

# European Power Daily

Volume 25 / Issue 112 / June 14, 2023

## News & Analysis

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- Cal 2024 sold at Eur141.50/MWh
- Strike prices below market price
- Some 0.9% of total Q3 capacity sold

### INTERVIEW: MET on track to reach 2 GW renewables in Europe by 2026

- First Spanish solar project to start in 2023
- Italian projects set for FID in 2024
- Eyes German solar market: Renewables CEO

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## Power price fundamentals

	14-Jun-23	Change
Brent oil (month ahead - \$/b)	73.970	-0.120
Coal CIF ARA (year ahead - \$/mt)	115.250	+1.300
EEX EUA carbon (front December - Eur/mt)	93.320	+3.420
UK NBP gas (month ahead - p/th)	94.200	+3.925
Dutch TTF gas (year ahead - Eur/MWh)	53.300	+2.925

## European power prices

### At-a-glance year ahead baseload comparisons

Trade date: June 14, 2023	(Eur/MWh)	Change (%)
Platts UK	148.56	+7.37 ▲
EEX Germany	150.33	+4.58 ▲
EEX France	198.67	+4.52 ▲
OMIP Spain	97.88	+9.67 ▲
EEX Italy	154.00	+4.64 ▲

Source: S&P Global Platts, EEX, OMIP

## Renewable capture prices, 13-Jun (Eur/MWh)

	Solar	Change (%)	Onshore wind	Change (%)
Germany	82.35	-7.08	89.06	-8.92
UK (GBP/MWh)	81.51	-13.77	85.19	-10.35
France	85.79	-10.70	93.39	-6.94
Italy	NA	NANA	NA	NANA
Spain	82.46	-10.41	85.85	-7.61

## EuGO – European Guarantees of Origin assessments

14-Jun-23	Min volume (GWh)	Typical volume (GWh)	Eur/MWh	Change (Eur/MWh)
<b>Nordic hydro</b>				
Cal 2023	5	100	6.650	-0.200
Cal 2024	5	100	6.970	0.000
<b>EU wind</b>				
Cal 2023	5	50	6.630	-0.200
Cal 2024	5	50	6.950	0.000
<b>EU solar</b>				
Cal 2023	5	50	6.630	-0.200
Cal 2024	5	50	6.950	0.000
<b>EU biomass</b>				
Cal 2023	5	50	6.600	-0.200
Cal 2024	5	50	6.920	0.000

		GBP/MWh	Change (GBP/MWh)
<b>Non-bio REGOs</b>			
Compliance Period 22	5	9,300	-0.050
Compliance Period 23	5	8,000	0.000
Compliance Period 24	5	6,050	0.000
<b>Bio REGO</b>			
Compliance Period 22	5	8,600	-0.050
Compliance Period 23	5	7,850	0.000
Compliance Period 24	5	5,700	0.000

Source: S&P Global Platts

## News & Analysis

### Hungary's MVM sells 172 GWh of Cal 24/25, Q3 power in auction

- Cal 2024 sold at Eur141.50/MWh
- Strike prices below market price
- Some 0.9% of total Q3 capacity sold

MVM Partner, the trading arm of Hungary's state energy holding MVM, said it had sold 172 GWh of power (out of a planned 217 GWh) at a June 13 capacity auction for delivery in Calendar 2024 and 2025 as well as in the third quarter of 2023.

Among others, MVM sold 5 MW (equivalent to 44 GWh) of daily Cal 2024 baseload for Eur141.50/MWh.

The volume sold translates to about 0.1% of typical annual gross domestic demand.

MVM also sold 4 MW, or 35 GWh, of Cal 2025 baseload for Eur125/MWh.

Average strike prices for the Cal products and July 2023 baseload were about 2%-3% below the most recent corresponding settlement prices on the HUDEX energy futures exchange.

For Q3 and August, prices were some 5%-6% below the baseload market price.

As a significant market player and former monopoly, MVM must publicly auction part of its wholesale portfolio.

It has already sold 644 GWh of 2023 power and 290 GWh of 2024 power at previous auctions.

### Hungarian MVM power capacity auction (June 13)

Period	MW	MWh planned	MWh sold	Price (Eur/MWh)
Cal 2024 base	5	43,920	43,920	141.50
Cal 2025 base	5	43,800	35,040	125.00
Jul 2023 base	25	18,600	16,368	100.00
Aug 2023 base	25	18,600	18,600	105.70
Q3 2023 peak	50	36,800	22,816	90.86
Q3 2023 base	25	55,200	35,328	106.00
		<b>216,920</b>	<b>172,072</b>	

