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Vattenfall expands power trading to United Kingdom

Vattenfall Trading Services has started trading over-the-counter and exchange wholesale power in the UK. Initially, Vattenfall's trading unit will focus on the short-term market but is planning to expand trading activities up to four seasons ahead. Besides plain power products, the company will become active in spark and dark spreads as well as in the interconnector UK-France. Vattenfall is trading the UK market from its Hamburg office.

"This move will take us to a market where temporarily fundamental market trends based on gas, fuel switching or emission caps evolve first, before swapping to the continent via spread trading," says Kai Seela, who heads the Power & Emissions division. "Being an active player on the UK wholesale trading market will definitely help us to grow, diversify and further leverage our strong continental portfolios and presence. This could also include originating a number of off-standard transactions."

Since 2008, Vattenfall Trading Services has already been active in the UK gas market by trading the NBP gas hub. One of the key elements to enter the UK market is the high level of transparency. "We appreciate the extensive set of fundamental supply-demand data for both power and gas that are available on a real-time basis", Seela says.

Vattenfall is aiming to become the fastest growing energy company within wind power in Northern Europe and the United Kingdom is among the key markets for achieving this. The company has many ongoing projects and high ambitions for wind power in the UK. "Given these strategic ambitions, we will also focus on optimising the growing wind portfolio," Kai Seela adds.

Vattenfall Trading Services is the central trading platform for the Vattenfall Group and one of the leading players in European wholesale trading. The company provides portfolio and risk management services to all Vattenfall units and trades physical and financial electricity, CO₂, renewable energy, gas, oil, physical and financial coal and freight, currencies and aluminium. Vattenfall Trading runs its trading operations from Hamburg, Stockholm, Warsaw and Copenhagen.

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