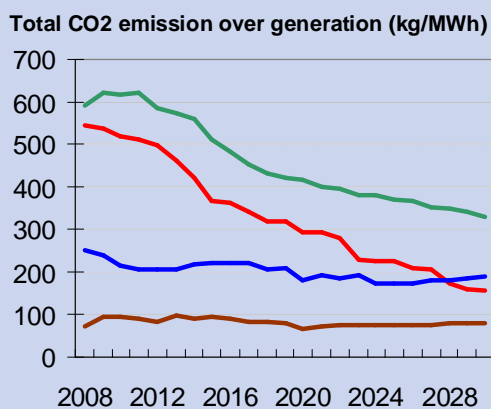
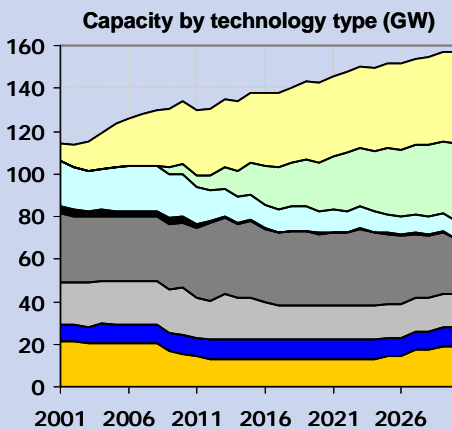


THE GERMAN WHOLESALE POWER MARKET 2008-2030

IN A NORTH-WEST EUROPEAN CONTEXT

Strategic Consultancy and
Modelling Services in
European Energy Markets

May 2008



- Will the nuclear phase-out agreement be revised? Although it seems likely that the phase-out process will be reversed at some point in the coming decade, when can we expect this to take place? How many of the existing nuclear plants will have been closed before then?
- Are the climate goals set out by the German government for 2020 realistic? Can they be achieved without a reversal in the nuclear phase-out? How will offshore wind capacity develop?
- Will the German market continue to be dominated by coal-fired generation in the future? Many of the new coal projects currently proposed are facing increased scrutiny from local governments. Will there be a switch to gas and when will CO2 capture storage technology be economically viable?
- How will the large incumbents (E.ON, RWE, ENBW and Vattenfall) develop? Will increasing pressure from the regulator and the EU lead to divestments and increase competition?

In our latest multi-client market study, we focus on the German power generation market in order to take a fresh look at the above questions. Through the development and modelling of a Base scenario, we present the results of an in-depth power market study. We explore the development of new capacity, interconnection, prices, spreads and profitability. To undertake this task, we use the PLEXOS for Power Systems market modelling tool to derive detailed results for the period 2008-2030. Besides Germany, we have modelled the entire north-west European market (including France, Belgium and Netherlands) and present selected result for these markets.

Note: This report is in presentation (Powerpoint) format. This makes it easier for the reader to highlight the main conclusions whilst still presenting plenty of background and discussion.

Clients purchasing this report will benefit from Elan's deep insight into the north-west European power markets. The report is well structured and in-depth, providing solid background for important assumptions and a detailed discussion of study results.

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