

GEN-I Group

**Electricity Markets SEE – overview
of market development and
experiences**

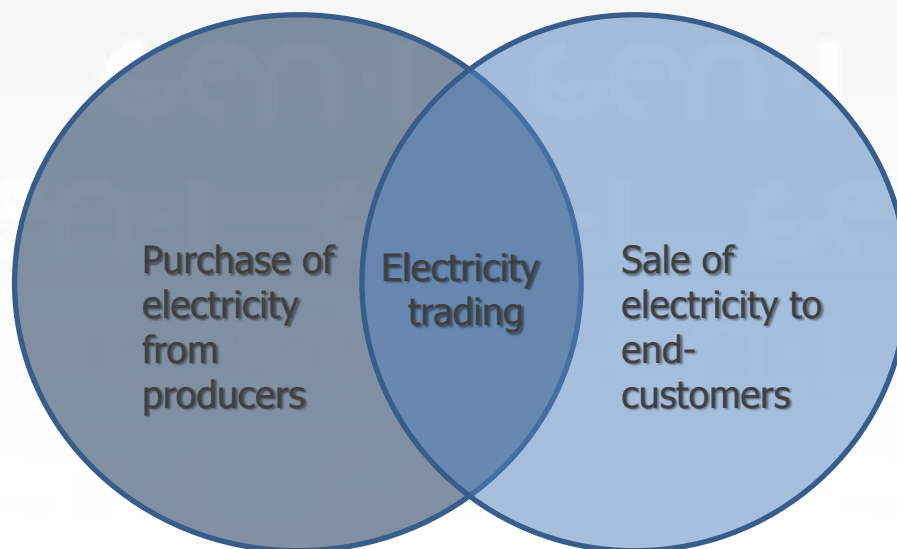
Predrag Savić



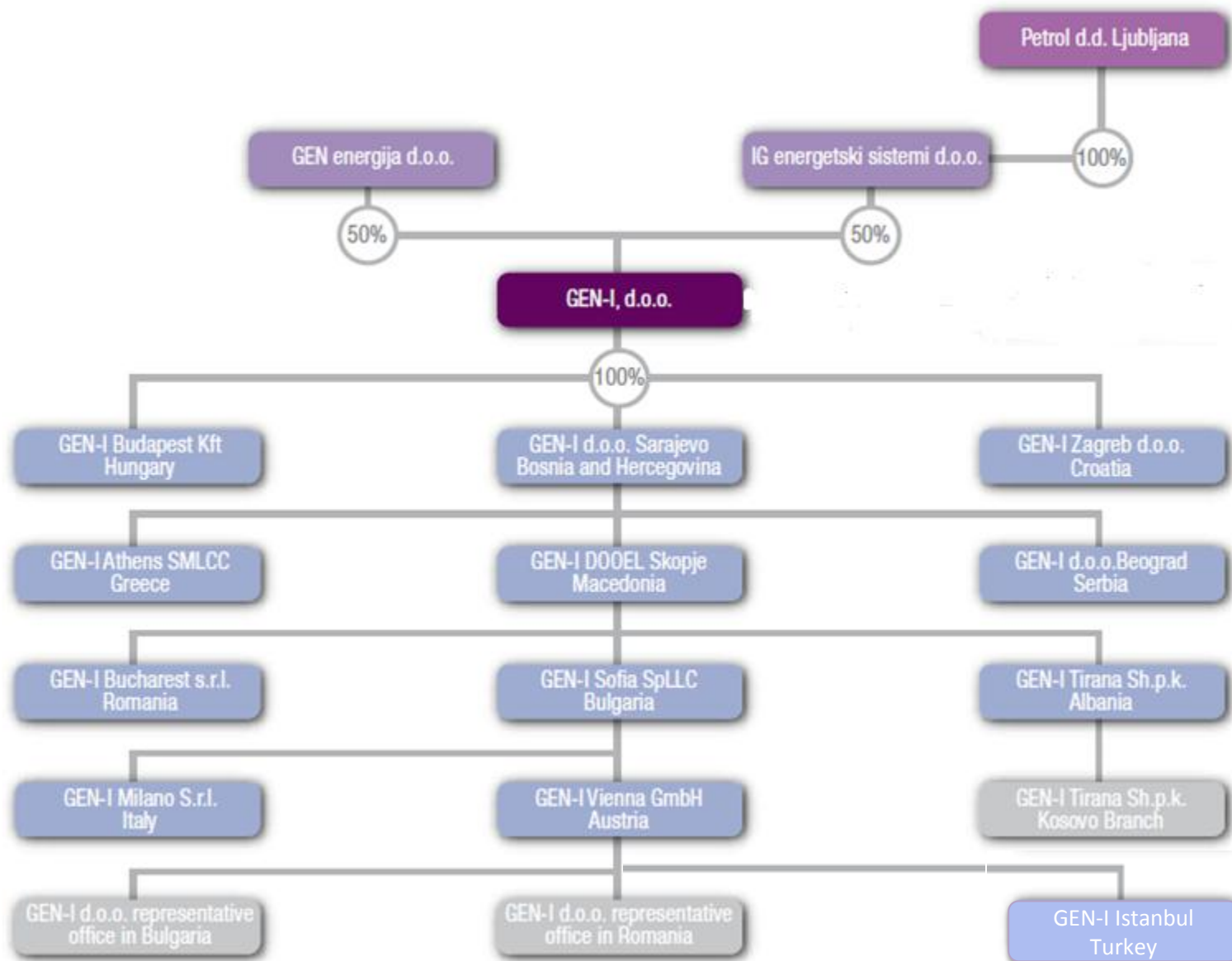
Belgrade, Serbia, April 15, 2013

GEN-I Group

- GEN-I, d.o.o. is Slovenian based joint-venture company founded in 2004
- Two strategic owners: 50% GEN energija d.o.o. (NPP Krško) and 50% IGES d.o.o (owned by Slovenian national oil company PETROL)
- The biggest supplier of electricity and the first independent market supplier of natural gas in Slovenia.
- GEN-I Group has been reaffirming its position as one of the most renown energy market players in the Central and South-Eastern Europe and as a highly active player on the West-European markets.
- Core electricity activities:

