

EDF Trading North America

Natural Gas US – House of the Year

EnergyRisk
Awards 2010

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For EDF Trading – a global energy player that operates in the power, gas, emissions, coal, freight and biomass markets – its North American arm is an integral cog in the machine, covering what the company sees as “the largest and most dynamic energy market in the world”. EDF Trading put its full weight behind its North American operation in 2009, boosting its footprint in the natural gas sector in particular, and winning it the *Natural Gas House of the Year* award 2010.

Between January and December 2009, EDF Trading North America increased its presence in the North American natural gas sector, growing its operations from 157 wholesale markets to 295 markets by the end of the year. It was also working with 202 suppliers by year-end, up from 96 in January 2009. In continuing to grow its focus in physical gas markets, the company also increased its transportation capacity during the year, boosting the number of pipeline contracts in place from 25 pipelines in January to 76 pipelines by December 2009. This allows the company to transport 4 billion cubic feet of gas per day in North America.

EDF Trading first entered the North American energy market in October 2008 with the acquisition of Eagle Energy Partners, which was originally founded in 2003 as an independent gas and power marketing company. A year after the acquisition, Eagle Energy was brought under the EDF Group global brand, where it continued to build a large and flexible footprint in the North American gas market.

“We are an asset-based trading and marketing company, so at the end of the day we want the ability to offer products and services to customers



David Koons & Jeremy Davis



across the whole value chain, from producers all the way to large end-users,” explains David Koons, senior vice-president and head of gas origination, North America at EDF Trading. “We have customers in geographic locations all over North America and we need to be able to serve their particular needs. Our portfolio

arranged with an eastern European supplier in 2009.

“As part of our corporate plan we want to develop working relationships with other international players in the natural gas space,” says Jeremy Davis, EDF Trading’s senior vice-president and head of gas trading and risk management, North America. “And there are many options: Middle Eastern suppliers of liquefied natural gas (LNG), eastern European suppliers with ambitions to go global, and so on. We’re trying to facilitate that across borders and have done deals where we buy natural gas in Europe and sell it into the US market, for example.”

An important strand of this global approach is the need to capitalise on the growing opportunities in the LNG

LNG has become much more of a global commodity, offering arbitrage opportunities between Asia, Europe and North America

Jeremy Davis, EDF Trading

of assets and trading and optimisation skills gives us that ability.”

As part of that strategy, EDF Trading North America opened a gas trading desk in Calgary, Canada, in 2009 and also began supplying gas to one of Mexico’s largest oil & gas companies. Working with a broad spectrum of producers, marketers, aggregators and end-users, EDF offers supply arrangements, and long-term transportation and storage contracts, as well as asset management services such as gas storage optimisation.

In line with the global perspective of its parent company, EDF Trading North America also has an eye on how it can leverage its North American operations to establish deals in other regions, such as a trading agreement

space. “LNG has become much more of a global commodity, offering arbitrage opportunities between Asia, Europe and North America,” Davis says. “EDF Trading North America is currently positioning itself so that it can not only serve its parent company’s needs in this area, but also take advantage of the arbitrage opportunities between these different continents.”

Natural gas is fast becoming an international market and those hoping to operate at this level will undoubtedly benefit from having one foot in the North American region. EDF Trading’s North American business grabbed the opportunities in the sector with both hands in 2009 and looks set to parlay its prowess here into a successful global natural gas business. ■