

16/17 April 2024
Amsterdam

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2024

Valuing
consumer
action

Understanding demand – European volumes and prices – Where are markets heading?



David Ceder
Head of Guarantees of Origin

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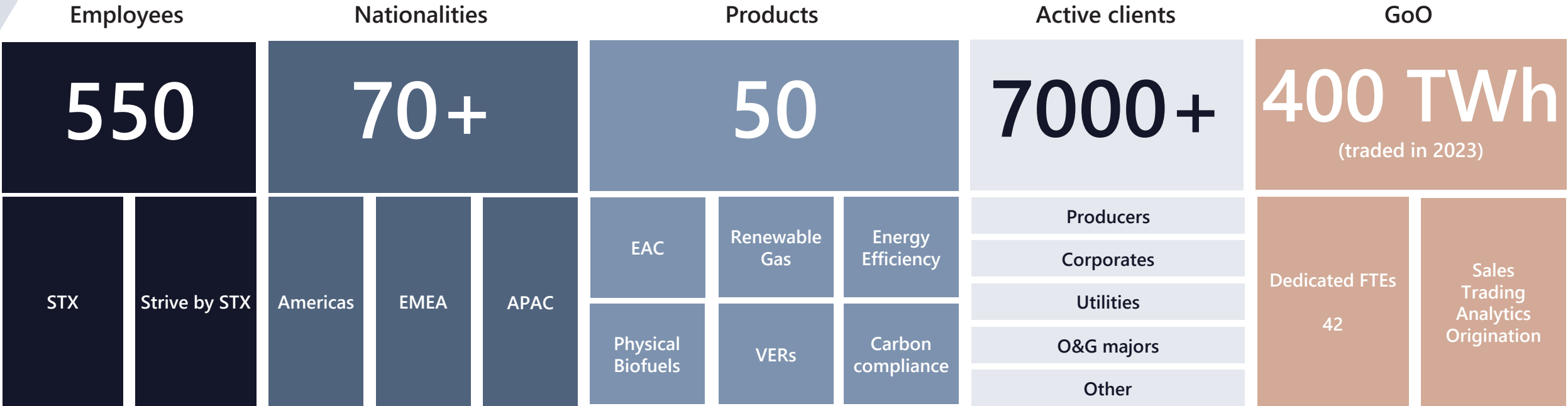
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Founded in 2005, STX Group a leading environmental commodities trader with global presence



