



*Slovenian Transmission  
System Operator*

## The Slovenian market



**FOUNDATION OF THE BIH ELECTRICITY MARKET**

**Neum, Bosnia and Herzegovina**

**Vincenc Kožar**

**[www.eles.si](http://www.eles.si)**

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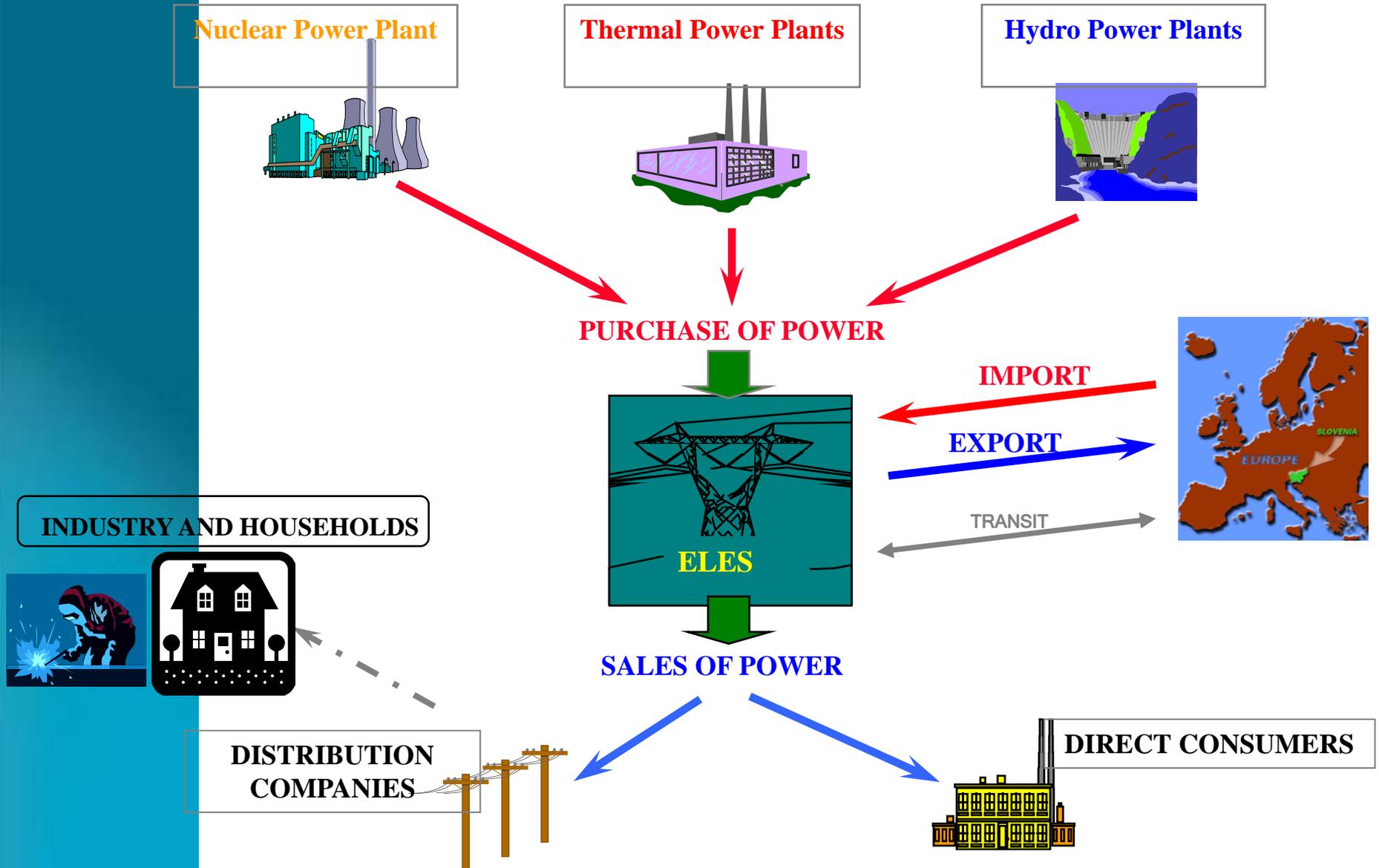
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## Introduction

- Slovenian market before the liberalization
- The new legislation and its influence on Slovenian market
- The evolution of Slovenian power market through the time
- Organization scheme of ELES and changes
- ELES today and in the future
- Conclusions

