Peak
D/A	54.25 - 54.75	60.50 - 62.50
Weekend	41.25 - 41.75	
Week Ahead	52.00 - 54.00	63.00 - 65.00
Aug 11	48.75 - 50.75	57.60 - 59.60
Sep 11	54.70 - 56.70	64.90 - 66.90
Oct 11	59.65 - 61.65	74.35 - 76.35
Q4 2011	62.00 - 62.50	77.45 - 79.45
Q1 2012	61.50 - 63.50	77.85 - 79.85
Q2 2012	50.75 - 52.75	62.10 - 64.10
Q3 2012	51.50 - 53.50	62.65 - 64.65
Bal 2011	57.94 - 58.94	70.97 - 72.97
Cal 2012	56.70 - 57.20	70.10 - 70.60
Cal 2013	56.30 - 58.30	69.90 - 71.90
Cal 2014	56.90 - 58.90	70.25 - 72.25

APX Spot Prices (Eur/MWh)

	12-Jul-11	11-Jul-11	12Jul10
Baseload	51.05	56.15	58.33
Peakload	56.60	62.90	72.02
Off-Peak	45.50	49.40	44.63
Total Volume (MWh)	82861.6	96621.5	96023.7
Peak Volume (MWh)	44335.2	53498.2	51738.5
Off-Peak Volume (MWh)	38526.4	43123.3	44285.2

Baseload: 0000-2400, Peakload: 0700-2300, Peakload*: 0800-2000, Off-peak: 2000-0800

Siemens has supplied 3.6 MW wind turbines for both phases. Foundations were supplied by Ballast Nedam.

"The wind farm as a whole is expected to have an average load factor of around 43% and produce around 1,300 GWh of electricity in a typical year," SSE said.

SSE's share of the construction cost for both phases is estimated at GBP250 million ($399 million), excluding connection to the grid. Preferred bidder status for ownership and operation of the cable connecting the wind farm to the grid at Heysham, some 45 km away, was awarded in August last year to a consortium of Macquarie Capital Group, Barclays Private Equity and NIBC Infrastructure Partners.

In April this year Statkraft of Norway signed a two-year, GBP160 million, 2.7 TWh power purchase agreement with Dong Naturgas for 50% of Dong's Burbo Bank, Gunfleet Sands, Walney and London Array offtake.— *Henry Edwardes-Evans*

Ukraine starts uranium extraction, reduce imports

Ukraine has started uranium ore production from the Novokonstantynivske field, which is the largest uranium deposit in Europe, as the government seeks to reduce its dependence on Russian uranium concentrate imports.

The start of production from the Novokonstantynivske deposit is a major step towards boosting the country's overall uranium output, which would help meet Ukraine's demand in nuclear fuel by 2020, the government's press service said Monday in a statement.

Ukraine plans to extract 75,000 mt of uranium ore from the Novokonstantynivske field in 2011 to produce up to 99 mt of uranium, the government said.

"The beginning of industrial development of Novokonstantynivske deposit is [an] extremely important event, as we have [been tasked] to provide our own nuclear power plants with nuclear fuel, which we now import from other countries," Mykyta Konstantinov, the Energy and Coal Industry Ministry's director of strategic policy, investment and nuclear-energy complex said.

The Novokonstantynivske deposit, located in Kirovohrad region, has the largest reserves of uranium in the Ukraine and is one of the top-10 largest uranium deposits in the world.

Ukraine holds the world's ninth-largest uranium reserves, estimated at 1.9% of the world's uranium ore deposits, according to the energy and coal industry ministry.

Skhidniy HOK, Ukraine's only producer of uranium ore, produces about 800 mt/year of uranium, but production is expected to rise to 2,500 mt/year in 2017 because of the launch of the new deposit.

Ukraine's four nuclear power plants generate a half the country's power and the government plans to build more nuclear power reactors to further increase power output.— *Alexander Bor*

ENDEX Dutch futures (Eur/MWh) - July 11, 2011

	Baseload			Peak			Peak*		
Product	Settle	Change	Volume	Settle	Change	Volume	Settle	Change	Volume
1st Mth	49.76	-0.80	-	57.48	-1.44	-	58.58	-1.53	-
2nd Mth	55.69	-0.79	-	64.75	-1.06	-	65.88	-1.10	-
3rd Mth	60.65	-0.57	-	73.11	-1.21	-	75.34	-1.33	-
4th Mth	64.19	-0.75	-	78.50	-0.47	-	81.88	-0.40	-
5th Mth	61.82	-0.40	-	75.73	-0.27	-	77.93	-0.21	-
6th Mth	63.47	-0.43	-	76.71	-1.52	-	79.37	-1.74	-
1st Qtr	62.20	-0.57	-	75.82	-0.65	-	78.43	-0.64	-
2nd Qtr	62.50	-0.63	-	76.39	-0.23	-	78.83	-0.15	-
3rd Qtr	51.75	-0.92	-	62.50	-0.77	-	63.07	-0.73	-
4th Qtr	52.50	-1.00	-	61.96	-0.84	-	63.64	-0.81	-
5th Qtr	61.25	-0.46	-	75.11	-0.34	-	76.96	-0.32	-
6th Qtr	61.58	-0.56	-	75.17	+0.11	-	76.98	+0.24	-
1st Yr	57.00	-0.75	-	69.07	-0.54	-	70.65	-0.50	-
2nd Yr	57.33	-0.52	-	69.26	-0.43	-	70.90	-0.40	-
3rd Yr	57.90	-0.80	-	-	-	-	71.25	-0.52	-
4th Yr	58.62	-0.40	-	-	-	-	71.89	-0.23	-
5th Yr	59.54	-0.31	-	-	-	-	73.58	-0.73	-
Total Volume			-			-			-

*This Dutch power peak load product contains 12 hours (08-20) and includes public holidays.

