

Liberalization of EU Energy Markets Value for the Industry?

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Vienna, May 26th, 2009

Topics



unchanged

- Coal market
- Oil market
- "Make or Buy" decisions
- Competition of Fuels

changed

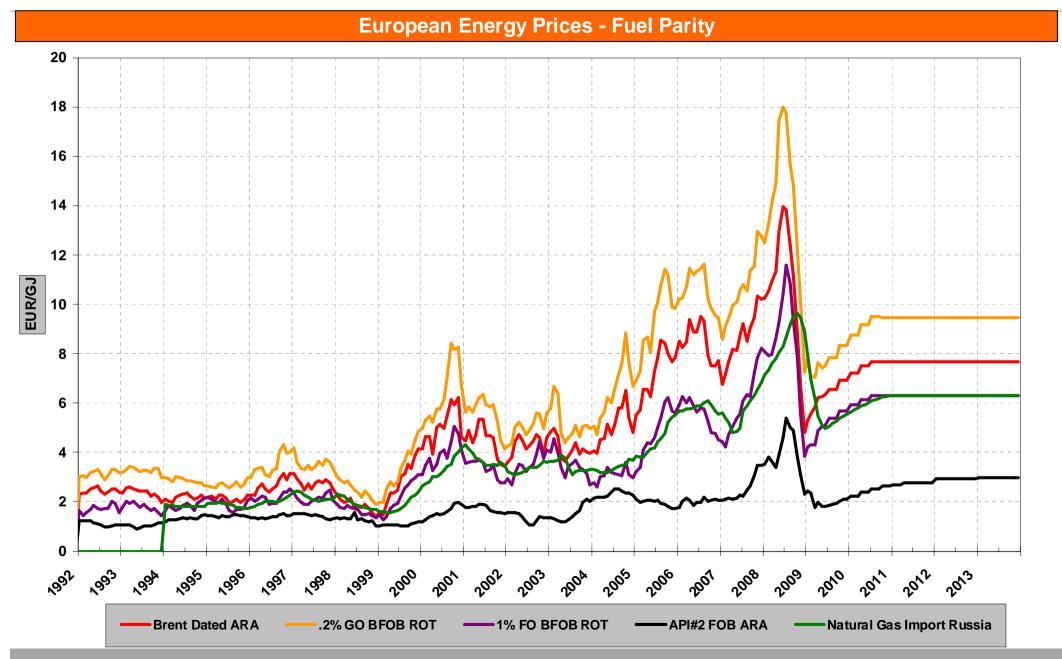
- Cross subsidies
- Regulation
- Investment Incentives
- Transparency
- Hedging
- Global vs local
- Energy costs

new

- Unbundling
- Regulator
- Exchanges for Power and Gas
- Labelling
- Energy Taxes
- RE Subsidies
- Gas to Gas Competition

Fuel Parity

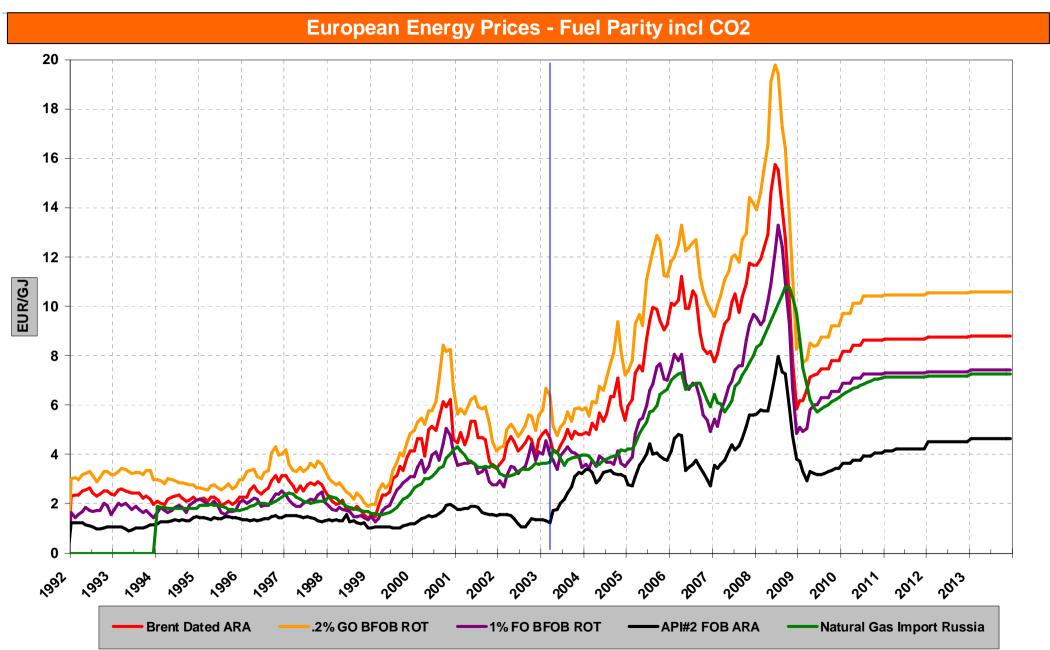




Source: own calculations

Fuel Parity (clean)

