

### **June 2010 completes five years from the launch of the New Trading Platform**

*Five years ago, the energy community in Romania welcomed the launch of the New Trading Platform, an assembly aimed to fundamentally transform the trading mechanisms in the Romanian wholesale electricity market by introducing the "multi-market" concept. The New Trading Platform consists of all issued regulations, procedures and instructions as well as of the IT systems set for the trades' completion. Eighteen months before Romania's accession to the European Union, based on the political decision of the Government, under the coordination of the Ministry of Economy and the preparation and adoption by the Regulatory Authority in the Energy Field, the rules of the new market defined by the Commercial Code of the Wholesale Electricity Market ensured for the Romania market conformity with the European model set by the Directive.*

*The process, that involved the main entities in the Romanian electricity market, fully benefitted of the financial support of the European Commission and the World Bank, of the consultants Red Electrica de Espana, Kema Consulting, Nord Pool Consulting and of the IT supplier AREVA T&D. Further developments were supported by the consultancy company Atos Origin and by the IT supplier NASDAQ OMX.*

*Opcom SA is thanking all contributors to the launch of the new platform and to the facilities subsequent enhancement, for the outstanding contribution for the development of the market in Romania.*

The new mechanisms implemented in the wholesale electricity market in Romania at the beginning of the first semester of 2005 separated the bilateral contracts from the spot trades, that name became Day-Ahead Market. The matching between the demand and offer is performed within a closed auction that is performed daily, by symmetrical participation conditions for sellers and buyers, the trades' settlement being independent of the results of the delivery day. The eventual imbalances that occur in this day are compensated by the mandatory participation of the producers in the system balancing, the settlement being performed based on the offers posted with one day ahead in the Balancing Market whose financial settlement as well as the one for imbalances are performed by Opcom SA.

During the five years of operation, the Day-Ahead Market continuously assured the hourly spot price for all 43,824 hourly intervals, also responding to the need of the participants for portfolio balancing. This led to the increase of the number of market participants from 76 registered at the end of the first 12 months to 102 participants at 30 June 2010. Out of them, 85 participants were active in 2009. The international participation is an additional prove for the credibility of the spot trading environment offered by Opcom SA: out of the 102 participants, 24 are foreign traders.

The counterparty role assumed by Opcom SA two years ago ensures the removal of the counterparty risk for participants as well as the payment/collection in up to two days. The value of the result was outlined by the specific conditions of the last year, when both the advantage of rapid payments and the menace of the volume risk that accompanies the long term trades have reoriented in high degree the participants towards short term trades. Not less than 621 million Euros is the amount of the trades between 30 June 2008 and 30 June 2010 for which the mechanism designed by Opcom SA assured an unprecedented fluidity of payments for the electricity trades in the Romanian market.

The analysis of the yearly evolution of liquidity shows a continuous increase for the period between June 2005 – June 2010. Year after year, not only the number of registered participants and their active participation increased, but also the traded volumes and the related share out of the national consumption. We are witnessing almost a doubling of the volumes of spot trades in the fifth year of operation compared with the first year July 2005 – June 2006: from 3.6 TWh in the first year of operation to 6.9 TWh traded between July 2009 – June 2010. This quantity raises the traded volume in five years of operation to 26.3 TWh. An accelerated increase of the liquidity was registered in the last semester, the market share increasing, in average values, from 12.64% in 2009 to 14.74% in the last six months. During the same period, the share threshold of 18.00% was exceeded for 24 times, the 19% for 11 times, the 21% for 5 times and the share of 22% was registered in 6.07.2010.

For the medium and long term trades, Opcom SA offered to the participants, during this period, two transparent environments: the Bilateral Contracts Market based on public auctions, launched in 8 December 2005, that offers participants the possibility to trade for horizons less than one year as well as longer, and the Bilateral Contracts Market with Continuous Negotiation, launched in March 2007, this market allowing the electronic trading of contracts of 1 MW with base, peak and off-peak delivery, for interval of one week, one month, one quarter, one year.

*For more information, please contact S.C. Opcom S.A.*

*Victor Ionescu, CEO, telephone +4 021 3071 450*

*fax +4 021 3071 400*

*also available on [www.opcom.ro](http://www.opcom.ro)*

The trend of the liquidity was ascending, from a market share of 2.41% in 2006 to 22.60% in 2009 as delivery and the number of participants permanently increased, from 79 in 30 December 2006 to 103 in 30 June 2010, with a significant international participation. In order to fine-tune the trading mechanisms in these markets, as well as for approaching trading terms below the time horizon of the Day-Ahead Market, Opcom SA is in a permanent consultation process with the regulatory authority and the market participants.

In 15 December 2009, a meeting organized by the Ministry of Economy, Commerce and Business Environment and Opcom SA at its headquarters gathered the most active investors in the wind energy domain, within the Romanian Association for Wind Energy, for a debate related to the strategy for supporting the launch of an Intra-Day Market for electricity. The commissioning of the Intra-Day Market will provide benefits for the market participants that will adjust the positions for a time horizon of 24 hours and, as an immediate consequence, will diminish the imbalances between demand and offer in the dispatching moment. For the decrease of the imbalance risks, Opcom SA prepared in 2009 a model of the applicable mechanisms, the first semester of 2010 being dedicated to the cooperation with the Product Group, that meetings are also attended by representatives of ANRE, Transelectrica, AFEER, AREE, IRE and COGEN, in order to prepare the regulation, accession agreement and operational procedure for this market. The experimental operation period for the proposed model and of the related IT system begun in 1 July 2010.

In 16 November 2005, the first centralized market for environmental products administered by Opcom SA, the Centralized Market for Green Certificates, offered participants the opportunity of the first auction session. The number of traded green certificates evolved from 20,939 accounting for 2006 to 169,880 accounting for 2009. Opcom SA is the operator for the overall green certificates market, also performing the role of administrator of the Green Certificates register that registers the bilateral trades as well as the centralized ones. The number of the producers increased from 5 in 31 December 2006 to 36 in 30 June 2010. During the same period, the number of registered suppliers evolved from 56 to 67.

A second trading environment for market based instruments dedicated for Climate Change mitigation was offered by Opcom SA for operators holding an account in a Register for greenhouse gas emissions within the European Union through the launch, in 1 June 2010, of the Trading Platform for Emissions Certificates. Similar with the efforts dedicated for building the Intra-Day Market, the launch of TPEC benefited of the permanent support of the Ministry of Economy, Commerce and Business Environment.

During this overall period, Opcom SA participated in the general process of European and worldwide evolution, being affiliated to APEx, EuroPEX, EURELECTRIC, WEC.