Italian Exchange

	12-Jul-11	11-Jul-11	12Jul10
Average Hourly Price	NA	80.80	66.97
IPEX Traded Volume (MWh)	NA	579,479.0	577,687.0

Source: IPEX

Platts Spanish Assessments (Eur/MWh)

July 11, 2011	Baseload
D/A	52.55 - 53.05
Week Ahead	51.75 - 52.25
BOM	51.85 - 52.35
Aug 11	51.45 - 51.95
Sep 11	53.00 - 53.50
Q4 2011	52.60 - 53.10
Q1 2012	52.60 - 53.60
Q2 2012	50.20 - 51.20
Balance 2011	52.45 - 52.95
Cal 2012	52.00 - 53.00

Spain Pool Average Spot Prices (Euro/MWh)

	12-Jul-11	11-Jul-11	12Jul10
Systemwide	53.203	54.187	44.537
Volume Matched (MWh)	547,004.0	518,396.0	527,700.0

Source: OMEL, Daily Turnover in MWh, prices Eur/MWh

POLITICS & POLICY

EU races to contain eurozone debt crisis

Eurozone finance ministers kicked off critical talks on a new rescue for Greece on Monday, but their meeting was being overtaken by severe debt crisis contagion in Italy and Spain.

With the fate of the single currency again in the balance, EU leaders and the 17 eurozone ministers were under pressure to overcome differences over a second Greek bailout to ease a threat of contagion to its third and fourth biggest economies, Italy and Spain.

The euro fell on markets as Italian stocks plunged 4% and borrowing costs rose to 12-year euro-era record highs in Spain and Italy.

"There are tensions across the eurozone, we must find a solution," said Belgian minister Didier Reynders on arrival.

Greece, awaiting a rescue package in September tipped almost as big as last year's Eur110-billion bailout, issued a similar warning.

"We need today a very strong and clear message for stability, not only in Greece but in the euro zone and beyond the euro zone," said Finance Minister Evangelos Venizelos.

With tension mounting, German Chancellor Angela Merkel stepped in to issue a rare public plea to a fellow EU nation, urging the Italian parliament to pass an austerity budget to avoid it being dragged into a debt crisis that so far has hit smaller nations – Greece, Portugal and Ireland.

The three combined represent only half the size of the Italian economy.

Brussels meanwhile urged a clampdown on the world's ratings agencies, including a ban on ratings for countries covered by EU-IMF rescue packages, and possible legal action.

Internal Markets Commissioner Michel Barnier said he would ask Poland, which currently holds the rotating European Union presidency, to put action on ratings agencies to ministers soon.

"We need to examine the possibilities of smashing the rating agency oligopoly," agreed German Finance Minister Wolfgang after Moody's last week drew heavy EU fire for downgrading Portugal's rating to "junk" status just as it began to implement austerity measures.

But the Brussels talks, to be enlarged to the full EU 27 on Tuesday, will need to see Europe speaking with a single voice on the crisis to relieve pressure on fragile economies.

At stake is the prickly issue of private-sector involvement in a second bailout of Greece, a deal not expected before September.

Eurozone discord over how to bring banks and other private creditors to bear a share in a new rescue, without triggering a default which would ripple across the single currency area, has fueled tension on nervous markets.

"Certainly we need to move as fast as possible" on details of the Greek rescue plan, said Polish Finance Minister Jan Rostowski. "It's not good to have it not finalized." Initial French proposals for a voluntary rollover of Greek debt – buying new Greek bonds when current bonds come due – appear to have lost favor since a shock warning from Standard & Po or's ratings agency that even this soft option would be viewed as a default of Greece.

Current options include a buyback of Greek debt, a debt swap and interest cuts.

Germany, the Netherlands and others favor a solution that will force the private sector into easing the taxpayer's pain – whether or not this comes down to a default.

"Substantial private sector involvement is for the Netherlands and Germany a precondition," said Dutch Finance Minister Jan Kees de Jager.

"We did not say that it has to be mandatory," he added. "We still pursue a voluntary basis but some ratings agencies will see any substantial participation maybe as not completely voluntary." European leaders have been working for weeks on drawing private bondholders into a Greek rescue tipped as almost as big as last year's 110-billion-euro bailout.

The plan has the backing of key global finance group, the Institute of International Finance, which represents banks, insurers and investment funds. It held closed-door talks in Europe last week.

But the European Central Bank is opposing any Greek default, saying this would mean it could no longer accept Greek government debt as collateral for loans to Greek banks.

That would probably cause the Greek banking sector to collapse.— *AFP*

France includes nuclear exit scenario in study

France has launched a study of its energy policy out to 2050 in which the possibility of a nuclear exit is considered, energy Minister Eric Besson said on Europe One radio channel Friday.

"No scenario will be left out, including the scenario of exiting nuclear power," the minister said.

The government was not in support of a nuclear exit, the minister said.

Besson said he was in favor of keeping the share of nuclear output at around two thirds of total generation, compared with current levels of around three quarters of output. There are 58 operational nuclear reactors in France at 19 different sites.

The report is to be carried out by the government and an

Platts Polish Assessments, July 11, 2011

	(Zloty/MWh)		(Eur/MWh)	
	Baseload	Peak	Baseload	Peak
Day-Ahead	203.90 - 205.90	212.40 - 214.40	51.53 - 52.03	53.67 - 54.18
Week-Ahead	198.00 - 202.00	214.00 - 218.00	50.04 - 51.05	54.08 - 55.09
Aug 11	200.65 - 202.65	216.00 - 218.00	50.71 - 51.21	54.58 - 55.09
Sep 11	207.50 - 209.50	226.00 - 230.00	52.44 - 52.94	57.11 - 58.12
Oct 11	207.50 - 210.50	229.50 - 233.50	52.44 - 53.19	58.00 - 59.01
Q4 2011	205.50 - 207.50	225.20 - 229.20	51.93 - 52.44	56.91 - 57.92
Cal 2012	202.50 - 204.50	227.55 - 229.55	51.17 - 51.68	57.50 - 58.01

Prices are for physical delivery to the Polish high voltage electricity grid. Polish peak 0700-2200 CET hours on working days.