# ELES

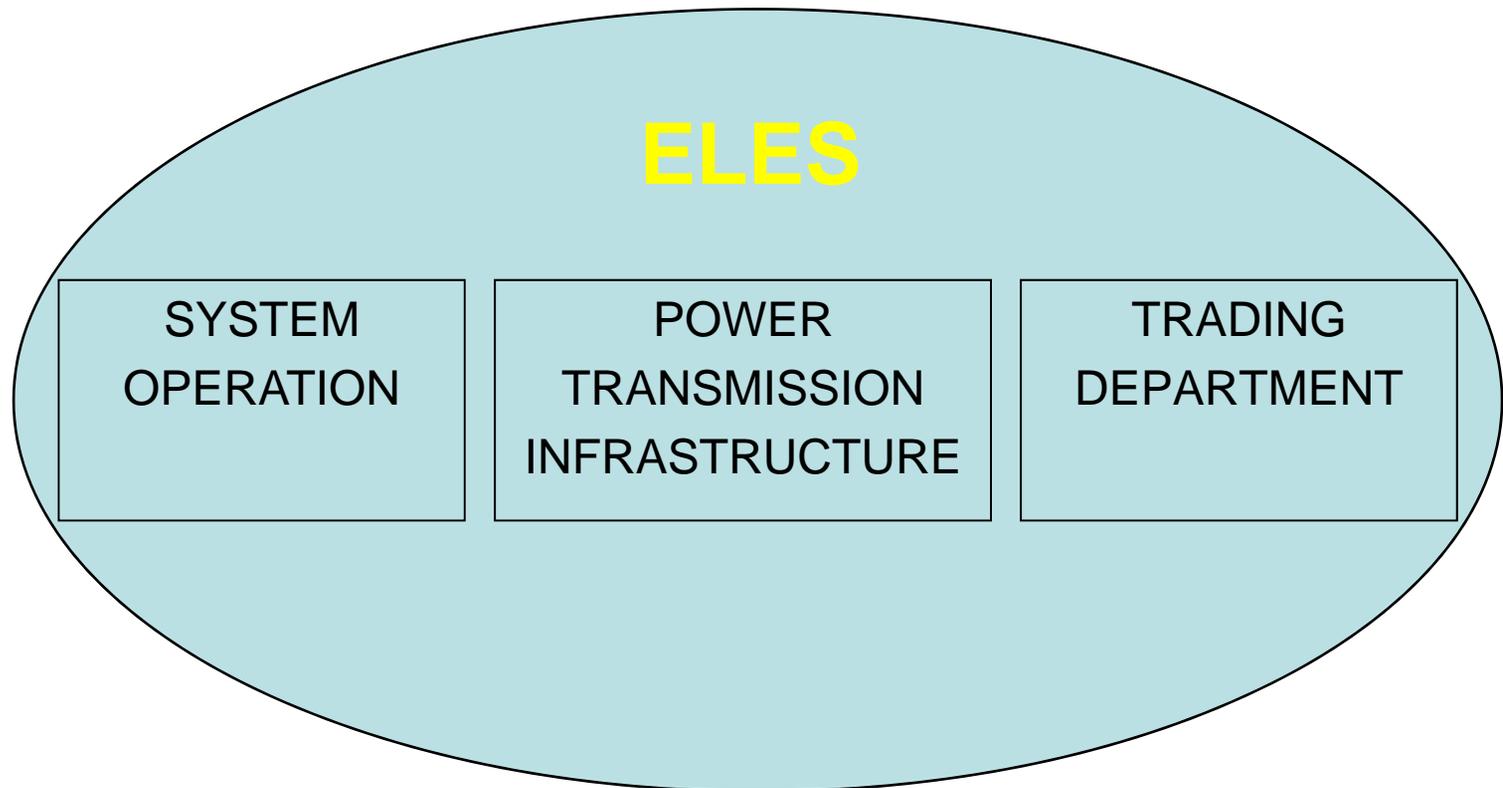
## Slovenian market before the liberalization



## Slovenian market before the liberalization

- There was NO internal power market in Slovenia,
- Everything was regulated,
- Energy balance of the generation and consumption,
- Tariffs as elements to define prices for energy consumption,
- Equilibration of revenues and costs.

## Organization scheme of ELES before the liberalization



## The new legislation

### EU

- Directive of the European Parliament and of the Council 96/92/CE
- Directive 90/547/CE

### Slovenia

- The Energy Act (Official Gazette of Republic of Slovenia, No. 79/1999)

