

Press release NO. 3/2006

Electricity market: results in 2005, objectives and terms for 2006 - 2008

(Bucharest, 14th of February 2006) **On 13th of February, the Ministry of Commerce and Economy and OPCOM had organized a press conference which aimed to report the results during 2005 and also the objectives and terms for 2006-2008 period.**

Within the press conference organized by the Ministry of Commerce and Economy and by OPCOM, Mr. Victor IONESCU c.e.o of OPCOM, has given information regarding the results of the markets operated by OPCOM S.A. to the media representatives – *Day Ahead Market, Centralized Bilateral Contract Market, Centralized Green Certificate Market* – and about the role which OPCOM is going to assume in the regional framework.

Romania has a functional wholesale market and is the only country in the region with a spot market and the only one which has a functional balancing market. Further more it is the only one from the 9 countries from Balkans signatories of the South East Europe Energy Community Treaty which fulfills already two requirements of the treaty demanded to be end until 1st of January 2008: opening the market for all the industrial consumers and unbundling system and transport operators from the generation and supplying activities.

Taking into account the objective of integration in the European Union beginning with 1st of July 2005, the market opening degree was increased to 83.5%. Consequently during 2005 the number of the participants increased from 138 to 488 (active suppliers from 39 to 51, eligible consumers from 78 to 375) and the number of contracts/additional papers evolved from 874 to 2182.

After seven months of the new platform operation, on the spot market has been traded an average of 389 MWh/h – representing about 7% of the domestic net consumption forecast – at an average spot price of 35.20 euro/MWh. Din form the point of view of this volume index, OPCOM is the fifth power exchange in Europe, within the medium liquidity region after the Nord Pool, EEX, APEX and Powernext . Last month OPCOM was on the second place after the Polish power exchange regarding the price, the latter had the lowest spot price.

Following the example of the inland power exchanges - Nord Pool, EEX, Powernext - OPCOM will implement derivative instruments trading in a financial market earmarked for trading risk transfer and hedging. In order to overtake the counterpart risk derivatives trading will be cleared by a House of Clearing. For both objectives, 2005 and 2006 represent a period of development and testing of the IT platforms, training for the staff which operates the market and administrates the IT platforms, for the participants on the new market and also a period of institutional construction. These developments based on European Commission-OPCOM co-financing.

Currently OPCOM is carrying out the second stage of the project „Electricity Market”, designated to finalize the institutional framework in order that OPCOM can function as a national power exchange, OPCOM assuming the counterpart role in the spot market based on the collaterals deposited by the participants according to the payments obligations after the transactions or to the future trading intents.

Withal, this stage also includes elaboration of the strategy for OPCOM and other involved entities like (MEC, ANRE, Transelectrica) in order to implement the regional power exchange and also to adapt the procedural framework and to elaborate all the agreements which will be concluded with the participants in the regional market and also with the system and transport operators.