Source: MVM

— Balazs Szladek

### INTERVIEW: MET on track to reach 2 GW renewables in Europe by 2026

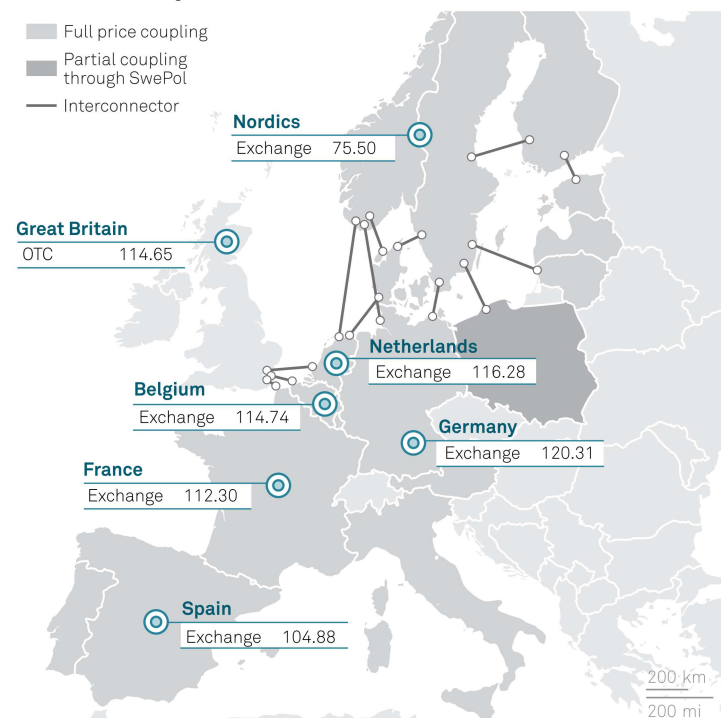
- First Spanish solar project to start in 2023
- Italian projects set for FID in 2024
- Eyes German solar market: Renewables CEO

Swiss energy trader MET Group is on track to reach 2 GW of renewables capacity by 2026 as it expands in Italy and Spain and plans to enter the German solar market, head of renewables Christian Huerlimann said told S&P Global Commodity Insights.

MET's renewables portfolio of around 400 MW in operation and under construction will be boosted by 550 MW of projects under development and on track to be commissioned, mainly in 2024.

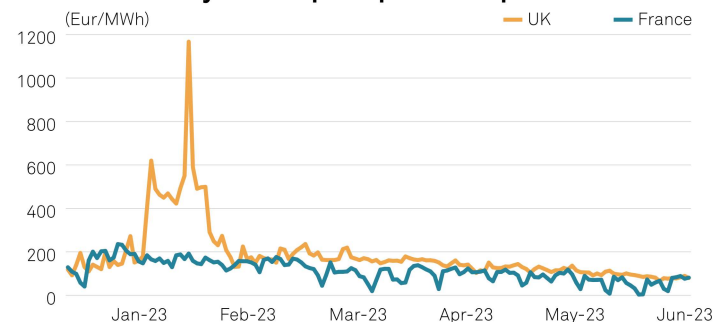
"We are optimistic that we will be able to complete the remaining 1,000 MW by 2026 as planned," Huerlimann said in a recent interview.

### NWE-SWE day ahead markets (Eur/MWh)



Source: S&P Global Commodity Insights assessments, Epex Spot, Nord Pool Spot, OMIE

### UK borders - day-ahead peak price comparison



Source: S&P Global Commodity Insights

MET's first project in Spain will start later this year, while the first of five projects acquired in Italy was moving towards 'ready to build' status, he said.

"Some solar component prices are set to fall again below pre-COVID crisis levels," Huerlimann said.

Higher financing cost may weigh on some projects, but MET sees an advantage from its higher own equity on project's capex.

MET, created in 2007 with focus on the Hungarian gas market, has expanded into a pan-European trader with 109 Bcm of gas and 67 TWh electricity traded in 2022.

Route to market focus for green electricity remains on power purchase agreements despite falling power prices.

Opportunities to expand is now also seen in the German power market, where installed solar capacity is set to triple by 2030, Huerlimann said.

Germany, which plans to tender a record 5.9 GW of utility-scale ground-mounted solar projects this year, lifted the maximum allowed price for 20-year solar support contracts above Eur73/MWh (\$79/MWh).

Germany's renewables market is attracting a host of heavyweight newcomers as companies seek to capitalize on a major new development opportunity in Europe's largest economy.

The Platts Pexapark index for a 10-year solar PPA was pegged June 9 at Eur62.05/MWh for Germany compared to Eur37.98/MWh for Spain.

Solar capture prices in Germany averaged Eur61.89/MWh in May, a 24% discount to average baseload, while those in Spain averaged Eur60.10/MWh, a 19% discount, according to S&P Global data.

