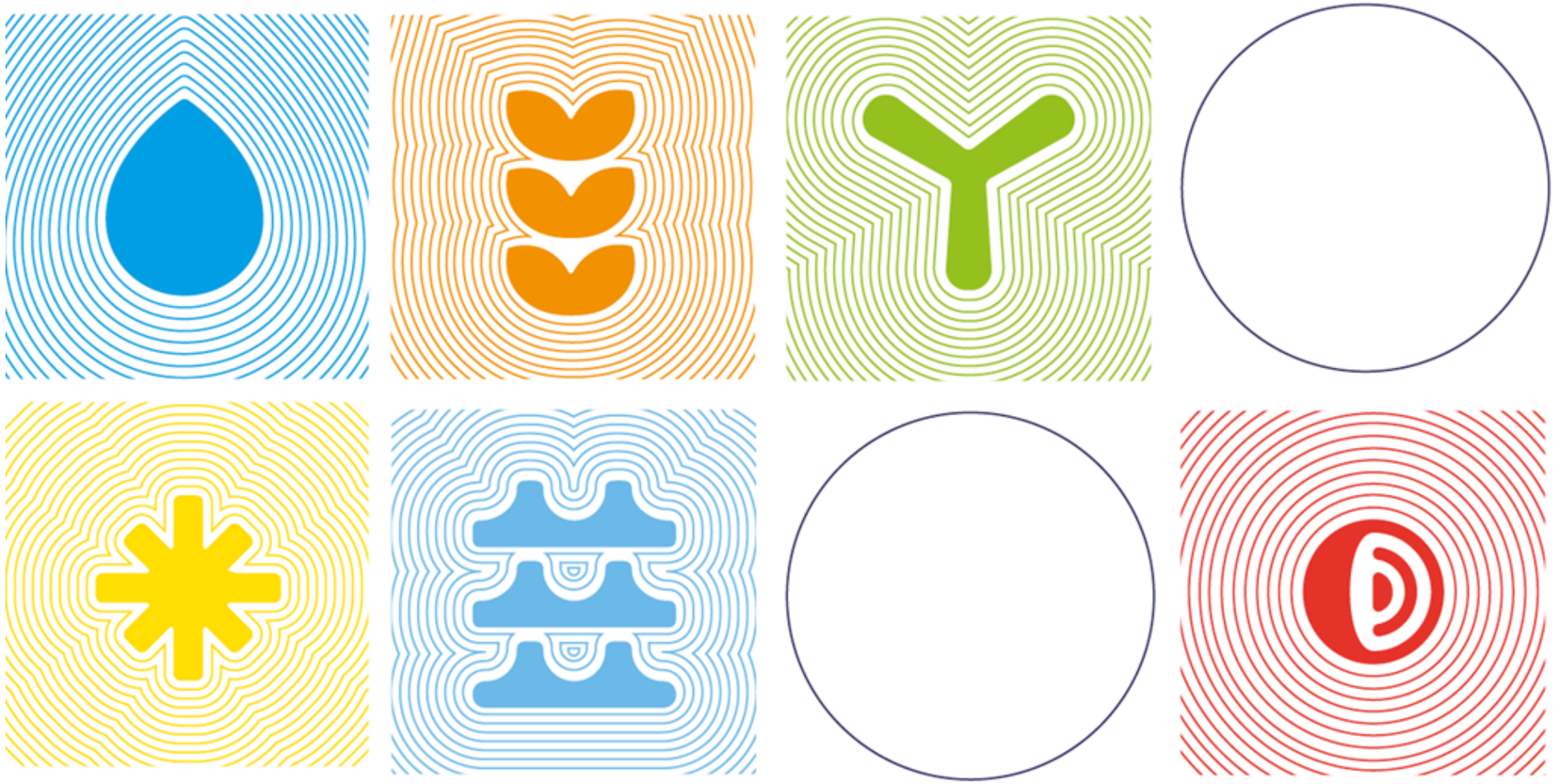
Renewable Electricity Bulletin
July 2023



