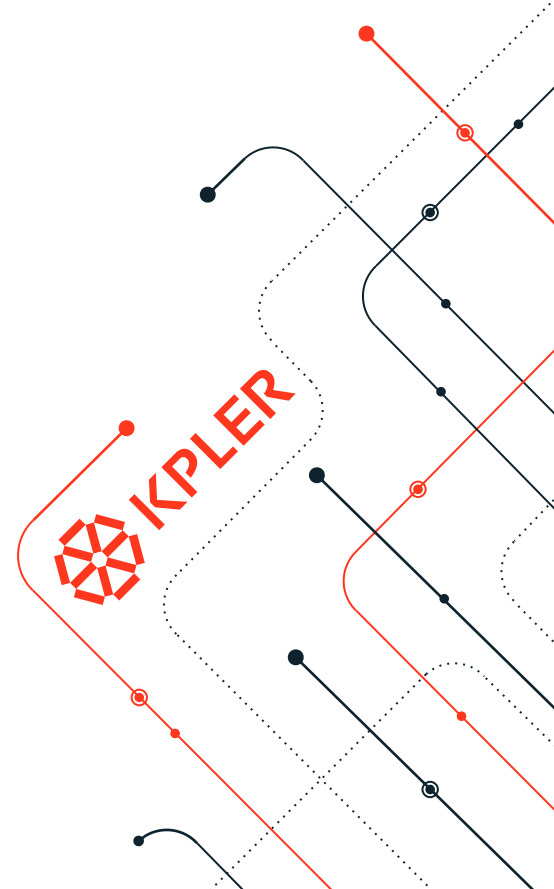


# Montel French Energy Day

October 5th 2023

Eméric de Vigan - VP Power, Kpler

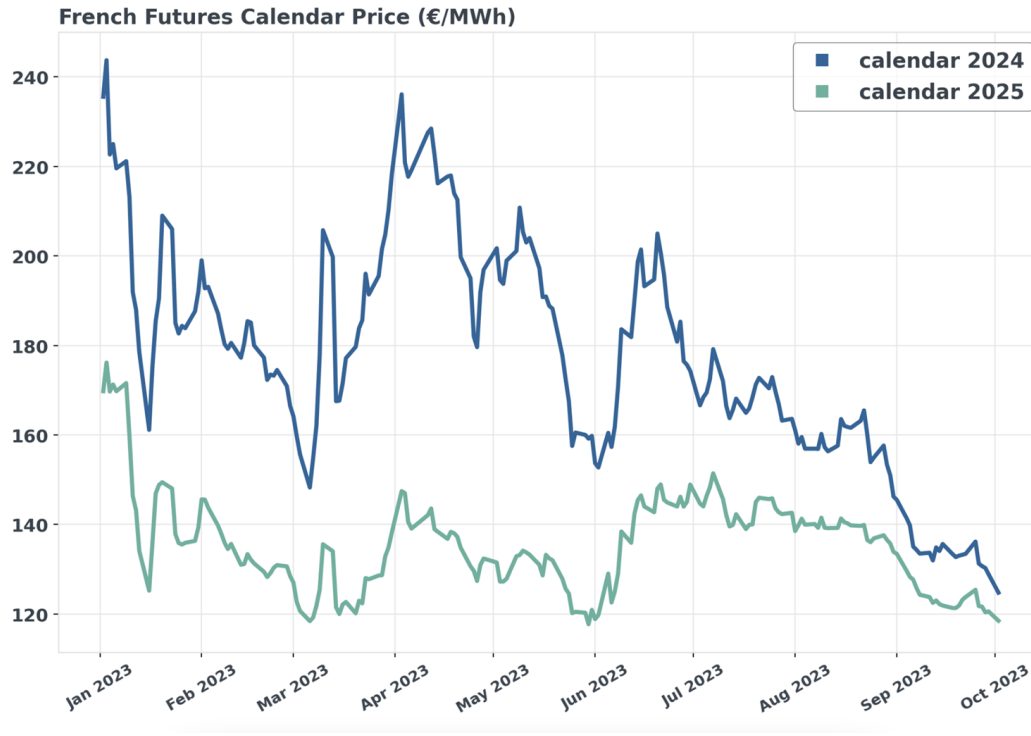
[edevigan@kpler.com](mailto:edevigan@kpler.com)