Polish Power Exchange Spot (Zloty/MWh)

	12-Jul-11	11-Jul-11	12-Jul-10
Average base price	200.99	199.48	203.46
Average peak price	213.42	212.74	220.18
Minimum Hourly Price	162.30	159.74	158.66
Maximum Hourly Price	236.26	240.27	258.20
Total Volume	46,277.9	42,993.6	16,882.0

Base=0000-2400, Peak=0700-2200

Source: PolPX

Platts Czech Assessments (Eur/MWh)

July 11, 2011	Baseload	Peak
D/A	54.30 - 54.90	60.00 - 61.00
Weekend	38.90 - 39.30	NA - NA
Week Ahead	48.00 - 49.00	57.00 - 57.80
August	49.00 - 49.50	57.75 - 58.75
Q4 2011	59.80 - 60.20	77.00 - 78.00
Cal 2012	54.80 - 55.30	70.25 - 71.25
Cal 2013	55.35 - 55.95	71.00 - 72.00

Prague Energy Exchange Futures Prices (Eur/MWh)

July 11, 2011	Base			Peak		
Day	**Settle**	**Change**	**Volume**	**Settle**	**Change**	**Volume**
D/A	53.34	+7.90	0	61.25	+0.00	0
D/A +1	53.34	+7.90	0	61.25	+0.00	0
D/A +2	NA	NA	NA	NA	NA	NA
D/A +3	NA	NA	NA	NA	NA	NA
D/A +4	NA	NA	NA			
D/A +5	NA	NA	NA			
Month	**Settle**	**Change**	**Volume**	**Settle**	**Change**	**Volume**
First Month	NA	NA	NA	59.00	+0.00	0
Second Month	NA	-0.80	0	65.00	-1.25	0
Third Month	58.90	-0.85	0	74.85	-1.05	0
Fourth Month	NA	NA	NA	NA	NA	NA
Fifth Month	NA	NA	NA	NA	NA	NA
Sixth Month	NA	NA	NA	NA	NA	NA
Total			**NA**			**NA**
Quarter	**Settle**	**Change**	**Volume**	**Settle**	**Change**	**Volume**
First Quarter	59.85	-1.05	0	77.75	-0.65	0
Second Quarter	59.70	-1.30	0	78.00	-0.65	0
Third Quarter	NA	NA	NA	NA	NA	NA
Fourth Quarter	NA	NA	NA	NA	NA	NA
Total			**NA**			**NA**
Year	**Settle**	**Change**	**Volume**	**Settle**	**Change**	**Volume**
First Year	54.90	-0.85	0	71.00	-1.00	0
Second Year	NA	NA	NA	NA	NA	NA
Third Year	NA	NA	NA	NA	NA	NA
Total			**NA**			**NA**

Czech OTE Market Operator Day-Ahead Indices

July 12, 2011	Euro	Change
Base	55.46	-0.55
Peak	61.48	-2.67
Offpeak	49.43	+1.57

Index calculation does not include marginal prices for hours when no volume of electricity was traded.

independent group of advisers.

It is due to be published by the start of 2012, before presidential elections in April. Many contenders to lead the opposition Socialist party want a nuclear exit, as does the Green party.

The French state controls leading nuclear companies EDF and Areva, which are attempting to increase their global presence in the nuclear sector.

But France is among a shrinking group of European countries in favour of nuclear generation since Japan's Fukushima disaster in March.

Germany and Switzerland have decided to pull out of nuclear power generation, while Italy scrapped plans to build new plants.

Around three quarters of French people support either a quick or gradual exit from nuclear power, according to an IFOP survey commissioned early last month by the Journal du Dimanche newspaper.

Of the 1,005 people surveyed, 62% wanted a gradual exit from nuclear power in France over the next 25-30 years, and around 15% hoped for an immediate halt to France's nuclear program.

France announced Monday full details of its tender for 3 GW of offshore wind power capacity, in a bid to boost renewables capacity and employment in the green power sector.— *Robin Sayles*

Poland still opposes new EU emissions target

Poland continues to oppose a proposal to increase the European Union's CO2 emissions reduction target from 20% to 25% by 2020, Environment Minister Andrzej Kraszewski said Sunday.

Kraszewski was speaking ahead of a two-day meeting of EU Environment Council in Sopot, north Poland, on Monday which is scheduled to discuss the proposal before the UN's Climate Change Conference in Durban, South Africa, later this year.

He said that Poland is committed to the EU's Climate and Energy Package adopted in 2009. "That means a 20% reduction in emissions by 2020 and we are able to fulfill that," Kraszewski told the state news agency.

Poland opposes a stricter emissions target because of its heavily coal-dependent power sector, arguing its industry cannot afford the burden of the additional costs the cuts would impose. Poland was alone in vetoing the proposal at an EU Environment Council meeting in Luxembourg last month.— *Adam Easton*

COMPANIES

German EEX appoints Peter Reitz as new CEO

The supervisory board of Germany-based European Energy Exchange, or EEX, Monday appointed Peter Reitz as its new CEO.

Reitz, who is currently an executive board member of German-Swiss Eurex, which took over a majority stake in EEX in March will take office on August 1, EEX said in a statement.

"We are pleased that with Peter Reitz we were able to bring an internationally experienced executive to Leipzig who knows EEX and the exchange trading business very well," board chairman Juergen Kroneberg said.

"Over the past 10 years EEX has evolved into the leading energy exchange in Europe," the new CEO Peter Reitz said according to the statement. "This is an excellent basis for the further strategic development of a transparent trading platform for the energy markets. I am pleased that, in the capacity of CEO of EEX, I will be able to contribute to this development in the future."

Following the appointment of Reitz, who will also retain his position on the executive board of Eurex, EEX will again be run by a management board comprising three members. with Christoph

