

Poland

Privatization Recap and Update

There seems to be substantial confusion in the waning days of the AWS government as to what the energy sector plan for restructuring and privatization is. It seems that each day a different official announces a new strategy for the sector, generally at odds with previous pronouncements. Of course, at this point with 3 weeks left until election day (23 September), anything this government says will be done that cannot be done by 23 September is highly dubious. For this reason, we are quite skeptical about the chances for completion of *any* of the privatizations “in progress.” Continuation of those “in progress” under a (likely) new SLD government is doubtful: various SLD leaders have been quite explicit about their intention to halt and revise the entire process. Therefore, we thought it might be useful to take stock of where things stand at the moment. Of those “in progress” we think only 2 have any chance for completion: Skawina (which is very near to final agreement) and MPEC Poznań (which is being sold by the City of Poznań not the central government). The others, we fear, will be stopped after the elections.

IN PROGRESS

Group of 8 electricity distribution companies in the North and West of Poland (“G8”): exclusivity awarded to Iberdrola. Racing to close before the elections. Close call.

Ec. Skawina (Kraków): exclusivity awarded to PSEG Global, closing expected soon.

Toruń (2 CHPs): exclusivity awarded to an EdF-led consortium of EdF, GdF, and Dalkia

MPEC Poznań (district heating company, the seller is the City of Poznań)

Ec. Tychy: withdrawn due to “an unacceptable offer by the bidder”: exclusivity had been awarded to SNET

Ec. Zielona Góra: exclusivity awarded to an EdF-led consortium of EdF, Polish Energy Partners, Dalkia, and Kogeneracja.

COMPLETED: BUYER

Ec. Kraków: Électricité de France (EdF), which has also recently acquired ATEC, the owner and operator of the heating plant in Zamość.

“ELCHO” (Ec. Chorzów): PSEG Global (greenfield)

Ec. Nowa Sarzyna: Enron (greenfield, not a true privatization, listed for the sake of completeness)

Elektrownia im. Tadeusza Kościuszki S.A. (“Pomianiec”): Tractebel

Górniski Zakład Elektroenergetyczny S.A. (“GZE”), distribution company in Silesia: Vattenfall

Elektrociepownia Warszawskie S.A.: Vattenfall

El. Rybnik: EdF with EnBW

Zespół Ec. Wybrzeże S.A. (“Gdańsk”): EdF with Gaz de France

Ec. Białyсток: SNET

Kogeneracja (Wrocław CHPs): EdF with EnBW (after IPO on Warsaw Stock Exchange)

MPEC Wrocław: IPO, remains listed.

Note: SNET is Société National d’Électricité et de Thermique, France, of which EdF is a shareholder. EdF is also the major shareholder of EnBW. EdF is Électricité de France, and GdF is Gaz de France.