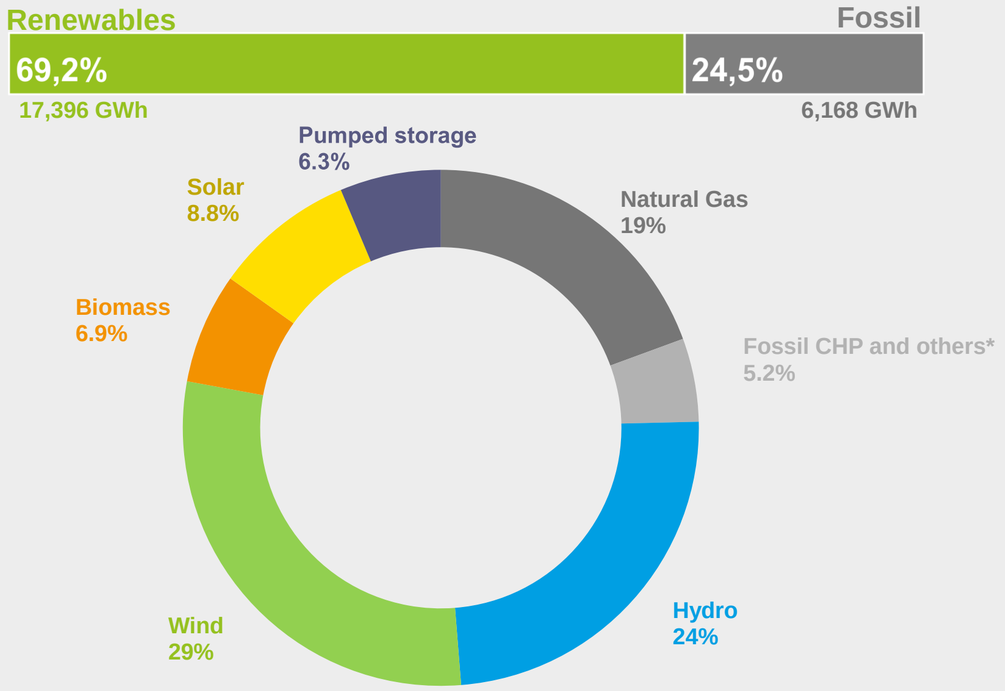
2023

PORTUGAL NEEDS
OUR ENERGY

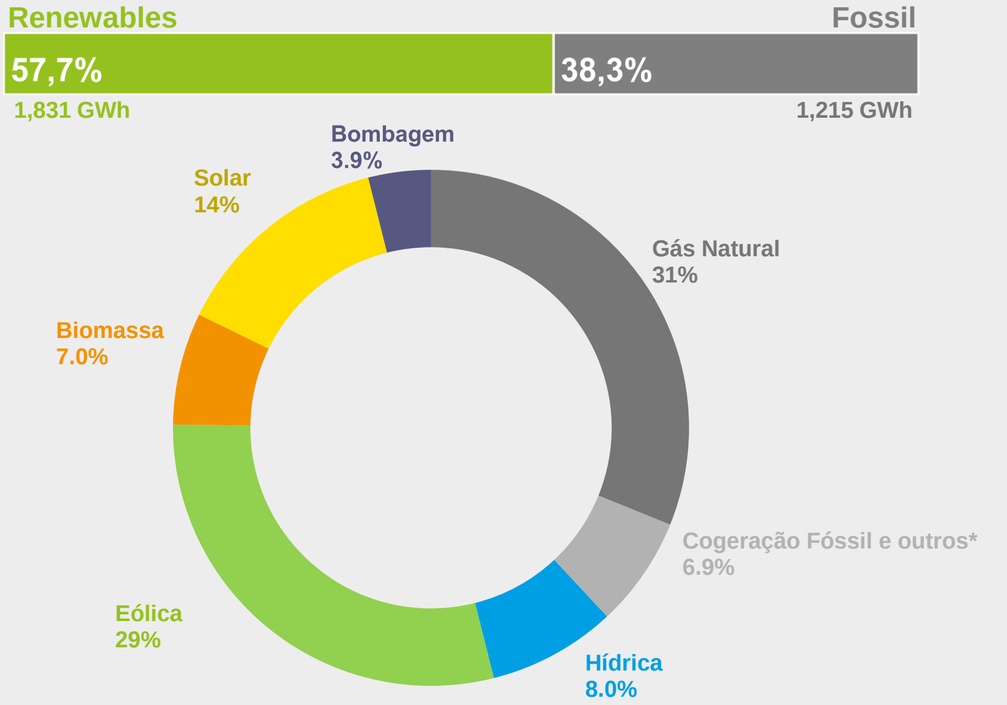
APREN

Executive Summary

Accumulated Generation (Jan-Jul)



Monthly Generation (Jul)



Electricity sector indicators (Jan-July)

GWh	tCO_2	MWh	$MtCO_2eq$	GWh	gCO_2eq/kWh
25,139	€86.8	€90.3	2.2	6.306	88.7
Generation[a]	Price CO_2	MIBEL Price PT	CO_2 Emissions	Import balance	CO_2 specific emissions

[a]Generation refers to the net power generation of the power plants, considering the production by pumping recently disclosed by REN. Pumping production is not accounted for in the percentage of production from renewable sources.
Source: REN, Analysis APREN.

* Includes fuel oil, diesel, the non-biodegradable fraction of urban solid waste and other waste.

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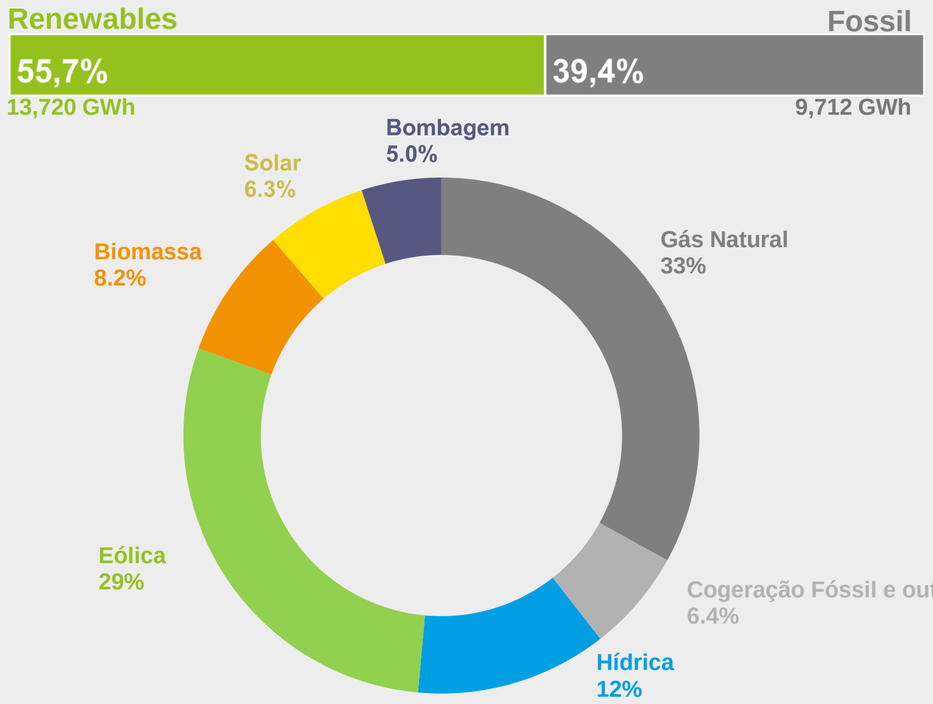
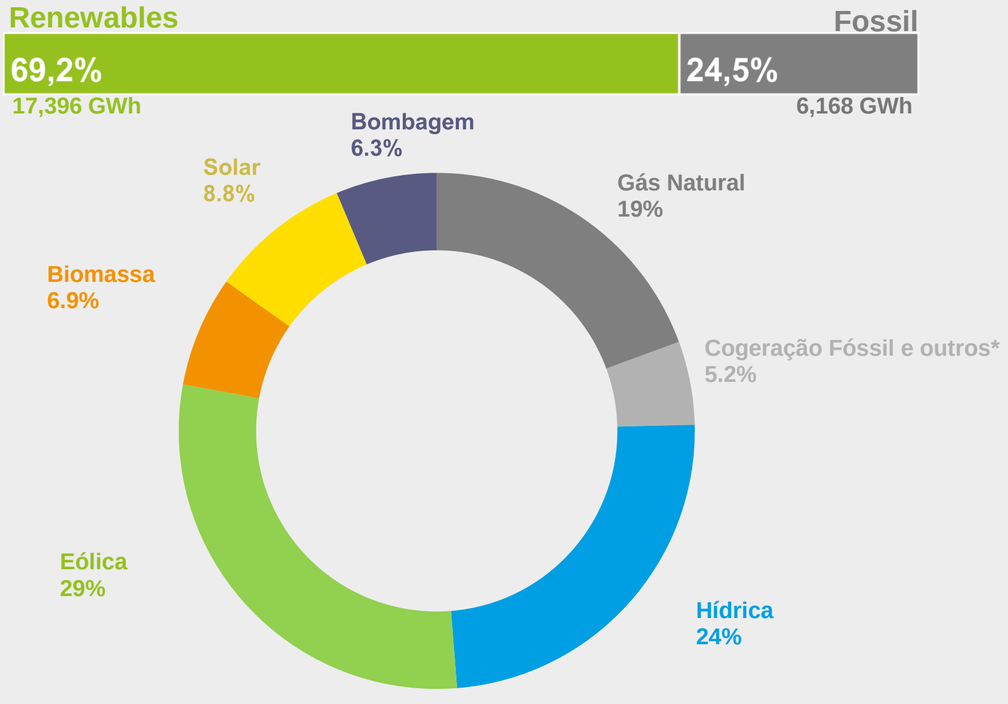
Executive Summary

Accumulated July 2022 (Jan-Jul)



Accumulated July 2023 (Jan-Jul)



Main indicators

In comparison to July 2022

1.9% ▲	13.5% ▲	-1.0% ▼			
GWh	%	GWh	0.94	0.78	1.06
25,139	69.2	29,390	Wind index	Hydro index	Solar index
Generation[a]	Incorporation	Consumption[b]			

[a] Generation refers to the net power generation of the power plants, considering the production by pumped storage recently disclosed by REN. Pumping production is not accounted for in the percentage of production from renewable sources.
Source: REN, Analysis APREN

[b] Consumption refers to the liquid generation of power of the plants, considering the import-export balance.
Source: REN, Analysis APREN

* Includes fuel oil, diesel, the non-biodegradable fraction of urban solid waste and other waste.