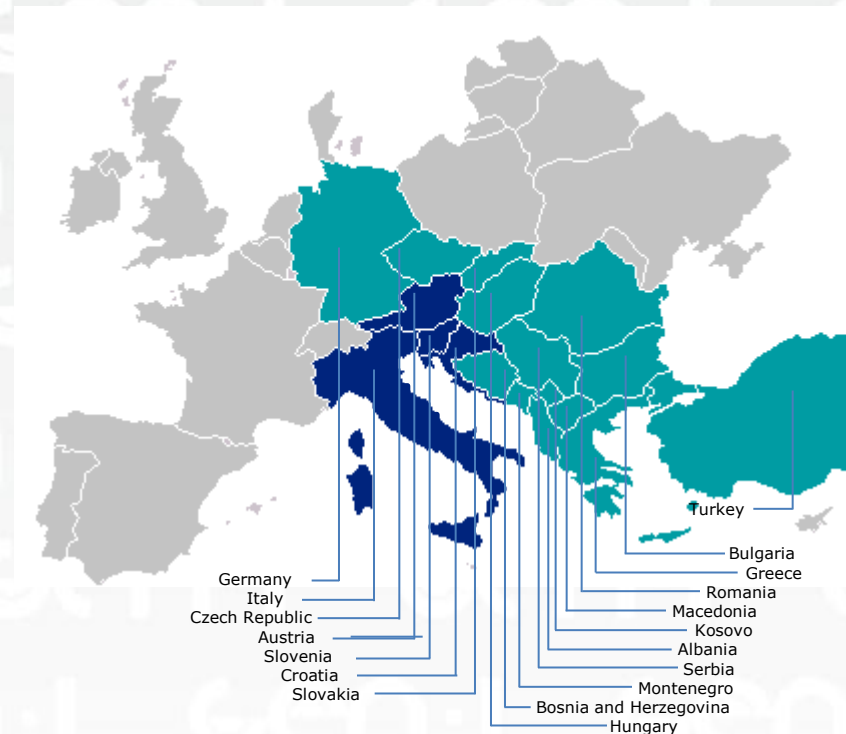


GEN-I GROUP – OWNERSHIP STRUCTURE



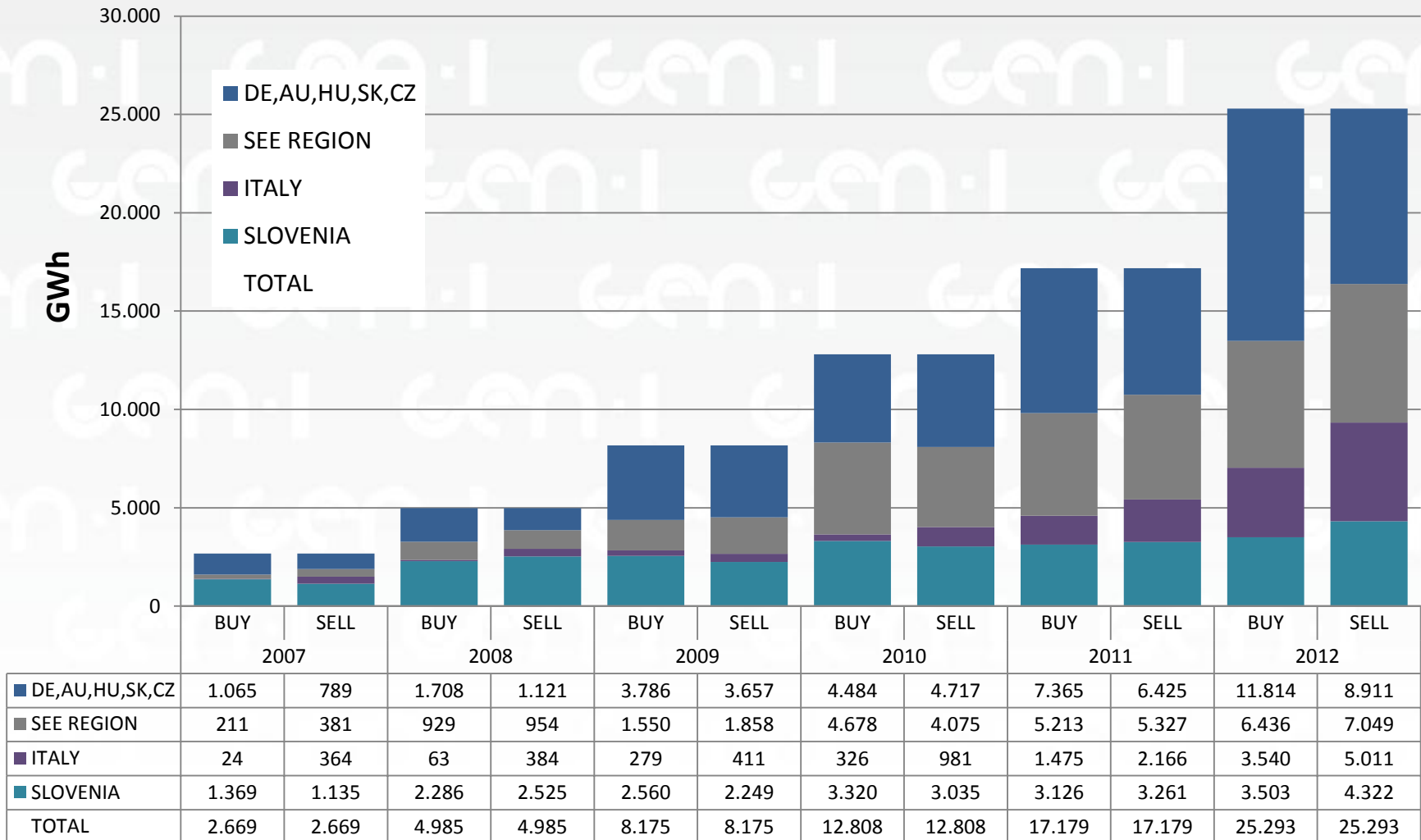
GEN-I in business year 2012

- GEN-I Group has been present on 18 wholesale electricity markets and 4 retail electricity markets.
- GEN-I, d.o.o. and its 12 affiliates represent GEN-I Group.
- GEN-I Group was active on 9 European energy exchanges at the end of 2012.
- In December 2012, GEN-I Group entered on the Turkish electricity wholesale market through its GEN-I Istanbul subsidiary.
- In business year 2012 GEN-I sold 25.3 TWh of electricity (~twice of the total annual electricity consumption of Slovenia).
- In business year 2012 our sales revenues exceeded €1.5 billion.
- GEN-I has successfully retained the position of market leader among suppliers of electricity to end-consumers in Slovenia (estimated consumption market share in 2012 is 24%) with the total electricity sales of 3.2 TWh
- In October 2012 GEN-I entered to the Slovenian natural gas market. By the end of the year 2012, 15 % of end customers market in Slovenia choose GEN-I to become their gas supplier.



