



July 2011

AUCTIONING OF EMISSION ALLOWANCES IN GERMANY

Periodical Report: Second Quarter 2011

Imprint

Published by:

German Emissions Trading Authority (DEHSt)

at the Federal Environment Agency

Bismarckplatz 1

14193 Berlin

Phone: +44 (0) 30 8903 5050

Fax: +44 (0) 30 8903 5010

www.dehst.de/EN

E-Mail: emissionshandel@dehst.de

Editors: Section E 2.3

TABLE OF CONTENTS

1. Report - Second Quarter 2011	5
1.1. Market Surveillance Report by the HÜSt	6
1.2. Overview of the Second Quarter 2011	6
1.3. Overview of the current Year.....	8
2. Bidder Participation	10
2.1. Participation.....	10
2.2. Volume Demand	11
3. Auctions and the Secondary Market	13
3.1. Trading Volume on the Secondary Market.....	13
3.2. Clearing Prices and Price Development on the Secondary Market.....	15

LIST OF TABLES

Table 1:	Overview of the 2 nd Quarter 2011	6
Table 2:	Overview of auction data for the 2 nd Quarter 2011 (spot).....	7
Table 3:	Overview of auction data for the 2 nd Quarter 2011 (futures)	7
Table 4:	Overview of the current year 2011.....	9
Table 5:	Clearing prices (futures) and deviations from the secondary futures market price (ICE/ECX Dec11) in the 2 nd Quarter of 2011	16
Table 6:	Clearing prices (spot) and deviations from the secondary market price (BlueNext und ICE/ECX) in the 2 nd Quarter of 2011	17

LIST OF ILLUSTRATIONS

Figure 1:	Number of participating and successful bidders per auction in the 2 nd Quarter of 2011 (spot).....	10
Figure 2:	Number of participating and successful bidders per auction in the 2 nd Quarter of 2011 (futures).....	11
Figure 3:	Bid volumes on the futures and spot markets for the 2 nd Quarter of 2011.....	12
Figure 4:	Trading volume on the entire market (spot) and relative share of German auctions (EEX) in the 2 nd Quarter of 2011	13
Figure 5:	Trading volume on the entire market (future) and relative share of German auctions (EEX) during the 2 nd Quarter of 2011.....	14
Figure 6:	Clearing prices (futures) and volume-weighted average prices at ICE/ECX (Dec2011 Future) in the 2 nd Quarter of 2011.....	18
Figure 7:	Clearing prices (spot) and daily average price at the BlueNext spot market in the 2 nd Quarter 2011.....	18

1. REPORT - SECOND QUARTER 2011

Since January 2010, the Federal Republic of Germany has been offering an annual total of 40 million emission allowances (EUAs) for auctioning. Between 2010 and 2012 the auctions are held weekly at the spot and futures markets of the [European Energy Exchange EEX](#) in Leipzig (see info box below). The German Emissions Trading Authority (DEHSt) at the Federal Environment Agency has commissioned the KfW banking group to act as vendor (seller) of allowances at the EEX on behalf of the Federal Government. Further updated information on terms and conditions of participation is to be found on the EEX website¹. Previous Periodical Reports are available on the auctioning website of the DEHSt².

Info Box: Participation, Deadlines and Procedure

Weekly auctions of futures or spot contracts at EEX are part of normal exchange trading. Participation is possible either directly for EEX members or indirectly via a broker or as a client of an EEX member. This ensures that small and medium-sized enterprises that have no dedicated trading department can also benefit from the auctions. Exchange members already admitted to emissions trading on the EEX can participate in the weekly auctions at no cost or fixed charges.

From 2010 to 2012, auctions will be held on separate dates between January and October - 300,000 allowances for immediate delivery (spot contract) are auctioned every Tuesday and 570,000 allowances to be delivered by December (futures) are auctioned every Wednesday. From November of each year, 870,000 allowances will be auctioned weekly on the spot market. The exact auction dates are published in the EEX Auction Calendar: [European Energy Exchange Auction Calendar 2011](#)

The auction procedure is broadly laid down in the Ordinance on the Auctioning of Emission Allowances (Emissionshandels-Versteigerungsverordnung, EHVV 2012). A single-round, uniform-price procedure is applied at auctions. All successful bidders pay the same price. Auctions are conducted with a closed order book, and bidders can only see their own bids. The minimum bid is 500 allowances in auctions on the spot market and 1,000 allowances in auctions on the futures market.

¹see: [European Energy Exchange: EUA-Primary Market Auction](#)

²see: [DEHSt - Reports by DEHSt on the Auctioning of EU Allowances in Germany](#)

1.1. Market Surveillance Report by the HÜSt

In order to guarantee above-board market activities free of manipulation on the EEX, continuous surveillance is conducted by an independent Market Surveillance Office (Handelsüberwachungsstelle, HÜSt), as required under German law. The HÜSt reports to the DEHSt in regular internal reports on the results of its surveillance activities. HÜSt reported on auctions in the second quarter of 2011 as follows (excerpt):

"The auctions of emission allowances at the EEX on behalf of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety in the second quarter of 2011 took place following the defined procedure and without any disturbances. For this period, the Market Surveillance of the EEX could not detect any irregularities and especially no behaviour of bidders that aims at manipulating the auction price."