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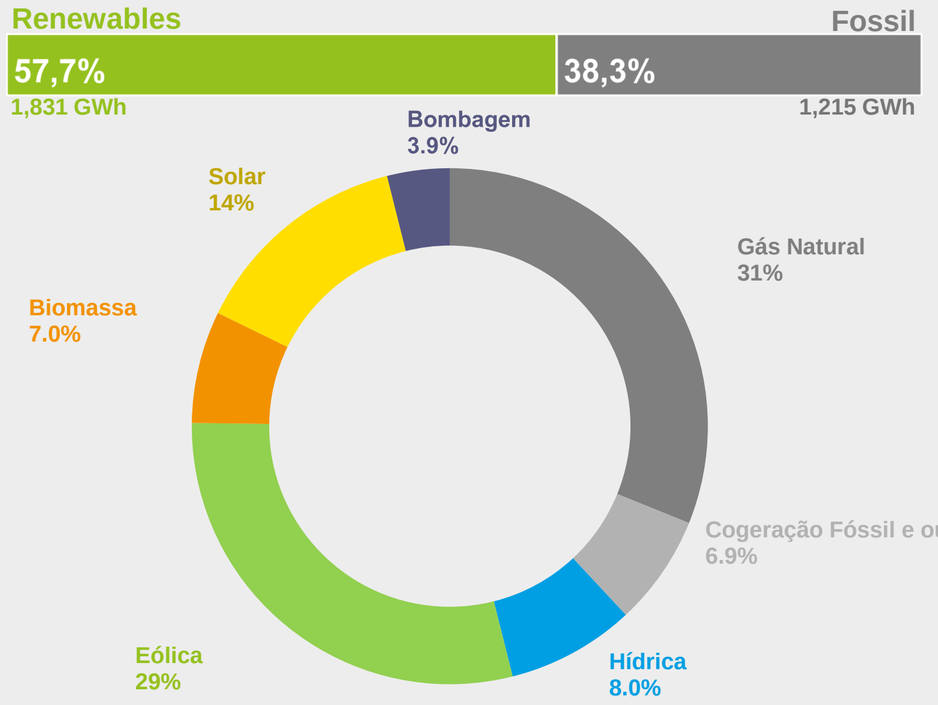
Monthly analysis in Portugal:
July



Between July 1 and July 31, 2023, renewable incorporation was 57.7%, with a total of 3,171 GWh produced. The increase of 4.2 % in comparison to July 2022 is due to the increase in solar incorporation in 9.9 %, which produced 437 GWh, in comparison to the 157 GWh in July 2022.

* Includes fuel oil, diesel, the non-biodegradable fraction of urban solid waste and other waste.

Indicators of the electricity sector (in comparison to July 2022)

GWh
3,171
Generation[a]

20.9%

%
57.7
Renewable incorporation

4.2%

GWh
4,100
Consumption[b]

19.0%

1.08
Wind index

0.61
Hydro index

1.05
Solar index

76.1%
Storage in dams

[a] Generation refers to the net power generation of the plants, considering the pumping production recently disclosed by REN. Pumping production is not accounted for in the percentage production from RES. Source: REN; Analysis APREN.

[b] Consumption refers to the liquid generation of power of the plants, considering the import-export balance. Source: REN; Analysis APREN

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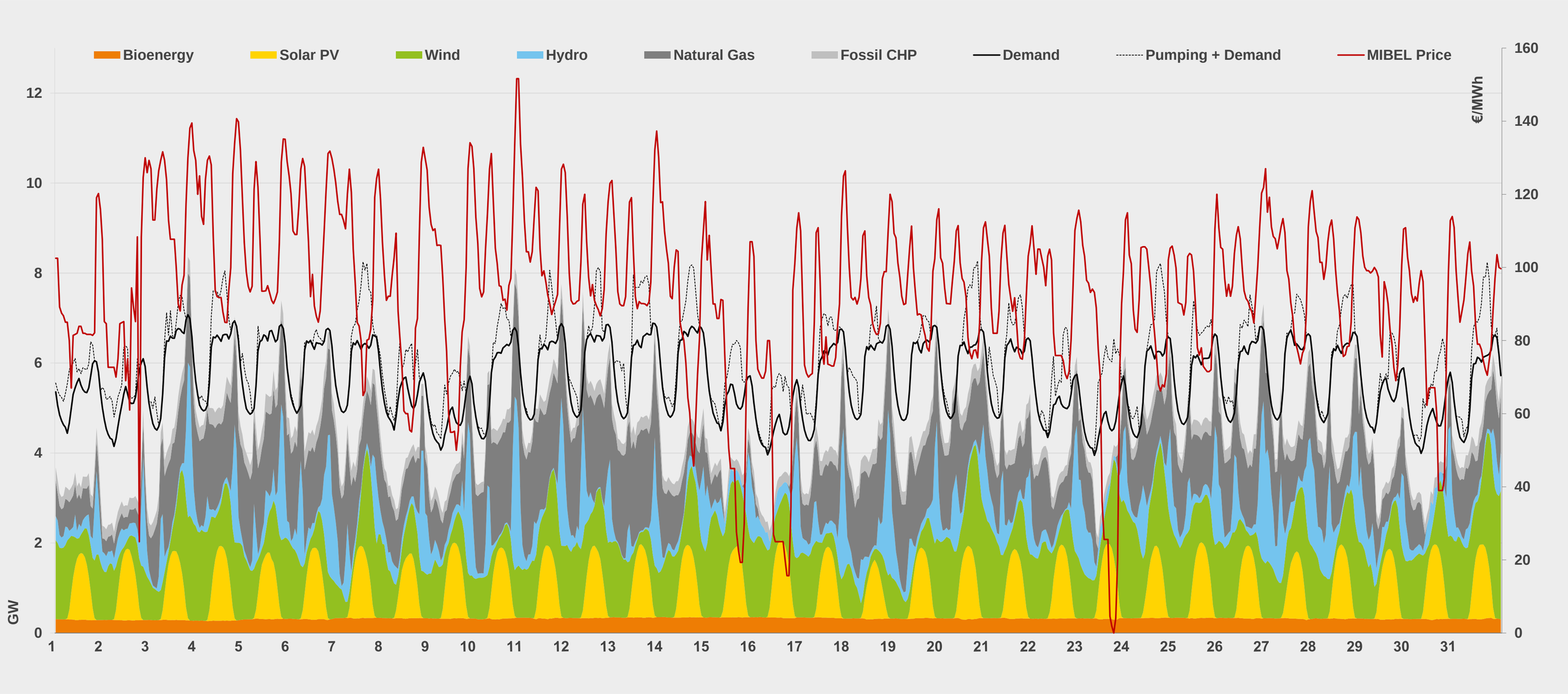
Monthly analysis in Portugal:

