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Regulatory and Energy Assistance

CASE STUDY WORKSHOP

INTRODUCTORY SLIDES

Vlašić, June 26&27, 2013

USAID/BiH REAP

Bosnia and Herzegovina (BiH) Regulatory and Energy Assistance Project (REAP)
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Introductory slides

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Recently published a press release:



RWE acquires Croatian electricity sales company Energija 2

- **RWE intends to sell electricity to Croatian customers**
- **Croatian customers can expect competitive prices, reliability and service that cares**

Zagreb, 7 June 2013

RWE Hrvatska d.o.o., a subsidiary of the German RWE Group, has closed the acquisition of Energija 2 Sustavi d.o.o., an electricity supply company which, after starting its operations in 2012, is successfully growing in the Croatian market.

“RWE confirms its successful long-term cooperation with Croatia and has aspirations to bring advantages to Croatian citizens already enjoyed by 16 million of our customers in Europe. The acquisition of Energija 2 fits perfectly with RWE’s strategy to grow organically in new markets with limited investments.”, said Karl Kraus, CEO of RWE Hrvatska.

“We will do our best to offer Croatian customers cheaper energy prices, the reliability of an international company and service that cares”- said Miroslav Kulla, COO of RWE Hrvatska.

“Our goal is to increase our portion of total supply in Croatia from present 0,5 % to 10 %”.



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Company website

RWE
The energy to lead

RWE Energija

Informacije

- [Korisne informacije](#)
- [PDF dokumenti i obrasci](#)
- [Kalkulator uštede](#)
- [Pitanja i odgovori](#)

Tarifni modeli nose naziv prema bojama, odnosno prema tipu brojila. Definirana su četiri tarifna modela za kućanstva:

- Plavi model – domaćinstva s jednotarifnim brojlilima;
- Bijeli model – domaćinstva s dvotarifnim (i rjeđe trotarifnim) brojlilima;
- Narančasti model – domaćinstva s kartičnim brojlilima;

U našem fokusu su domaćinstva s jednotarifnim i dvotarifnim brojlilima (odnosno s plavim i bijelim tarifnim modelom). S obzirom na tarifu možete izračunati godišnju uštedu na osnovi troškova plaćanja računa za utrošenu električnu energiju.

Ukoliko želite saznati kolika će biti ušteda slobodno nas [kontaktirajte!](#)



Energija 2 sustavi d.o.o.

Information for customers

I Vi možete izabrati!

info@e-2.hr
tel: 01 6427 - 100
fax: 01 6427 - 117

Smanjujemo iznose na Vašim računima za el. energiju.

- NE NAPLAĆUJEMO:**
- ANGAŽIRANU SNAGU
 - OPSKRBNU NAKNADU
 - TEREĆENJE

U određenim uvjetima možemo ponuditi i druge pogodnosti svojim kupcima.
Npr. fiksnu cijenu struje za vrijeme trajanja ugovora.

Kako promijeniti dobavljača električne energije

1. **Popunite i ovjerite - Zahtjev za dostavu mjernih podataka ***
(Potrebno je popuniti samo: Naziv, Adresa, OIB, Datum, Potpis, Pečat)
2. **Pošaljite nam Zahtjev na fax: 01 6427 - 117** ili
skeniran e-mailom na: **info@e-2.hr**
3. **Naši analitičari izrađuju ponudu** - na osnovu vaših mjernih podataka u zadnjih 12 mjeseci
4. **Ukoliko Vam naša ponuda odgovara potpisuje se ugovor**

Sve ostalo mi ćemo odraditi za vas!

