

Nord Pool ASA

Development in the Nordic Region



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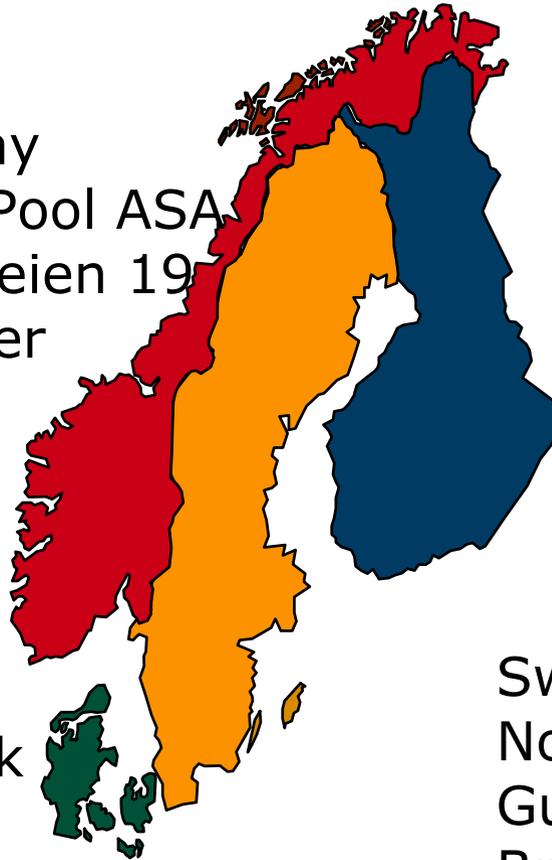
Nord Pool

- The Nordic Power Exchange



Norway
Nord Pool ASA
Vollsveien 19
Lysaker
Oslo

Finland
Nord Pool Finland
Ruoholahdenkatu 8
Helsinki



Denmark
Nord Pool Denmark
Vesterballevej 5
Fredericia

Sweden
Nord Pool Sweden
Gustavlundsvägen 141 B
Bromma
Stockholm

Nord Pool Group

■ Founded:	1 January 1993		
■ Owners:	Nordic TSO's		
■ Locations:	HQ — Oslo (Norway), Stockholm (Sweden), Helsinki (Finland), Fredericia (Denmark)		
■ Equity:	Euro 60 million (NP), Euro 12 million (NPS)		
■ Participants:	364		
■ Trading financial:	590 TWh	(2004)	(756 TWh -05)
■ Clearing financial and OTC:	1 797 TWh	(2004)	(2020 TWh -05)
■ Trading physical:	167 TWh	(2004)	(164 TWh -05)
■ Carbon	26 mill. ton	(2005)	
■ Value:	Contracts valued at Euro 47 billion in 2004		
■ Op. profits:	Euro 5 million		
■ Employees:	>90		
■ International interests	<ul style="list-style-type: none"> • Nord Pool owns 17.4% of the European Energy Exchange (EEX) • Our spot-market trading system is licensed to France's Powernext exchange 		

NP = Nord Pool ASA, Nord Pool Clearing, Nord Pool Consulting

NPS = Nord Pool Spot AS, Nord Pool Spot Finland Oy

Trading, clearing and settlement

- Nordic Electricity (spot, future, forward, option, contract for difference)
- Germany (contract for difference)
- European Allowances (spot, forward)
- Swedish Elcertificates (spot)

Elcertificates in Sweden

4.2 TWh Bio-mass

1 TWh Hydro

0.4 TWh Wind

2003

May - dec

8.2 TWh Bio-mass

2 TWh Hydro

0.8 TWh Wind

2004

5,8 TWh Bio-mass

1.4 TWh Hydro

0.7 TWh Wind

2005

jan - sep

Ambition: 15 TWH in 2016

Approved capacity 2005

■ Biomass	3322 MW (nr. 114)
■ Hydro	511 MW (nr. 1060)
■ Wind	485 MW (nr. 637)
■ Solar	,008 MW (nr. 1)
■ Total	4318 MW