1.2. Overview of the Second Quarter 2011

Between April and June 2011 a total of 11,310,000 emission allowances (EUAs) with a total value of €183,768,000 were auctioned. Due to market price developments over the past 12 months, revenues increased by around 8 percent compared to the second quarter in 2010 (€169,900,500). The volume-weighted revenue per allowance was €16.25 (€15.02).

Of the total volume auctioned, 7,410,000 emission allowances worth €120,954,000 (average price €16.32) were futures contracts (MidDec2011) and 3,900,000 emission allowances worth €62,814,000 (average price €16.11) were sold at spot auctions (see Table 1). Auction results per auction date are shown in detail in Tables 2 (spot) and 3 (futures).

Table 1: Overview of the 2nd Quarter 2011

Contract	Number of Auctions	Bid Volume	Auction Volume	Cover Ratio	Clearing Price	Revenue
Spot	13	44,932,000	3,900,000	*11.52	*16.11 €	62,814,000 €
Futures	13	63,697,000	7,410,000	*8.60	*16.32 €	120,954,000 €
Total	26	108,629,000	11,310,000	**9.60	**16.25 €	183,768,000 €

* Period average

** Volume-weighted average

In total, at 26 auction dates, valid bids for just over 108 million allowances were entered into the trading system. Aggregated bidder demand during the reporting period exceeded supply by a factor of 9.60. The spot market cover ratio (11.52) was slightly higher than that of the futures market (8.60), reflecting an unusually high cover ratio on the spot auction on May 24th. Average

bidder participation on the futures and spot markets reached virtually the same level at approximately six participants.

Table 2: Overview of auction data for the 2nd Quarter 2011 (spot)

Date	Number of Bidders	Bid Volume	Auction Volume	Cover Ratio	Clearing Price	Revenue
05/04/2011	6	3,350,000	300,000	11.17	16.84 €	5,052,000 €
12/04/2011	7	2,955,000	300,000	9.85	16.33 €	4,899,000 €
19/04/2011	7	2,275,000	300,000	7.58	16.20 €	4,860,000 €
26/04/2011	5	949,000	300,000	3.16	16.42 €	4,926,000 €
03/05/2011	5	1,225,000	300,000	4.08	16.92 €	5,076,000 €
10/05/2011	7	3,031,000	300,000	10.10	16.71 €	5,013,000 €
17/05/2011	7	2,838,000	300,000	9.46	16.51 €	4,953,000 €
24/05/2011	7	9,230,000	300,000	30.77	16.06 €	4,818,000 €
31/05/2011	3	3,600,000	300,000	12.00	16.90 €	5,070,000 €
07/06/2011	5	3,276,000	300,000	10.92	16.42 €	4,926,000 €
14/06/2011	4	3,640,000	300,000	12.13	16.26 €	4,878,000 €
21/06/2011	5	840,000	300,000	2.80	14.92 €	4,476,000 €
28/06/2011	5	7,723,000	300,000	25.74	12.89 €	3,867,000 €
June	19	15,479,000	1,200,000	*12.90	*15.12 €	18,147,000 €
April to June	73	44,932,000	3,900,000	*11.52	*16.11 €	62,814,000 €

*Period average

Table 3: Overview of auction data for the 2nd Quarter 2011 (futures)

Date	Number of Bidders	Bid Volume	Auction Volume	Cover Ratio	Clearing Price	Revenue
06/04/2011	7	4,400,000	570,000	7.72	17.23 €	9,821,100 €
13/04/2011	7	8,405,000	570,000	14.75	16.62 €	9,473,400 €
20/04/2011	6	5,142,000	570,000	9.02	16.90 €	9,633,000 €
27/04/2011	6	1,050,000	570,000	1.84	16.93 €	9,650,100 €
04/05/2011	7	8,095,000	570,000	14.20	17.18 €	9,792,600 €
11/05/2011	4	3,121,000	570,000	5.48	16.86 €	9,610,200 €
18/05/2011	5	5,681,000	570,000	9.97	16.52 €	9,416,400 €
25/05/2011	5	7,300,000	570,000	12.81	16.19 €	9,228,300 €
01/06/2011	3	4,950,000	570,000	8.68	16.93 €	9,650,100 €
08/06/2011	6	2,380,000	570,000	4.18	16.50 €	9,405,000 €
15/06/2011	5	2,768,000	570,000	4.86	16.24 €	9,256,800 €
22/06/2011	5	7,425,000	570,000	13.03	14.83 €	8,453,100 €
29/06/2011	5	2,980,000	570,000	5.23	13.27 €	7,563,900 €
June	24	20,503,000	2,850,000	*7.19	*15.55 €	44,328,900 €
April to June	71	63,697,000	7,410,000	*8.60	*16.32 €	120,954,000 €

* Period average

1.3. Overview of the current Year

In the first half of 2011, a total of 22,620,000 emission allowances (EUAs) worth €356,316,600 were auctioned (average revenue €15.75). Of the total auction volume, 14,820,000 emission allowances worth €235,056,600 (average revenue €15.86) were futures contracts (MidDec2011) and 7,800,000 emission allowances worth €121.260.000 (average price €15.55) were auctioned on the spot market, in accordance with legal requirements. The cumulated auction results of the current year are shown in Table 4.

Taking into account the legally fixed **basic annual amount of 40 million emission allowances**, there is a remainder of 17,380,000 EUAs to be auctioned. So far, 56.55 percent of the basic annual amount has been auctioned between January and June 2011.