* Vaš zahtjev nama omogućuje izradu ponude i ne služi ničemu drugom, te Vas na ništa ne obvezuje.
**Izrada individualne ponude je besplatna i neobvezujuća

Promjena dobavljača električne energije

Jednostavna	Vi trebate samo potpisati potrebne dokumente. Sve ostalo mi ćemo rado odraditi za Vas.
Brza	Ovisno o vašem ugovoru prijelaz na novog dobavljača može biti izvršen od 1. u sljedećem mjesecu ili po isteku otkaznog roka u vašem sadašnjem ugovoru.
Besplatna	Ne naplaćuju se nikakve naknade ili penali za promjenu dobavljača. Nema ograničenja u broju promjena dobavljača.
Bez zahvata na Vašim instalacijama	Promjena dobavljača električne energije ne zahtjeva apsolutno nikakve zahvate na vašim postojećim instalacijama.
Opskrba je sigurna	Za sigurnost opskrbe i stabilnost sustava brine se HEP ODS. Zato njima plaćate tzv. „Mrežarinu”. U slučaju da se bilo šta dogodi, s vašim dobavljačem struje, automatski vašu opskrbu preuzima HEP ODS. Do časa kada izaberete novog dobavljača.
Način očitavanja brojila ostaje nepromijenjen	Brojila i dalje očitava HEP ODS i rezultate očitavanja dostavlja nama.

Javite nam se još danas. Saznajte koliko možete uštediti!



Referentna lista

Extract from the reference list

Gradovi (14)

1. Grad Umag
2. Grad Kaštela
3. Grad Đakovo

Pravosuđe i državna uprava (12)

1. Trgovački sud u Zadru
2. Trgovački sud u Splitu

Akadske, kulturne i sportske institucije (9)

1. Hrvatska akademija znanosti i umjetnosti
2. Sportski objekti Samobor
3. Arheološki muzej Zagreb

Obrazovne institucije (26)

1. Prirodoslovno-matematički fakultet u Zagrebu
2. Prirodoslovno-matematički fakultet u Splitu
3. Fakultet elektrotehnike i računarstva u Zagrebu
4. Sveučilište u Splitu, fakultet građevinarstva, arhitekture i geodezije
5. Agronomski fakultet
6. Pomorski fakultet u Rijeci
7. Pravni fakultet u Rijeci
8. Šumarski fakultet u Zagrebu
9. Fakultet strojarstva i brodogradnje u Zagrebu
10. Prva gimnazija

Općine (17)

1. Općina Hrvace
2. Općina Novigrad
3. Općina Matulj

Zdravstvo (15)

1. Dom zdravlja Bjelovarsko-bilogorske županije
2. Dom zdravlja Zadarske županije

Dječiji vrtići (16)

1. Dječji vrtić „Sunce“ Zadar
2. Dječji vrtić Grigor Vitez
3. Dječji vrtić „Cvrčak“ Solin

Ostali (10)

1. Narodne novine d.d.
2. Hrvatski zavod za zapošljavanje
3. Vodoopskrba d.o.o.
4. Hrvatski registar brodova
5. Hrvatska lutrija d.o.o.
6. Sisački vodovod
7. Luka Vukovar
8. Ljekarne Splitsko-dalmatinske županije
9. Vrelo d.o.o. za komunalne djelatnosti
10. Komunalni centar Ivanić-Grad



Additional information on the new entrant:

- **Energija 2, which was bought by RWE, had app 23.000 Euro profit in 2012 (75.000 MWh)**
- **10 % of the Croatian market is 1.500 GWh (of Croatian consumption)**
 - **1 % of total RWE supply and trade quantities**
 - **7% of total electricity production in RWE.**
- **The Croatian total electricity import (excluding NPP Krsko) is app 2.400 GWh.**



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**Only one day after RWE issued the press release
HRT (Croatian TV) broadcast:**

“The Monopoly of the Croatian EP Comes to an End

**The Slovenian company GEN-I is entering the local market, and they are
announcing even 30% cheaper electricity.**

**The company says that they will offer lower price than other suppliers
,and they guarantee that the prices will not change until the end of
2015.**

**By the end of 2013, this company expects 20.000 customers in Croatia,
and by the end of 2016 they plan to take over 17% of the market.”**



GEN-I offers:



Obiteljska kuća (bez grijanja) godišnja potrošnja 3750 kWh

	HEP	GEN-I
proizvodnja i opskrba	764	568
prijenos i distribucija	502	502
naknada i trošarine	20	20
PDV	321	272
Dnevnik	ukupno	
	1.607 kn	1.362 kn



After GEN-I Press Release, newspapers announced:

“ The German electricity company starts tomorrow an intensive campaign for acquisition of potential customers in Croatia to whom they will offer cheaper electricity than that coming from HEP.