Agenda

- 1** Production
- 2** Price development
- 3** Looking ahead



Production

960 TWh was produced on 2023 (+15% increase year on year)

Wind +17%

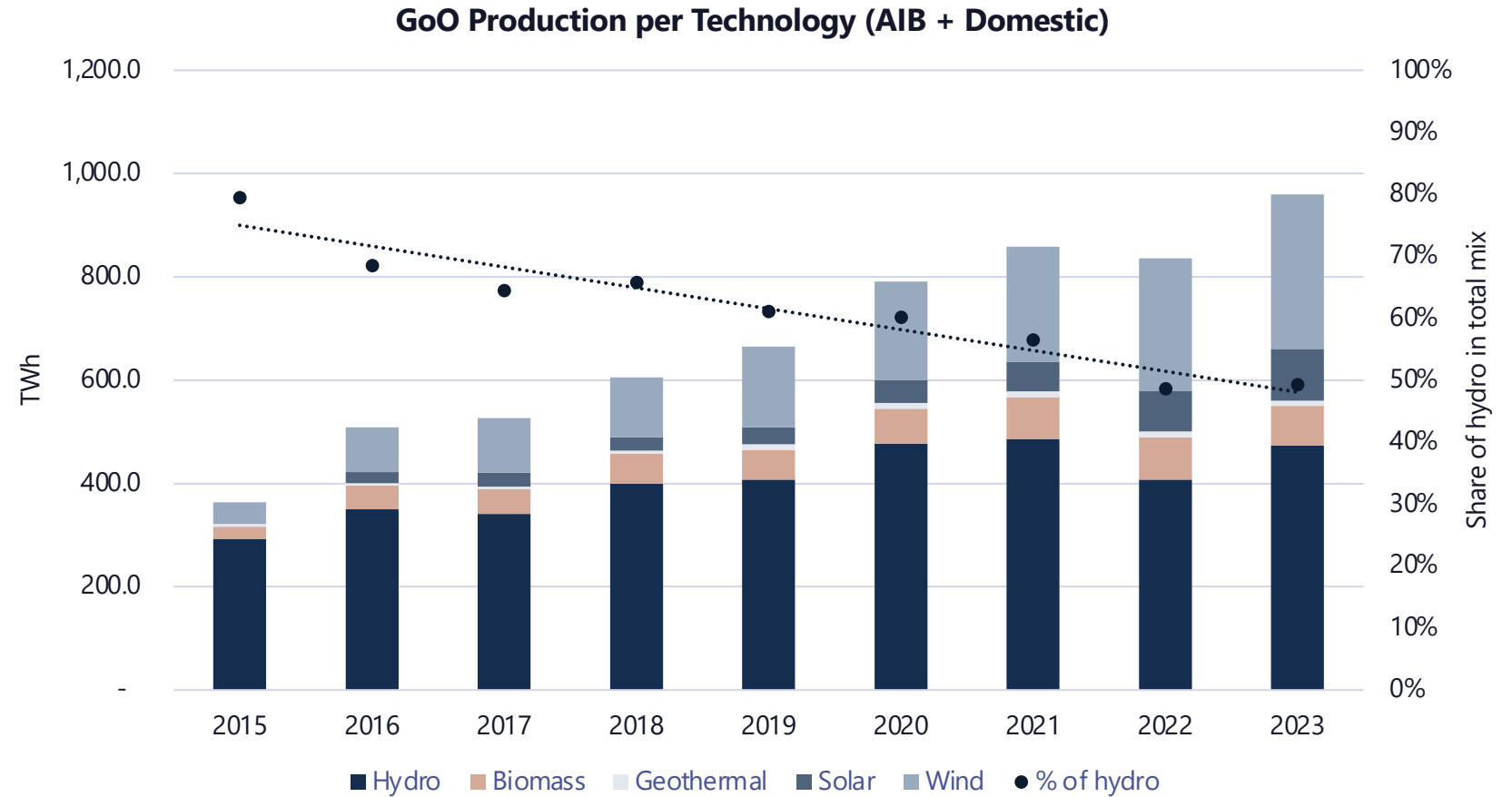
Solar +26%

Biomass -6%

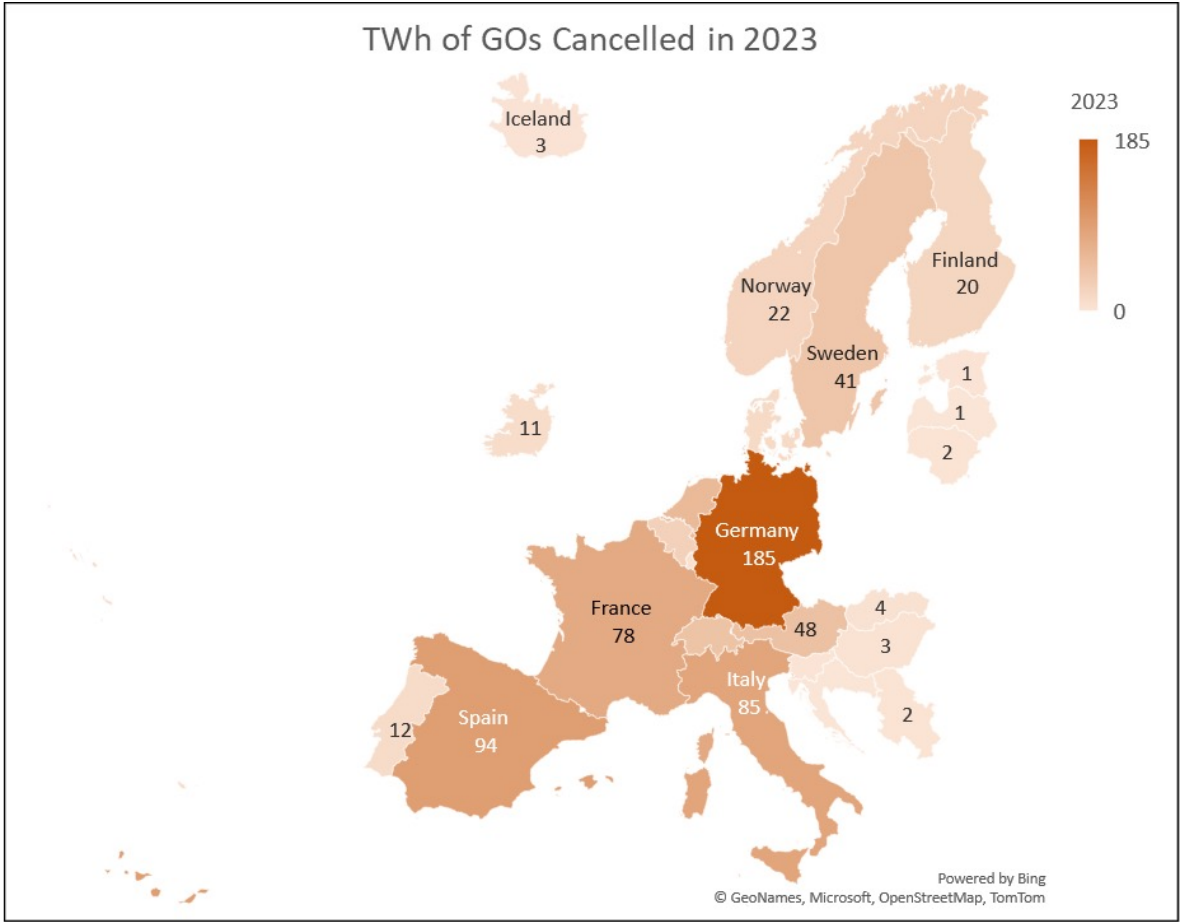
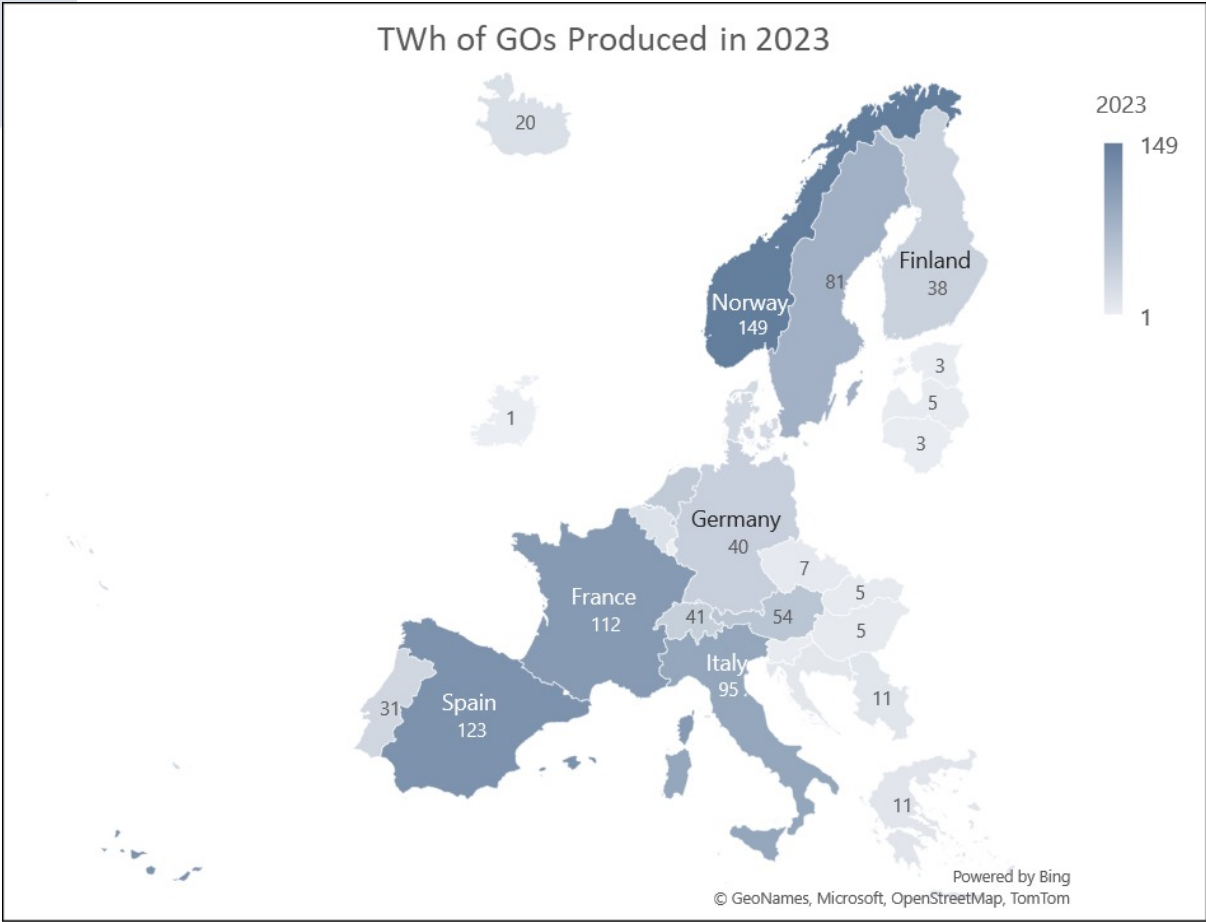
Hydro +16%