# Agenda

- **Introduction**
- **Price outlook** : how did we get there ?
- **Supply**
  - Nuclear ramp up
  - Impact of increased renewable capacity
- **Demand**
  - Destruction or recovery ?
- **Regulatory update**
  - ARENH...and after
- **Q&A**

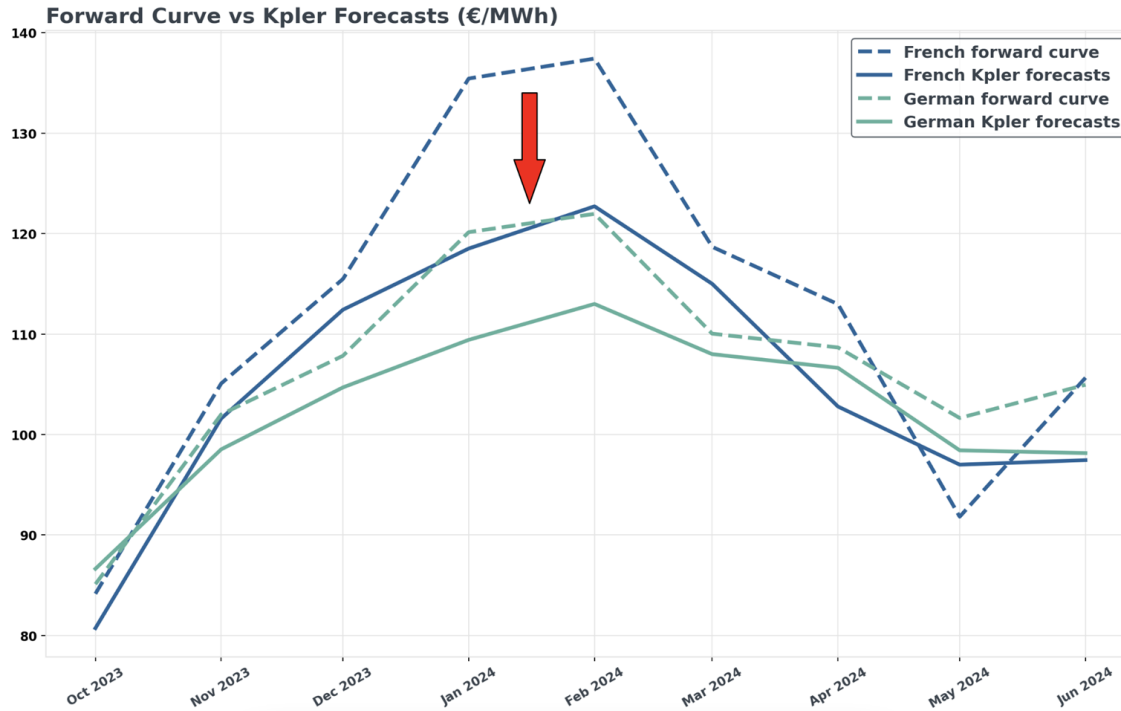
# How low can it go ?



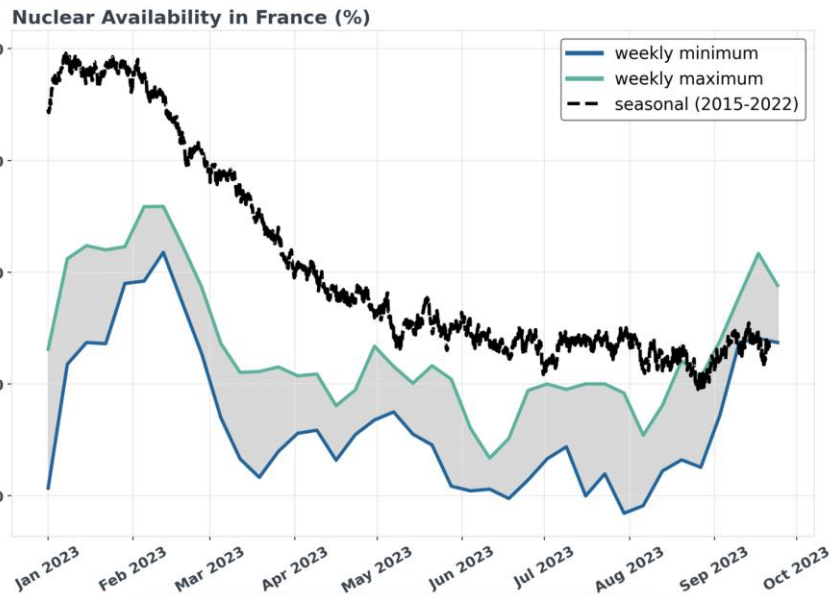
Source: Kpler Power / EEX

# Price outlook winter 2023/2024

- ❑ Are Markets back to fundamentals-driven price levels ?