## The influence of new legislation on the power market in Slovenia

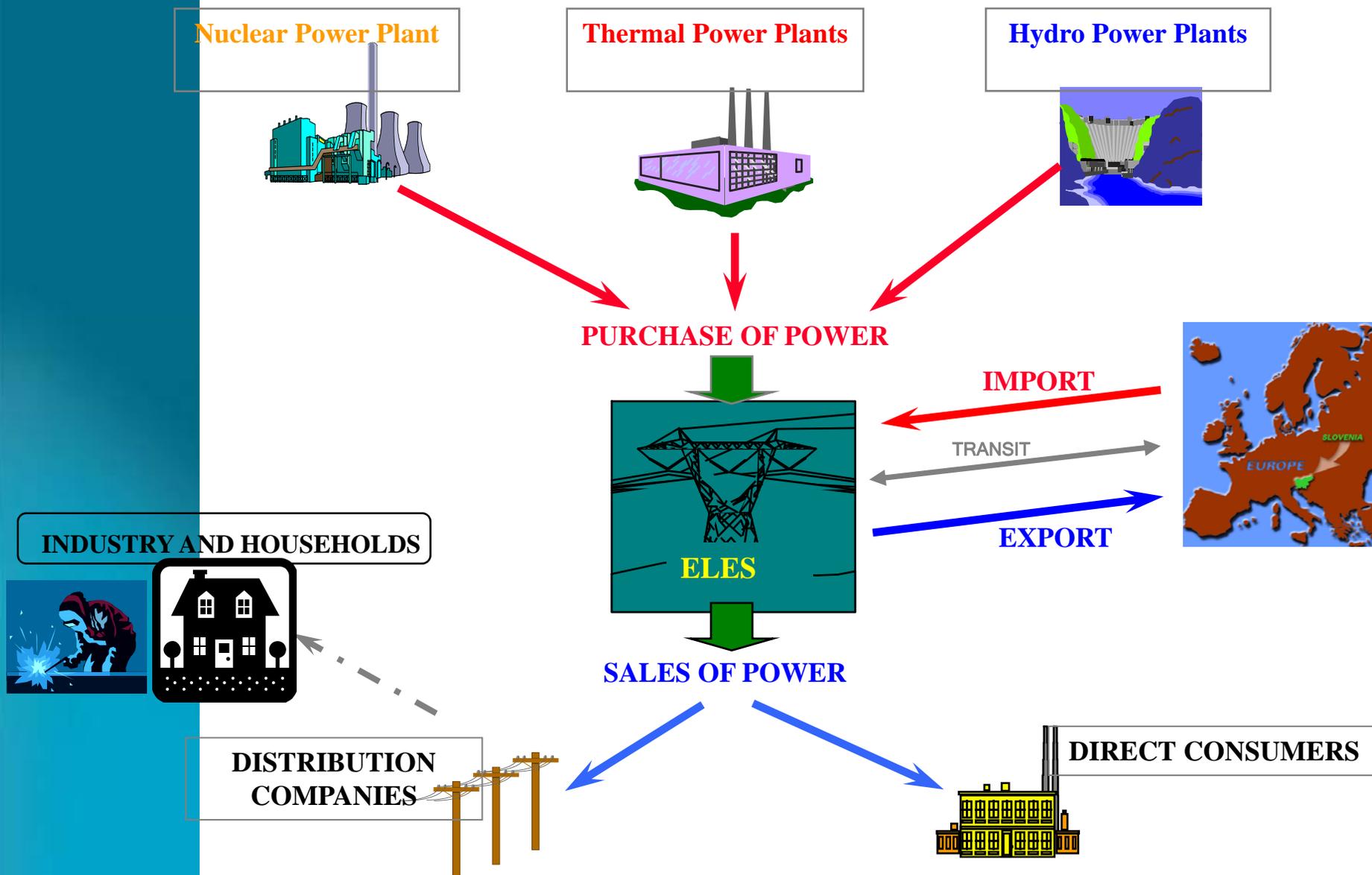
- Regulated activities (transmission and distribution)
- Market activities (purchase, sale, import, export)
- Eligible customer
- Establishment of Electricity Market Operator
- Establishment of Energy Agency
- Licenses for energy activities

## Eligible customer

- Eligible customer are Distribution companies and all customers above 41 kW of connected load
- Eligible customer has free choice of supplier
- Eligible customers represent 60% - 65% of the Slovenian market