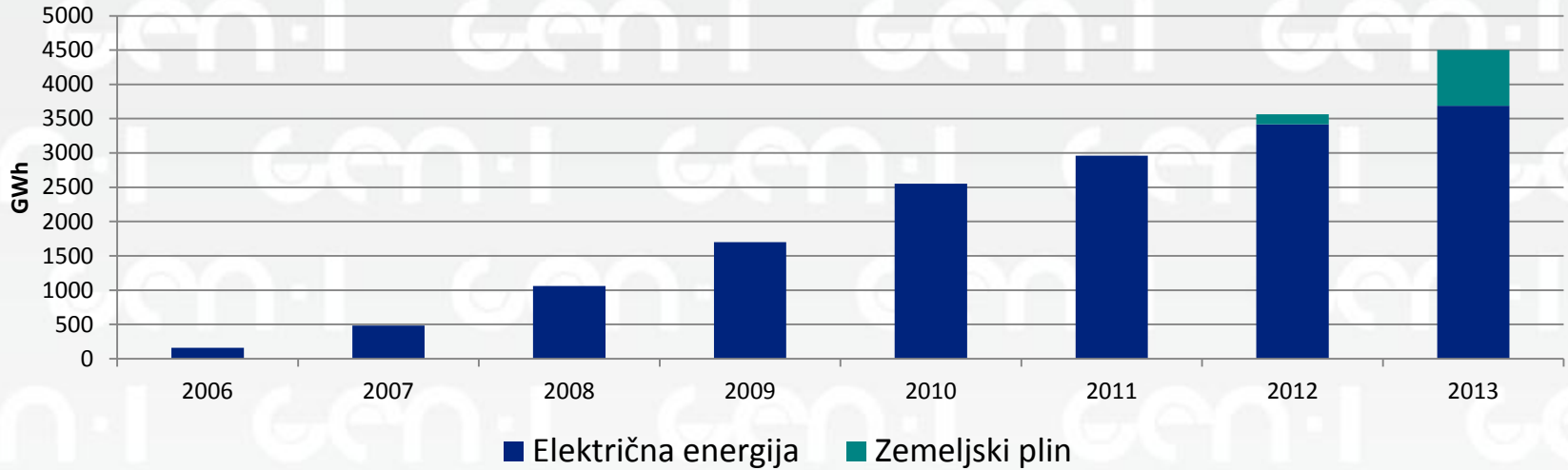
GEN-I electricity wholesale market

Market structure of GEN-I Group sales and purchases volume for period 2007-2012

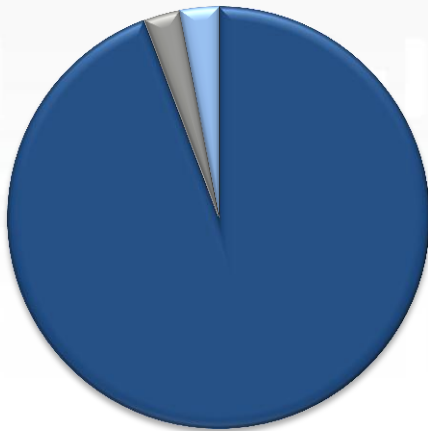


GEN-I electricity and gas retail market

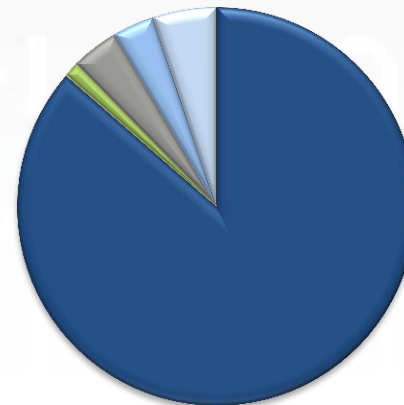
SALE OF ELECTRICITY AND NATURAL GAS ON THE RETAIL MARKET



ELECTRICITY SALE BY MARKET, 2012



ELECTRICITY SALE BY MARKET, estimate for 2013



- Slovenia
- Italy
- Croatia
- Austria
- Serbia

SEE region – overview of market development

- **Croatia**
- **Serbia**
- **Bosnia and Herzegovina**
- **Montenegro**
- **Macedonia**
- **Albania**
- **Romania**
- **Bulgaria**
- **Greece**
- **Turkey**

- ❑ From 2008. all customers have right to choose supplier.
- ❑ In 2013 there are 5 active Suppliers (market share of Business market End of 2012):
 - ❑ **HEP Opskrba d.o.o. (95,60%)**
 - ❑ **GEN-I Zagreb d.o.o. (2,10%)**
 - ❑ **KORLEA d.o.o. (0,97%)**
 - ❑ **PROFECTIO ENERGIJA d.o.o. (0,09%)**
 - ❑ **ENERGIJA 2 SUSTAVI d.o.o. (0,88%)**
 - ❑ **NOX GRUPA d.o.o. (0,36%)**
- ❑ Households are on HEP ODS (distribution) – public supply.

- ❑ All customers, except households, have right to choose supplier - eligible customers
- ❑ 1.1.2013: end customers connected on the transmission network (110 and 220 kV) has no right for public supply;
 - ❑ **They have to purchase electricity on the market**
 - ❑ **26 customers, app. 10 % of total consumption;**
 - ❑ **500 MW;**
 - ❑ **3,0 TWh/year**
 - ❑ **From February 2013 Messer is supplied by GEN-I d.o.o. Beograd; it is 8 % of consumer on the liberalized market**
- ❑ 1.1.2014: the only households and small companies have right for public supply – all other customers have to purchase electricity on the market
- ❑ 1.1.2015: 100% liberalization (including households)

- ❑ All customers, except households, have right to choose supplier - eligible customers
- ❑ 1.1.2013: end customers connected on the transmission network (110 and 220 kV) has no right for public supply;
 - ❑ **They have to purchase electricity on the market**
 - ❑ **3 customers, app. 30 % of total consumption; 150 MW; 1,2 TWh/year**
- ❑ 1.1.2015: 100% liberalization (including households)
 - ❑ **the only households and small companies have right for public supply**

