

GeEO Methodology

1 Information

All information on prices and transactions is collected by talking to market participants. By talking to a wide range of players, GeEO is able to cross calibrate price and transaction data to ensure consistency and accuracy.

2 Quotations

Prices quoted are our assessment of the highest bid and lowest offer available in the market for each contract, at 5pm on the day of publication. The variation shown is with respect to the preceding publication.

Quotations shown for spread products reflect the best prices either for the product itself or for the legs of the transaction.

3 Generation cost assumptions

Spark spreads, dark spreads and fuel oil plant spreads are calculated assuming calorific values and efficiencies as given below. Clean spark spreads and dark spreads include the opportunity cost of CO₂ allowances assuming the CO₂ emission rates included. The Contract Gas (CG) clean spark spread assumes fuel is purchased at the Eni Gas Release formula price for the relevant period. This is a proxy cost for power generators which buy gas directly at the power plant without the ability to re-sell gas not consumed at the PSV.

All spreads exclude the cost of green certificates and the cost to transport fuel from the fuel price basis point to the power station.

	Fuel	Fuel Basis	Price Units	Calorific Value (GJ/T)	Plant Efficiency	CO2 production kg/MWh
Coal plant	Coal	CIF ARA	\$/T	25.12	38%	913
Fuel Oil plant	LSFO	CIF Med	\$/T	43.40	36%	726
CCGT spot gas	Gas	PSV	€/MWh	NA	49.13%	400
CCGT contract gas	Gas	Tarvisio	€/MWh	NA	49.13%	400

4 Transactions

Transactions reported directly to GeEO by the buyer, seller or broker involved for a specific product with specified term, quantity and price and executed on a specific date are published as confirmed provided the terms are consistent with trends in market prices.

5 Quotation based Indices

Indici Mese Successivo – Quotazioni: IMSQ

The month ahead quotation based indices are calculated as the simple average of all the bid and offer quotations published for month m during the preceding month m-1.

6 Transaction based Indices

Indici Mese Successivo – Transazioni: IMST

The month ahead transaction based indices are calculated as the weighted average price of all confirmed transactions for month m as transacted in the preceding month m-1.

Time spread or other linked transactions are excluded from the index calculation.