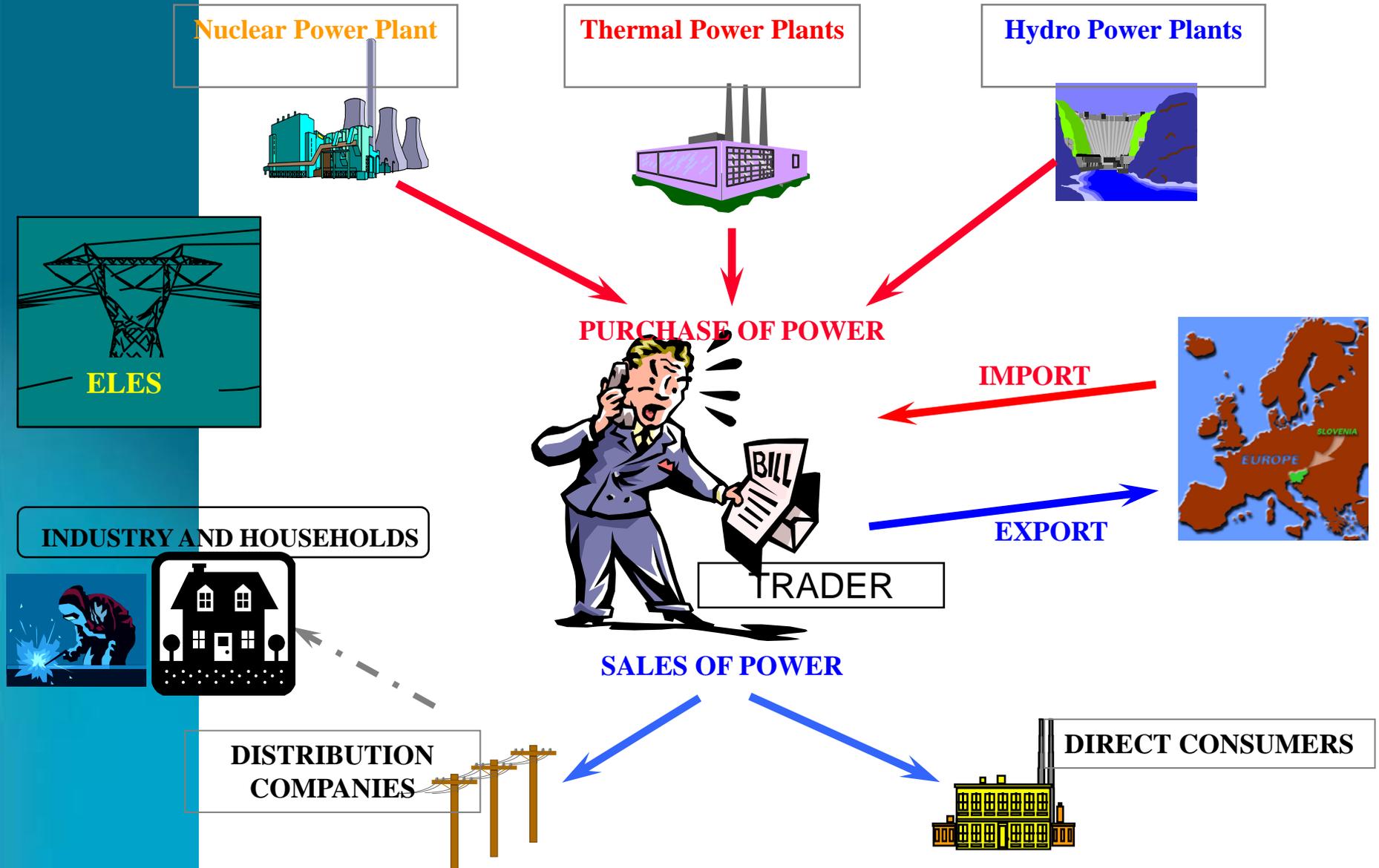
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## Slovenian market according to the new legislation



