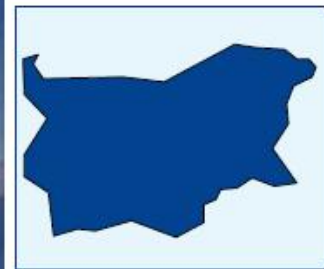


# WHOLESALE ELECTRICITY PRICE PROJECTIONS FOR BULGARIA – MARKET REPORT

March 2011 Edition



**With a liberalising market, anticipated capacity additions and potential for renewable project development, the Bulgarian electricity market is the focus of significant interest for global energy players.**

Pöyry Management Consulting is pleased to announce the release of the latest update to the ILEX Energy Report – **Wholesale Electricity Price Projections for Bulgaria**. The update investigates key issues such as the future for renewable energy, new generation capacity additions and cross border flows with neighbouring countries.

The report contains a review of the **history of the electricity market** liberalisation in Bulgaria, and how this relates to the current market structure. Recent, ongoing and anticipated market events are also detailed.

The current support mechanism for renewable electricity generation projects is also explained. The report describes **how we simulate wholesale prices in the**

**market** and how we project the fundamental price drivers in order to develop our scenarios for future electricity prices.

Coal, oil and gas price projections are explained in detail, plant availabilities given, capacity growth in CHP, renewables and thermal plant reviewed and demand projections presented.

The report looks at three underlying scenarios:

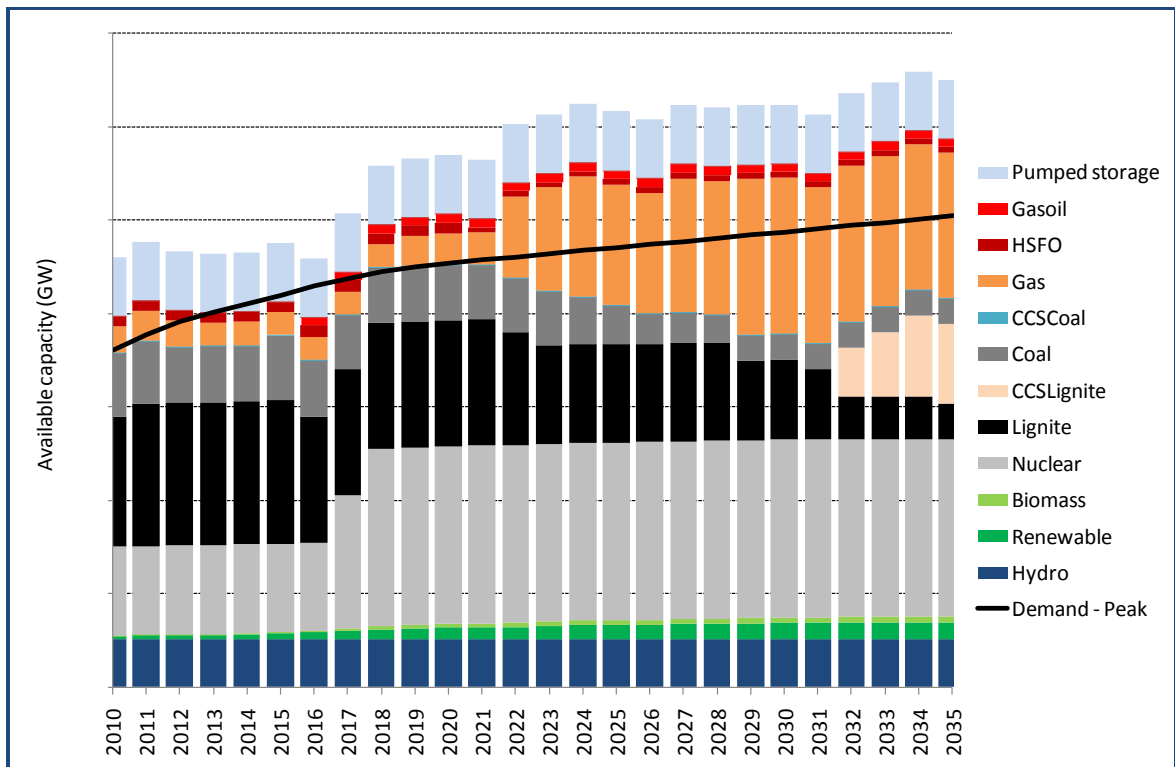
- a **High** scenario, where high demand is coupled with high fuel and carbon prices, and a low capacity margin;
- a **Central** scenario based on central assumptions for fuel prices and demand growth, and our central case for new entry and capacity margin; and

- a **Low** scenario, where low demand growth, low fuel prices, and a large capacity margin combine to produce a highly competitive market.

In line with these scenarios, we have three projections of annual baseload electricity prices, at the wholesale level, out to the year 2035. The three main scenarios assume that generators incur, and pass through to consumers, a carbon cost determined by the EU Emissions Trading Scheme.

We comment on **what each of these scenarios means for the profile of prices** throughout the projected period. We also present the spark spread projections that result from our wholesale electricity and gas price projections.

## WHOLESALE ELECTRICITY PRICE PROJECTIONS FOR BULGARIA



**Power generation capacity projections in Bulgaria to 2035 illustrating the development of various generating technologies in one of Pöry's scenarios**

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 plants, in terms of operating pattern, merit orders, capture prices and overall income under a range of customised scenarios.

Pöry can also provide complete **arrays of projected hourly prices** on a monthly or sample business/non-business day format, out to 2035.

### Contact Pöry for more information:

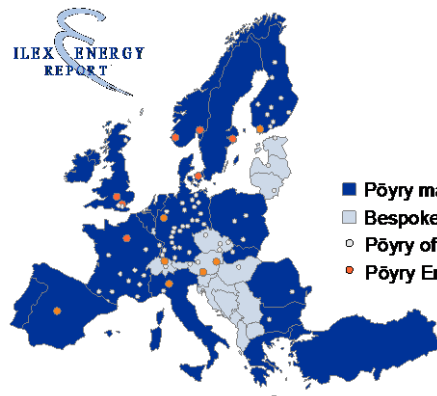
- Wolfgang Pospischil  
[wolfgang.pospischil@poyry.com](mailto:wolfgang.pospischil@poyry.com)  
+43 (0)664 828 5001
- Philip Gueorguiev  
[philip.gueorguiev@poyry.com](mailto:philip.gueorguiev@poyry.com)  
+43 (0)664 828 5761
- Visit our website at [www.poyry.at](http://www.poyry.at)

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

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

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

ILEX ENERGY REPORT



- Pöry market reports available
- Bespoke market analysis
- Pöry offices
- Pöry Energy Consulting offices