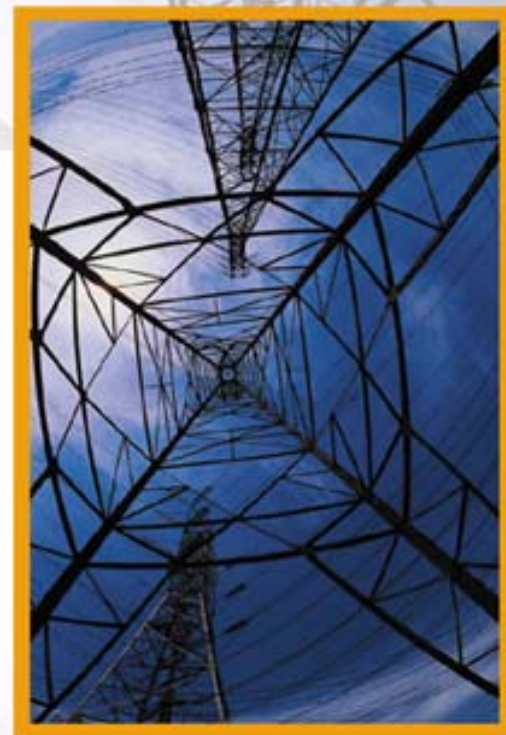




Towarowa Giełda Energii SA

Perspectives and Challenges of EU Electricity – Enlargement for PoIPX

Polish Power Exchange



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Vice-President of the Management Board

Towarowa Giełda Energii SA



Characteristics of the Polish Electricity Sector

1. Generation Subsector:

17 system power plants,
20 CHP plants,
29 GW of installed capacity,
140 TWh of annual output;

2. Transmission Subsector:

Polish Power Grid Company (PSE S.A.)

114 km - 750kV, 4,552 km - 400kV, 7,884km - 220kV, 27 km - 110kV.

3. Distribution Subsector:

18 Distribution Companies - 677,000 km of power lines of which:

27,000 km - 110 kV lines, 270,000 km - MV lines, 380,000 km - LV lines (i.e. 1 kV and less)

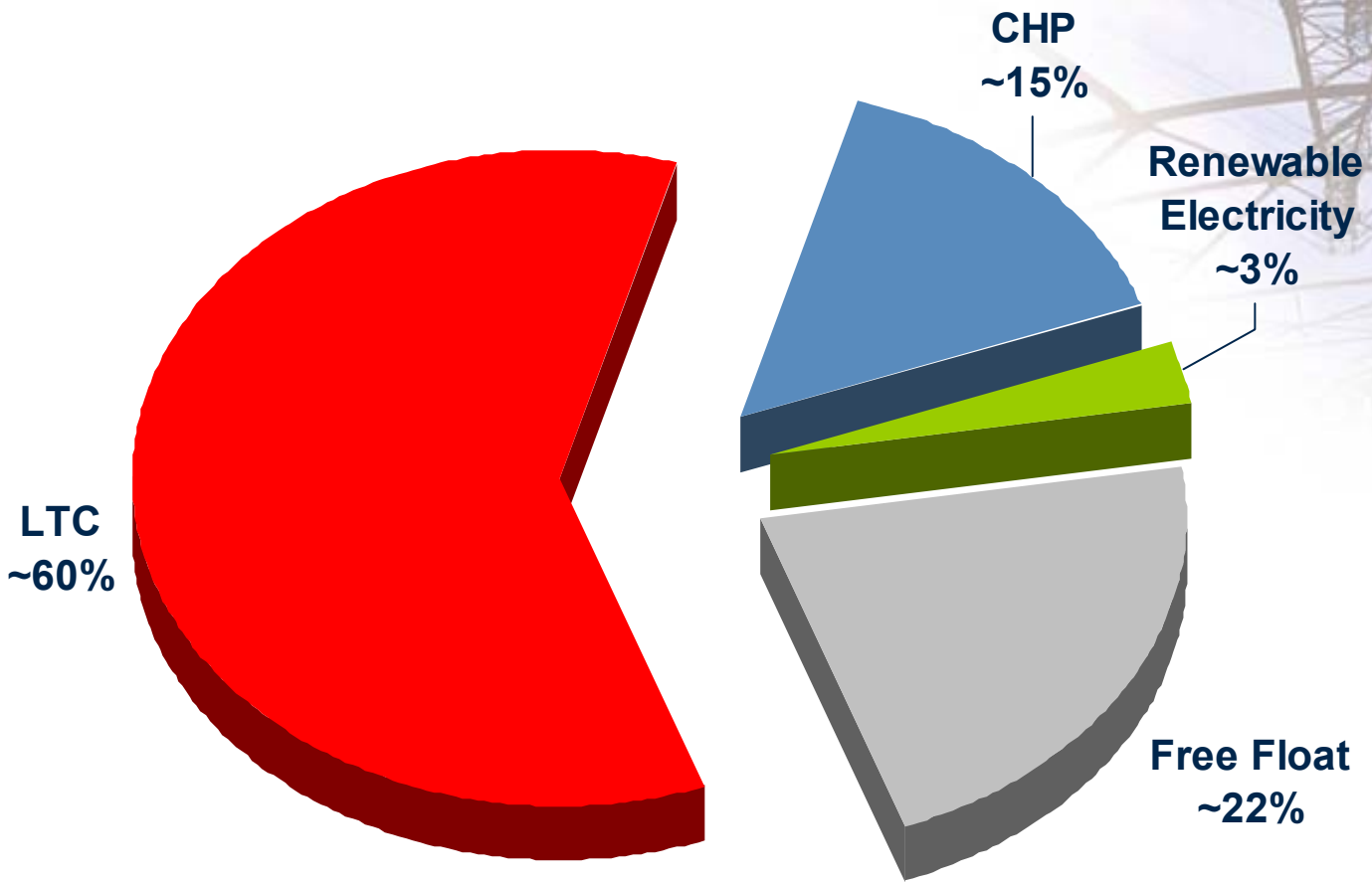
4. Trading:

