

# Elcertificates

## **A Summary**

The most important facts and events effecting electricity certificates.

## **B News & Politics**

Focus on renewables and support scheme 2021–2030.

## **C Reports & Analysis**

Selected summary of important external reports and analyses.

## **D Growth of Renewables**

Statistics and forecasts on growth and investment, as well as news on selected projects.

## **E Price Development**

What has affected prices in recent months and what are our expectations going forward?

## **F Insight**

PPA – a prerequisite for build-out?  
Interviews with Google and Norsk Hydro.

## **G Chronicle**

Confusion at a high level – summary of the Montel electricity certificate conference in Oslo.



Welcome to our first 2018 issue of our electricity certificate report! We look forward to an eventful and interesting year together.

Our goal with this publication is to provide our readers with insight into the most important events with an impact on renewable energy build-out and the electricity certificate market. This year we follow, with great interest, the falling surplus, the investigation on a stop mechanism, investments in wind- and solar parks and much more. In addition, interesting interviews and insightful chronicles.

In this first 2018 publication we discuss PPAs with Google and Norsk Hydro and we summarize our thoughts and learnings from the Montel annual electricity certificate conference.

We have a new website – please visit us [here](#).

Enjoy!

Bodecker Partners' expertise within Swedish electricity certificates and carbon emission rights, as well as the Nordic power market, is first-class. We offer independent advisory services to power producers and renewable energy investors in addition to tailored portfolio management services for electricity certificates and carbon emission rights.

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**ABOLISHED GRID CONNECTION FEE** for Swedish offshore wind. Proposals presented in February. Could mean 10% cost reduction and have a major impact on the electricity certificate – if part of system.

**STOP MECHANISM** for 2020–target of 18 TWh is extremely important for the system and prices. Investigation to be presented December 20th and a combination of volume–based and time–based rule has been suggested.

**RENEWABLE TARGET** within the EU Energy package is still unclear. Council position is 27% and Parliament in favour of 35%.

**FORECASTS NORDIC POWER** show many different scenarios. Most analyses point to souring prices, but anywhere between EUR 27 – 45 per MWh is on the table to 2025. Large price area differences to expect according to SvK development plan.

**2 TWH INVESTMENT DECISIONS** only in December. Now less than 9 TWh left to 2030–target. The stop mechanism design is crucial.

**ELECTRICITY CERTIFICATE PRICE** has risen after the year end. Falling surplus, upcoming cancellation date and stop mechanism discussions provide upside while risks of an overbuilt system act in opposite direction. Continued much lower prices for longer contracts. We discuss the issues; Do we have a surplus? What can stop the build–out? How can a stop rule be designed?

**MONTELS ELCERTIFICATE CONFERENCE** is summarized in our chronicle. Large consensus on a probable build–out beyond targets (next year already?) but greater uncertainty about consequences. Actions can be taken, interest rates may rise – or prices can collapse even before 2025. “Wind Power investors should offset 6–8% in revenue calculations due to cannibalization effect” was also an interesting mention.

## Google and Norsk Hydro – PPAs is a matter of course

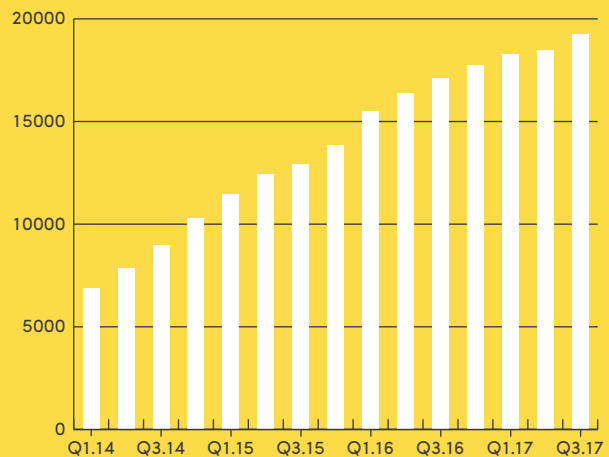
Take part of our interesting interviews with Norsk Hydro and Google around their corporate purchasing agreements on electricity from Nordic wind and hydro producers.

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Spot prices elcertificates (SEK)



Elcertificate eligible production (GWh)



Left to 2020–target: 28,4 TWh and 2030–target: 46,4 TWh.

19,3 TWh in operation      1,8 TWh above 2020–target  
 10,9 TWh in construction      16,2 TWh left to 2030–target

EXCL. INVESTMENT DECISIONS

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