



GME: Start of Demand-Side Participation in the Italian Power Exchange (IPEX)

- Demand-Side Market Participants: 30
- Price for 1 January 2005: 21.23 €/MWh
- IPEX liquidity: 69%

Rome, 31 December 2004 – Today, GME (Gestore del Mercato Elettrico) announces the official start of full demand-side participation in the Italian Power Exchange (IPEX).

Demand-side and supply-side trading in IPEX was preceded in the past few months by comprehensive tests, which yielded excellent results. The tests enabled the main operators of the industry to familiarise with the electronic procedures underlying the operation of the Electricity Market.

Thirty Demand-Side Market Participants took part in today's trades.

The price for 1 January 2005 was set at 21.23 €/MWh.

The volume of electricity traded in IPEX was equal to 418,317 MWh, i.e. to 69% of total consumption. This is a highly significant value, which confirms that IPEX is one of the European markets with the highest liquidity. On the first day of trading with demand-side participation, the volumes of electricity traded in IPEX doubled with respect to their 2004 values without "active" demand side.

"The start of demand-side participation", stated GME's CEO Sergio Agosta, "is a major development in the life of IPEX, because it completes the market and gives further impetus to competition and new investments: two factors which will help make the Italian Electricity Market increasingly efficient."

IPEX is an electronic marketplace (all the stages of the market take place through the Internet) where demand and supply meet, defining the quantity and price of traded electricity. In addition to being an electronic marketplace, IPEX is also a physical market, where electricity injections into and withdrawals from the power grid are defined.

IPEX consists of 3 markets, which take place one after the other: the Day-Ahead Market (MGP), which hosts the most part of electricity transactions; the Adjustment Market (MA), where Market Participants revise the schedules resulting from the Day-Ahead Market by submitting additional demand bids or supply offers; the Ancillary Services Market (MSD), where GRTN procures the resources that it needs for managing, operating and controlling the power system (intra-zonal congestion relief, creation of energy reserve, real-time balancing).

For additional information

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