Platts Spark Spread Assessments, July 11, 2011

	Spark Spread		Clean Spark Spread	
	50% Efficiency	60% Efficiency	50% Efficiency	60% Efficiency
UK (GBP/MWh)				
Day-Ahead	12.0590	18.2987	8.0068	14.9219
Month-Ahead	10.0610	16.3007	6.0088	12.9239
Month-Ahead +1	10.7492	17.0407	6.6970	13.6639
Month-Ahead +2	10.1676	17.1813	6.1154	13.8045
Quarter-Ahead	9.0487	16.7743	4.9965	13.3975
Quarter-Ahead +1	8.0586	16.4324	3.8126	12.8941
Season-Ahead	8.5736	16.6278	4.4245	13.1702
Season-Ahead +1	8.6846	16.2785	4.4387	12.7402
Season-Ahead +2	7.1750	15.7294	2.7787	12.0659
Season-Ahead +3	10.2342	18.1122	5.6876	14.3234
UK (Eur/MWh)				
Day-Ahead	13.5800	20.6067	9.0167	16.8039
Month-Ahead	11.3300	18.3567	6.7667	14.5539
Month-Ahead +1	12.1050	19.1900	7.5417	15.3872
Month-Ahead +2	11.4500	19.3483	6.8867	15.5456
Quarter-Ahead	10.1900	18.8900	5.6267	15.0872
Quarter-Ahead +1	9.0750	18.5050	4.2935	14.5204
Season-Ahead	9.6550	18.7250	4.9826	14.8313
Season-Ahead +1	9.7800	18.3317	4.9985	14.3471
Season-Ahead +2	8.0800	17.7133	3.1292	13.5877
Season-Ahead +3	11.5250	20.3967	6.4049	16.1299
German (Eur/MWh)				
Day-Ahead	11.9500	19.1000	7.3867	15.2972
Month-Ahead	5.9000	13.1667	1.3367	9.3639
Month-Ahead +1	9.9000	17.5000	5.3367	13.6972
Quarter-Ahead	8.6000	17.5000	4.0367	13.6972
Quarter-Ahead +1	7.4000	16.5667	2.6185	12.5821
Year-Ahead	2.4000	11.5000	-2.3815	7.5154
Dutch (Eur/MWh)				
Day-Ahead	11.6000	18.7500	7.0367	14.9472
Month-Ahead	6.1500	13.4167	1.5867	9.6139
Month-Ahead +1	10.1000	17.7000	5.5367	13.8972
Quarter-Ahead	8.8500	17.7500	4.2867	13.9472
Quarter-Ahead +1	7.5000	16.6667	2.7185	12.6821
Year-Ahead	2.3500	11.4500	-2.4315	7.4654
Belgian (Eur/MWh)				
Day-Ahead	4.8000	11.8333	0.2367	8.0306
Month-Ahead	1.3300	8.4667	-3.2333	4.6639
Month-Ahead +1	9.1100	16.7333	4.5467	12.9306
Month-Ahead +2	14.0800	22.1000	9.5167	18.2972
Quarter-Ahead	11.5400	20.2833	6.9767	16.4806
Quarter-Ahead +1	8.6300	17.8667	3.8485	13.8821

Clean spreads based on typical kg CO2/mmBtu rates of 55 for natural gas. Power and gas contracts used are midpoints of Platts' assessments for those commodities.

Details of methodology at www.platts.com

German Dark Spreads, July 11, 2011 (Eur/MWh)

	Dark Spread	Clean Dark Spread
	(35% efficiency)	(35% efficiency)
Month-Ahead	14.96	3.31
Month-Ahead +1	20.85	9.20
Quarter-Ahead	26.65	15.01
Quarter-Ahead +1	26.48	14.83
Year-Ahead	20.82	8.62
Year-Ahead + 1	20.76	8.56

Mura as COO and Iris Weidinger CFO, the statement said.

The new CEO will assume responsibility for strategy and market development, corporate communications and marketing as well as political communications for EEX Group, the statement added.

Reitz has been a member of the EEX supervisory board since 2007. He started his career with Deutsche Boerse, one of the two Eurex parent companies, in 1991, the statement said.

Eurex in February this year became the new majority shareholder in EEX after acquiring a 23% stake from LBBW. EEX's previous CEO Hans-Bernd Menzel resigned March 2 for personal reasons.

The Leipzig-based exchange was formed in 2002 by the merger of two regional exchanges and 2010 reached a record revenue of Eur43.2 million ($60.7 million).— *Andreas Franke*

Gazprom in cooperation talks with GDF Suez

The heads of France's GDF Suez and Russia's Gazprom discussed Friday possible "cooperation" in the power sector, as well as covering current issues on the Nord Stream gas pipeline project, the French company said late Friday.

GDF Suez CEO Gerard Mestrallet met with Gazprom Chairman Alexei Miller in Paris and also discussed future gas supplies from Russia to Europe, in the light of the Fukushima nuclear disaster in March.

GDF Suez, France's dominant gas supplier, holds long-term contracts with Gazprom for gas flows from Russia out to 2030. GDF Suez has said it is trying to renegotiate these long-term contracts as it tries to untangle its procurement costs from oil indexed contracts, which have recently proved more expensive than prices in the wholesale gas market.

The companies "discussed the additional gas volumes that Europe may need in the future, following the decisions made post-Fukushima events," GDF Suez said.

Several European countries, including Germany and Italy, have turned their back on nuclear power since the Japanese nuclear disaster, raising the demand for gas-fired power generation.

The companies also agreed that the Nord Stream pipeline will "be a guarantee of meeting the growing energy demand of the French and European consumers in the long term," GDF Suez said.

The French company is to receive around 2.5 billion cu m/year of gas through the pipeline.— *Robin Sayles*

RENEWABLES

France launches tender for 3 GW of offshore wind

The French government officially launched Monday its first tender for offshore wind power, in a bid to bring online 3 GW of capacity from 2015.

The government also confirmed it had brought forward the tender for a further 3 GW, which will now be launched in April 2012, just before presidential elections.

The government hopes to have 6 GW of capacity online by 2020, providing 3.5% of national power demand at total a cost of around Eur20 billion ($28 billion).

It hopes to create a thriving offshore wind power sector, which could provide around 10,000 jobs.

In the first tender bids are invited for up to 750 MW of capacity in Saint-Nazaire, 500 MW in Saint-Brieuc, 500 MW in Courseulles-sur-Mer, 500 MW in Fecamp and 750 MW in Le Treport.

The deadline for submissions is January 11, 2012, and candidates will be provisionally chosen in April, with definitive agreements by 2013 following risk and feasibility assessments. The wind farms will be brought online gradually from 2015.

Platts Cross Fuel Comparisons, Jul 11, 2011

	Euro cents/kWh	US cts/kWh
UK gas prices at NBP (1)		
Balance month	3.9100	5.5800
August	3.9300	5.6000
September	3.9400	5.6200
Q4 2011	4.8100	6.8700
Fuel Oil (2) (NW Europe)		
August 1%	12.8600	18.3400
September 1%	12.7600	18.2000
Q4 2011 1%	12.6600	18.0600
August 3.5%	12.0500	17.1900
September 3.5%	11.9800	17.0800
Q4 2011 3.5%	11.9000	16.9800
Gasoil (3) (NWE 0.1% cargoes)		
Spot	17.8200	25.4100
August	17.6800	25.2100
September	17.7200	25.2700
Q4 2011	17.8000	25.3800
Coal (4) (CIF ARA)		
Month Ahead	3.6500	5.2100
90-Days	3.6600	5.2200

Exchange rate = 1.426

Note: Prices in this table show the cost of electricity generated from each fuel, taking into account power plant efficiencies. Conversions assume the following efficiencies: Gas 55%, Fuel oil 32%, Gas oil 32%, Coal 34%. They are indications only.