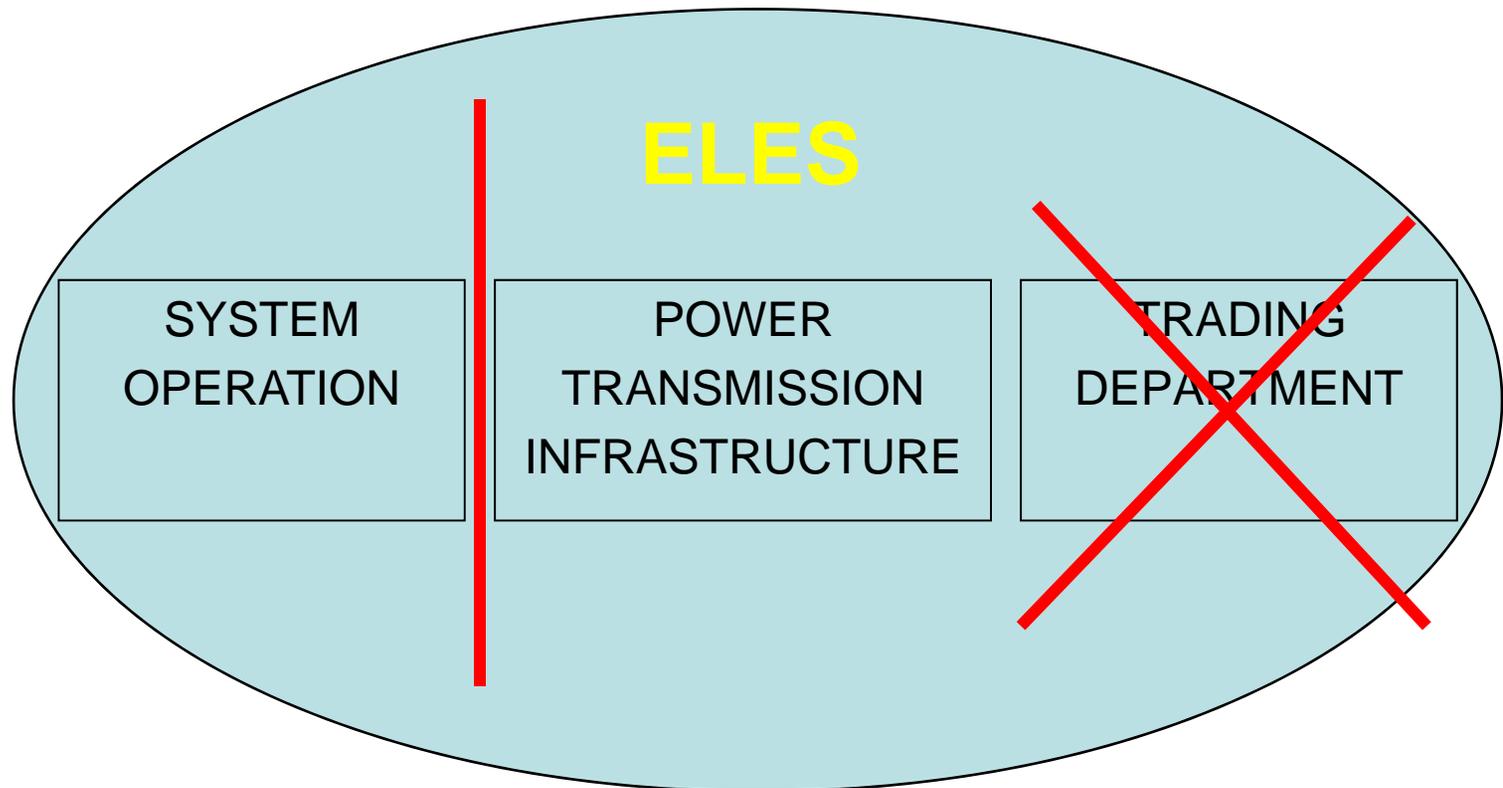
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## Slovenian market according to the new legislation