Every year, additional allowances from the national reserve are auctioned to cover the cost incurred by the Federal Government in the exercise of its duties and responsibilities in connection with emissions trading. **The annual refinancing volume** of EUAs is calculated from the average auction clearing prices of the calendar months January to October and will be announced by the DEHSt in line with the legal requirements by the 05th of November 2011 at the latest.

Thus, the definite number of emission allowances to be auctioned, comprising the basic annual amount and the refinancing volume will be finally determined at the beginning of November. From 2008 to 2010, the annual refinancing volume amounted to approximately 1 million EUAs, resulting in an annual total of approximately 41 million EUAs.

Table 4: Overview of the current year 2011

Month	Contract	Number of Auctions	Bid Volume	Auction Volume	Cover Ratio	Clearing Price	Revenue
January	Spot	4	5,931,000	1,200,000	*4.94	*14.14 €	16,965,000 €
	Futures	4	11,877,000	2,280,000	*5.21	*14.51 €	33,071,400 €
February	Spot	3	8,657,000	1,200,000	*7.21	*14.66 €	17,595,000 €
	Futures	4	14,081,000	2,280,000	*6.18	*14.87 €	33,892,200 €
March	Spot	5	11,693,000	1,500,000	*7.80	*15.92 €	23,886,000 €
	Futures	5	25,105,000	2,850,000	*8.81	*16.54 €	47,139,000 €
April	Spot	4	9,529,000	1,200,000	*7.94	*16.45 €	19,737,000 €
	Futures	4	18,997,000	2,280,000	*8.33	*16.92 €	38,577,600 €
May	Spot	5	19,924,000	1,500,000	*13.28	*16.62 €	24,930,000 €
	Futures	4	24,197,000	2,280,000	*10.61	*16.69 €	38,047,500 €
June	Spot	4	15,479,000	1,200,000	*12.90	*15.12 €	18,147,000 €
	Futures	5	20,503,000	2,850,000	*7.19	*15.55 €	44,328,900 €
January to June	Spot	25	71,213,000	7,800,000	*9.13	*15.55 €	121,260,000 €
	Futures	26	114,760,000	14,820,000	*7.74	*15.86 €	235,056,600 €
Total		51	185,973,000	22,620,000	**8.22	**15.75 €	356,316,600 €

* Period average

** Volume-weighted average

2. BIDDER PARTICIPATION

2.1. Participation

The total quantity of auctioned emission allowances during the second quarter amounted to 11.31 million allowances and went to 70 successful bidders. Of all bidders, 42 participated in the futures market, while the remaining 28 took part in the spot market. Thus, the number of successful trading participants remained slightly below the levels of the second quarter in the previous year (86). The total number of bidders actively participating in the auctions during the reporting period was 144.³ From a bidder's perspective, the average success rate over all twenty-six auction dates was almost 50 percent. The average quantity awarded per successful bidder was approximately 140,000 allowances in spot and almost 180,000 allowances in futures auctions.

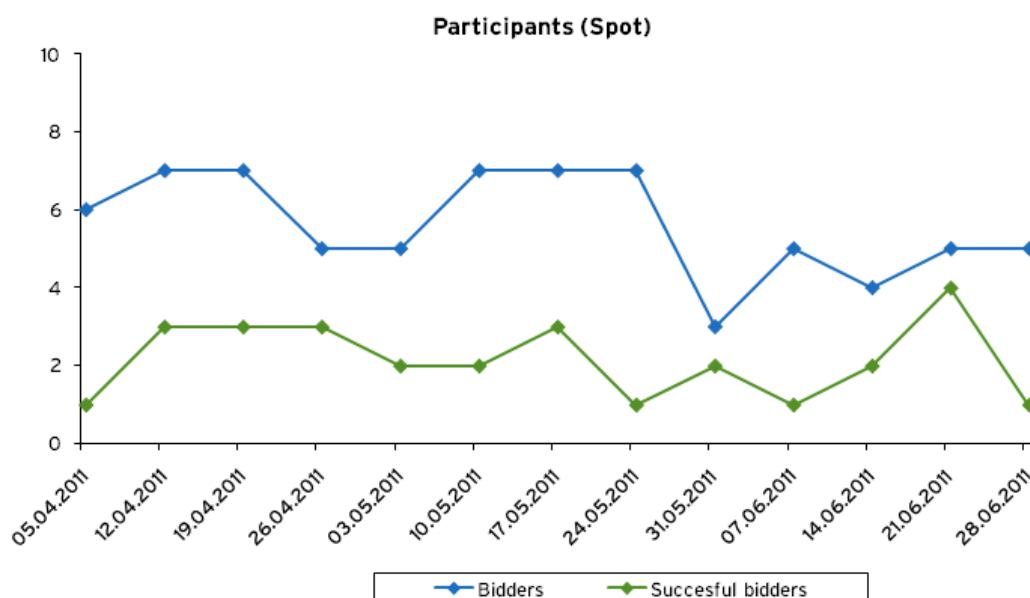


Figure 1: Number of participating and successful bidders per auction in the 2nd Quarter of 2011 (spot)

Figures 1 and 2 show the structural development of participant numbers for spot and futures markets respectively. In both segments, bidder participation became increasingly stable, varying between 5 and 7 bidders. Only 4 out of 26 auctions saw fewer than 5 active bidders.