Load diagram for the month of July 2023



Source: REN; Analysis APREN

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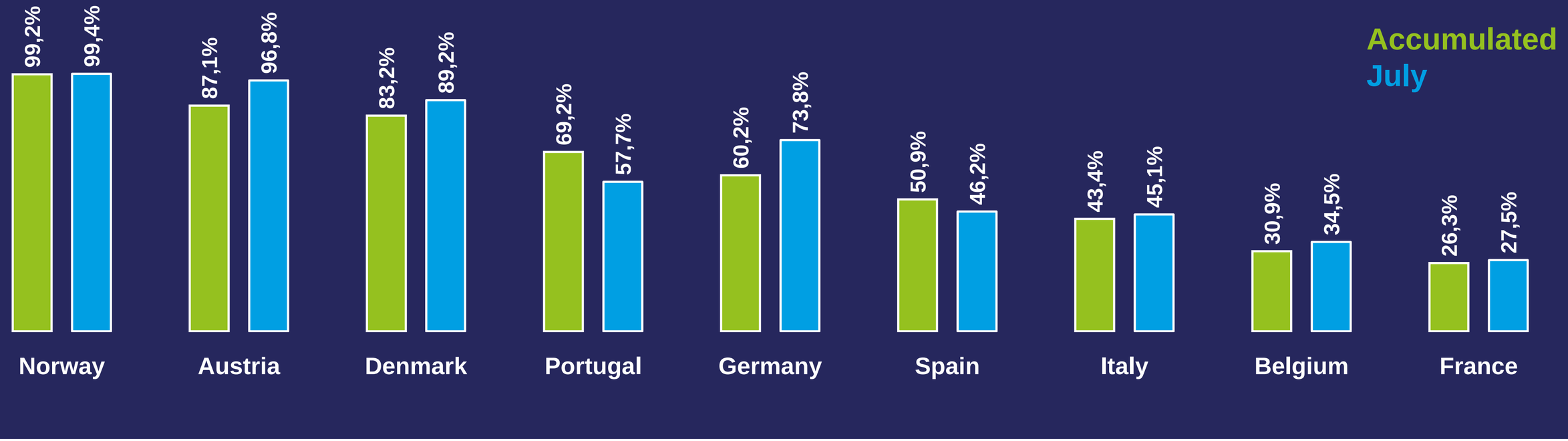
Renewable Electricity

Europe

In this analysis, only the main countries of the different European markets were considered in order to obtain a representative picture of comparison.

Between January 1 and July 31, 2023, Portugal was the fourth country with the highest renewable incorporation in electricity generation, behind Norway, Austria and Denmark, which obtained 99.2%, 87.1 % and 83,2 % from RES, respectively. From July 1 to 31, Portugal was in fifth place in the countries considered, with the largest renewable incorporation in Europe.



Renewable incorporation in the accumulated generation of electricity (Jan-JUly) and monthly (July).
Source: REN, Fraunhofer, REE, Terna, National Grid, ENTSO-E. Analysis APREN

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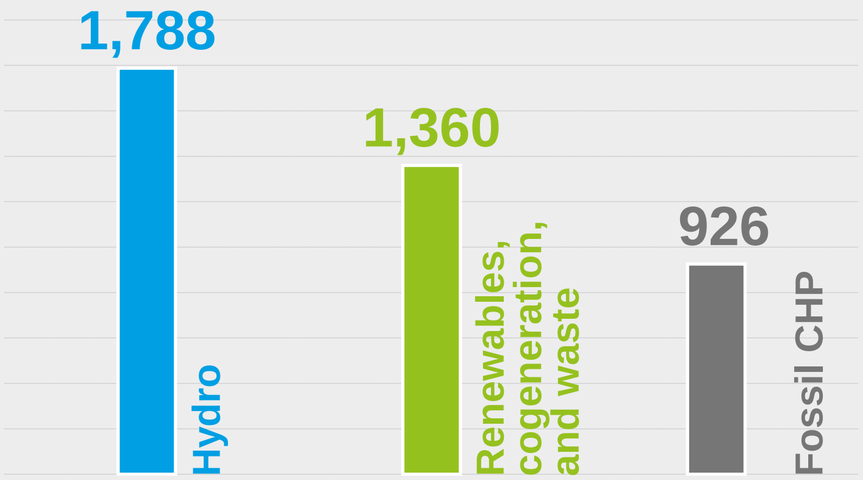
Market price setting

Portugal

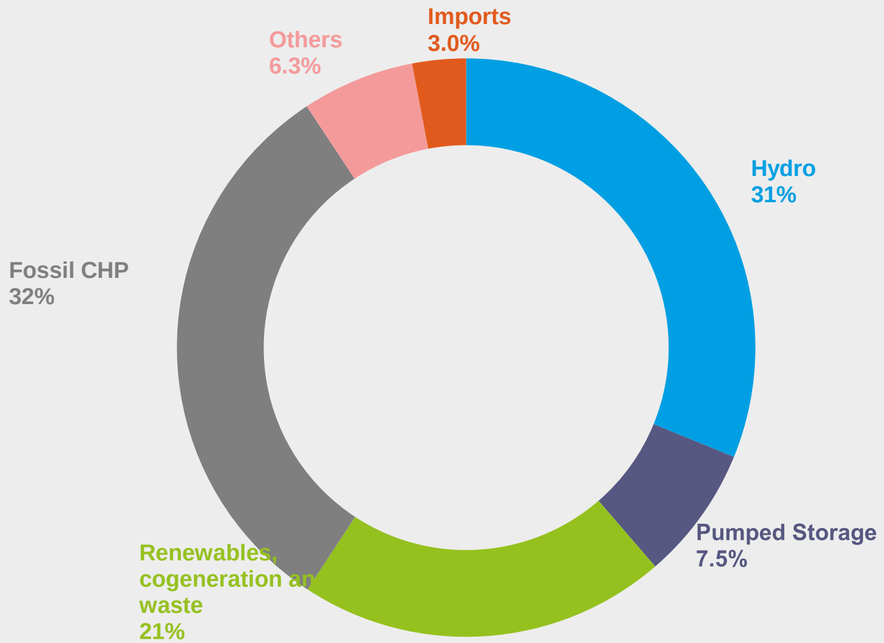
Between January 1 and July 31, hydro was the market price setting technology that recorded the most hours, with 1,788 non-consecutive hours, followed by renewables, cogeneration and waste with 1,360 hours and thermal generation with combined cycle with 926 hours.

Accumulated January-July



Number of market price setting hours of the three main market setting technologies (Jan-2023 to July-2023).
Source: OMIE. Analysis APREN

July 2023



Percentage distribution of the number of market price setting hours of the various technologies, in a total 744 hours (July).
Source: OMIE. Analysis APREN

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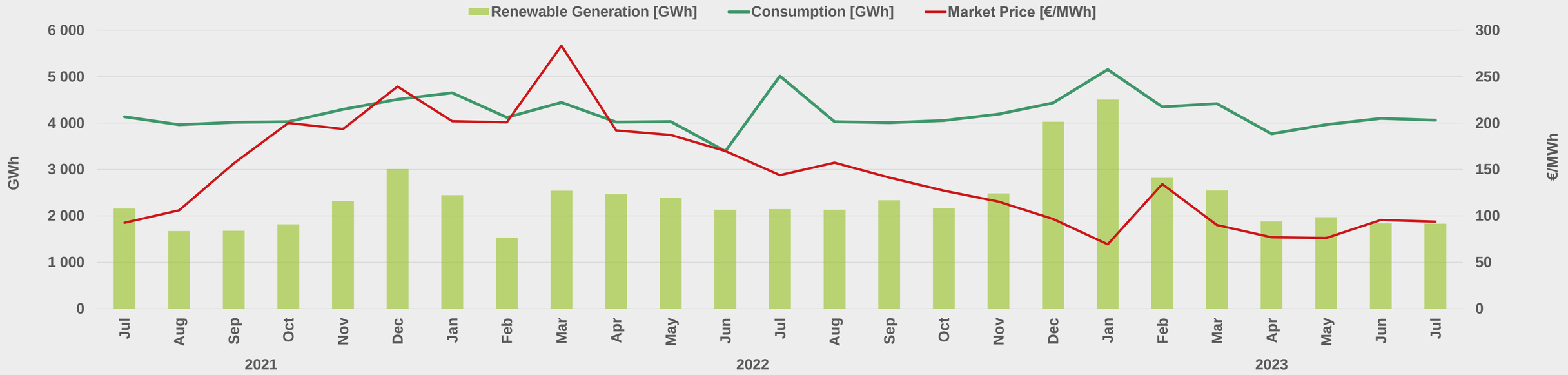
Electricity Market

Portugal

Between January 1 and June 31, the average hourly price recorded in MIBEL in Portugal was €90.3/MWh[c], representing a decrease to less than half compared to the same period last year.