Hydro production recovered strongly in the second half of 2023 due to higher precipitation throughout Europe and Scandinavia.

Wind and Solar production continued to increase strongly due to added capacity.



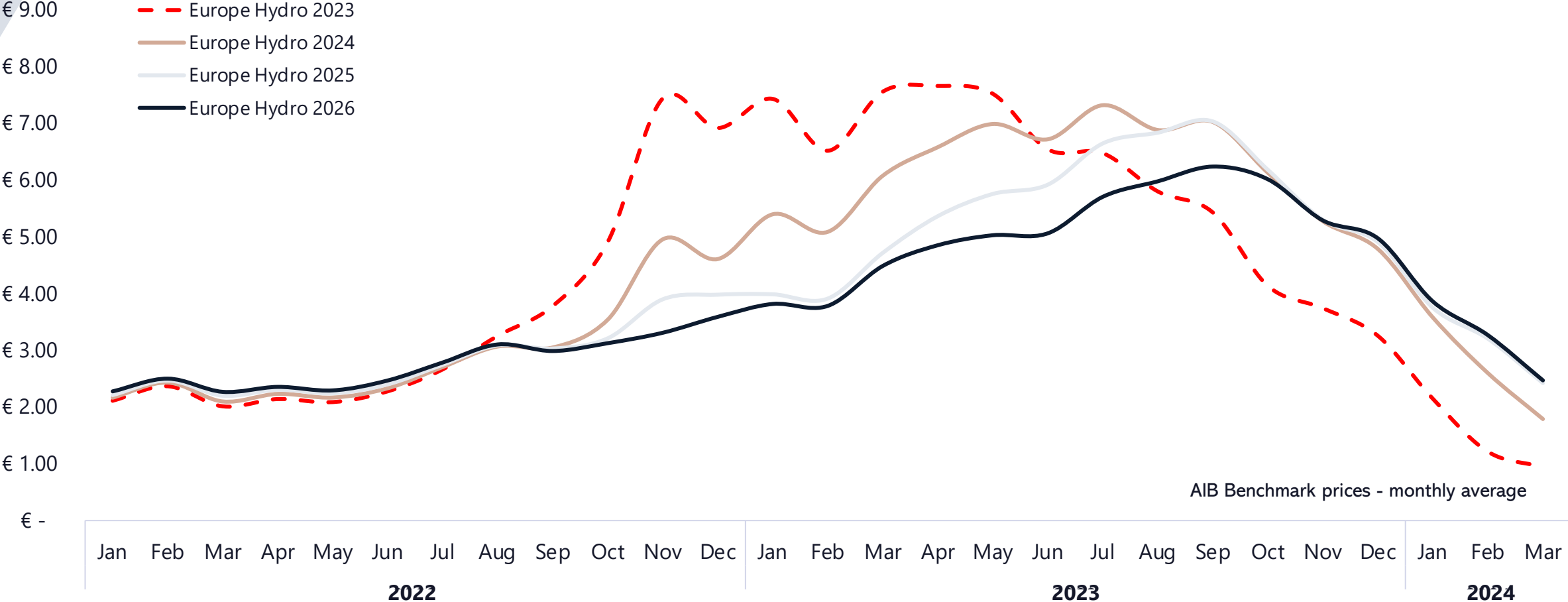
Issuance versus Cancellations



- Largest increase from France (19 TWh), Italy (15 TWh) and Spain (13 TWh)
- Smallest increase from Luxembourg (0.0 TWh), Iceland (0.1 TWh) and Estonia (0.1 TWh)