Bosnia and Herzegovina

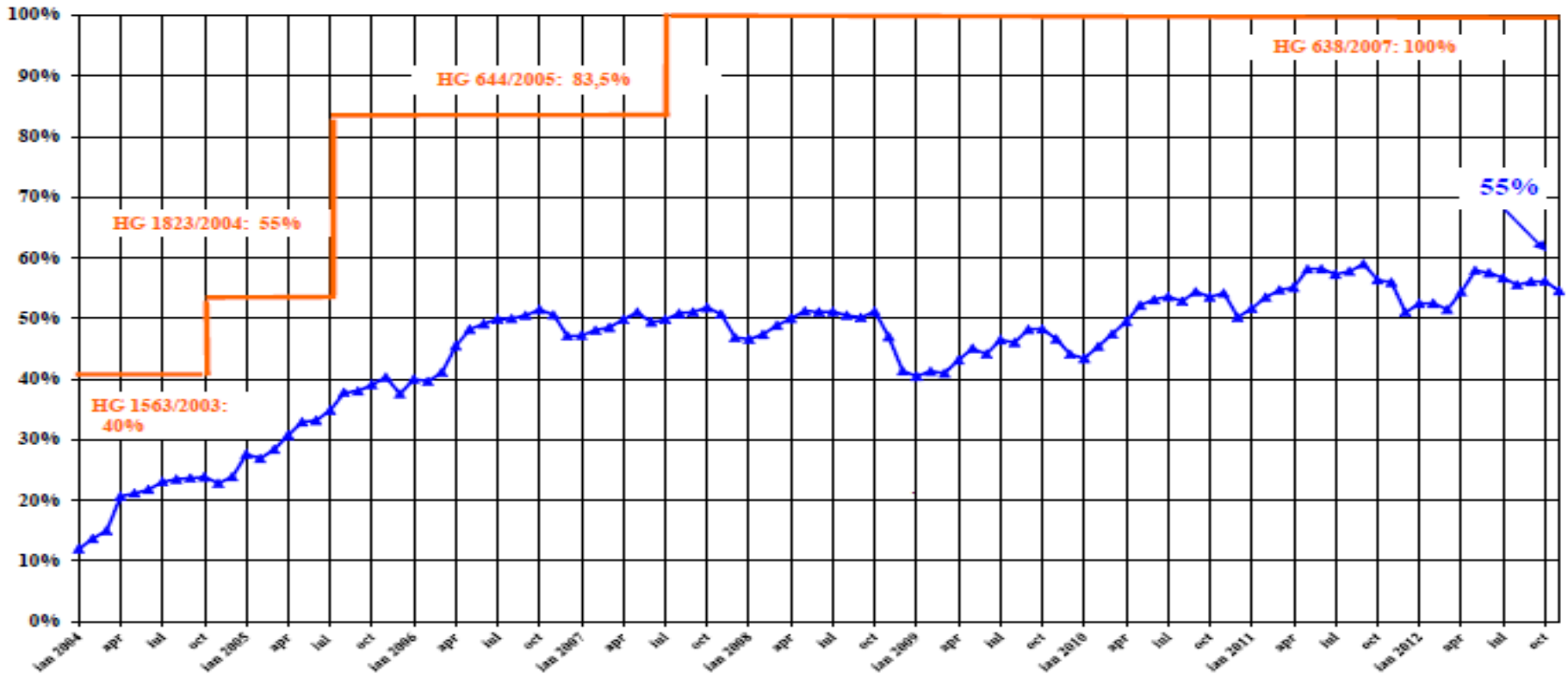
- ❑ All customers, except households, have right to choose supplier - eligible customers
- ❑ 1.1.2013: end customers connected on the transmission network (110 and 220 kV) and distribution 35 kV has no right for public supply
- ❑ Until 1.1.2015: all consumers (except households) has right to choose supplier – public suppliers (ERS, EPBIH, EPHZHB) under regulated prices or market (theoretical: 450 MW, yearly consumption around 4 TWh)
- ❑ After 1.1.2015: 100% liberalization (including households)
- ❑ In practise: no eligible consumers – tariff consumers supplied under regulated prices (reasons: low regulated prices, balancing issues, measuring, complicated state decision-making system and political situation)

- ❑ All customers have right to choose supplier - eligible customers, except households supplied by EVN Macedonia Distribution;
- ❑ 1.7.2013: the only households and small companies have right for regulated tariffs supply
- ❑ Customers that can independently participate in the energy market, but are connected to the distribution network, can buy electricity from traders and energy suppliers.
 - ❑ **These customers are large industrial customers which according to the energy law, do not have the right to choose as of 1st of July 2013.**
 - ❑ **As of this date, they will have to buy electricity from traders and suppliers from the energy market**
 - ❑ **It is about 150 companies**
- ❑ 1.1.2015: 100% liberalization (including households)

- ❑ All customers, including households, have right to choose supplier - eligible customers
- ❑ 3.1.2012: end customers connected on the transmission network (110 and 220 kV) and/or with yearly consumption higher than 50 GWh, have no right for public supply;
 - ❑ **They have to purchase electricity on the market**
 - ❑ **6 customers = 12% of the total consumption**
actual of 2012 = 7,7 % of total consumption;
 - ❑ **~ 100 MW;**
 - ❑ **876 GWh**
actual of 2012 = 596,8 GWh
- ❑ 1.1.2015: 100% liberalization (including households). This is just part of the draft law, as result of the obligations arising by the Energy Community Treaty. No information available, if and when the government will adapt this decision.