³ As trading participants are allowed to enter bids on several successive dates, the number of participating and successful bidders does not necessarily reflect the true number of different parties taking part in auctions over the reporting period. It must also be taken into account that bidders were able to participate indirectly via intermediaries such as banks and financial service providers, which is not reflected in the quoted number of participants. Numbers only include trading participants acting as intermediaries, not indirect third-party bidders.

The number of eventually successful bidders fluctuated more in the second quarter than the number of active trading participants. The fluctuation rate of 75 percent of all auctions was between 2 and 4 successful bidders. At four auction dates during the second quarter of 2011, participation remained below the threshold of two successful bidders.

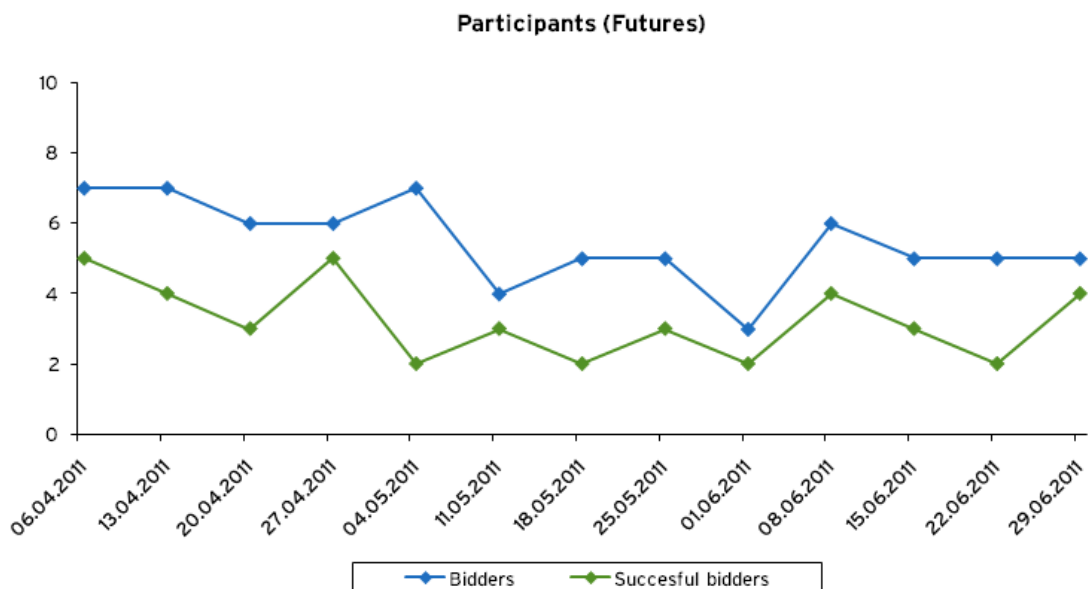


Figure 2: Number of participating and successful bidders per auction in the 2nd Quarter of 2011 (futures)

2.2. Volume Demand

The aggregated volume of bids per futures auction date was between 1.05 und 8.41 million allowances in the second quarter. The corresponding cover ratios during the reporting period thus fluctuated between 4.18 and 14.75 (average 8.60). On the spot market, bidder demand fluctuated between 0.84 and 9.23 million allowances. The corresponding cover ratios were between 2.80 and 30.77 (average 11.52).

The extreme fluctuations between subsequent auction dates may be explained not only by actual fluctuations in demand, but also by the fact that the number and volume of bids a single bidder can submit to the trading system is unlimited. Thus, in theory, bidders could enter several individual bids into the order book and exceed the volume of allowances to be traded -300,000 on the spot market or 570,000 allowances on the futures market. Such behaviour seems to be perfectly acceptable from a procedural perspective and allows the bidder to submit staggered bids, depending on the price development on the lead market (see also Info Box below).