Average price reported to the register

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Elcertifikat



Om elcertifikatssystemet Marknadsstatistik Bli kontohavare Strukturrapport Vanliga frågor

Start

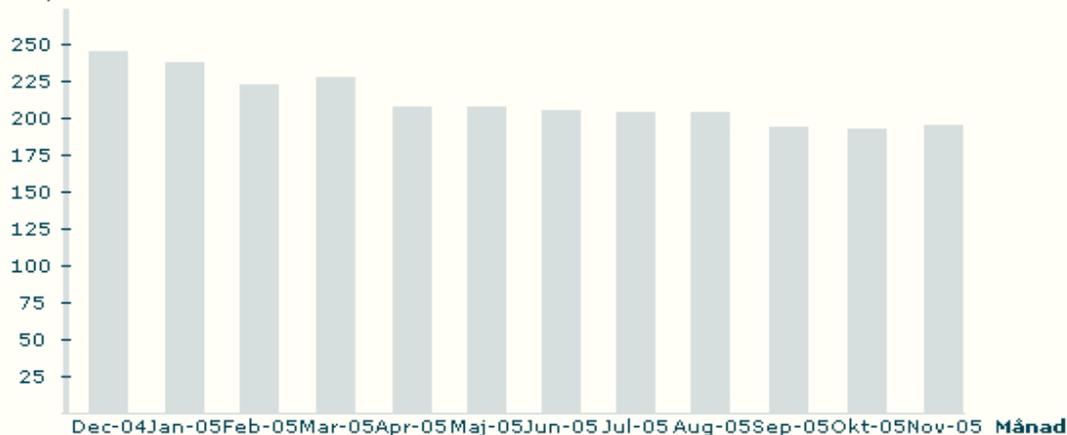
Marknadsstatistik



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Medelpris per elcertifikat

Pris, kr



Ladda hem Medelpris för valfri period

Volume reported to the register

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Elcertifikat 

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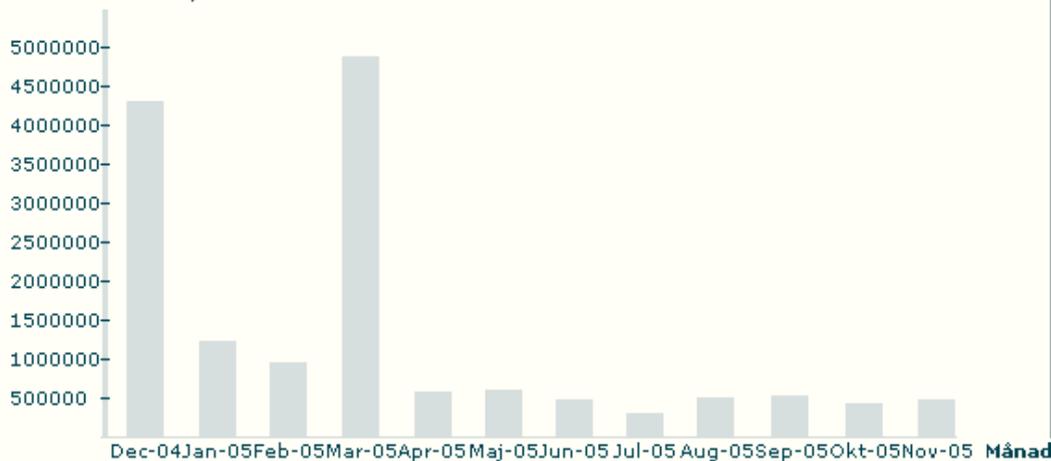
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Marknadsstatistik  

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Antal överförda elcertifikat

Antal elcertifikat, st



Nord Pools experiences

- Almost 100% OTC
- Low interest for spot trading
- Focus on forward with delivery in March and December

Elcertificates in Norway

- Political decision in summer -06
- Goal to have a common market with Sweden
- Harmonisation of framework is important