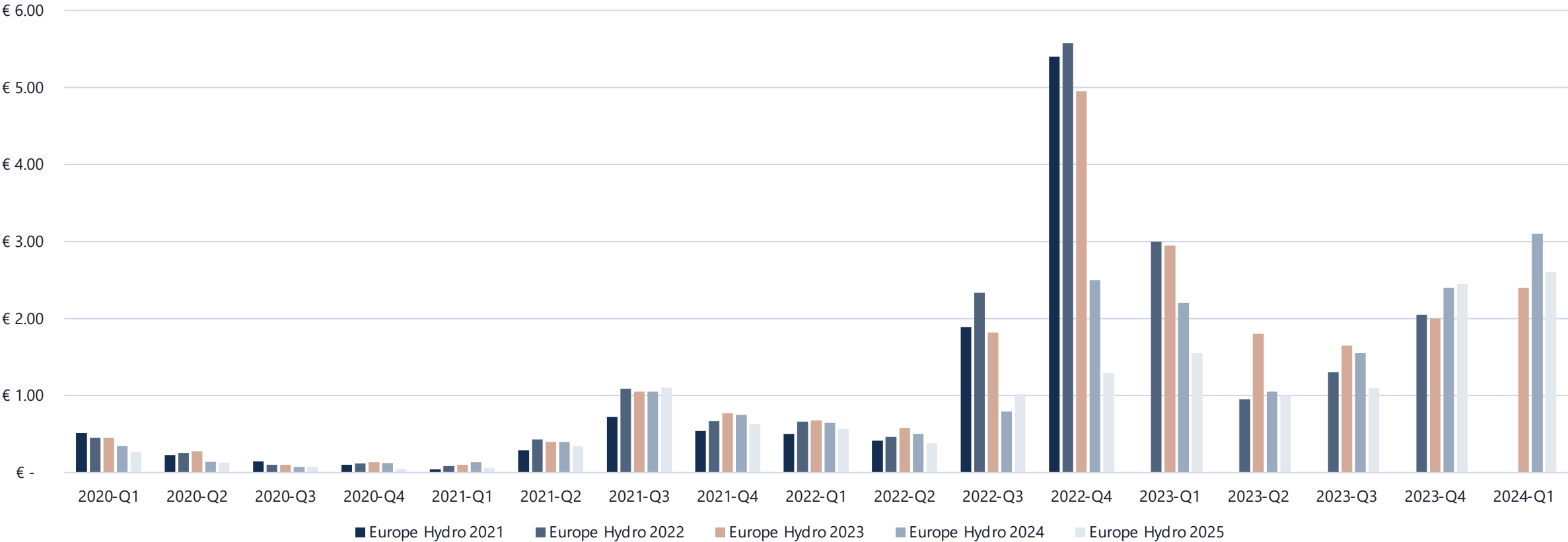
- Largest increase from Germany (43 TWh), Italy (14 TWh) and France (11 TWh)
- Largest decrease from Sweden (-24 TWh), Finland (-8 TWh) and Norway (-7 TWh)