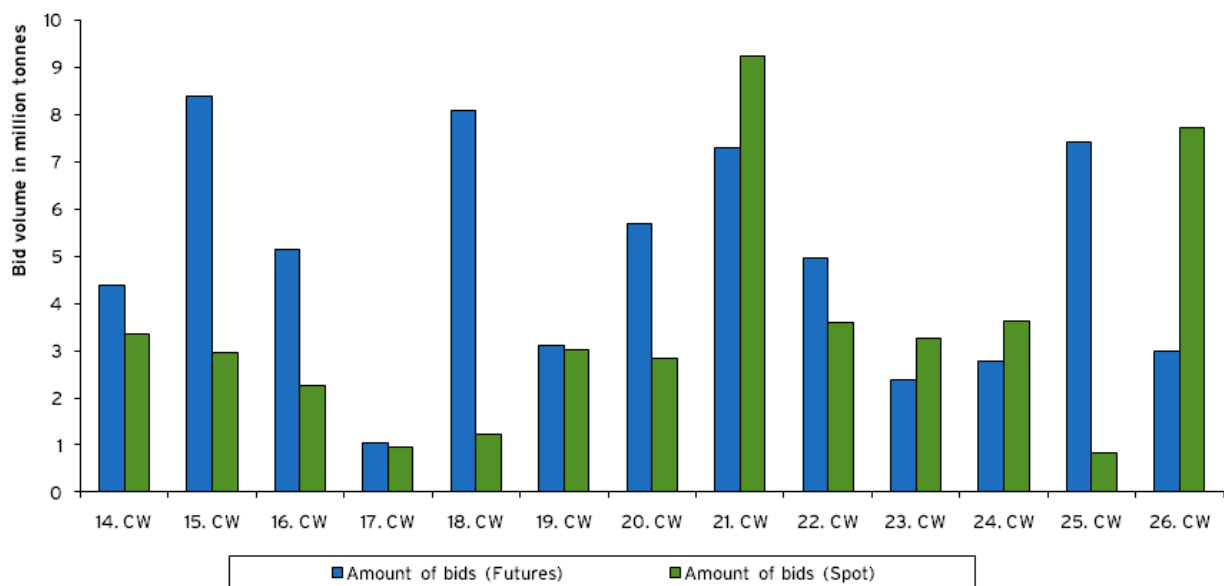


Figure 3: Bid volumes on the futures and spot markets for the 2nd Quarter of 2011

Info Box: Uniform Price Auction at the EEX

The German auctions at the EEX follow the uniform price procedure, which is common practice throughout the European Union. It involves one round of bidding and a closed order book. This simple and robust procedure protects against market manipulation and will continue to be used during the third trading period and for aviation. The uniform price procedure means that all successful bidders pay the same price. The auction clearing price is determined by ranking all eligible bids, beginning with the highest bid, according to the bidding price.

In the event of a tied bid, the bids are additionally ranked according to the time they were entered, beginning with the earliest bid ("first-come-first-served principle"). Starting with the highest bid, the volumes of the bids are aggregated until the volume of emission allowances on offer (300,000 (spot) and 570,000 (futures)) is reached. The bid price at which the aggregate volume of bids reaches or exceeds the offered volume of auctioned allowances determines the auction clearing price.

Bidders will thus be awarded their bid volume if their bidding price at least matches the auction clearing price. If a bid exactly matches the clearing price, the bidder may be awarded the remaining allowances, which may be below the volume demanded, depending on the bidding situation. If several participants' bid exactly matches the auction clearing price, the above-mentioned "first-come-first-served" principle applies.

3. AUCTIONS AND THE SECONDARY MARKET

3.1. Trading Volume on the Secondary Market

While a total of 11.31 million emission allowances were auctioned by the KfW banking group during the second quarter, the secondary market trading volume for the same period was around 894 million allowances (1.27 billion in Q2 2010).⁴ The average market share of German auctions was 1.2 percent. Figures 4 and 5 show the market volumes traded during the reporting period and the corresponding share of the German auction volume per calendar week (CW), for the spot and futures markets respectively.

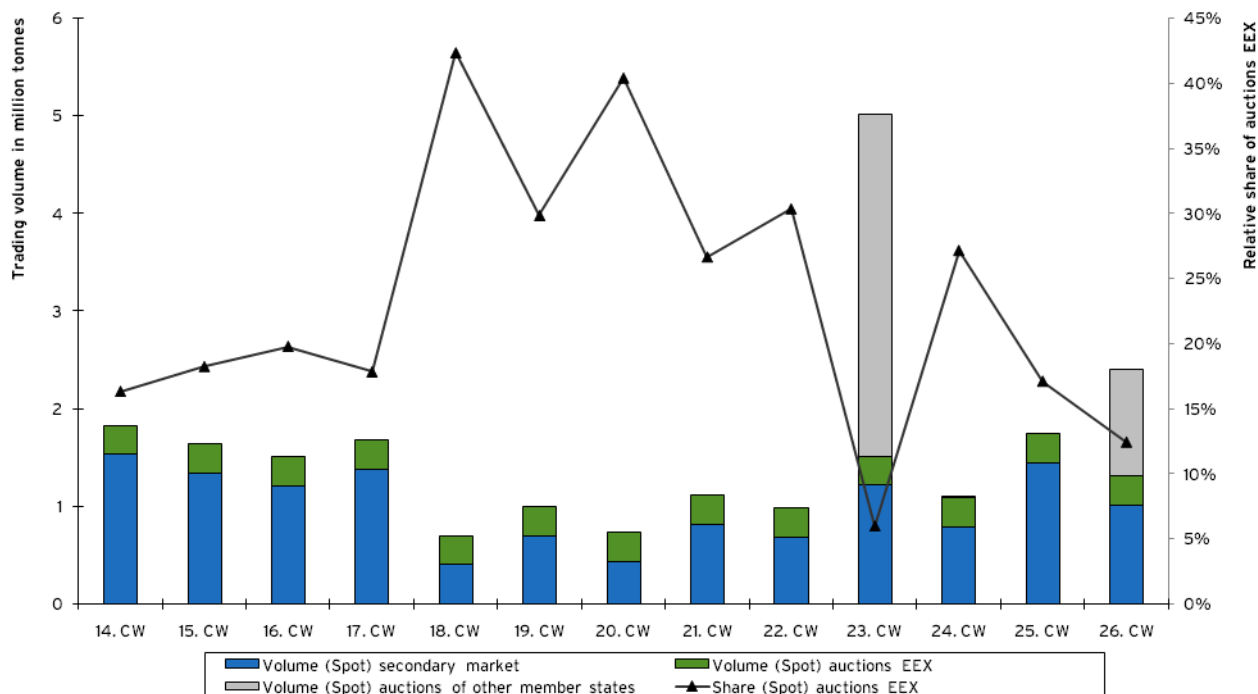


Figure 4: Trading volume on the entire market (spot) and relative share of German auctions (EEX) in the 2nd Quarter of 2011

⁴ The analysis only includes transaction for immediate delivery (spot) and futures contracts maturing in December 2011, which are traded at the ICE/ECX, BlueNext, EEX, Nasdaq OMX and GreenX exchanges. Only transactions concluded at the exchange (screen-traded) or bilateral transactions that went through the exchange clearing mechanisms are included, whereas options and longer-maturing futures contracts are not included. Spot contracts auctioned by other EU Member States during the second quarter of 2011 are also included.

