



European Power Trading Report (EPTR) methodology

Methodology last updated: 23 February 2015

General Methodology

ICIS publishes market data based on information continually gathered from market participants about: spot transactions, spot bid and offer levels, contract and tender price negotiations, prices of related commodities, and relevant transmission costs

ICIS includes in its data-generation process only information gathered up to the published market close time for each commodity and assessed period. ICIS does not make retrospective adjustments or changes to price quotations based on information subsequently received. ICIS regards all arm's-length transactions that meet its specification criteria as carrying equal weight.

ICIS endeavours to crosscheck all the transaction information it gathers. ICIS will not use information for assessment purposes where such checks call into doubt the accuracy of the original information, or where a transaction appears to have occurred under circumstances that render it non-repeatable or otherwise markedly unusual.

Tradability index

ICIS bases its tradability index assessments on information gathered during its daily price-generation process for European Daily Electricity Markets (EDEM). It represents the width of bid-offer spreads available on individual traded power markets during every UK working day of the quarter prior to publication.

For example, the tradability index published in the Q1 issue, which is typically released in April, represents the width of the bid-offer spread on every UK working day during the immediately preceding January, February and March.

For each hub, ICIS assesses whether there was a bid-offer spread available for a range of 10 contracts at less than €0.50/MWh and then at less than €0.30/MWh on every day during the quarter in question, to all interested counterparties. The spread may have been available at any point during the trading day, not just at the close of trade, when ICIS assesses the price.

If a bid-offer spread of less than €0.30/MWh is assessed to have been available every working day during the

quarter for a particular contract, it will score 2 in the index.

If the contract is assessed to have been available at a spread of less than €0.50/MWh every day, but not less than €0.30/MWh every day, it will score 1 in the index.

If the contract is assessed to have not been available at a spread of less than €0.50/MWh every day, it will score 0 in the index.

The maximum score for any hub is 20 and the minimum is zero.

The traded power contracts used in the tradability Index comprise:

- Day-ahead
- Week-ahead
- Month-ahead
- Two months ahead
- Three months ahead
- One quarter ahead
- Two quarters ahead
- One year ahead*
- Two years ahead*
- Three years ahead*

Market	Assessment name	Frequency	Units
Germany	Tradability Index	Quarterly	Score out of 20
UK	Tradability Index	Quarterly	Score out of 20
France	Tradability Index	Quarterly	Score out of 20
Italy	Tradability Index	Quarterly	Score out of 20
Netherlands	Tradability Index	Quarterly	Score out of 20
Spain	Tradability Index	Quarterly	Score out of 20
Hungary	Tradability Index	Quarterly	Score out of 20
Czech Republic	Tradability Index	Quarterly	Score out of 20
Poland	Tradability Index	Quarterly	Score out of 20

Publication schedule

The tradability index is assessed every quarter, and published in the European Power Trading Report. A full-length report is published every January, giving a detailed description of the state of trade and liquidity on major European markets, as well as developments at the less liquid and potential future hubs.

Following the full report, three quarterly updates are provided for Q1, Q2 and Q3.