Approx. 200 trading companies

Number of customers - approx. 15.2 Million



Electricity Market Share in Poland



~78% of electricity float in Poland are currently subject to mandatory purchase

Polish Power Exchange Shareholders Structure

Polish Power Exchange was founded by 19 shareholders. The company began its activity on 7th December 1999.

State Treasury (22,3448%),

Elektrim S.A. (10,0001%),

Endesa Europa SL (10,0000%),

Polskie Sieci Elektroenergetyczne S.A. (10,0000%),

Zespół Elektrowni Patnow-Adamow-Konin S.A. (10,0000%),

Elektrownia Opole SA (10,0000%),

GZE KONTAKT Sp. z o.o. – Vattenfall Group (6,0000%),

Energa Gdanska Kompania Energetyczna S.A. (5,0000%),

Zespół Elektrociepłowni Wrocławskich Kogeneracja S.A. – EDF Group (4,6552%),

Gielda Papierów Wartościowych (Warsaw Stock Exchange) (2,3276%),

STOEN S.A. – RWE Group (2,0000%),

Elektrim Volt S.A. (1,1379%),

Elektrownia Belchatow S.A. (1,0172%),

Elektrownia Połaniec SA - Electrabel Group (1,0172%),

Grupa Energetyczna ENEA S.A. (1,0172%),

PKP Energetyka Sp. z o.o. (1,0000%)

Bergen Energi AS (0,8276%),

Dom Maklerski Penetrator S.A. (0,8276%),

Vattenfall Polen AB (0,8276%),



Markets Currently Run by Polish Power Exchange

POLISH POWER EXCHANGE

DAM – Day Ahead Market

Futures Market

PJ – Block Market

Clearing
House

28 Members

Coordinated Auctions for Crossborder Transmission Capacity (1)