At the beginning of the second quarter (14th to 17th calendar week), the weekly trading volume on the entire market for spot contracts was approximately 1.5 to 1.8 million tonnes. Accordingly, the share of the German auction volumes remained stable between 16 and 20 percent. As a consequence of considerably decreasing trade volumes on the secondary market (spot), the share of German auction volumes increased significantly at first and then fluctuated between 26 and 42 percent. In June, secondary trading of spot contracts regained stability near-April levels. In the 23rd and 26th calendar weeks, spot market auctions in other EU Member States took place alongside the weekly German auctions, which brought the German share of the market volume down to 6 and 12 percent respectively.

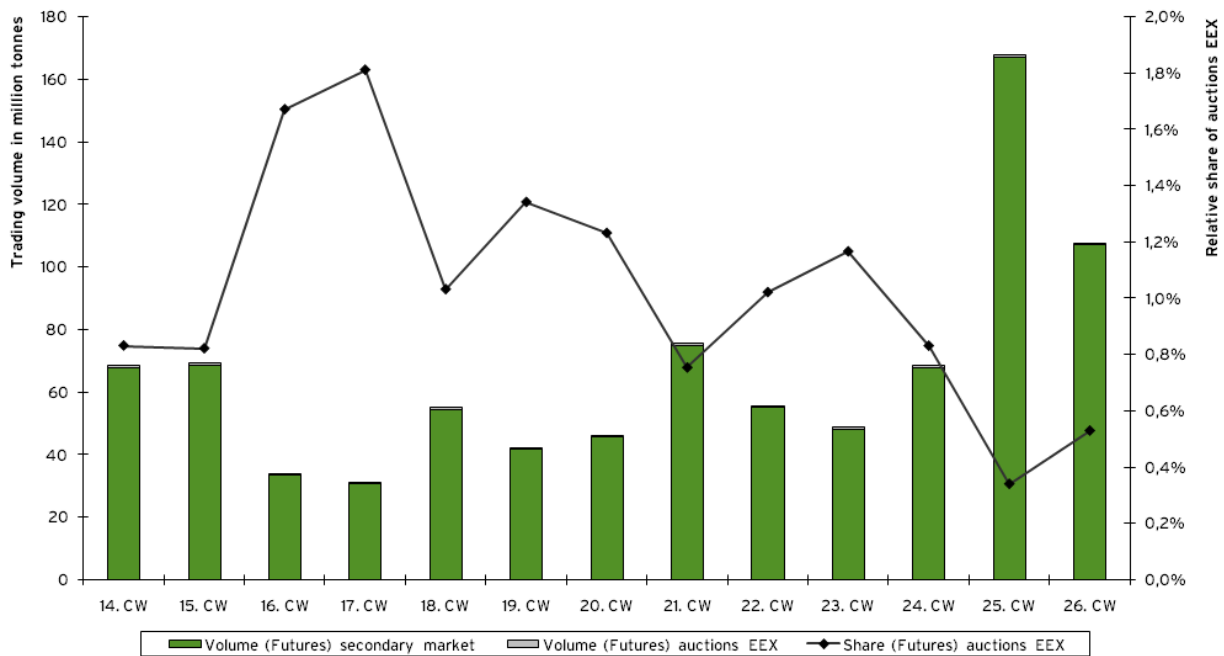


Figure 5: Trading volume on the entire market (future) and relative share of German auctions (EEX) during the 2nd Quarter of 2011

Weekly volume shares in futures auctions (Dec11) fluctuated between 0.3 and 1.8 percent (see Figure 5). A sharp rise in trading volume on the secondary futures market in calendar weeks 25 and 26 made the German auction volume share drop temporarily to 0.3 and 0.5 percent respectively. On average, however, the share was approximately 1 percent during the second quarter.

3.2. Clearing Prices and Price Development on the Secondary Market

For the evaluation of auction clearing prices realised, reference prices from the most liquid exchanges were used as benchmarks (see next Info Box). The reference contract for the auctioning of the MidDec11 futures contract is the Dec11 Future, traded at the London ICE/ECX, whereas the BlueNext EUA spot market in Paris is the reference for spot markets.

Table 5 shows the relative deviations of clearing prices in futures auctions from the futures lead market in London right at the end of the bidding period. The “last trade” and the “last best bid” are used as reference prices. Table 5 shows deviations of the futures clearing price from the relevant last bids at the futures market at the ICE/ECX (Dec11 Future). Table 6 shows the deviations of the clearing prices in spot auctions from the relevant best bid of the BlueNext spot market, complemented by data from the ICE/ECX (Dec11 Future) futures market.