Price Development of GoOs – Backwardated to Contango

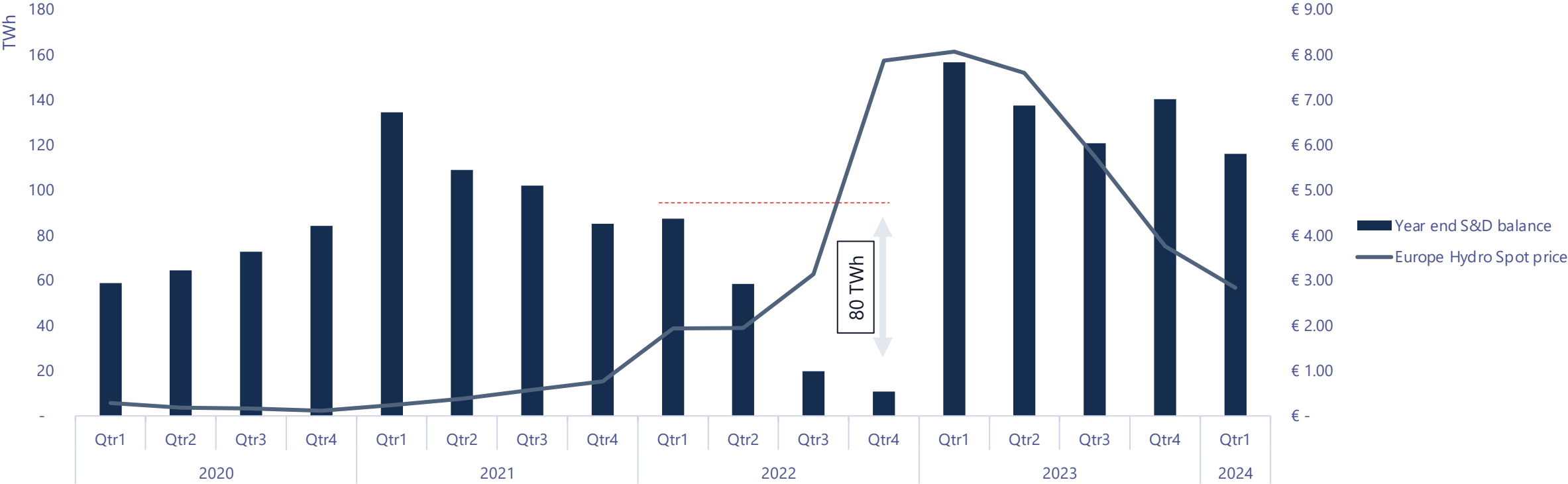


GOOs are increasingly more volatile

Monthly Volatility of European Hydro GO price

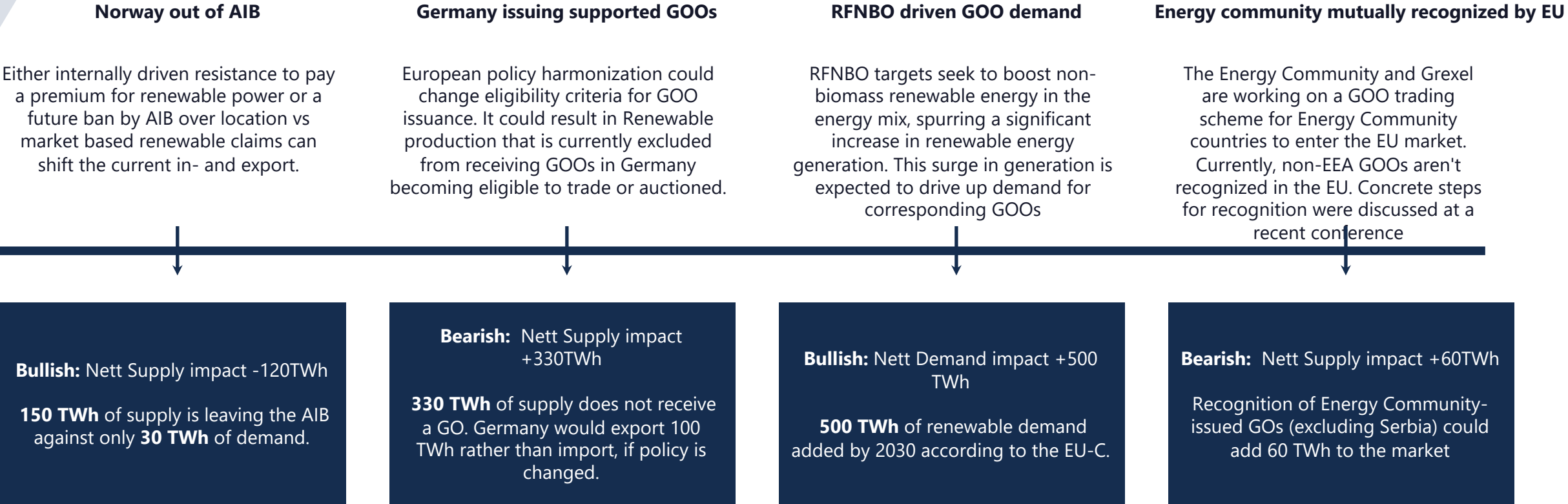


A slight imbalance due to reduced production can squeeze prices



80 TWh change in S&D increased prices 800%

What is the effect of potential policy changes on prices?



The market is maturing

1 Hedging behaviors

- Higher volatility is resulting in ad-hoc buying/selling becoming substantially more risky
- Increased demand for longer term solutions
- New pricing structures (floating price and options)

2 Increased transparency

- Increased amount market data available
- Additional platforms and auctions
- Full disclosure

3 Higher frequency of trade

- Market is growing in all aspects
- New trading-oriented counterparties entering the market
- Market participants are becoming more educated



Thank you for listening!

David Ceder
Head of Environmental Commodities – Europe
David.ceder@stxgroup.com
stxgroup.com