Benefits with a Norwegian/Swedish market

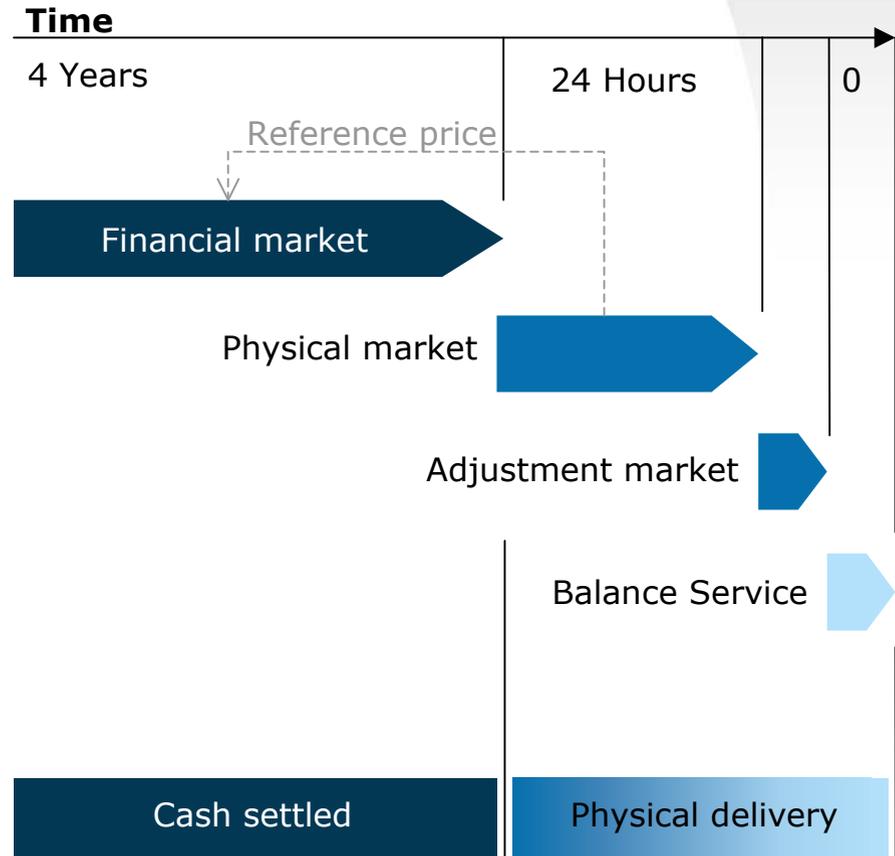
- **More cost effective**
- **More players**
- **Better liquidity**
- **Stabilisation of prices**
- **Broader mix of production**

