

Providing essential insight into the development of the Irish all-island electricity market – significant increases in wind generation and stretching environmental targets expected to remain a real challenge for the Single Electricity Market (SEM) over the next few years.



Pöry Energy Consulting is pleased to announce the release of the latest update of the ILEX Energy Report – Wholesale Electricity Price Projections for the Republic of Ireland and Northern Ireland.

This report provides **wholesale electricity price projections for the SEM out to 2030** in three internally consistent scenarios – **High, Central** and **Low**. Annual wholesale prices are accompanied by projected dark/spark spreads.

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 jurisdictions. We use this to summarise the Irish market, highlighting the key issues for the coming years.

Our price projection scenarios illustrate the reasonable range of outcomes in wholesale electricity prices for Ireland. The projections are for sustainable long-term levels based on the fundamental drivers of prices.

Updating our price projections on a quarterly basis allows us to incorporate the most up-to-date information on fuel prices, demand and government policy.

We use our European electricity model to examine the effect of differences in key drivers, such as:

- electricity demand;
- fuel prices, which are derived from our suite of models;
- carbon prices; and
- development of new technologies, such as CCS.

We simultaneously model electricity markets across Europe. This means that we take account of the limits and opportunities presented by physical interconnections with neighbouring markets.

Our iterative modelling process ensures that our fuel and carbon prices are consistent with the resulting level of fuel demand and carbon dioxide emissions.

Modelling wholesale markets on an hourly basis allows us to produce merit order curves and price duration curves. These help clients better understand the detail behind our wholesale price projections.

Our model produces detailed results for each plant in our database of European generation. We use this information to check that our assumptions about future investment decisions are supported by adequate levels of expected return.

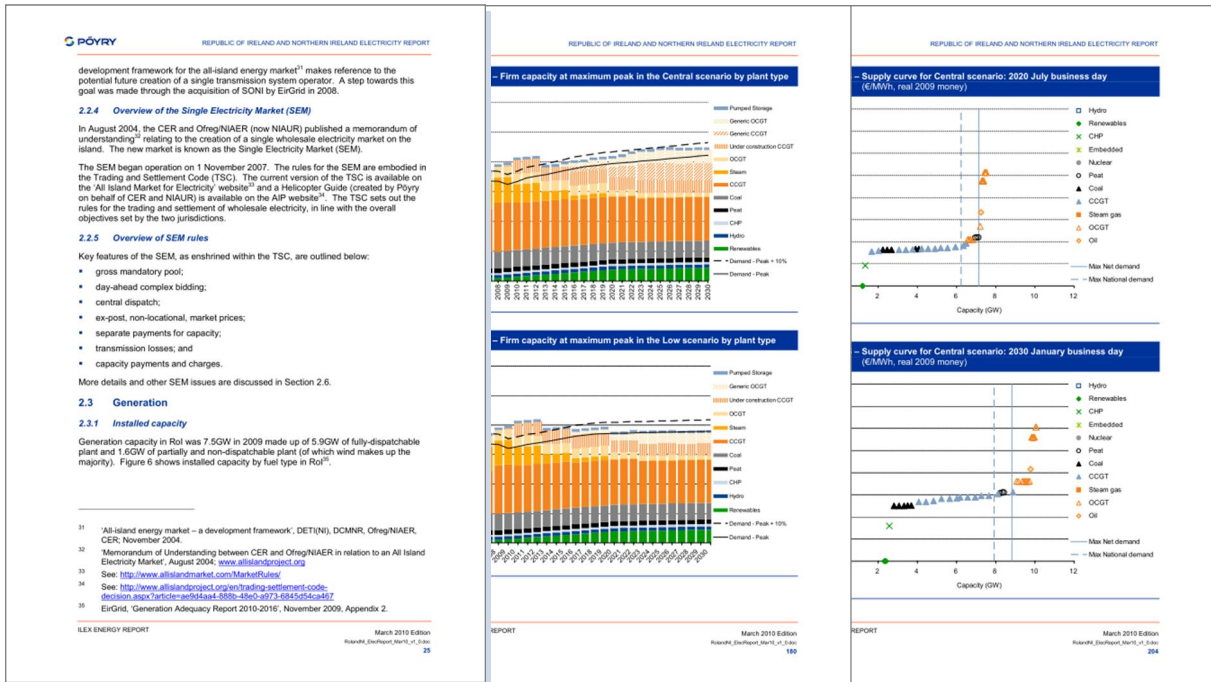
Our price projections are accompanied by a review of **major developments in the Irish all-island market**, such as:

- an in-depth review of the SEM in 2009, including commercial and regulatory issues, wholesale price evolution, commercial offers from major gas and coal plants, correlation with commodity prices and UK power price;
- challenges and delays for generation projects under development generated by the Gate 3 connection allocation process; and
- a review of the Irish gas market.

Our review is supported by a description of the Irish wholesale electricity market – sources of supply and demand, major players, commercial arrangements, and an overview of the regulatory and policy framework.

WHOLESALE ELECTRICITY PRICE PROJECTIONS FOR IRELAND

March 2010 Edition



Clients use the report to help them understand the Irish wholesale electricity market – the recent history, its current state and prospects in the coming years.

The report is 216 pages in length and contains over 120 figures and tables.

As a complementary product, Pöyry can provide complete **arrays of projected hourly prices** on a monthly or sample business/non-business day format, out to 2030.

We also offer customisation options such as:

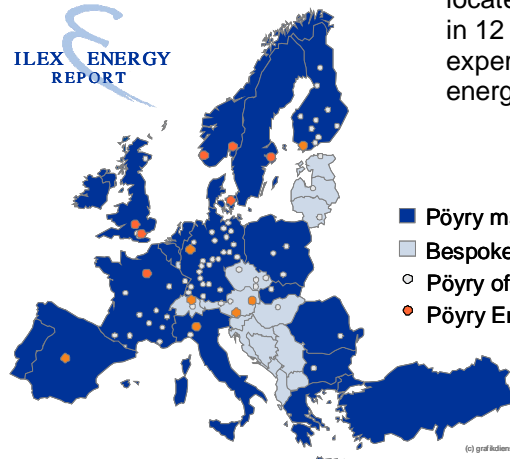
- **plant-specific load factors and capture prices;**
- **further sensitivity analysis; and**
- **bespoke runs using client defined input assumptions.**

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

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ILEX ENERGY REPORT



ILEX Energy Reports

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

Pöyry Energy Consulting is Europe's leading energy consultancy providing strategic, commercial, regulatory and policy advice to Europe's energy markets.

The team of 250 energy specialists, located across 15 European offices in 12 countries, offers unparalleled expertise in the rapidly changing energy sector.

- Pöyry market reports available
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