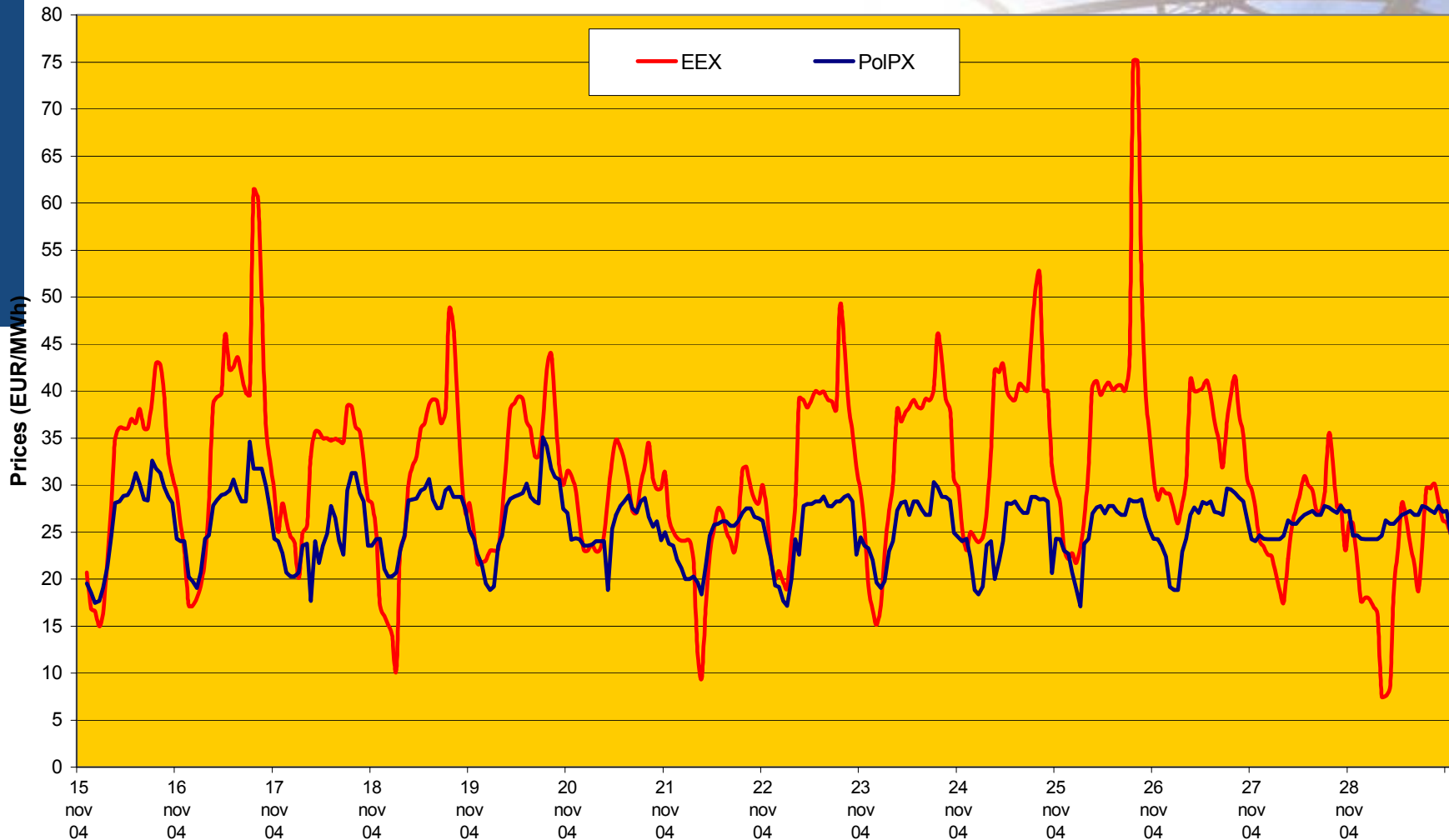


Coordinated Auctions for Crossborder Transmission Capacity (2)

- available crossborder transmission capacity thru Pol/Ger and Pol/Czech borders amounts 2000 MW;
- yearly and monthly coordinated auctions (performed by TSO's from Germany, Czech and Poland) already in force;
- daily coordinated auctions due next year.

Hourly Prices on Spot Markets of PolPX and EEX

(two weeks: 15-28 November, 2004)





Perspectives and challenges of EU Electricity - Enlargement

- common electricity market
- growing activity on Day Ahead Markets (related to implementation of daily crossborder transmission capacity auctions;
- CO₂ emission allowances (international trade within the whole EU)
- other: gas, green certificates



**Thank you for your
attention**



Towarowa Giełda Energii SA