



PRESS RELEASE

(Bucharest, January, 12th 2009) *For the consecutively third time since the launch of the new trading mechanisms in 2005, and without registering a single exception during these years, OPCOM is reporting yearly results better than in previous year. The stabilisation in slight increase of the trades' market share at a level close to 10% is placing OPCOM on the first place regarding the liquidity among the spot markets in Eastern Europe. More than ever before, due to the new centralised settlement mechanism, the trades are safe, anonymous and liquid, meaning payments' speed. The reaction of participants was immediately determining the increase of the active participation. The trades in 2008 on the Centralised Market of the Bilateral Contracts (CMBC) increased the market share of 2008 deliveries at 15.66% while the market share of deliveries in 2009 is already of 20% from the forecasted consumption. The centralised market of bilateral contracts with continuous negotiation received encouraging signals regarding the increase of the interest of participants for the electronic trading. This time, the green certificates prove year by year as being the optimal incentive for the generation from renewables. The integrated energy and climate change package adopted by the European Parliament and by the Council at the end of 2008, as well as the expressed intentions to focus in 2009 on the energy efficiency come to strengthen the OPCOM interest to implement a framework for greenhouse gas emission allowance trading system as well as for certificates to incentive the energy efficiency, in line with the „Romanian Energy Strategy for the 2007-2020 period”. The direct cooperation with markets' participants was in 2008 more active than ever before, the two product groups acting as fora dedicated products modeling and participants' interest balancing.*

In 2008 OPCOM actively participated to the European cooperation for market development and integration; the debates in EUROPEX, WEC (OPCOM is member of RNC-WEC), EURELECTRIC (OPCOM is member of IRE) and Athens Forum have represented the milestones of this issue

The Day-Ahead Market

By adding the 0.5 TWh traded in December, the volume of DAM trades achieved at the end of 2008 5.2 TWh, the equivalent of an average value of 593 MWh/h, 3% more than during 2007.

The interest for the spot trading remained at high level all the time, the number of participants sending at least one offer being of 79, approximately 90% from the number of participants registered until the end of the year. The average number of the daily active participants was 55 in 2008,, 6% higher than during 2007.

The trades being done each hourly interval were varying in a range of 158-1,219 MWh/h depending on the participants' opportunities. The average price in 2008 was of 188.21 RON/MWh (51.21 EUR/MWh) determining a total amount of trades which represents more than 1 billion RON (272.8 mil. EUR).

On the background of the large spread of the yearly average prices cleared by the European power exchanges during 2008 in a range from 45 EUR/MWh to 87 EUR/MWh, the average price on the OPCOM DAM, 51.2 EUR/MWh represents one of the lowest prices in Europe, the second ranked value after Nord Pooli

The Centralised Market for Bilateral Contracts awarded through Public Auction

The trades of 11.5 TWh, corresponding to 97 bilateral contracts cleared in 2008, with deliveries in 2008 and 2009 underline the role of the Centralised Market for Bilateral Contracts to provide transparent and liquid trading of the electricity for delivery terms greater than 1 month.

Besides the deliveries in 2008 of 8.6 TWh representing 15.66% from consumption and the related average price of 173 RON/MWh (47.4 EUR/MWh), 2008 also ensured the strengthening of the next year liquidity: until now, the trades in 2008 guarantee record deliveries of 10.5 TWh, covering 20% from consumption forecasted by the regulatory authority for 2009.

The Centralised Market for Bilateral Contracts with Continuous Negotiation

On the electronic platform of the Centralised Market for Bilateral Contracts with Continuous Negotiation 165 standard contracts of 1 MW were traded for base load week and month deliveries amounting to 36,360 MWh, with an average price of 213.26 RON/MWh (55.60 EUR/MWh).

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The Centralised Market for Green Certificates

On 31st December 2008, two months before the end of the trading period accounting for the year 2008, on the platform of the Centralised Market of Green Certificates were already traded 71,938 green certificates, four times more compared with the same period related 2007 and representing 61% of the certificates issued until the deadline to express the intention for trading.

The interest of generators and suppliers for the centralised trading of the green certificates is strengthening, in 2008 the active participation increasing with 25% comparing last year. It is coming on the background of the regulatory framework improvement towards providing incentives for renewable investment the national targets related generation from renewable being now of 33% (2010), 35% (2015) and 38% (2020).

In the auction organised in December, 7,213 certificates were acquired by suppliers, for a price of 194.09 RON/certificate (55 EUR/certificate), the new green certificates price cap.

The Settlement

Beginning with July 2008, OPCOM offered to the participants a new mechanism for the centralised settlement of the spot trades, by central counterparty role undertaking. The payments related to the trades during the period July – December 2008 amounted to 585.3 mil. RON (158.7 mil. EUR). The new mechanism created the instruments needed for the fulfilment of payments in two days towards participants with net seller positions.

The settlement activity, performed strictly according to the in force regulation included the calculation of quantities and collection rights/payment obligations for:

- regulated energy contracts for sell/purchase between generators and the suppliers to the captive consumers or between producers and network operators for their own technological consumption in distribution/transmission networks,
- regulated contracts regarding transmission service, the tariff component for injection into the transmission network, ancillary services, transmission services (tariff component for extraction from transmission network), operational services and services performed by the system operator for the wholesale electricity market participants,
- trades concluded on Day Ahead Market of 1 mld.RON and Green Certificates Market of 14.6 mil.RON (4.1 mil. EUR) administered by OPCOM,
- trades of 551.1 mil. RON on the balancing market administered by Transelectrica,
- the imbalances of the balance responsible parties of 541.mil.RON and the notification imbalances of the dispatchable units of 228,000 RON.

The additional costs or earnings resulting from the system balancing have been determined and redistributed.

The quantities for the bilateral contracts on the competitive market concluded on the centralized markets administered by OPCOM (CBCM and CBCM-CN) or directly negotiated outside of the centralized markets and for the import/export contracts have been determined.

The market participants have contributed to cover a relevant share of national consumption by competitively and transparently trading using the platform administered by OPCOM: 25.1% from consumption, corresponding to trades with 2008 delivery amounting to 13,819,635 MWh. On another hand, an amount of 10,475,242 MWh for 2009 delivery has been traded on CMBC representing 20% from the forecasted 2009 consumption.