...confidence

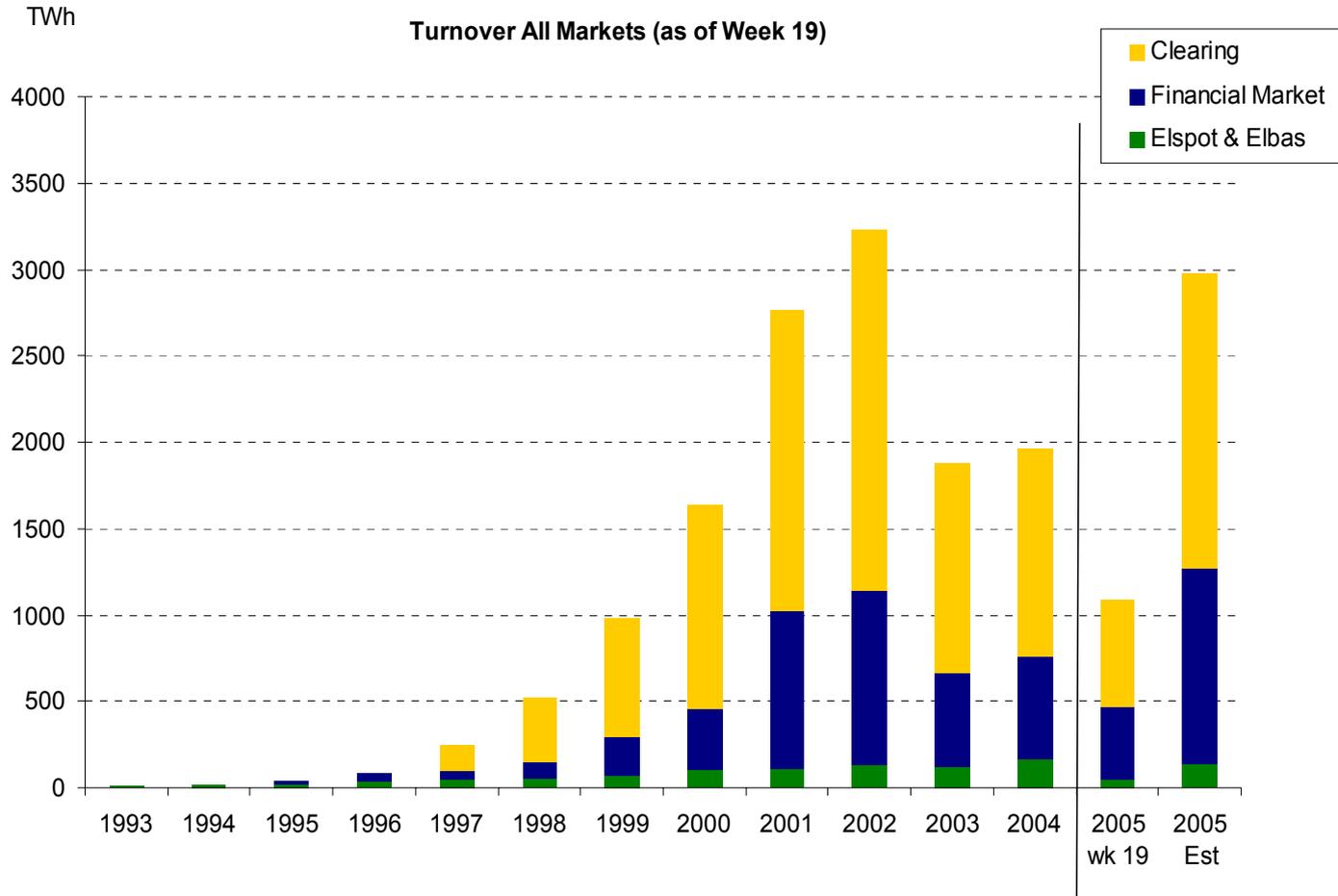


The Nordic Concept for electricity trading

- Physical market
Auction - Mechanism for handling of constraints
- Adjustment market
Continuous hourly market
- Balance Service
Operated by Transmission system operators
- Financial market **Cash settled Futures, Forwards and Options**
- Clearing
 - Exchange trade
 - OTC Trade



Turnover TWh 1993-2005



The Concept for certificate trading

EUA

Spot contract

- Continuous trading
- Settled T+3
- Exchange trade

Financial market

- Physical delivery
- (Dec -06 , -07, -08, Mar -06)

Clearing

- Exchange trade
- OTC Trade
- Netting EI/EUA

Elcertificates (Introduced Q1-06)

Spot contract

- Continuous trading
- Settled T+3
- Exchange trade

Financial market

- Physical delivery
- (Mar -06 , -07, -08, Dec -06)

Clearing

- Exchange trade
- OTC Trade
- Netting EI/EUA/Elcertificates

Goal for the exchange

■ **To work for a harmonised framework to have an international trading**

■ **Create liquidity**

- Market-maker in forward contracts

■ **Create transparency**

- Reporting of cleared OTC-contracts within 15 minutes after trading
- Reporting of failures within 60 min
- Reporting of maintenance as soon it is decided
- Insider rules

■ **Market surveillance**

More information:

www.nordpool.com