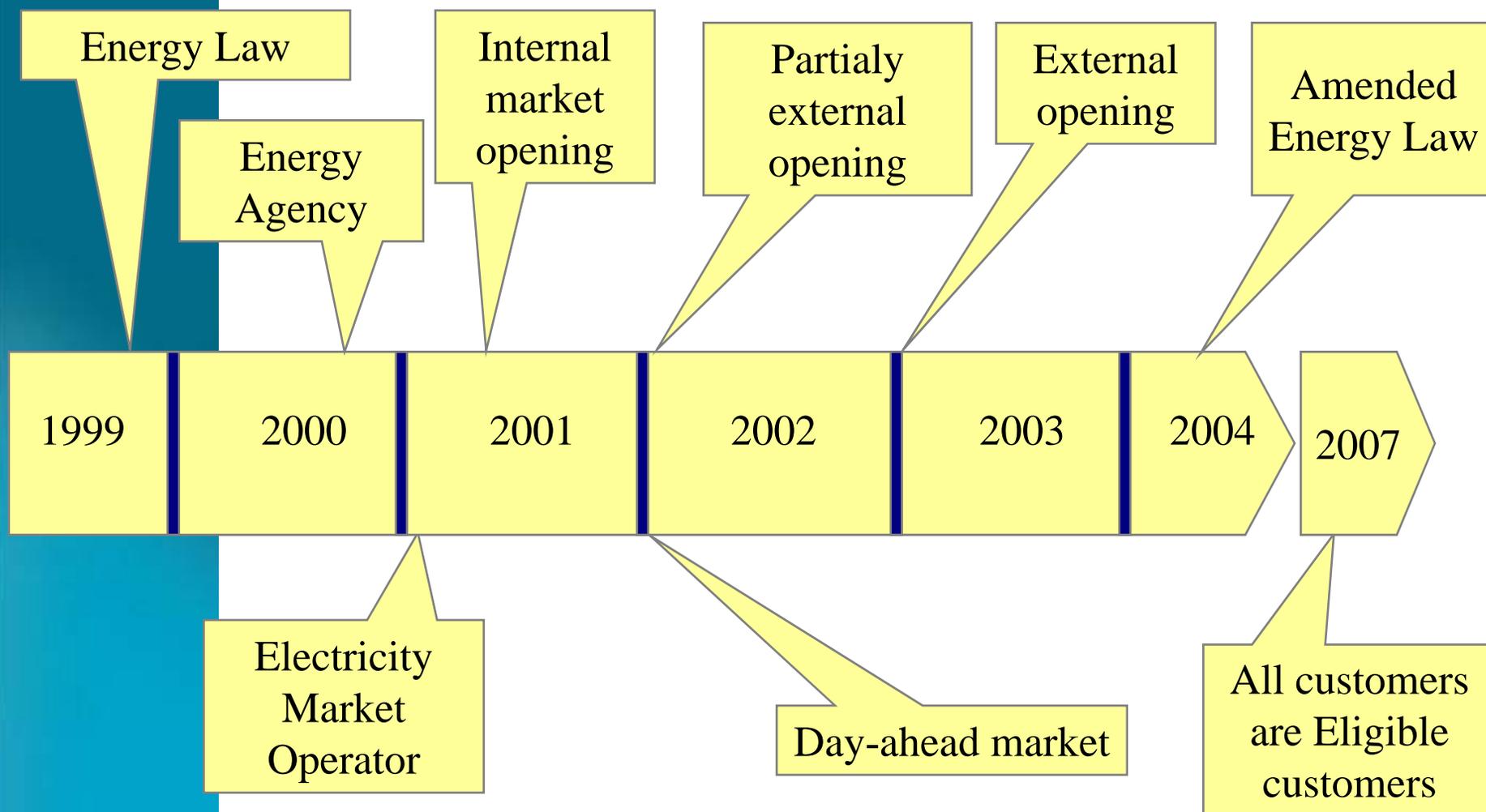


**ELES**

## Reorganization of ELES according to the Energy Act in 1999

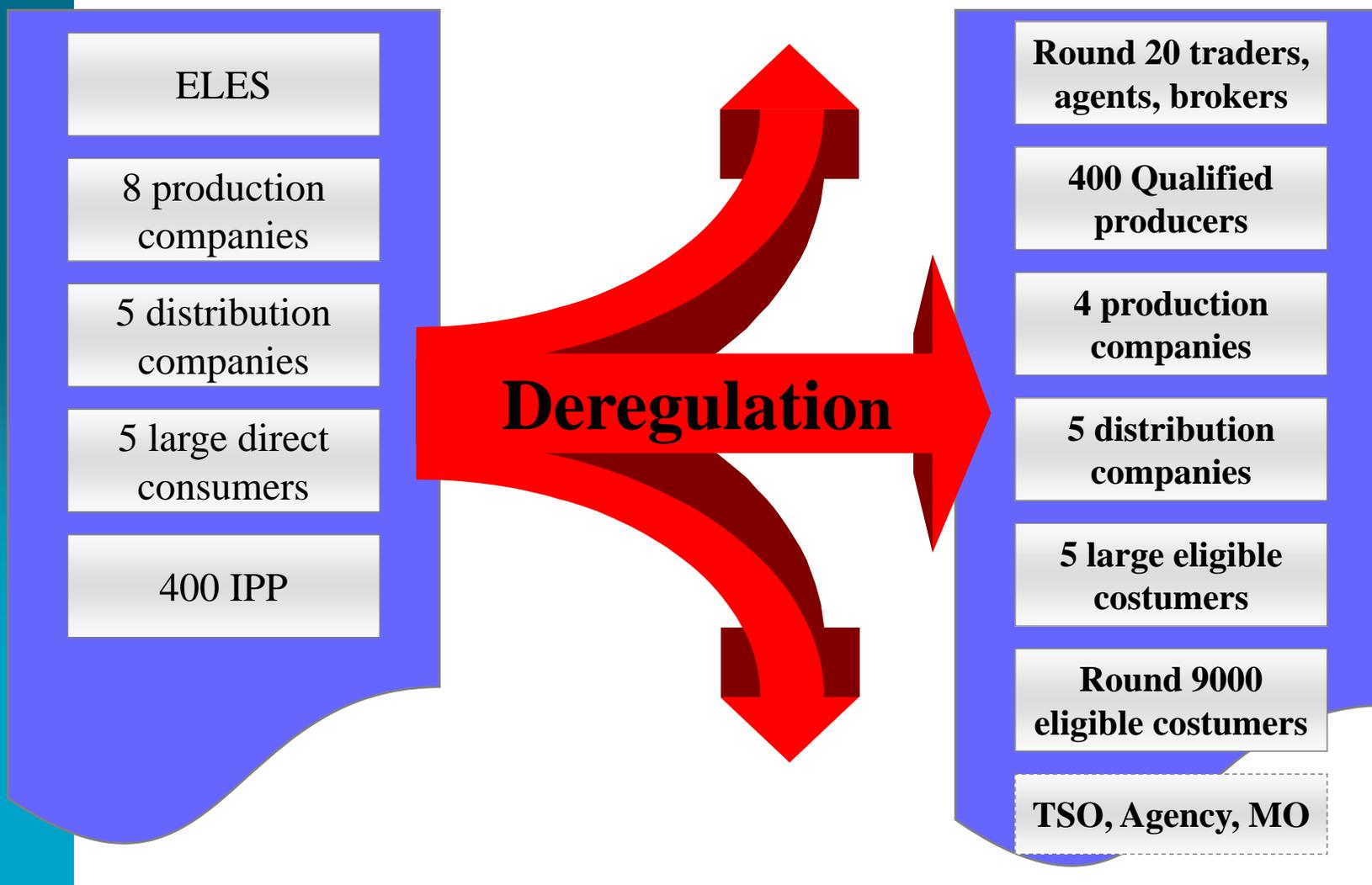


## The Evolution of Slovenian