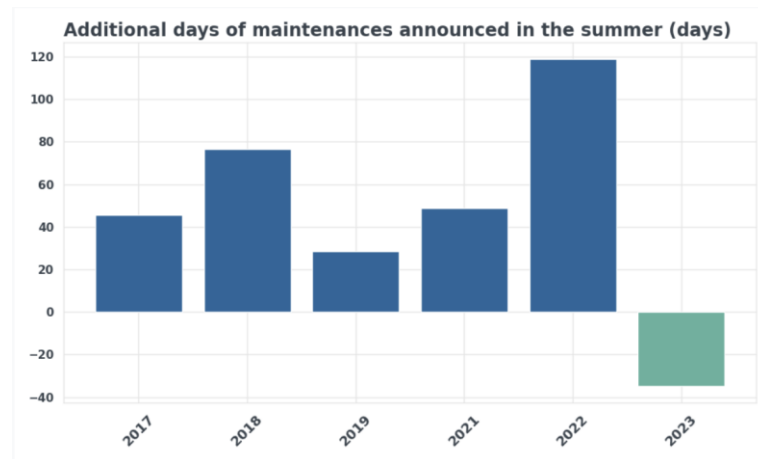


# Nuclear availability : some positive signals



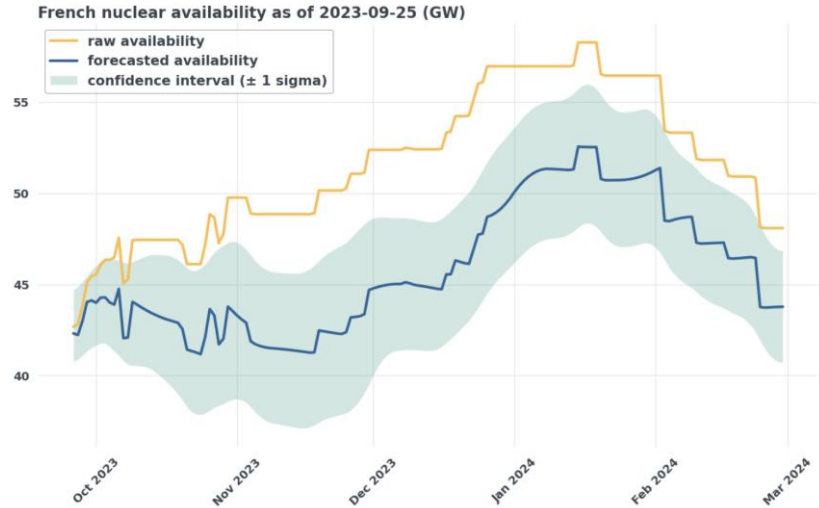
Source: Kpler

- No delays announced during summer
- Fewer reductions for fuel savings
- Better management of stress corrosion repairs
- Impact of new CEO



# Nuclear Availability Forecast

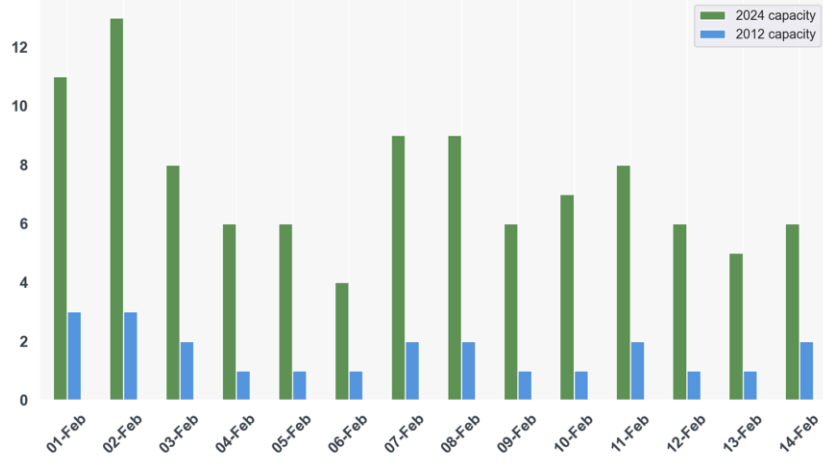
- ❑ Expecting maximum availability at **50/52 GW in January**, (5 GW below RTE/EDF curves)
- ❑ Uncertainty on specific sites
- ❑ Year to date production at 235 TWh (20/09/2023)
- ❑ EDF objective remains at 300-330 TWh



