Montel French Energy Day

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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

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

Source: Kpler
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?

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