1) Source: Platts European Gas Daily

2) Source: Platts Global Alert. 1%: Spot = 10-25 days ahead of publication. Forward swaps prices. Assumed calorific value 17,800 Btu/lb. 3.5%: Spot = 2-15 days ahead of publication. Forward swaps prices.

3) Source: Platts Global Alert. Spot = 10-25 days ahead of publication. ICE prices based on volumetric average. Assumed calorific value: 18,500 Btu/lb.

4) Source: International Coal Report, Europe, 10,800Btu/lb

Forex Indicators, July 11, 2011

	NOK	SKr	DKr	SFr	GBP	US $	Zloty
Euro	7.739	9.129	7.459	1.195	0.888	1.426	3.957
US $	5.428	6.402	5.231	0.838	0.623	1.000	

Weather Summary, July 11, 2011

Week Normal high/low temps (C) and projected deviations from normal

Celsius	Normal	11	12	13	14	15	16	17
CENTRAL EUROPE								
Berlin	27/14	-2	-2	+2	0	-3	-3	-3
Frankfurt-am-Main	25/15	-1	+1	+3	-2	-4	-3	-4
Prague	24/13	+1	+1	+2	+3	0	-1	-1
Vienna	26/15	+2	0	+2	+4	+1	-1	0
Warsaw	25/14	+4	+2	+1	+5	+4	-1	0
NORTHWEST EUROPE								
Amsterdam	22/13	-1	0	-3	-3	-2	-1	-2
Brussels	23/14	-1	+2	-1	-4	-3	-1	-3
London	23/14	-3	-3	-5	-6	-3	-2	-3
Paris	25/16	-4	+1	-3	-7	-6	-3	-5
SCANDINAVIA								
Copenhagen	22/13	0	-1	-1	0	-2	-1	-3
Helsinki	22/14	+2	0	-2	-1	-1	-2	-3
Oslo	21/11	-1	-3	-1	-1	-4	-3	-2
Stockholm	23/14	-1	-3	-3	-4	-1	-2	-3
SOUTHERN EUROPE								
Lisbon	29/18	-5	-5	-5	-3	-2	-1	+2
Madrid	34/17	+2	-2	-4	-2	+1	+2	+5
Milan	28/17	+1	0	+1	-1	-1	0	0

Source:CustomWeather, 11Jul11/06:54 AM EDT/1054 GMT

Successful candidates are to be selected on a previously stated criteria, which is 40% based on bid price, 40% on industrial criteria, and 20% on environmental grounds.

Many of Europe's largest utilities will be vying to win the right to build the plants and alliances have been made with French companies to boost bid profiles.

France's move towards offshore wind comes later than some of its neighbors such as UK and Germany, and at a time when many are questioning its nuclear-heavy generation capacity following the Fukushima nuclear disaster.

In an interview in the Financial Times Monday, ecology minister Nathalie Kosciusko-Morizet said France "remains attached to nuclear power, but we are also weighing up the markets of the future and their new technologies."

France is building a new 1.6 GW EPR nuclear reactor at Flamanville, on the country's northern coast, but plans to build a second reactor have stalled since the Fukushima disaster.

Neighboring Germany and Switzerland have decided to exit nuclear power since the incident, while Italy has scrapped plans for new plants.

Kosciusko-Morizet also made clear the importance of the offshore projects for boosting French employment:

"Our ambition is very clear. We want to create a world leading industry in this domain...We don't want to keep a system that is all about capacity and not about industrial strategy. Ecology must mean jobs."

GDF Suez consortium to bid for 1.8 GW of French offshore build

A French consortium led by GDF Suez is to bid to build offshore wind plants in at least three of the five water areas designated by the government, GDF Suez said late Friday.

GDF Suez has signed exclusive agreements with partners Vinci and Areva to build as much as 1.8 GW of offshore wind capacity in the Dieppe-Le Treport, Courseulles-sur-Mer and Fecamp zones.

"Development opportunities in the other two zones are currently being assessed," GDF Suez said.

GDF Suez subsidiary La Compagnie du Vent has already done some development work for an offshore plant in the Dieppe-Le Treport region. One of its other subsidiaries, Maia EolMer, is developing projects in the Courseulles-sur-Mer and Fecamp areas.

Many of Europe's largest power companies are to compete in the government's first offshore wind tender for 3 GW of wind output, the full details of which were released Monday.

Last week, EDF's renewables company EDF EN said it would partner with Denmark's DONG to bid for projects in all five of the water areas.— *Robin Sayles*

Platts Continental European Indices (Eur/MWh)

	11-Jul-11	Change
ContiMonth	47.280	-0.340
ContiQuarter	63.930	-0.660
ContiCal	56.670	-0.690

Deviation from Continental European Indices and Germany (Eur/MWh)

	ContiMonth	Germany
France	-2.530	-4.750
Netherlands	+2.470	+0.250
Belgium	-3.130	-5.350
	ContiQuarter	**Germany**
France	+2.570	+4.500
Netherlands	-1.680	+0.250
Belgium	+0.070	+2.000
	ContiCal	**Germany**
France	-0.320	-0.650
Netherlands	+0.280	-0.050
Belgium	-0.620	-0.950

ContiMonth, ContiQuarter, ContiCal: The Conti-indices are monthly, quarterly and yearly base load indices of consumption-based German, French, Belgian and Dutch assessments to indicate trends in continental European forward power prices in the wholesale market.

Power Price Fundamentals

	11-Jul-11	Change
Brent Oil (Month-ahead - $/bbl)	116.330	-1.200
Coal CIF ARA (Year-ahead - $/mt)	128.200	-0.800
EUA (Year-ahead - Eur/mt)	12.130	-0.550
UK NBP (Year-ahead - Eur/MWh)	26.440	-0.020