Romania

- All customers, including households, have right to choose supplier from July 2007
- Up to now, only 55% of the consumption is on the free market
- All household remain on captive market due to huge price difference



Market opening: legal and real

- ❑ Market is fully liberalized;
- ❑ Since 2007 all customers have right to choose supplier, hence are considered as eligible customers;
- ❑ The share of electricity market opening for year 2011 was 38,8 % which means that almost 2/3 of eligible customers were public supplied

- ❑ All customers, including households, have right to choose supplier - eligible customers. Based on 2011 data:
 - ❑ **35 HV metering points, 6.613 GWh**
 - ❑ **9.038 MV metering points, 10.521 GWh**
 - ❑ **6.651.889 LV metering points, 30.177 GWh**
- ❑ 1.1.2012 All LV customers continue to be also covered through tariffs, i.e. Ministry Regulated prices offered by the incumbent player (Public Power Corporation).
- ❑ 1.7.2013: Tariffs to be limited to Vulnerable Customers. All other prices should reflect the true cost of Supply.
- ❑ Currently PPC holds 98.6% of Retail market

Turkey

- ❑ To be a eligible customer, customer should has more consumption than yearly limits which has been determined by EMRA (Energy Markets Regulatory Authority)
- ❑ These limits are customer based limits, not for meter(s) and therefore to be a eligible customer, customer aggregate his meters (even in different DSO's) to be eligible,
- ❑ In the strategic plan of EMRA it has been stated that eligible customer limits will be decreased each year correspondingly to the market conditions,
- ❑ For 2013 eligible customer limit has been determined as 5 MWh/year,

| CONSUMPTION UNIT | # OF METERS | % | 2012 | |
|------------------|-------------------|-------|--------------------|-------|
| | | | CONSUMPTION (MWh) | % |
| Household | 30,000,000 | 85.7% | 63,000,000 | 28.8% |
| Commercials | 3,650,000 | 10.4% | 36,000,000 | 16.4% |
| Industry | 200,000 | 0.6% | 83,000,000 | 37.9% |
| Institutions | 150,000 | 0.4% | 11,500,000 | 5.3% |
| Others | 1,000,000 | 2.9% | 25,500,000 | 11.6% |
| TOTAL | 35,000,000 | | 219,000,000 | |

| MONTH | Dec/11 | Jan/12 | Feb/12 | Mar/12 | Apr/12 | May/12 | Jun/12 | Jul/12 | Aug/12 | Sep/12 | Oct/12 | Nov/12 | Dec/12 | Jan/13 | Feb/13 | Mar/13 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| # OF ELIGIBLE CUSTOMER | 27,486 | 41,743 | 37,301 | 37,069 | 47,473 | 46,912 | 46,425 | 40,855 | 40,272 | 39,832 | 42,502 | 41,268 | 40,728 | 41,622 | 41,334 | 41,031 |
| # OF METERS | 134,187 | 168,236 | 155,291 | 154,649 | 182,562 | 181,093 | 179,541 | 155,785 | 154,292 | 153,167 | 177,174 | 174,391 | 172,834 | 190,066 | 189,069 | 187,960 |
| CHANGE IN # OF METERS | -0.69 | 25.37 | -7.69 | -0.41 | 18.05 | -0.8 | -0.86 | -13.23 | -0.96 | -0.73 | 15.67 | -1.57 | -0.89 | 9.97 | -0.52 | -0.59 |

***Thank you for your attention and
cooperation!***

info@gen-i.si

www.gen-i.si