

The electricity markets in the Republic of Ireland and Northern Ireland are undergoing an historic programme of reform. The Single Electricity Market (SEM) commenced on the 1st November 2007, while ever-increasing wind generation is placing additional demands on the national grid.

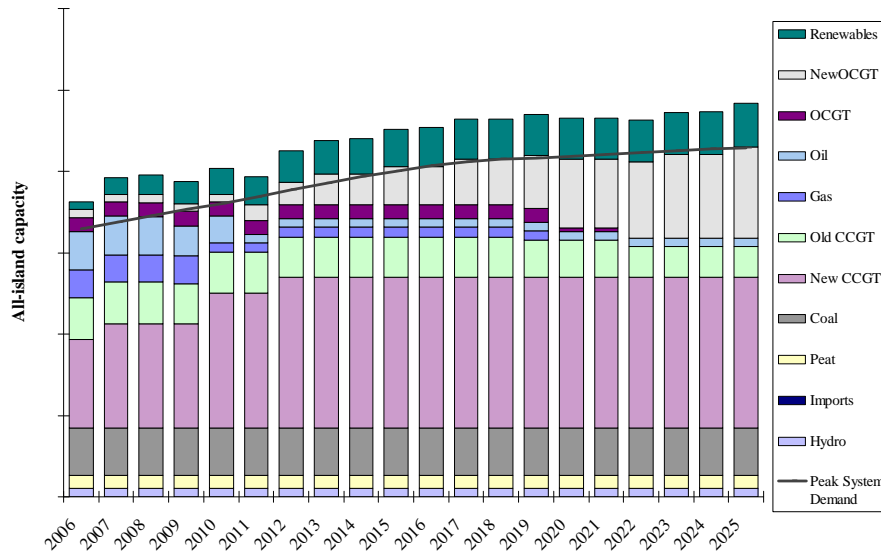
Pöry Energy Consulting has been an expert in the Irish electricity market for over ten years. Our clients have included major utilities, finance houses, banks and public bodies including the regulators in both markets.

We have recently updated our comprehensive ILEX energy report on the Irish electricity market. The report is an invaluable tool for parties wishing to understand the Irish market and assess potential opportunities. The new edition contains:

- An in-depth review of the electricity markets in the Republic of Ireland and Northern Ireland, focussing on all the issues concerning the Single Electricity Market (SEM).
 - A summary of the gas markets in the Republic and Northern Ireland.
 - All-island electricity price projections for 2008–2025, following introduction of the SEM.
- The projections are annual time-weighted average prices out to 2025 on a 25 sample-day basis and are provided in the report together with supply curves and expected spark-spreads under four scenarios:
- A high case in which high demand is coupled with high generating fuel prices. In particular, gas market liberalisation is assumed not to take place throughout Europe, resulting in gas prices being linked to increasingly high-priced oil-based products.
 - A central (oil-indexed) case, in which central demand is matched to central fuel prices, although gas prices remain linked to oil prices. Sufficient generating capacity is built to meet increasing demand.
 - A central (de-linked) case, which assumes that gas prices de-link from oil prices by 2015. All other assumptions remain identical to the Central oil-indexed scenario.
 - A low case, assuming lower demand, significant renewable capacity and a liberalised Continental European gas market.

To generate the new price projections, we have revised our assumptions on the timing of proposed capacity additions, updated our fuel-price projections and adjusted our demand profiles in line with the latest available information. We have also modelled the impact of proposals to construct an East-West interconnector between the Republic of Ireland and Wales, and reflected the key changes arising from the introduction of the SEM.

REPUBLIC OF IRELAND AND NORTHERN IRELAND ELECTRICITY MARKET REPORT



A high wind growth scenario with low market prices would increasingly mean OCGT new entry for capacity rather than new base load plant.

For each of our scenarios we assume that the cost of CO₂ from the EU Emissions Trading Scheme will be included in the price of electricity. This is consistent with current bidding rules in the SEM and also the expected withdrawal of free allowances for generators in Phase III of the EU ETS.

As a complementary product, Pöry can offer customisation options such as **plant-specific load factors, capture prices, price duration curves and merit orders**. This allows assessment of the likely performance of plant, in terms of operating pattern, merit orders, capture prices, and overall income under a range of customisable scenarios.

As well as the report, Pöry continues to offer its successful training sessions on the new SEM market arrangements. Please email or phone for more details.

Contact Pöry for more information:

- Stephen Woodhouse
stephen.woodhouse@poyry.com
- James Marshall
james.marshall@poyry.com
- Call us on
+44 (0)1865 722660 or
- Visit our website at
www.ilexenergy.com

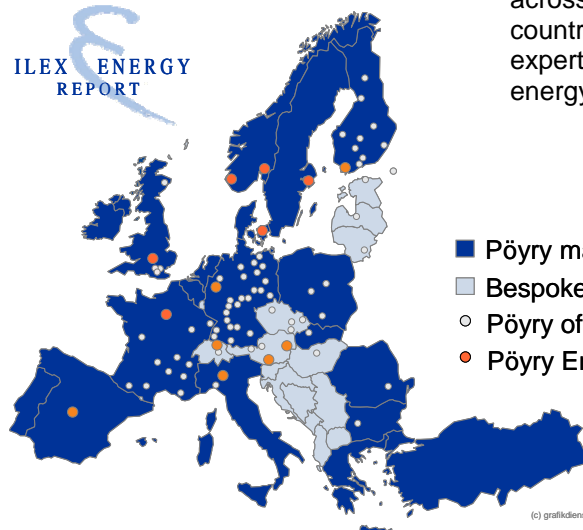
ILEX Energy Reports

Pöry Energy Consulting produces ILEX Energy Reports for electricity, gas, carbon and green certificate markets across Europe.

Pöry Energy Consulting is Europe's leading energy consultancy, providing strategic, commercial, regulatory, and policy advice to the energy market.

Our team of over 170 European energy specialists, located across eleven offices and ten countries, offers unparalleled expertise in the rapidly changing energy sector.

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Pöry Energy (Oxford) Ltd.

King Charles House, Park End St, Oxford OX1 1JD, UK
+44(0)1865 722660 consulting.energy.uk@poyry.com

Pöry Energy Consulting