In the same period, 427 non-consecutive hours were recorded, in which renewable generation was sufficient to supply electricity consumption in mainland Portugal, with an average hourly price in the MIBEL of €61.2/MWh. From July 1 to July 31, renewable generation was insufficient to supply consumption at any given period of an hour.

Accumulated January-July



Number of market price setting hours of the three main market setting technologies (July-2021 to July-2023).
Source: OMIE. Analysis APREN

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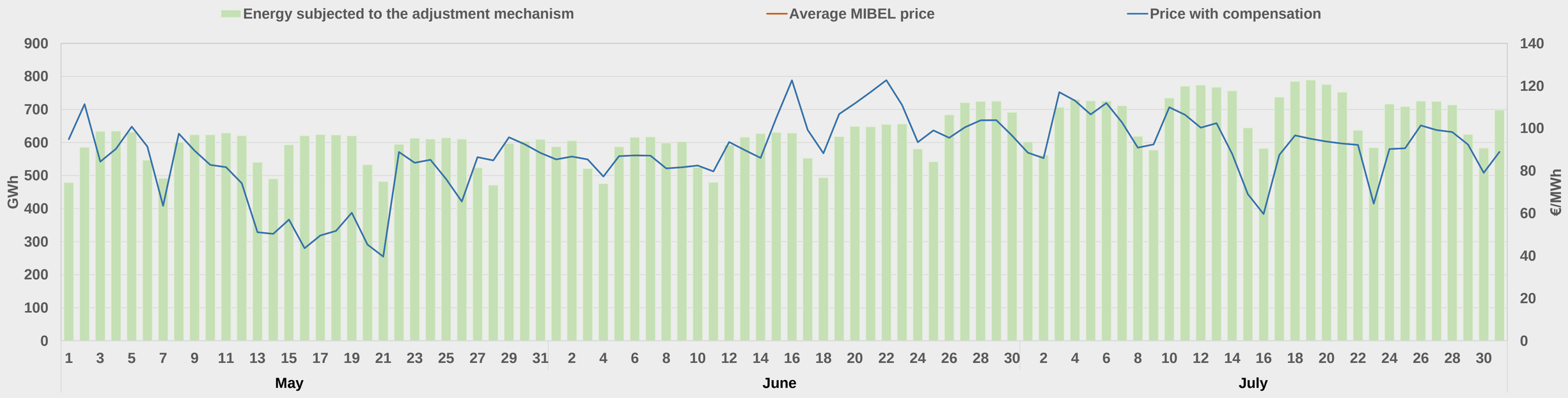
Electricity Market

Iberian gas price limit mechanism

Since June 15, 2022, when the Iberian natural gas price limit mechanism came into operation, until July 31, the mechanism generated savings of €24.5/MWh[c], which amounted to a reduction of 14.2 % in the average hourly price at MIBEL.

The savings due to the price limit of natural gas, correspond to the difference between the price without the mechanism and the price with the compensation to be paid to natural gas plants. During the months of May, June and July, the price limit on natural gas didn´t introduce changes in the eletricity prices. In total, 224.2 of the 307.5 TWh produced, were subjected to the consumer ajustedment mechanism in the Iberian Peninsula.



[c] Arithmetic average hourly prices
Source: OMIE. Analysis APREN

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Renewable Electricity

Europe

During the month of July 2023, there was a minimum hourly price at MIBEL in Portugal of €0/MWh, in which the market setting was with renewables, cogeneration and waste. The maximum hourly price reached €151.7/MWh, where the market set with hydro technology.

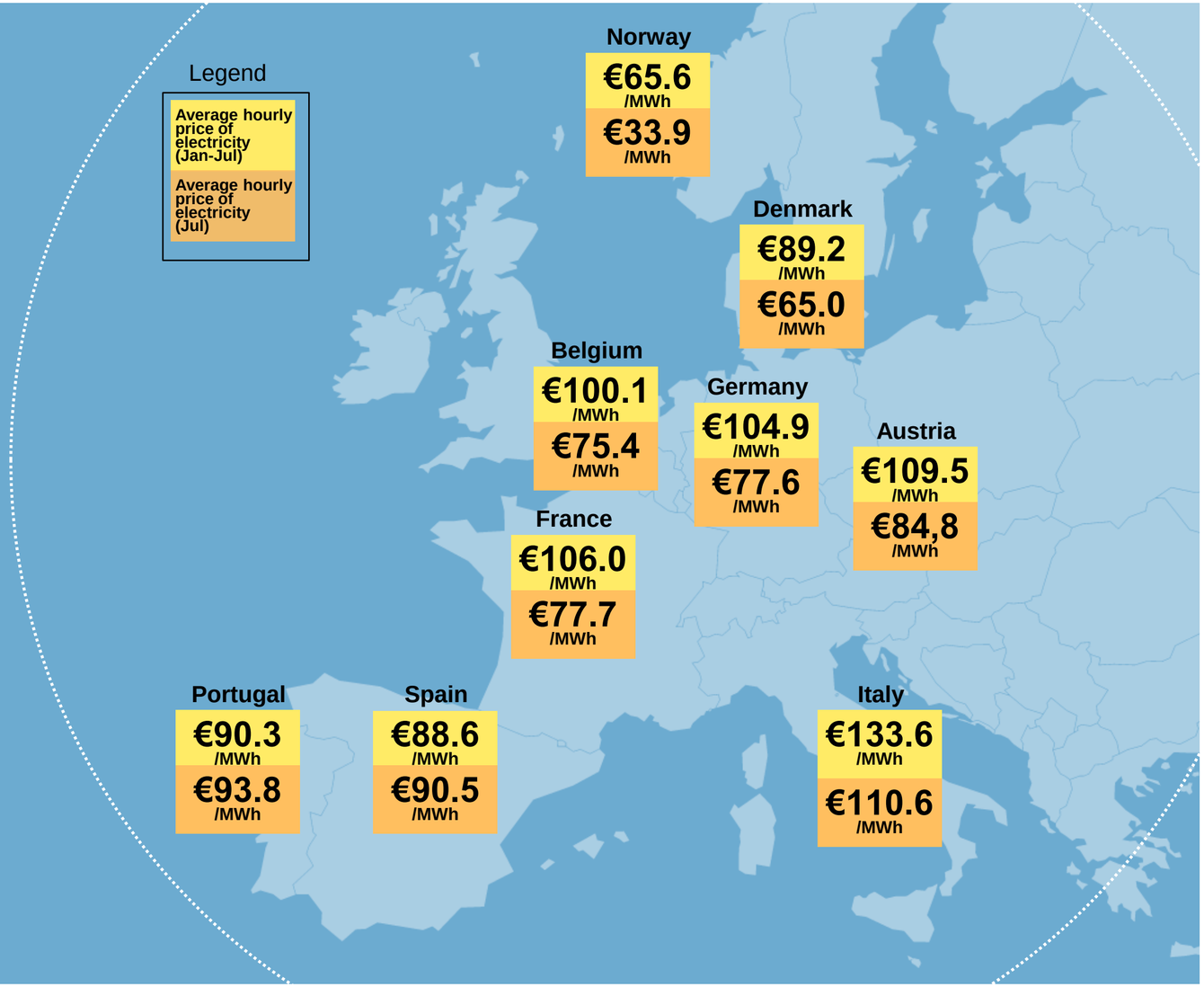
Regarding prices in Europe, it should be noted that the average values were inferior to those of the previous month. The maximum and minimum prices also decreased in comparison to the previous month.

