

National Forum – Demand response for efficient electricity service
- Madrid Oct 19, 2005

Utilities industry & the capital market
*Under Pressure – Utilities Global Survey 2005**

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*connectedthinking 

Agenda

Topics for today

- Key issues and trends
- Perspectives of stakeholders
- Way forward ?

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PricewaterhouseCoopers - quality & integrity

PricewaterhouseCoopers (www.pwc.com) provides industry-focused assurance, tax and advisory services for public and private clients. More than 120,000 people in 139 countries connect their thinking, experience and solutions to build public trust and enhance value for clients and their stakeholders.

Services	Global coverage	Industries
Advisory	North America	Consumer, Industrial Products & Services
Assurance	120,000 people, 139 countries	Energy Utilities & Mining 3,000 people
		Financial Services
Tax	Latin America	Technology, Media & Telecommunications
	Africa	
	Asia Pac	

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PwC Utilities Global Survey - History



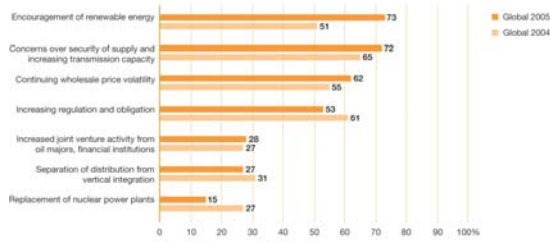
- Under pressure - the 7th PricewaterhouseCoopers annual survey of boardroom opinion inside utilities industry
- This year the survey also covers the capital market
- 119 sr exec, 108 utilities & investors across 36 countries

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The supply and investment challenge

Concerns about security of supply intensified
Renewable energy tops utilities industry issues list

Figure 1: View from utilities: looking ahead over the next five years, what do you see as major likely aspects of the power market?

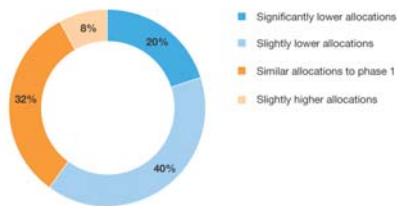


Note: Global responses only. % share of responses
Source: PricewaterhouseCoopers, Under pressure 2005
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EU Emissions trading scheme (EU-ETS)

Utilities expect aggressive limits on emission permit allocations

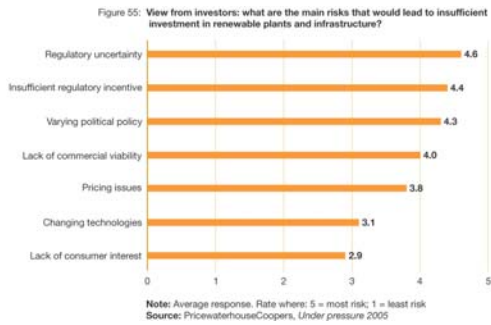
Figure 27: View from utilities: what level of allocations do you expect in the National Allocation Programmes for the second phase of the EU-ETS from 2008?



Note: European responses only. Total % share of responses
Source: PricewaterhouseCoopers, Under pressure 2005
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... But - making renewable energy viable

Risk of insufficient investments into renewable energy according to investors



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Utility investors' top five criteria
- „The investment scorecard“

What would most affect the attractiveness of utilities to investors

1	Greater regulatory certainty
2	Regulatory incentives for investment
3	Corporate transparency
4	Improved price environment
5	Focused core business strategies

Source: PricewaterhouseCoopers, Under pressure 2005

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“Work together to find sustainable strategies”

Parties - Utilities, Investors, Consumers and Gov't & Regulators

Mission - A sustainable & long-term strategy for the industry

Areas

- Equilibrium, renewables & regulation
- Market rates of return
- Transparent & communicated business strategy

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- Complexity of the task, parties, industry & skills

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