MARKET COMMENT

UK prompt power prices were lower Monday in tandem with global markets and commodities as investors questioned the fiscal health of Italy, said traders. Baseload power for delivery Tuesday was last heard down GBP1.25 to GBP49.50/MWh, while peak fell 70 pence to GBP55.30/MWh. On the N2EX wholesale power exchange next-day base outturned roughly in line with OTC at GBP49.43/MWh. "Everything's come off today, Italy is getting attention." a trader said. "There was one competitor selling large volume – power is weaker than gas as spark spreads tighten," a trader said. The UK NBP day-ahead gas contract fell 1.5 pence to 54.85 p/th by lunchtime. Meanwhile, Brent crude for August delivery was down $1.57 by 13:00 London time to $116.78/barrel and Dec 12 EUAs were 50 euro cents lower at Eur12.80/mt Temperatures in London Tuesday are forecast 3 degrees Celsius below the average of 14 to 23 C, according to CustomWeather. Maximum power demand is forecast to rise about 1 GW to 41.35 GW Tuesday, while peak supply margins remain comfortable at 12.5 GW, National Grid data shows. Gas-fired generation was at 17.4 GW by 11:30 London time, while CCGT accounted for about 11 GW of the overall generation mix and nuclear 6.7 GW. Further out on the prompt, the weekend contract was last heard at about GBP46.75/MWh and week ahead base at GBP48.25/MWh. Prices were also softer on the curve amid lower liquidity, according to traders. "We had two weeks of firm prices so it's natural to see a correction now. It's an oil play at the moment. If oil goes up then gas and power do too, if it goes down then gas and power move lower," a trader said. August base fell 55 pence on the day to GBP47.50/MWh, while Q4 base was 85 pence softer to GBP55.40/MWh. Further forward, winter 11 base eased 80 pence to GBP56.90/MWh and winter 12 base down a pound to GBP58.50/MWh.

German OTC prompt power prices firmed Monday on a virtual lack of wind power expected for Tuesday, although strong solar power output during peak hours and good nuclear availability in France during offpeak hours kept the system well supplied, traders said. Baseload power for delivery on Tuesday was last heard at Eur54.85/MWh in OTC trading by 12:00 London time, Eur1.85 above where Monday power was traded last Friday. Peakload OTC contracts last traded 75 euro cent higher at Eur62.50/MWh. However, EPEX Spot closed the baseload price for Tuesday Eur3.80 below OTC at Eur51.05/MWh, while peakload settled more than Eur4 below OTC at Eur56.60/MWh. "EPEX came out strongly below the market, probably because there were more solar bids than expected especially as peakload was so weak," a trader said. "Prices could drop further this week with strong wind expected from Wednesday and the holiday in France on Thursday." Wind power output for average peak hours Tuesday was forecast at below 1 GW, a market source said. However, wind power output was expected to improve later this week, rising above 10 GW by Wednesday, the source added. Meanwhile, solar output was expected to reach midday peaks of 16 GW Tuesday, according to one forecast, but was expected to drop later this week, the source added. Temperatures in Berlin will be 2 degrees Celsius below the norm Tuesday, while Dusseldorf will rise to 1 C above the July average, according to CustomWeather. Conventional power plant availability was forecast to improve by 700 MW to 53.3 GW Tuesday, still below the 54.4 GW forecast last Friday for Monday with no change in nuclear availability expected until later this week, data from EEX's transparency website shows. Further out on the prompt, week-ahead base for week 29 was heard at Eur48.50/MWh compared to a Eur49.50/MWh settle for this week last Friday, although demand this week will be reduced due to the French national holiday on July 14. On the curve, contracts continued to fall with August base down 55 euro cent at Eur49.50/MWh and Q4 base 75 euro cent lower at 62/MWh. Further forward, Cal 12 base shed 75 euro cent from last Friday to close at Eur57/MWh, its lowest since July 1. Traders pointed to bearish sentiment in global commodity markets and a sharp drop in the euro against the dollar after Italy emerged as the latest candidate in the Eurozone debt crisis as the main downward drivers for the German power curve. In fundamentally power-related commodities, EUA Dec 2012 carbon emissions were down some 50 euro cent to Eur12.70/mt, while TTF Cal 12 gas ended the day just 10 euro cent lower at Eur27.30/MWh and year-ahead coal into Europe fell $0.80 to $128.20/mt by close.

French power for next-day delivery started the week stronger than expected Monday, but traders said there was little change in fundamentals as supply margins remain healthy, especially as the summer holiday period continues to lower demand. Day-ahead baseload was changing hands Eur3.75 higher than Friday's valuation of Monday at Eur49.75/MWh by close, while the peakload contract gained Eur1 to trade at Eur60.25/MWh. EPEX Spot valued the baseload price Eur1.65 lower than OTC at Eur48.10/MWh and the peakload price Eur3.90 below at Eur56.36/MWh. "There is little change in the outlook for the next month at least," one trader said. "Overall France is well supplied and demand is low with more and more people heading off on summer holidays." "Trading volumes are ridiculously low at the moment compared to recent months, and even I am considering a break now," the trader added. French nuclear availability forecast for Tuesday was Monday revised higher by 1.3 GW to 49.8 GW, data from grid operator RTE show, while the rest of the supply chain remained stable and temperatures throughout Europe are expected to improve. The latest Customweather forecast shows that temperatures in Paris will increase by 5 degrees Celsius Tuesday to 1 C above its seasonal normal of 16-25 C, while temperatures in the Dutch city of Amsterdam will also increase back toward the typical seasonal average for this time of year. Dutch prompt OTC prices were like France also higher on the day, but this was mainly attributed to a consistently low wind forecast which is expected to remain at around 100 MW Tuesday, according to Aeolis, well below its weekend high of 1.6 GW Saturday. Dutch day-ahead baseload was dealt around 75 euro cent above Friday's close at Eur54.50/MWh by the finish, although the same contract on the APX-ENDEX exchange closed Eur3.45 below OTC at Eur51.05/MWh. There was very little action in the respective Belgian market where Platts assessed day-ahead baseload at Eur47/MWh by close. EnergieNed data showed 16 GW of electricity will be available overall in the Netherlands Tuesday, an increase of 500 MW from current levels, mainly due to a 300 MW gain in gas-fired generation and 130 MW more availability from alternative resources. On the curve traders said the weakness in carbon triggered a downturn in Continental European power markets, particularly Germany which then weighed on France, the Netherlands and Belgium. "Forward prices are following Germany which fell after carbon dumped big time. The big move in carbon has made a significant difference today," one trader said. The front-month Brent crude oil contract also fell $3 on the day to $115.33/barrel Monday as macroeconomic uncertainty led to sharp gains in the US dollar and weakness across equities, which had a further negative influence on European fuel-based commodities. French baseload electricity for delivery in 2012 ended the day 65 euro cent weaker at Eur56.35/MWh, while the respective Dutch contract closed 85 euro cent lower at Eur56.95/MWh, and the Belgian price lost 35 euro cent to Eur56.05/MWh.