Minimum Prices (Jul)

- €-500.0 /MWh — 1st Austria Germany
- €-223.4 /MWh — 2nd Denmark
- €-134.9 /MWh — 3rd France

Maximum Prices (Jul)

- €205.0 /MWh — 1st Italy
- €188.0 /MWh — 2nd Denmark France Germany
- €187.9 /MWh — 3rd Austria Belgium



Source: ENTSO-E, OMIE. Analysis APREN

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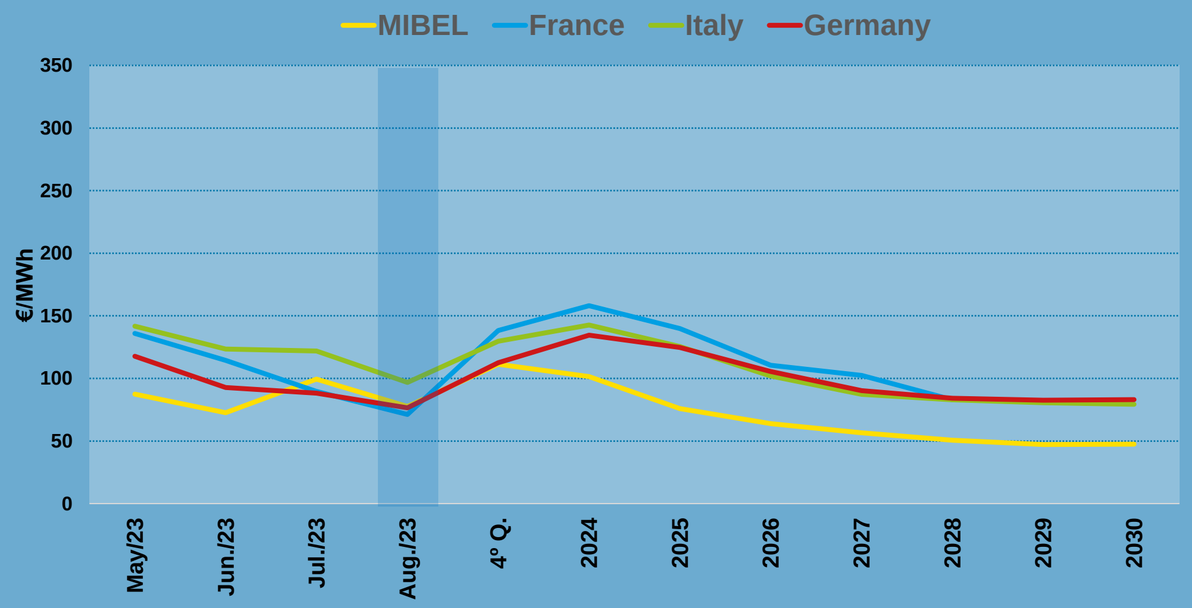
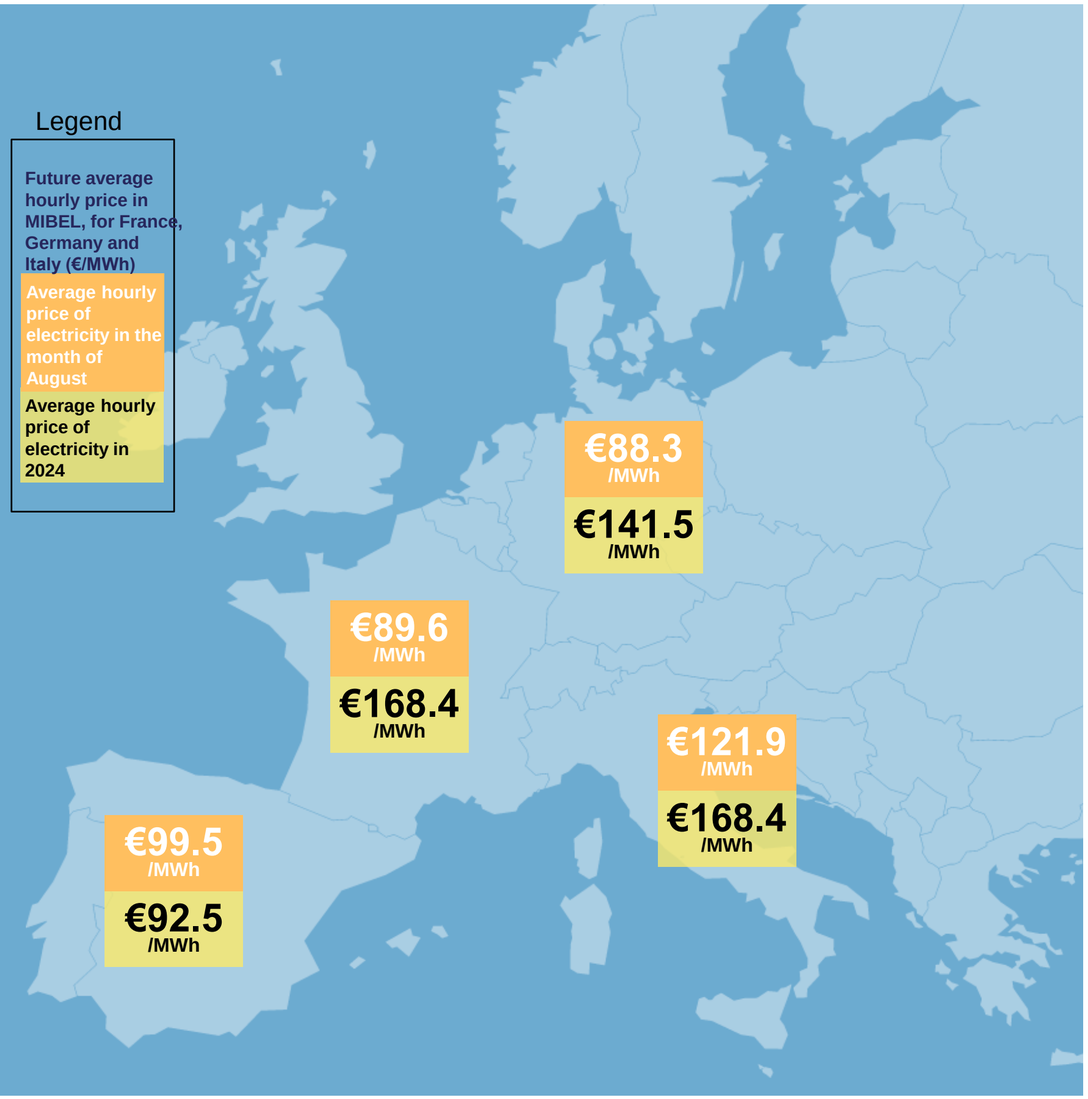
Future Electricity Market

The evolution of the average future hourly price is calculated based on the contracts for the purchase and sale of electricity [d].

The map on the right displays the price values for the next month (August) and for the next year. In both cases, MIBEL has the lowest values, while the French and German markets have the highest.