Info Box: Reference Prices

In regular exchange trading, participants enter their buying and selling requests (bids and asks) into an order book, which is constantly updated. As in German auctions, such buying bids include quantity and price limits. The price limit is the highest price a buyer is prepared to pay for the purchase of an allowance. Sellers, too, can put a price limit on their bid, i.e. a minimum price per allowance sold.

The order book is open to inspection by any participant. It shows the currently highest purchase offer (best bid) and the lowest sales offer (best ask) with the relevant quantities. Trading occurs where best bid and best ask overlap. The best bid is therefore a good indicator for the willingness to pay on a market. Trading price records finally show at what price limits supply equals demand.

Table 5 shows the relative deviations of clearing prices at futures auctions from the London futures market. Over all 13 auction dates, the median deviation from the last best bid was -0.05 percent, while the corresponding deviation from the last trade was -0.15 percent. Deviations for individual auction dates during the reporting period varied between -0.18 und +0.06 percent for last best bid and between -0.27 and 0.00 percent for last trade, which is comparable to the previous quarter.

Table 5: Clearing prices (futures) and deviations from the secondary futures market price (ICE/ECX Dec11) in the 2nd Quarter of 2011

Auction Date	Contract	Clearing Price	Deviation from Lead Market (ICE/ECX Dec11)	
			Last Best Bid	Last Trade
06/04/2011	Futures	17.23 €	-0.06%	-0.17%
13/04/2011	Futures	16.62 €	0.06%	-0.12%
20/04/2011	Futures	16.90 €	0.06%	-0.06%
27/04/2011	Futures	16.93 €	-0.18%	-0.24%
04/05/2011	Futures	17.18 €	0.00%	-0.06%
11/05/2011	Futures	16.86 €	-0.06%	-0.12%
18/05/2011	Futures	16.52 €	0.06%	0.00%
25/05/2011	Futures	16.19 €	-0.06%	-0.12%
01/06/2011	Futures	16.93 €	-0.12%	-0.18%
08/06/2011	Futures	16.50 €	-0.12%	-0.18%
15/06/2011	Futures	16.24 €	-0.12%	-0.18%
22/06/2011	Futures	14.83 €	0.00%	-0.27%
29/06/2011	Futures	13.27 €	-0.15%	-0.23%
Futures		*16.32 €	*-0.05%	*-0.15%

* Period average

The fragmentation on the entire spot market, highlighted in the last quarterly report by the DEHSt, has become less pronounced during the second quarter of 2011. However, market participants continued to value spot contracts auctioned by the Federal Republic of Germany, with a premium of around two percent compared to the secondary market until April (Table 6). From May, deviations of auction clearing prices from the secondary market price at BlueNext returned to between -0.35 and +0.47 percent, which is approximately the same as at the beginning of the year.

Deviations of clearing prices on the spot market from the Futures Dec11 contracts remained at -1.07 to -2.61 percent over the entire trading period, which is usual in functioning markets where spot markets are normally rated lower than front-year contracts. The average deviation for all 13 auction dates was -1.79 percent.

Table 6: Clearing prices (spot) and deviations from the secondary market price (BlueNext und ICE/ECX) in the 2nd Quarter of 2011

Auction Date	Contract	Clearing Price	Deviation from Lead Market	
			Last Best Bid Spot (BlueNext)	Last Best Bid Future Dec11 (ICE/ECX)
05/04/2011	Spot	16.84 €	2.37%	-2.21%
12/04/2011	Spot	16.33 €	2.06%	-1.98%
19/04/2011	Spot	16.20 €	1.89%	-2.23%
26/04/2011	Spot	16.42 €	2.88%	-2.61%
03/05/2011	Spot	16.92 €	-0.35%	-2.25%
10/05/2011	Spot	16.71 €	0.30%	-1.47%
17/05/2011	Spot	16.51 €	-0.12%	-1.84%
24/05/2011	Spot	16.06 €	0.25%	-1.35%
31/05/2011	Spot	16.90 €	0.00%	-1.80%
07/06/2011	Spot	16.42 €	0.12%	-1.50%
14/06/2011	Spot	16.26 €	0.06%	-1.39%
21/06/2011	Spot	14.92 €	0.13%	-1.52%
28/06/2011	Spot	12.89 €	0.47%	-1.07%
Spot		*16.11 €	*0.77 %	*-1.79 %

* Period average

To complement the snapshot of the markets during call phases on auction days, Figures 6 (futures) and 7 (spot) give an overview of the clearing prices in German auctions in the context of historical price developments on the relevant lead markets during the second quarter. Rather than following the common practice of just looking at settlement prices, our analysis takes into account all trades completed at the exchanges during the reporting period.⁵ The following graphics are based on volume-weighted average trading prices.

At the ICE/ECX, trading prices for the delivery of an emission allowances as a futures contract due in December 2011 fluctuated between €12.61 and €17.40. As Figure 6 shows, auctions over the entire reporting period were held almost in parallel to the London lead market. In this market environment, clearing prices in futures auctions fluctuated between €13.27 and €17.23, which is slightly less than the lead market.

⁵ Settlement prices are set by the exchanges at the end of the trading day. They usually only reflect trade activity immediately before closure of the exchange and are thus not always a true reflection of the secondary market.