Czech prompt power gained Monday on significantly reduced German wind power output, according to sources. Baseload power for delivery Tuesday was assessed Eur2.10 higher than Friday's assessment for Monday at Eur54.60/MWh, while peak gained

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just 25 euro cent to Eur60.50/MWh amid healthy solar output. Day-ahead base last traded at Eur48/MWh, though this was not considered representative of the market and was therefore not included in the assessment. “I think that was a panic seller - I would have loved to have bought power at that price, it’s definitely not where the market is at the moment,” a trader said. Czech power market operator OTE cleared next-day base at Eur55.46/MWh and peak Eur61.48/MWh, both higher than OTC. Temperatures in Prague Tuesday are forecast at 1 degree Celsius above the norm, CustomWeather data shows. German wind power output for average peak hours Tuesday was forecast at below 1 GW, a market source said. However, wind power output was expected to improve later this week, rising above 10 GW by Wednesday, the source added. Meanwhile, solar output was expected to reach midday peaks of 16 GW Tuesday, according to one forecast, but was expected to drop later in the week. Further out on the prompt, the weekend contract was Eur3.40 lower week-on-week to Eur39.10/MWh ahead of cooler temperatures. “It should be about 18 C this coming weekend so prices should move lower,” a trader said. The curve was in bearish mood Monday as global markets sold-off on renewed European debt contagion fears, with Italy now firmly in the spotlight. As such, August Brent crude had fallen $1.40 to $116.93/bbl by 17:28 London time, while EUA Dec 12 emissions closed down 66 euro cent to Eur12.63/mt. Czech baseload power for August delivery fell 50 euro cent to Eur49.25/MWh, while further forward Cal 12 was assessed 75 euro cent lower to Eur55.05/MWh.

Polish prompt power prices rose Monday on the back of high prices in the balancing market results which were impacted by an unplanned outage at the Turow coal-fired plant, as well as warmer temperatures expected to increase demand, traders said. Baseload OTC power for next-day delivery traded at Zloty 204.90/MWh with no trades for peakload power. POLPX cleared day-ahead baseload at Zloty 200.99/MWh and peakload at Zloty 213.42/MWh, up Zloty 1.51 and 68 grosz respectively. “The spot is at a higher level today, because of the balancing market prices which came out fairly high,” a trader said. An additional 461 MW of power at PGE’s Turow coal-fired plant went offline on Saturday in an unexpected outage, which could have also influenced the balancing market results, the trader added. The units are scheduled to return on Wednesday and Thursday, according to grid operator PSE Operator. Temperatures in Warsaw are forecast to be 2 degrees Celsius above the seasonal average of 25 C Tuesday, according to CustomWeather. Peak demand will be at 20.11 GW for hour 13 Tuesday, up 500 MW from Monday’s forecast, data from PSE Operator shows. On the curve, there was little activity in the forward months, while the calendar years continued to slide Monday on the back of emissions, traders said. August baseload was assessed 25 grosz higher at Zloty 201.65/MWh, while the corresponding peak traded 25 grosz lower at Zloty 217/MWh. Further forward, Q4 baseload gained 20 grosz to Zloty 206.50/MWh while Cal 12 baseload shed 50 grosz to close the session at Zloty 203.50/MWh. “It’s tied in with emission prices, which fell but not as much as we’ve seen in the last few days,” said a trader. There were eight transactions on POLPX’s CDM market Monday, totaling 50 MW. Trades were concentrated in the baseload contracts for delivery August, September, Q4 and Cal 13.

Spanish day-ahead power prices slid lower Monday with wind output expected to increase amid cooler temperatures easing pressure on demand, according to traders. Baseload OTC power for delivery Tuesday was last heard at Eur52.80/MWh before 12:00 London time, down 70 euro cent from where Platts assessed Monday’s price on Friday. Madrid-based OMEL exchange settled day-ahead just 2 euro cent below OTC at Eur52.78/MWh. “Temperatures will go down and wind will go up,” said a trader. “The winds are really high for summer.” Peak demand will be at 38.41 GW for hour 13 Tuesday, down 1 GW from Monday’s peak forecast, data from Red Electrica shows. Wind power production is forecast to dip to 3 GW during peak midday hours Tuesday before rising to 8 GW overnight, remaining above 7.5 GW Wednesday, according to Aeolis forecasting services. Temperatures for Madrid Tuesday are forecast to be 2 degrees Celsius below the seasonal average of 34 C, while Barcelona and Seville will be in line with the seasonal average, according to CustomWeather. Spanish nuclear power production remained around 6,350 MW Monday, according to data from Red Electrica and nuclear watchdog CSN, with only the 980 Almaraz-1 reactor offline for refueling and maintenance. Contracts on the curve slid lower Monday, continuing the downturn which began at the beginning of July caused by lower pool prices, traders said. “Last week was quite bearish in Spain, all because of the pool price,” said a trader. “Almost all activity [today] was in the short-term.” August was trading 20 euro cent lower at Eur51.70/MWh while Q4 shed 15 euro cent to Eur52.85/MWh. Further forward, Cal 12 was assessed 45 euro cent lower at Eur52.50/MWh.

EXCHANGE SUMMARY

EPEX France Spot Auction Day-Ahead (Eur/MWh)

	12-Jul-11	11-Jul-11	12Jul10
Minimum Hourly Price	13.34	11.91	32.53
Maximum Hourly Price	59.06	65.02	87.87
Average Base Price	48.11	49.03	58.33
Average Peak Price	56.36	62.10	72.02
Total Volume (MWh)	155,690.0	143,675.0	138,211.0

EEX French Power Futures (Eur/MWh)

July 11, 2011	Base			Peak		
Month	**Settle**	**Change**	**Volume**	**Settle**	**Change**	**Volume**
First Month	45.00	0.15	0	58.38	-1.01	6900
Second Month	54.13	-1.25	0	65.82	-1.55	0
Third Month	62.50	-0.88	0	79.50	0.00	0
First Quarter	66.60	-0.58	11045	82.25	-0.88	0
Second Quarter	65.28	-1.57	0	81.25	-2.00	0
Third Quarter	47.38	-1.12	0	63.00	-0.50	0
Fourth Quarter	48.00	-1.00	0	64.00	-0.50	0
First Year	56.60	-0.68	43920	72.00	-0.78	0
Second Year	57.15	-0.70	87600	72.50	-0.50	0
Third Year	57.80	-0.83	43800	74.50	0.25	0

APX Power UK Daily Market Bulletin - 11-Jul-11

APX Power UK Spot Market Statistics for 11-Jul

(Half Hourly Contracts)	
Traded contracts	15517
Total volume	7759
Highest price	55.50
Lowest price	35.00

Data includes trades made between 00.00 and 18.00 11-Jul for all half hourly contracts.