MIBEL also has the lowest figures by 2030, coming from the Iberian gas price limit mechanism by July next year, and from investment in renewable production.





d Values updated on the 3rd of August.
Source: OMIP, EEX. Analysis APREN

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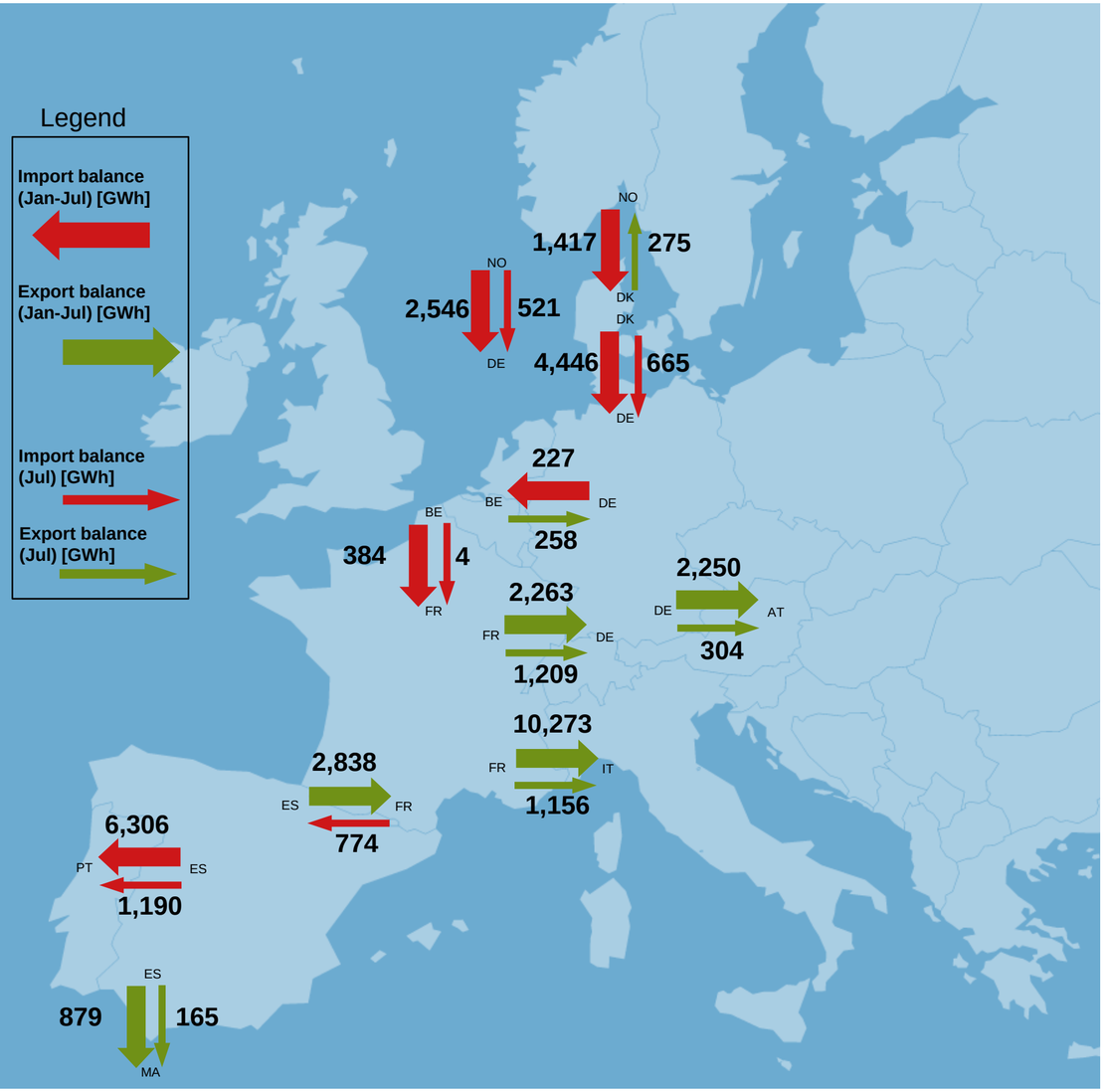
International trade

Europe

Between January 1 and July 31, 2023, the electricity system of Mainland Portugal recorded electricity imports equivalent to 8,067 GWh and exports of 1,761 GWh, with Portugal being an importer with a balance of 6,306 GWh.

Main Interconnection Indicators PT-ES

	PT-ES		ES-PT	
Usage	**5.0%** (Jan-Jul)	**1.7%** (Jul)	**20.7%** (Jan-Jul)	**21.1%** (Jul)
Congestion	**0.0%** (Jan-Jul)	**0.0%** (Jul)	**0.0%** (Jan-Jul)	**0.0%** (Jul)
Markets split	**6.7%** (Jan-Jul)	**9.5%** (Jul)	**65.6%** (Jan-Jul)	**65.2%** (Jul)



Source: ENTSO-E, OMIE. Analysis APREN

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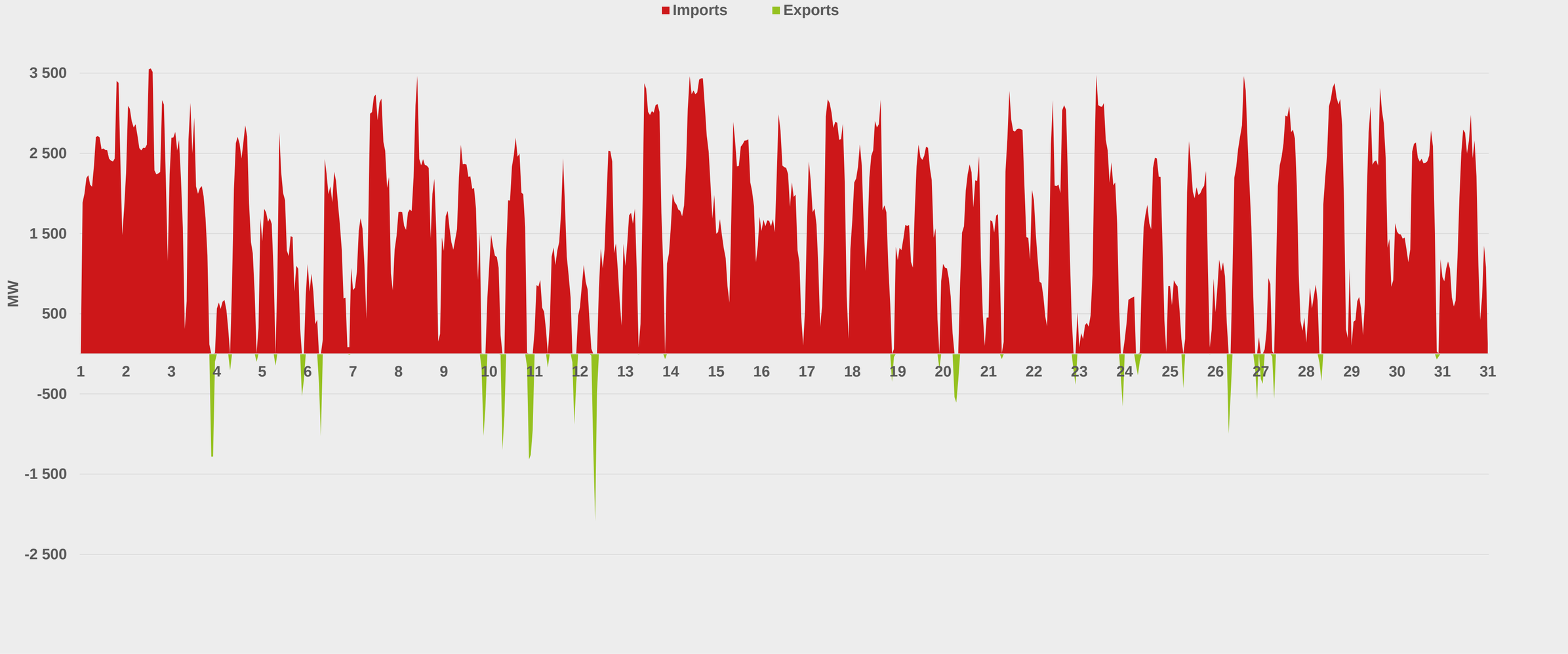
International trade: July

Diagram of imports and exports in Portugal



Source: REN. Analysis APREN

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Power sector emissions

Between January 1 and July 31 , 2023, specific emissions reached 88.7 gCO_2eq/kWh, with a total emissions from the power sector of 2.2 $MtCO_2eq$.

