



For Immediate Release

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## **Singapore power prices projected to fall due to large amount of planned new entry and repowering, according to London Economics International**

BOSTON, October 22, 2010 - London Economics International LLC (LEI) projects Singapore power prices may range from US\$114/MWh to US\$164/MWh over the next decade. Prices remain flat in the short-term as a result of the largest three generation companies ("gencos") executing repowering plans and a large amount of planned new entry, including 800 MW from Island Power Company's new gas-fired combined cycle plant and 102 MW of Tuas' biomass - clean coal cogeneration plant. Prices are expected to increase in the long-term, as delivered natural gas prices rise.

"In general, the market will become more efficient and combined cycle gas turbines (CCGTs) are expected to set prices more often," noted Yifei Zhang, a senior consultant at LEI. "This means that competition in Singapore will increase and the gencos will need to operate more efficiently in order to maintain their profit margins." LEI updates its model of the Singapore market semi-annually; the study is available for purchase at [www.londoneconomicspress.com](http://www.londoneconomicspress.com). The firm also provides customized price forecasts for Singapore and other Asian markets, taking into account various fuel price, demand growth, and new entry scenarios.

LEI utilized its proprietary simulation model, POOLMod, as the foundation for the electricity price forecast. POOLMod simulates the dispatch of generating resources to least cost dispatch principles to meet projected hourly load and take into account technical assumptions on generation operating capacity and transmission availability. In addition to Singapore, LEI models have been used in the various Asian markets, European markets, and across North and South America.

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London Economics International LLC (LEI) is a global economic, financial, and strategic advisory professional services firm specializing in energy and infrastructure. The firm combines detailed understanding of specific network and commodity industries, such as electricity generation and distribution, water and wastewater provision, and natural gas distribution, with a suite of proprietary quantitative models to produce reliable and comprehensible results. For further information on LEI, please contact Yifei Zhang at (617) 933-7200 or go to [www.londoneconomics.com](http://www.londoneconomics.com).