



## PRESS RELEASE

(Bucharest, January, 11th 2010)

### **2009 – The year with the best contribution of transactions managed by OPCOM to energy deliveries on the wholesale market**

*The performance of the transactions organized in 2009 by OPCOM, is characterized by three indices with positive trends:*

- *Both number of participants registered in all four markets operated by OPCOM and active participation increased.*
- *Both delivery volumes and market shares of these deliveries have increased substantially over the previous year. The share of deliveries exceeded 35%.*
- *For the first time, the average price of transactions decreased compared to the previous year, both in the spot market and bilateral contracts markets.*

#### ***The Day Ahead Market***

The 69 participants active on the DAM platform in the last month of 2009 have contributed to trade the largest monthly volume of electricity in the last five months of the spot market operation and to achieve for the third consecutive time since 2007, higher results aggregated at annual level than the previous calendar year. Annual values indicate a substantial increase of the average volume hourly traded from 468.714 MWh/h in 2006, 575.707MWh/h in 2007 and 592.852 MWh/h in 2008 to 724.494 MWh/h in 2009. The benchmarking of the past two years indicates an increase of 22.20% in 2009 compared to 2008. The spot market share of the internal consumption gained more than three percentage points in 2009, evolving from 9.56% in 2008 to 12.64% in 2009, while the average price dropped from 188.21 lei/MWh (51.21 EUR/MWh) to 145.26 lei/MWh (34.29 EUR/MWh), respectively weighted average price from 192.80 lei/MWh (52.40 EUR/MWh) to 155.35 lei/MWh (36.69 EUR/MWh).

This is the biggest price difference recorded from year to year, the decrease being from 2009 to 2008 of 22.82% in local currency, and of 33.03% in the single European currency.

A highly interest for spot trading was maintained throughout the year, the number of participants who submitted at least one bid in 2009 being the highest since July 2005 until now, 85, this representing about 87% of the 98 DAM members existing at the end of 2009. The expressed intentions materialized this year in hourly transactions that have varied in a range between 316 MWh/h and 1,333 MWh/h, the upper limit representing an absolute maximum of the entire period of spot trading with the new mechanisms, transactions being settled in all hourly intervals. The volume of these transactions amounted to at least 700 MWh/h in half of the hourly intervals of the year, equivalent to almost 12% of the annual average hourly consumption, while in only 960 cases (11% of the 8,760 intervals) the volume of transactions was less than 500 MWh/h.

Annual average prices corresponding to hourly electricity transactions in spot markets in Europe have dropped, being placed in 2009 in a range between 34 EUR/MWh and 64 EUR/MWh, the average price set by OPCOM, 34.29 EUR/MWh, being the lowest in Europe, at a distance of 15 percent below the European average, 40.56 EUR/MWh.

There were no problems in meeting commitments of payment under terms provided, payment obligations/rights of collection for the electricity with delivery in 2009 amounting to, including VAT, 1,173.3 million lei (277.1 million EUR).

#### ***The Centralized Market for Bilateral Contracts concluded by public auction***

With the largest quantity of electricity set in delivery according to public auctions conducted on CMBC, the year 2009 falls in the annual growth trend started in 2006, the 11.3 TWh corresponding to a number of 93 contracts with delivery in 2009. These deliveries secured 22.75% of the estimated electricity at an average price of 190.44 lei/MWh (44.41 EUR/MWh) and a weighted average price of 194.20 lei/MWh (45.28 EUR/MWh).

Participants' interest for trading on CMBC this year is proved by 32 participants submitting bids, the intentions expressed in 2009 being materialized in transactions that totaled 4.8 TWh, a share of 79% of this amount being set for delivery in 2010. So far, last year's transactions secure deliveries of 3.8 TWh in 2010, representing almost 7.7% of consumption at an average price of 166.68 lei/MWh (39.64 EUR/MWh) and weighted average

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price of 154.67 lei/MWh (36.79 EUR/MWh), very close to the average spot price of transactions in 2009. These trends equally reflect realities and participants' expectancies in 2009 as well as for 2010, mainly a preference oriented, at least until now towards trades with short term deliveries on the background of the domestic electricity needs characterized by an uncertainty higher than previously.

### *The Centralized Market for Bilateral Contracts with continuous negotiation*

Electricity deliveries in 2009, entirely arose from last year process of continuous trading on the CMBC-CN electronic platform, amounts to 56,496 MWh, respectively a share of 0.11% of the estimated electricity consumption and represents the equivalent of 172 contracts, 122 standard weekly base load contracts and 50 monthly base load contracts, traded at an average price of 163.67 lei/MWh (38.13 EUR/MWh).

### *The Centralized Market for Green Certificates*

141,607 green certificates were traded in 2009, out of which 38,171 certificates were purchased on OPCOM's platform by suppliers in order to meet the mandatory quota for 2008 and 103,436 certificates to meet the quota for 2009, the latter representing the equivalent to 46.53% of certificates issued by the last deadline for bidding, December 15th, 2009. The average price for the green certificates traded to meet the mandatory quota for 2009 was 215.34 lei/certificate (55 EUR/certificate at the average exchange rate for December 2008, 3.9153 lei).

### *The Settlement*

The excellent results recorded in Day Ahead market were due not only to the maturity of the market and the market participants shift to short-term transactions but also, widely, to the robust collection and payment mechanism put in place since July 2008, based on the role of counterparty assumed by OPCOM. Total collection rights and payment obligations related to DAM transactions totaled in 2009, including VAT, 1,173.3 million lei (277.1 million euro), out of which two banking days payments totaled 1,100.4 million lei (259.9 million euro), the difference representing the amount of compensation between participants and central counterparty.

According to the provisions of the in force regulations, settlement activity included the calculation of the quantities and the collection rights/payment obligations for:

- trades concluded on Day Ahead Market of 985.9 million lei, without VAT, (232.9 million euro) and Green Certificates Market of 29.7 million lei (7.8 million euro), corresponding to green certificates traded in 2009 to meet the mandatory quota for 2008 and 2009;
- trades on the balancing market administered by Transelectrica amounting to 266.12 million lei for upward regulation and, respectively, 134.7 million lei for downward regulation (during January-November 2009);
- the imbalances of the balance responsible parties of 146.7 million lei corresponding to positive imbalances and, respectively, 266.08 million lei corresponding to negative imbalances, as well as, settlement of information imbalances of the dispatchable units of 158,090 lei (during January-November 2009).

The residual costs or income resulting from the system balancing have been determined and redistributed.

***In 2009, the transactions in the day ahead market alongside the contracts in progress on bilateral contracts markets amounted to an electricity volume of 17,724,035 MWh, the two markets together providing 35.33% of the estimated consumption for this year. However, transactions in 2009 concluded by public auction on CMBC secure now an amount of 3,823,540 MWh set to be delivered in 2010, representing a share of 7.68% of the estimated consumption of this year. Additional to the electricity transactions, a number of 103,436 green certificates were centralized traded within 10 monthly auctions carried out until now in order to meet the mandatory quota for 2009.***