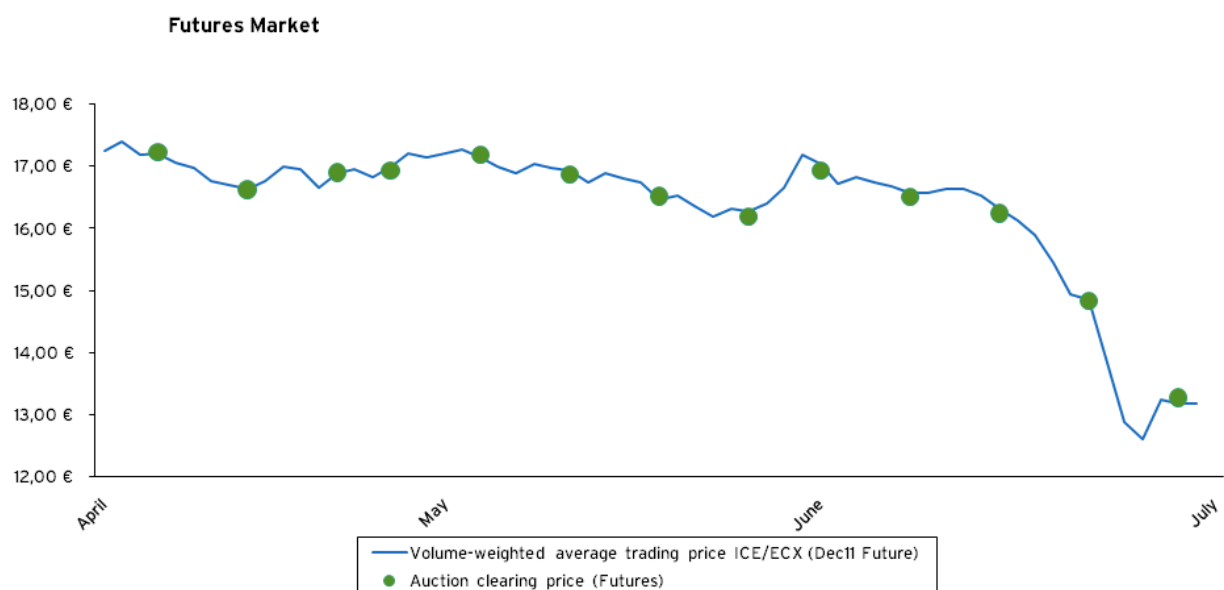


Figure 6: Clearing prices (futures) and volume-weighted average prices at ICE/ECX (Dec2011 Future) in the 2nd Quarter of 2011

The price integration on the spot market, observed in the short-term market price overview (Table 6) is clearly shown in Figure 7. Thus, since the beginning of May, spot market auctions were held almost in parallel to the lead market in Paris.

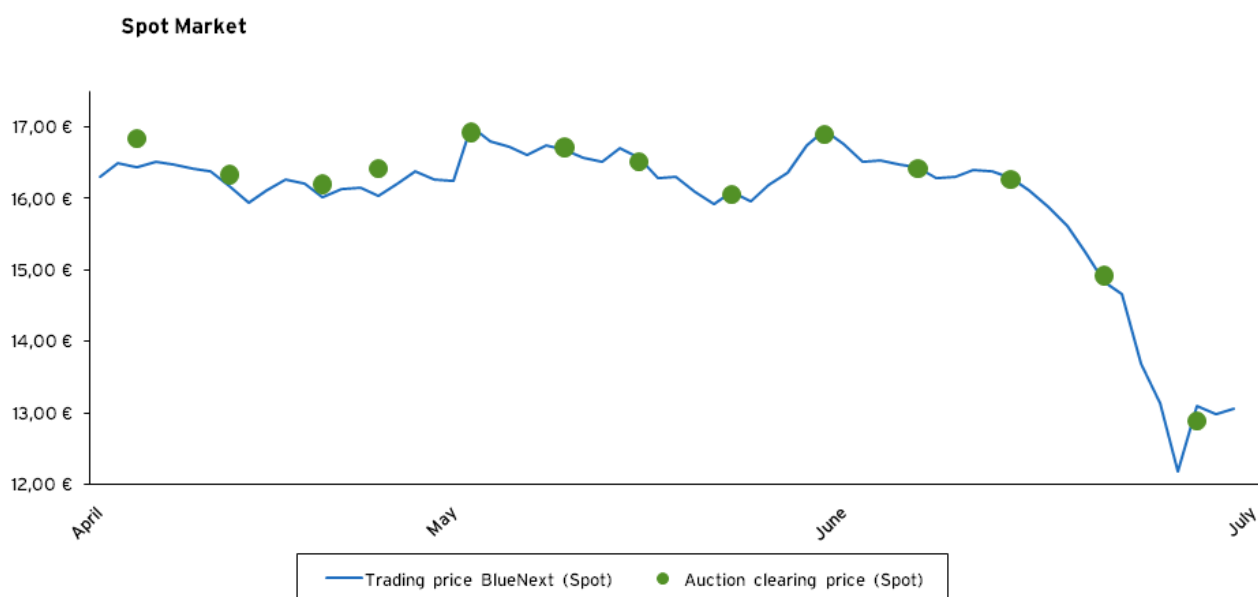


Figure 7: Clearing prices (spot) and daily average price at the BlueNext spot market in the 2nd Quarter 2011