— Andreas Franke

### European capture prices mostly increase as Spanish prices edge down

- Spanish wind output rises 78% on week
- June 11 German solar price falls to Eur4.3/MWh
- UK onshore wind price tops week's index

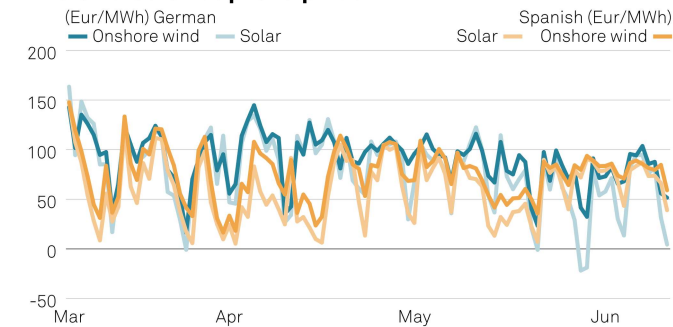
European renewable capture prices were bullish during the week ended June 11, in contrast to bearish Spanish capture prices, according to aggregate data from S&P Global Commodity Insights.

The Spanish solar price averaged Eur71.76/MWh after it edged down 5%, while the onshore wind price slipped 3% to Eur80.81/MWh for the week. The decline in the capture prices almost tracked the Spanish day-ahead power prices, which were also bearish on the EPEX exchange.

Solar power output in Spain remained almost stable week on week at 0.80 TWh, while wind output jumped more than 78% to just under 0.70 TWh, Fraunhofer ISE showed.

However, wind power in Spain is expected to fall in the coming days to as low as 2.7 GW on June 16, according to SpotRenewables.

### Wind and solar capture price

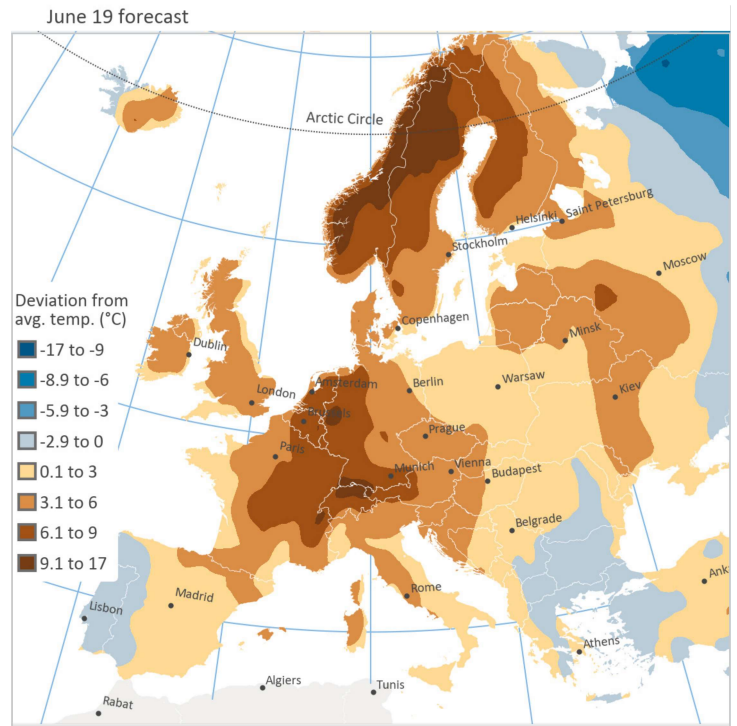


In contrast, German and French solar capture prices jumped more than 60% on the week and averaged Eur66.51/MWh and Eur64.75/MWh, respectively. Despite the significant increase, the countries' solar capture prices fell by the end of the week to Eur4.3/MWh for Germany and Eur13.34/MWh for France.

Also, solar generation in Germany fell 8% from the previous week to 2.2 TWh, while French output was slightly higher at 0.50 TWh.

In the UK, the onshore wind capture price moved to the top of the index at Eur98.66/MWh (GBP72.08/MWh) for week 23

### 5-day-ahead temperature deviation forecast



and was held at a premium to other markets. Meanwhile, wind generation in the UK is forecast to fall to just 1.5 GW on June 15, with a load factor of only 5%.

### European Renewable Capture price weekly averages

(Eur/MWh)	5-Jun to Jun-11			29-May to Jun-4		
	Solar	Onshore Wind	Offshore Wind	Solar	Onshore Wind	Offshore Wind
Germany	66.51	82.04	84.25	41.07	69.13	68.52
UK	85.05	98.66	83.62	80.49	93.36	77.89
France	64.75	77.02		38.61	61.45	
Italy	92.50	92.47		74.50	78.50	
Spain	71.76	80.81		75.89	82.90	

Source: S&P Global Commodity Insights

— Fatemeh Zahedi, Staff

### Google signs 15-year Dutch solar PPA with Kronos Solar EDPR

- 49 GWh/year supply
- Four solar farms, 40 MWac
- 85,000 bifacial panels

Kronos Solar EDPR has signed a 15-year corporate power purchase agreement with digital giant Google to offtake part of the production from four solar photovoltaic plants in the Netherlands, Kronos' majority owner EDP Renewables said June 14.

The projects have combined capacity of 40 MWac (50 MWdc) and are due online by 2024.

"For 15 years, Kronos Solar EDPR and Google partner for the annual production of more than 49 GWh of clean energy," EDPR said.