Previous day total spot volume **25574**

Includes all spot and prompt trades between 00.00.00 and 23.59.59 10-Jul

Nord Pool Average Spot Prices (Eur/MWh)

	12Jul11	11Jul11	12Jul10
Oslo	NA	43.64	48.28
Bergen	NA	42.05	48.28
Molde	NA	46.22	48.11
Trondheim	NA	46.22	48.11
Tromso	NA	44.22	48.11
Kristiansand	NA	43.64	48.28
Sweden	NA	46.22	48.24
Finland	NA	53.90	65.60
West Denmark	NA	47.97	49.25
East Denmark	NA	52.23	52.91
Kontek	NA	NA	NA
Systemwide	NA	44.93	48.38

Nord Pool Futures

Contract	Close	Change	High	Low	Volume
Day ahead (Eur/MWh)	44.65	+3.15	45.00	44.65	140
First Week (Eur/MWh)	42.25	-0.75	–	–	–
Second Week (Eur/MWh)	41.88	–	–	–	–
Third Week (Eur/MWh)	42.38	-0.30	–	–	–
First Month (Eur/MWh)	44.60	-1.25	45.00	44.60	59
Second Month (Eur/MWh)	47.65	-1.00	48.00	47.65	15
Third Month (Eur/MWh)	48.70	-1.10	48.70	48.70	10
Fourth Month (Eur/MWh)	49.85	-0.80	50.00	49.85	4
Fifth Month (Eur/MWh)	50.85	-0.85	51.10	50.85	6
Sixth Month (Eur/MWh)	–	–	–	–	–
First Quarter (Eur/MWh)	49.75	-0.85	50.10	49.70	208
Second Quarter (Eur/MWh)	50.90	-0.83	51.15	50.85	46
Third Quarter (Eur/MWh)	43.65	-0.78	44.00	43.60	17
Fourth Quarter (Eur/MWh)	42.53	-0.82	42.75	42.70	7
First Year (Eur/MWh)	46.60	-0.83	47.00	46.60	46
Second Year (Eur/MWh)	46.70	-0.60	47.00	46.70	21
Third Year (Eur/MWh)	46.65	-0.30	46.65	46.65	3

EPEX Germany/Austria spot Auction (Eur/MWh)

	12-Jul-11	11-Jul-11	12Jul10
Phelix base	51.05	56.15	52.65
Phelix peak	56.60	62.90	61.69
Total Volume (MWh)	590,634.4	565,079.8	606,539.2

Base = 0000-2400, Peak = 0800-2000

Source: EEX

EEX Phelix Futures (Eur/MWh)

July 11, 2011	Base			Peak		
Month	**Settle**	**Change**	**Volume**	**Settle**	**Change**	**Volume**
First Month	49.38	-0.71	156240	58.25	-1.17	9660
Second Month	55.48	-0.96	74160	65.88	-0.87	4752
Third Month	60.49	-0.60	91635	75.28	-1.22	252
Fourth Month	64.03	-0.98	18000	81.21	0.09	0
Fifth Month	61.81	-0.53	26784	78.87	-0.55	0
Sixth Month	64.00	-0.50	0	81.00	-1.23	0
Total			**366,819**			**14,664**
Quarter	**Settle**	**Change**	**Volume**	**Settle**	**Change**	**Volume**
First Quarter	62.09	-0.70	94987	78.50	-0.55	11700
Second Quarter	62.28	-0.79	10915	78.63	-0.83	0
Third Quarter	52.07	-0.81	207480	63.22	-1.47	3900
Fourth Quarter	52.81	-0.90	59616	63.50	-1.29	0
Total			**372,998**			**15,600**
Year	**Settle**	**Change**	**Volume**	**Settle**	**Change**	**Volume**
First Year	57.14	-0.78	1923696	70.92	-1.11	81432
Second Year	58.00	-0.62	595680	72.25	-0.33	37584
Third Year	58.55	-0.65	105120	72.25	-0.58	21924
Fourth Year	59.90	-0.70	0	74.25	-0.70	0
Fifth Year	61.05	-0.70	0	76.25	-0.70	0
Sixth Year	62.20	-0.70	0	78.25	-0.70	0
Total			**2,624,496**			**140,940**

Austria EXAA Power Exchange (Eur/MWh)

	12-Jul-11	11-Jul-11	12-Jul-10
Minimum Hourly Price	40.95	37.47	33.50
Maximum Hourly Price	63.24	64.13	82.05
Baseload	54.43	53.60	56.75
Peakload	60.51	60.13	68.51
Total Volume (MWh)	13,566.8	18,046.0	30,657.0

Elexon UK Balancing Prices (GBP/MWh)

Sell - Buy	Sell - Buy	Sell - Buy	Sell - Buy
P140.05 - 42.46	P1333.54 - 37.11	P2561.39 - 80.32	P3740.74 - 51.28
P236.91 - 44.51	P1432.78 - 37.64	P2661.34 - 74.53	P3840.81 - 51.07
P333.71 - 42.12	P1526.05 - 42.00	P2760.22 - 74.00	P3940.76 - 50.70
P436.61 - 41.75	P1628.04 - 41.51	P2840.69 - 58.38	P4040.80 - 51.27
P536.56 - 39.18	P1735.11 - 40.92	P2940.79 - 59.24	P4149.40 - 69.97
P634.33 - 34.33	P1834.91 - 40.59	P3039.97 - 57.88	P4240.23 - 48.85
P734.94 - 37.54	P1938.72 - 47.06	P3140.39 - 49.39	P4349.30 - 64.72
P834.80 - 36.96	P2040.24 - 48.40	P3240.18 - 49.68	P4450.99 - 61.00
P934.02 - 37.27	P2152.81 - 83.57	P3340.01 - 50.49	P4540.73 - 49.43
P1031.62 - 36.73	P2240.80 - 54.60	P3440.43 - 51.83	P4639.32 - 47.83
P1129.42 - 37.38	P2340.80 - 58.76	P3540.77 - 51.82	P4738.34 - 46.79
P1229.54 - 37.06	P2462.70 - 90.65	P3640.79 - 51.45	P4846.38 - 48.33

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- EDF Trading
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