power market through the time



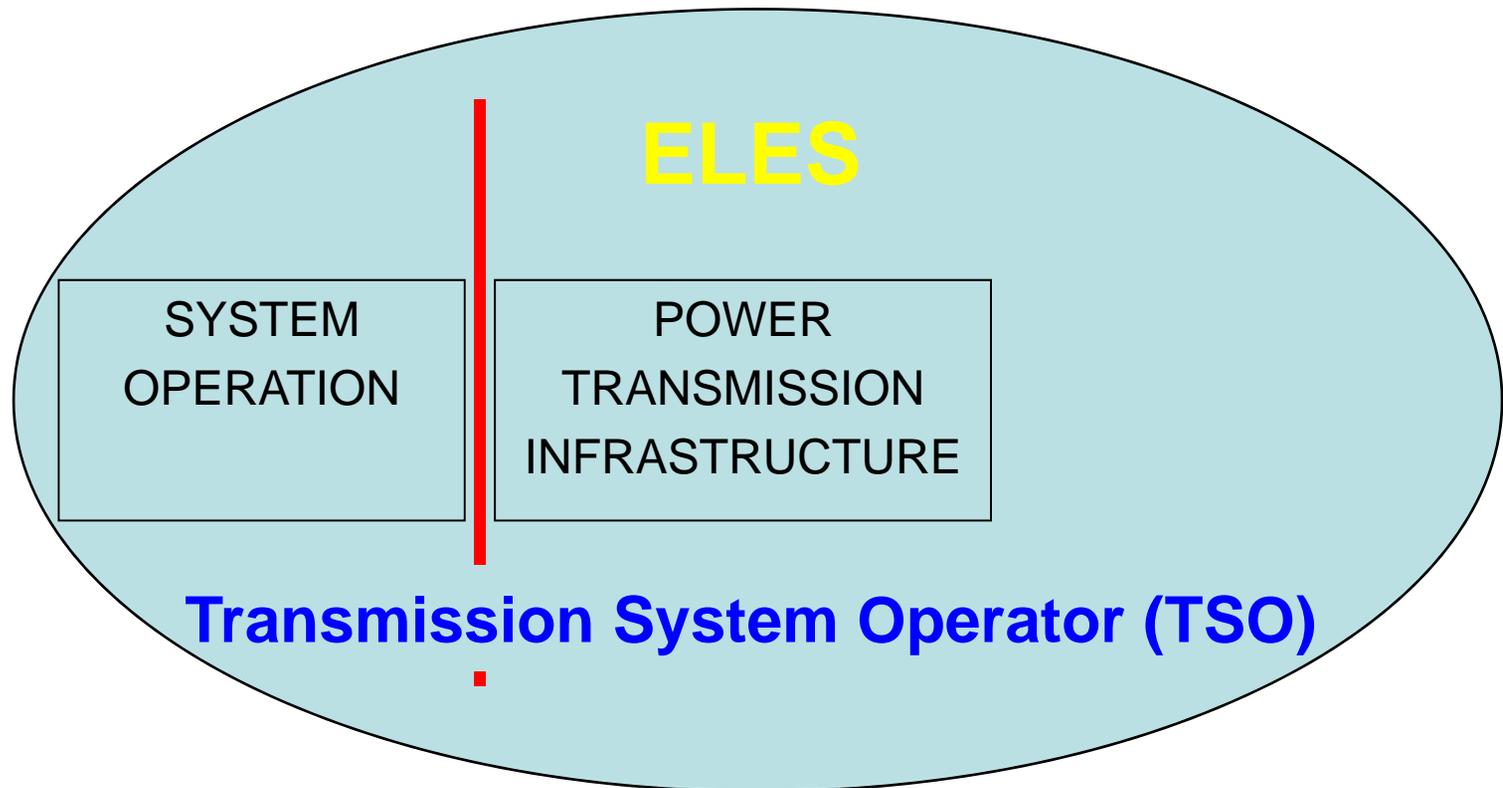
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## Slovenian market structure (market players) before and now



