

PRESS RELEASE

Cooperation of Power Exchanges on European Price Coupling Concept

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The Florence Regulatory Forum of 4-5 June 2009 recognized price coupling as the target day-ahead market coupling solution. In response to the common interest of Regulators, TSOs and market participants to deliver a timely day-ahead market coupling solution for Europe, a cooperation between Nord Pool Spot, EPEX Spot and OMEL has been launched.

The first step of the Power Exchanges' cooperation is to test the concept of a pan-European price coupling called "Price Coupling of Regions-PCR". The three exchanges have been intensively cooperating since June 2009 after their respective Boards approved a Letter of Intent on the initiative. The cooperation consists in testing a common concept through which spot electricity price formation will be coordinated in an area covering Portugal, Spain, France, Germany, Austria, Switzerland, Denmark, Norway, Sweden and Finland. The area being tested amounts to approximately 1900 TWh of yearly power consumption, or over 2/3 of the European power market, out of which more than 700 TWh are traded on the day-ahead organized markets. With the support of the relevant Power Exchanges and TSOs, the concept has the potential to be jointly implemented on the Dutch, Belgian, British, and Baltic areas and beyond.

When ready, OMEL, EPEX Spot and Nord Pool Spot will present the conclusions to other Power Exchanges, TSOs and all interested stakeholders in order to seek for agreement on a project structure for implementation to take place timely and effectively as requested by the market. Only then, an agreed target date for go-live will be available.

Nord Pool Spot, EPEX Spot and OMEL are involved in different regional market coupling projects. The intention is to conduct PCR in parallel with existing market coupling projects that will deliver in the next months such as the CWE price coupling and the Danish-German EMCC volume coupling. The PCR concept could pave the way for the fast integration of all these projects into a wider and sustainable European solution in a timeframe to be agreed between all participating Power Exchanges and TSOs.

Power Exchanges already have extensive experience in developing and operating this kind of price coupling solution and are confident about the results of the cooperation. MIBEL, TLC and the Nordic market are examples of such high quality price formation mechanisms. PCR changes scale from a regional perspective to a pan-European one, pragmatically building on the existing infrastructures and regulatory frameworks.

As regulated spot Power Exchanges that are part of the European power landscape, Nord Pool Spot, EPEX Spot and OMEL believe in well functioning markets and wish to continue to do their best to get closer to a truly integrated European spot market in close collaboration with other Power Exchanges and all stakeholders.



About the three regional exchanges

EPEX Spot SE is a Paris-based company under European law (Societas Europae) with a branch in Leipzig. EEX AG and Powernext SA each hold 50 percent in the joint company, in which they integrated their entire spot power trading activities. EEX AG main shareholders are Eurex Zürich AG and Landesbank Baden-Württemberg. Powernext SA main shareholder is a Holding of TSOs formed by RTE, TenneT and Elia. The product range of EPEX Spot SE encompasses spot power trading for France, Germany/Austria and Switzerland. These countries account for more than one third of the European power consumption.

Operador del Mercado Ibérico de la Energía, polo español S.A. (OMEL) is a Spanish company created with the purpose of managing markets in underlying energy assets. As its main function, OMEL is the responsible of the management of the Iberian spot electricity market, running everyday the daily and six intraday markets encompassing all Iberian energy. In addition to this principal function, OMEL is responsible for the management of several energy-related product auctions, including both physical and financial products.

Nord Pool Spot runs the largest physical power market in the world, offering both day-ahead and intraday markets to its participants. 330 companies from 20 countries trade daily on the exchange. The Nord Pool Spot group has offices in Oslo, Helsinki, Stockholm, Fredericia (Denmark) and London. Nord Pool Spot is owned by the Nordic transmission system operators. In 2008 the group had a turnover of 300 TWh representing a value of EUR 15.0 billion.

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