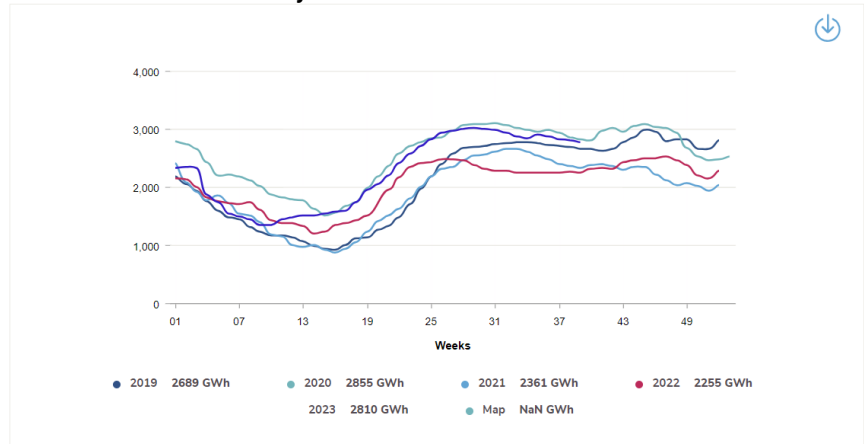
# Renewables contribution

- Renewable do contribute to security of supply
- Could the issue be in fact too much supply this winter ?

Cold Wave 2012: How much generation with 2024 renewables? (GW)



Hydro reservoirs



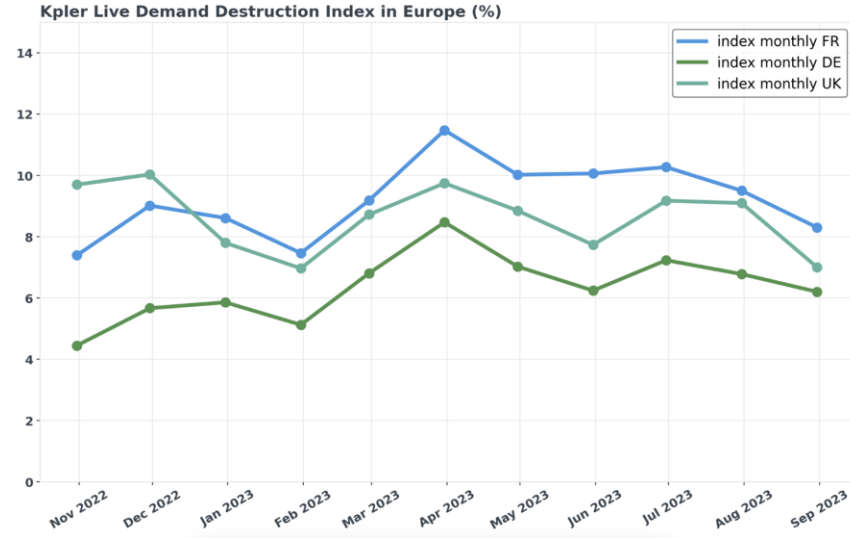
Source: Kpler/RTE

# Demand Destruction

## ❑ Kpler live demand destruction index

- ❑ Demand destruction still around 7.5 % across Europe
- ❑ We expect demand destruction for the winter 2023/2024 at around 7.5/8 %

- ❑ Futures power prices are still high, above 100 €/MWh
- ❑ Further measures taken by governments, individuals and industries to boost demand-side flexibility and energy efficiency





# Regulatory update

- ❑ ARENH window for curtailed volumes is now October-December
  
- ❑ Lower curtailment expected
  
- ❑ Uncertainty remains on new mechanism after 2024
  - ❑ Volume : all nuclear ?
  - ❑ Price : 61€/MWh ? 78€/MWh ?
  - ❑ Structure : CFD ? PPA ?

# Summary & conclusion

- ❑ Demand destruction is the main driver for looser supply/demand
- ❑ Despite nuclear ramp up, scenarios with no demand destruction and cold weather would see a significant amount of hours with potential shortage