German RWE presented three customer packages in the form of contracts for one, two or three years with savings of 5, 7 and 10%.

They say that for consumption of 6.000 kWh, with the most favourable model, the customers can have from 25 to 35% savings, and in extreme cases of small consumption up to 60%.

Starting tomorrow, RWE will have more than 250 agents offering the citizens to change their supplier with just two signatures, without having to change the wiring or the meter”



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The same day a website published the following article:

- Do those in HEP know what market liberalization is?



„A member of HEP management is not familiar with the basics of the market opening processes”



Why is this information interesting?

- **Are there many people in HEP (and the government) who thought this would be happening two-three years ago?**
- **Why is this happening?**
 - **Croatia will become an EU member**
 - **has to comply to EU rules on electricity market**
 - **finances possible for non compliance;**
 - **TSO, DSO, regulator have to have transparent and equal approach to all suppliers**
 - **RWE is big market player and has authority as such**
 - **16 % of total consumption is being imported**
 - **All of the above or other reasons +...**
- **Is this real market opening?**



What will happen after January 1, 2015 in BiH?

- **Electricity costs of fictional 10 kV customer connected to the DSO X whose annual consumption of 1.000 MWh**

Supplier	Total (KM) (includes same network fee)
PS X (0% RR)	337.909
PS Z(6% RR)	170.788
PS Z Export Price (average: (€44/MWh)	191.625
Market price (€55/MWh)	200.954





What will happen after January 1, 2015 in BiH?

- **Electricity costs of fictional 10 kV customer connected to the DSO X, whose annual consumption is 1.000 MWh**

Supplier	Energy & Supply (KM)	Network fee (KM)	Total (KM)
PS X (0% RR)	249.909	88.007	337.909
PS Z(6% RR)	82.781	88.007	170.788
PS Y Export Price	103.618	88.007	191.625
Market price (€55/MWh)	112.947	88.007	200.954



337.909 vs. 200.954 KM !!??

- We know **200.954 KM** does not include all costs but the difference in cost is huge
 - 10 kV customers subsidize households
 - Additional contract with BRP is needed
 - Supplier cost should be added
- But even if all these costs are added to **200.954 KM**, there is still room for savings
 - This is true even if the average export/import price is over 50 €
- We should try to create preconditions so that a customer has the opportunity to choose its supplier



After the Gap Analysis five Task Forces were established

- **Metering**
- **DSO as a market facilitator**
- **Contracts**
- **Load Profiling and balancing Settlement**
- **Billing and Collection (covered in TF Contracts and TF DSO)**



- **Two Seminars held**
 - **Contracts, Billing, Collection, SOLR, DS – one day**
 - **DSO & Metering – two days**
- **Based on the best international practice and EU codes, necessary roles and processes described**
- **Gaps in roles assignment and processes in local rules identified and recommendations proposed**



This Workshop addresses:

- **What we have to do in order to establish the DSO as the retail market facilitator**
- **Which roles and processes have to be created and assigned in order to have metering processes ready for January 1.2015.**
- **What standardized contracts between market participants should look like to support market functioning**
- **Other processes identified in the Gap Analyses**



This Workshop addressees:

- **What Regulators, DSOs, Transco, ISO have to do in order to allocate costs of imbalances to all customers who incurred them.**
- **What the next steps are to prepare the sector for January 1.2015.**



Lessons Learned

- **Retail market opening is coming sooner or later,**
- **It is better to prepare everything possible on time rather than do it in hurry in any event when customers decide to switch supplier,**
- **Some international examples prove it could be chaos if the market opens in a hurry ,**
- **Let's do what we can by January 1, 2015,**



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HVALA!