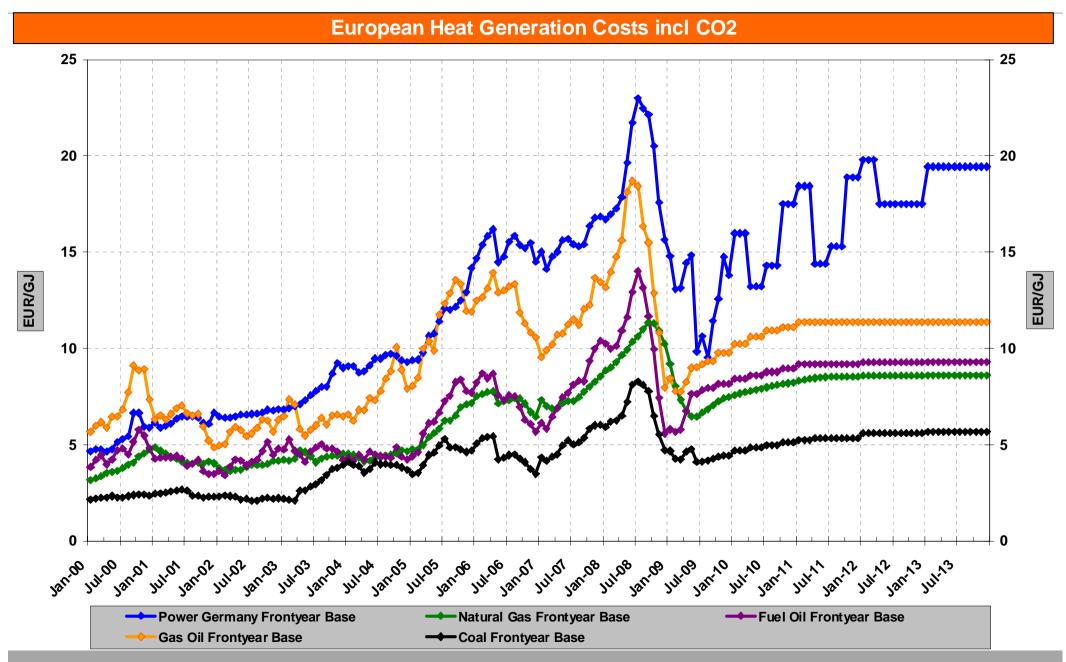




Source: own calculations

Fuel Parity - Power





Source: own calculations

Energy Costs



Energy Costs

Energy tax

RES subsidy

Commodity

Grid Costs

- Varies heavily by country
- Caps for some industries
- •"new" costs
- Matter to change
- Risk of strong increase
- Caps for some industries
- •liberalised markets
- Maturity varies by country
- High volatility
- Different price models
- Regulated prices
- •"cost" based
- Various parameters

Commodity Costs



Commodity Costs Volume Risk

Price Risk

Profile Risk

Structuring

Costs

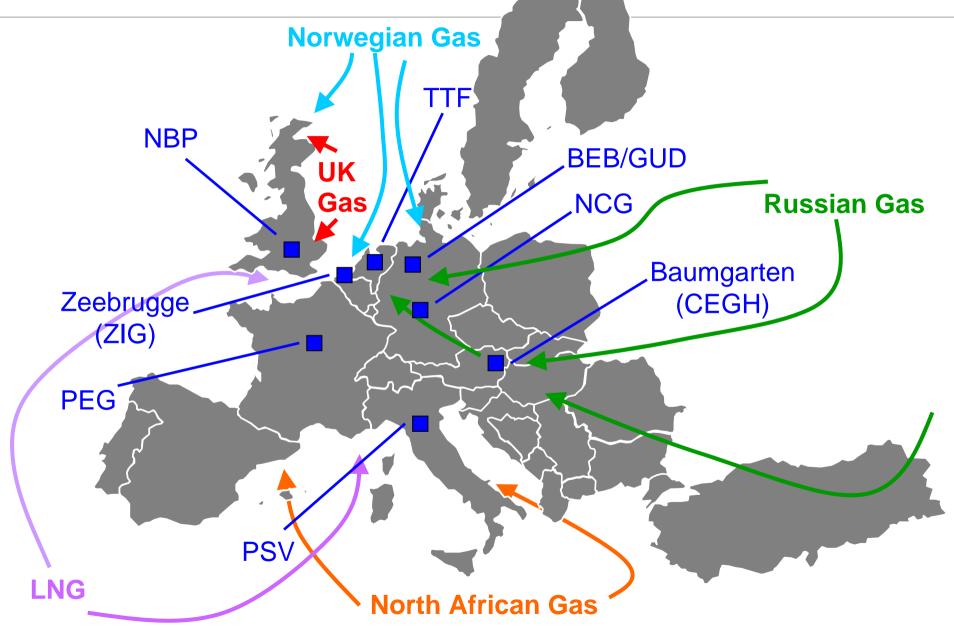
Handling fee

Energy

- monthly/annual volumes
- Offer duration
- Balancing energy
- Unplanned changes
- Day/Night
- •Summer/Winter
- Fees at market places
- •Fees for market regime
- Margin of supplier
- Price formulas
- Volatility
- Timing
- Markets (forward/spot)
- Markets (regions)

Gas to Gas Competition







There is nothing so stable as Change.

«Robert Allen Zimmerman»