

## PRESS RELEASE

# Cooperation of 6 Power Exchanges on European Price Coupling Solution

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**The power exchanges APX-Endex, Belpex, EPEX Spot, GME, Nord Pool Spot, and OMEL announce the creation of a 6 party project aimed at delivering a single price coupling across the Nordic, Central West and Southern European regions, potentially as early as next year. The approach is called Price Coupling of Regions, or PCR, and is intended to provide the basis for a truly European market.**

This follows the XVII European Florence Regulatory Forum last December where the PCR approach was initially outlined. PCR is a response to the common wish of regulators, TSOs and market participants for the rapid implementation of a single day-ahead price coupling solution across Europe. This is the day-ahead element of the “target model” agreed by the Florence Forum.

The PCR project will address the implementation of a common price coupling solution through which spot electricity price formation will be coordinated in an area potentially covering Portugal, Spain, Italy, Belgium, the Netherlands, Great Britain, France, Germany, Austria, Switzerland, Denmark, Norway, Sweden, Finland and Baltic. This amounts to approximately 2,900 TWh pa of power consumption, or over 80% of the European total. Currently, more than 1,000 TWh are traded on the day-ahead markets operated by the 6 parties. The initiative is open to other PXs and market areas joining on fair and equal terms.

The concept of a single price coupling across Europe is an unprecedented challenge. The approach is designed to be fully transparent and to be able to produce reliable reference power prices for all European markets, whatever the operational conditions.

With the support of the relevant regulators and TSOs, the PCR solution has the potential to be jointly implemented as soon as next year. Power exchanges have started discussions with regulators, TSOs and all interested stakeholders to build support and plan implementation. Only then can an agreed target date for launch be available.

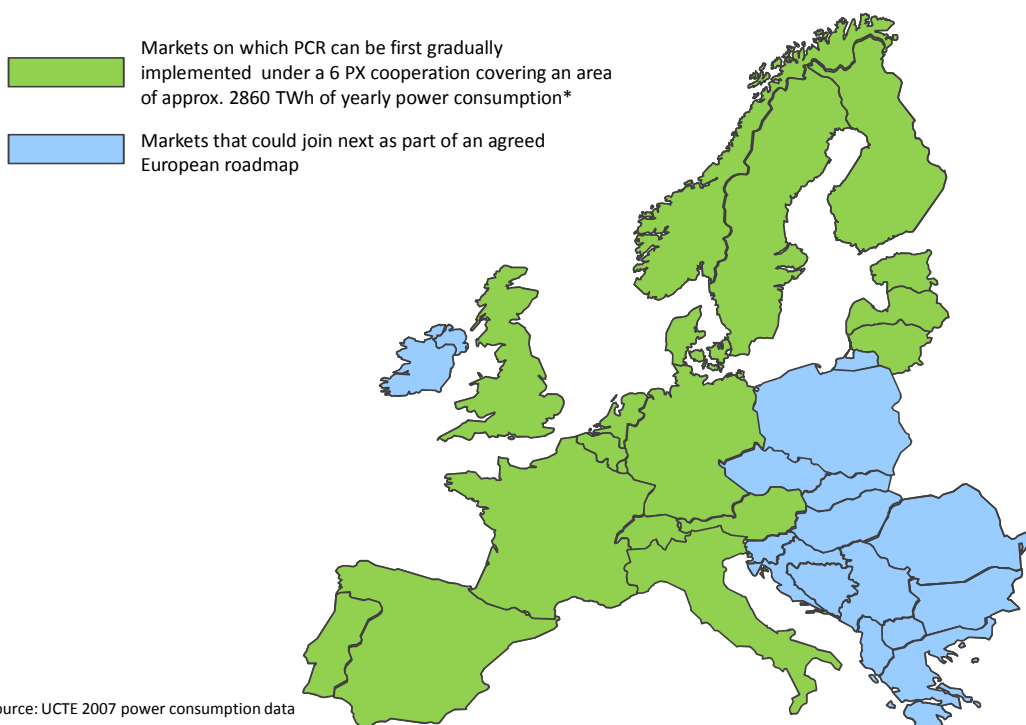
The 6 power exchanges already have extensive experience in successfully developing and operating price coupling arrangements, and are confident about the results of the cooperation. They are currently involved in several existing or planned regional market coupling initiatives – such as the CWE price coupling and the Danish-German tight volume coupling - and the intention is to develop PCR in parallel.

The power exchanges hope that PCR could pave the way for the fast integration of all these projects into a wider and sustainable European solution starting in 2011. PCR changes scale, from a regional perspective, to a pan-European one, pragmatically building on the existing arrangements, including the contractual and regulatory frameworks, thus minimizing the required changes and accelerating the speed of introduction.

As regulated spot power exchanges working closely with all stakeholders, APX-Endex, Belpex, EPEX Spot, GME, Nord Pool Spot, and OMEL are dedicated to the development of well functioning markets and, in particular, the pursuit of a truly integrated European spot market.

About the market areas covered by the 6 PX cooperation

PCR: a 6 PX cooperation to meet the requirements of the market,  
TSOs and Regulators





## About the 6 exchanges

**APX-ENDEX** is Europe's premier provider of power and gas exchange services for the wholesale market, operating transparent platforms for short term and futures trading in the Netherlands, the United Kingdom and Belgium. Established in 1999, APX-ENDEX provides exchange trading, central clearing & settlement and data distribution services. APX-ENDEX has over 300 memberships from more than 15 countries. APX-ENDEX offers benchmark data and provides industry indices. APX-ENDEX's offices are located in Amsterdam, London and Nottingham.

**Belpex** is a leading contributor to the integration of the European electricity markets, accountable for delivering transparent price signals to its participants and the community. Belpex is focused on delivering electricity market services that bring value to its members and the entire Belgian electricity wholesale market. Belpex provides a trading platform for the negotiation of spot electricity trades and green certificates. Purchase/sale transactions are concluded directly, but anonymously, between the market participants.

**EPEX Spot SE** is a Paris-based company under European law (Societas Europae) with a branch in Leipzig. EEX AG and Pownext 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. Pownext 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.

**GME** is the company which organizes and manages the wholesale electricity market in Italy. On GME, producers, consumers and wholesalers may enter into electricity purchase and sale contracts for the next day and, from 2008, also trade electricity blocks for forward physical delivery. GME also organizes and manages Environmental Markets, i.e. the venues where Green Certificates, Energy Efficiency Certificates and Emission Allowances are traded. GME has been attributed, moreover, by law no. 99 of 23 July 2009, the exclusive management of the Italian natural "Gas Exchange".

**Nord Pool Spot** runs the largest electrical energy market in the world, offering both day-ahead and intraday markets to its participants. 330 companies from 20 countries trade on the exchange. The Nord Pool Spot group has offices in Oslo, Helsinki, Stockholm, Fredericia (Denmark), Tallinn and London. Nord Pool Spot is owned by the Nordic transmission system operators. In 2009 the group had a turnover of 287 TWh representing a value of EUR 10.8 billion.

**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.



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