The European Emissions Trading System (EU-ETS) recorded an average price €86.8 $/tCO_2$ [c], a reduction in 4% compared to the same period in 2022.

Sector emissions

2.2

$MTCO_2eq$

45%

In comparison to July 2022

Allowances average price

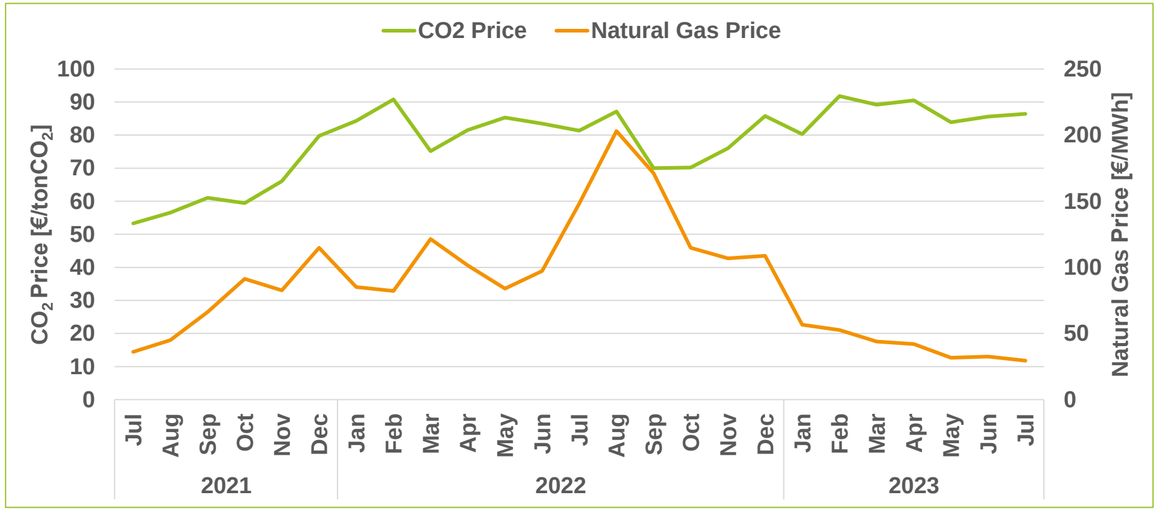
€86.8

$/tCO_2$

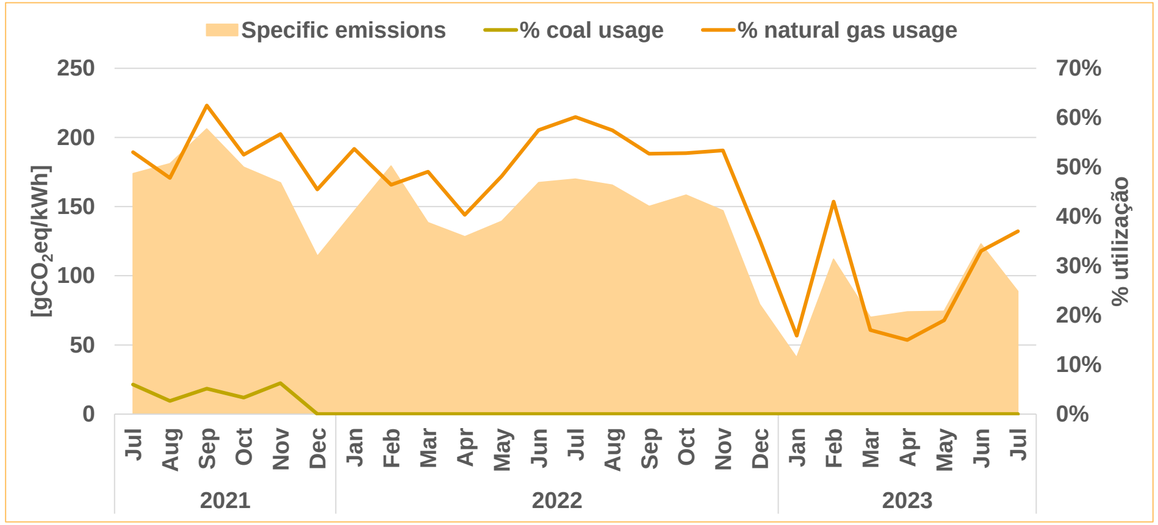
4%

In comparison to July 2022

[c] Arithmetic average hourly prices
Source: OMIE, WorldBank.



Price of CO_2 alowances in EU-ETS and natural gas price in Europe (Jul-2021 to July-2023).
Source: SendeCO2, WorldBank.



Specific emissions from the power sector of Mainland Portugal, % use of coal-free power plants and natural gas (July-2021 to July-2023).
Source: REN, DGEG, ERSE. Analysis APREN

Simulation of price formation without SRP

Renewables have avoided:

The indicators below identify the savings achieved between January 1 and July 31, 2023, due to the contribution Special Regime Production (SRP).

This study is conducted for SRP and includes all installed power of fossil cogeneration. Given that the capacity equivalent to this technology within the SRP is quite residual and that the other technologies are renewable, the figures are very close to the real savings generated by renewables.

€145.3/MWh
Accumulated savings (Jan-Jul)

€171.6/MWh
Montlhy savings (Jul)

€3,626.8 M
Accumulated savings (Jan-Jul)

€563.5 M
Montlhy savings (Jul)

Source: OMIE. Analysis APREN.

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Environmental Service

The figures below identify the savings achieved between January 1 and July 31, 2023, in natural gas, CO_2 emissions and CO_2 emission allowances resulting from the renewable incorporation in electricity generation.

This analysis assumes that, in the absence of renewables, production would be ensured primarily by natural gas, followed by imported electricity.

Renewables have avoided:

€1,107 M
Imported Natural Gas (Jan-Jul)

€104 M
Imported Natural Gas (Jul)

€385 M
Imported Electricity (Jan-Jul)

€6 M
Imported Electricity (Jul)

5.5 $MtCO_2eq$
CO_2 emissions (Jan-Jul)

0.7 $MtCo_2eq$
CO_2 emissions (Jul)

€428 M
O_2 allowances (Jan-Jul)

€56.4 M
O_2 allowances (Jul)

Source: REN, REE, SendeCO2, WorldBank, DGEG, ERSE, Analysis APREN.
Note 1: For the estimate of the savings in imported natural gas, the price of natural gas in Europe indicated in the WorldBank has been considered.
Note 2: For the estimation of savings in imported electricity, the average price on the MIBEL market has been considered.

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