



# 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**

Banks' views on market and hedging strategies – interviews with Swedbank and DNB

## **G Chronicle**

The wind power company as merchant energy trader



Welcome to the third electricity certificate report of this year!

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 issue, we get a deeper insight into how banks view market development and if increasing prices have affected requirements on long-term hedges. Fredriks chronicle describes alternatives to extended low-prices PPA agreements in »the wind power company as merchant energy trader«.

Please visit our webpage or, even better, visit us »live« in the beautiful west harbour of Malmö!

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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# A Sammanfattning

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**STOP MECHANISM** design has become a bit clearer after presentations from the Swedish and Norwegian energy agencies. A pure volume limit or a volume limit with a scale-down approach seems to be the main options. Decisions can be taken at the earliest next spring and implementation possible from January 1, 2019.

**GUARANTEES OF ORIGIN** may be threatened if the dispute between Polarbröd and the Consumer Agency ends up badly. At the same time, the interest in GoOs on the continent is increasing, and the price has risen by 300% in the last year.

**EU RENEWABLE- AND EFFICIENCY TARGETS** are finalised. Compromise decision is 32% resp. 32.5%

**IN GERMANY**, the process of determining a plan for coal phase-out and grid expansion has been started. Furthermore, the country has held its first auctions for solar and wind where solar won all bids.

**POWER PRICE FORECASTS** have increased further in light of rising fuel and CO2 prices. More upside is expected, but short-term factors such as low hydro balance may have had a too large effect.

**MAXIMUM 4 TWH LEFT** in the electricity certificate system. This is our, still conservative estimate. Remaining investment decisions are expected this year, making it essential to follow the construction process of future projects.

**THE WIND POWER COMPANY AS MERCHANT ENERGY TRADER** is the title of Fredrik's chronicle. A vision of the wind power company doing active hedging and extracting more value from its assets at a controlled risk level.

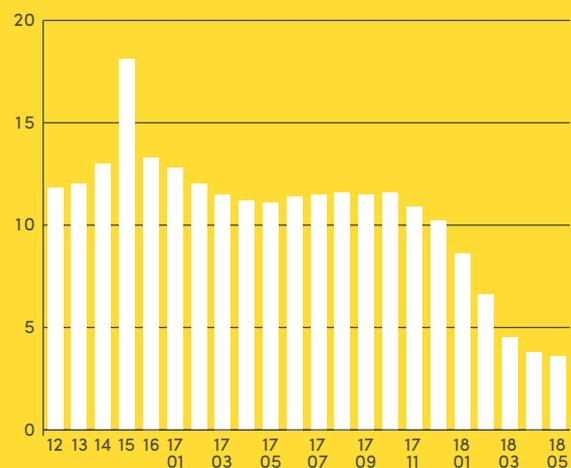
Read our interesting interviews with Swedbank och DNB on pages 21-23



## Spot Prices Elcertificates (SEK)



## Cumulative Excess (TWh)



The trend of rapidly falling balance has stopped but balance now below 4 TWh and there is further downside.

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