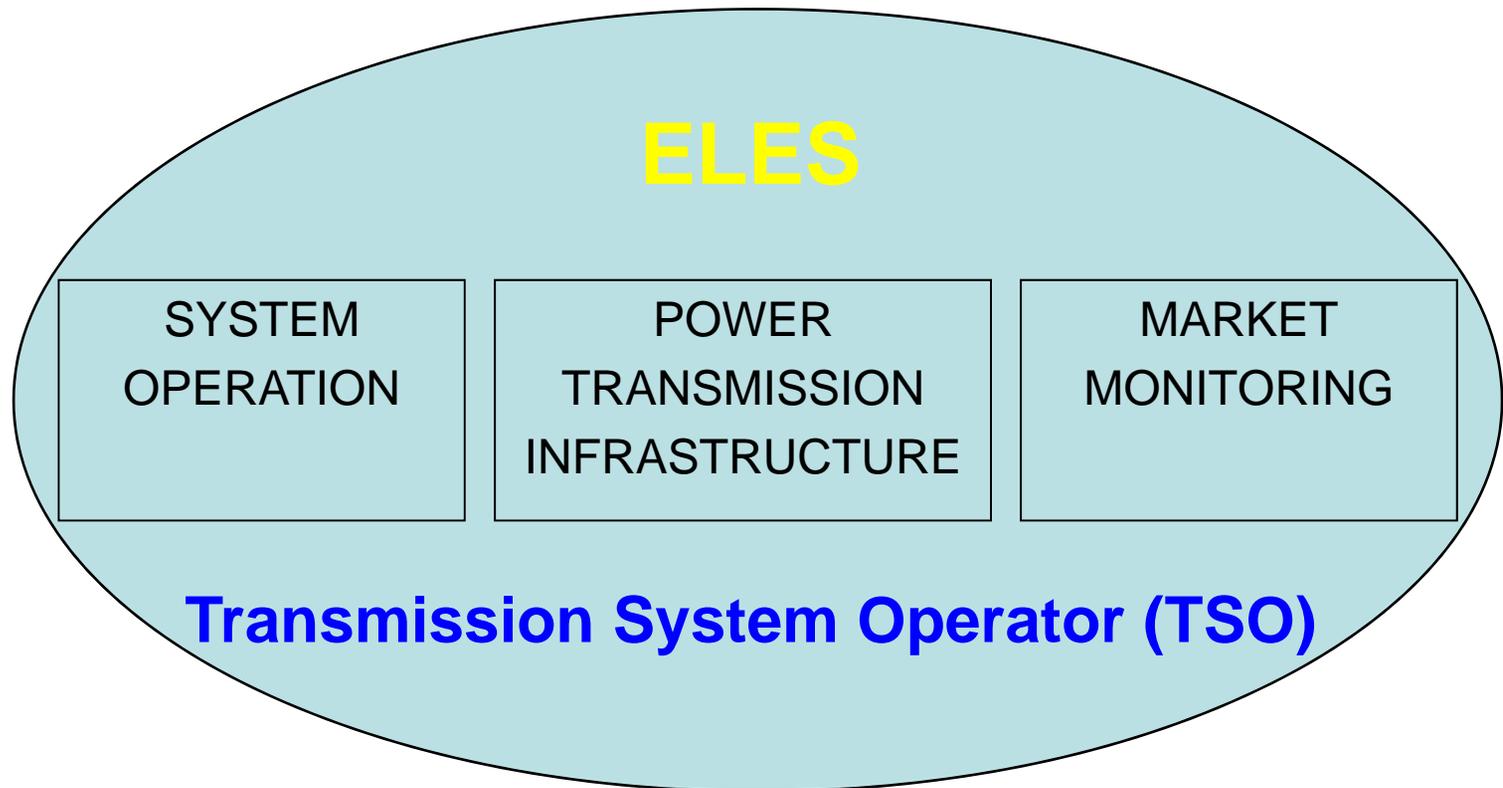
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## Reorganization of ELES according to the Amended Energy Act in 2004



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## Reorganization of ELES according to the Amended Energy Act in 2004



## ELES today

- Slovenian Grid Operator,
- Transmission Owner,
- Responsible for system balancing and security of supply,
- Operator of Control block (SLO/HR/BiH),
- Fully entitled member of UCTE, ETSO, SETSO, etc.

## SYSTEM OPERATION

- **Maintaining service reliability and security of supply**
- **Maximization of cross-border allocation in the scope of security of supply**
- **Provision of ancillary services**
- **Buying energy from qualified producers**
- **System balancing**



## **POWER TRANSMISSION INFRASTRUCTURE**

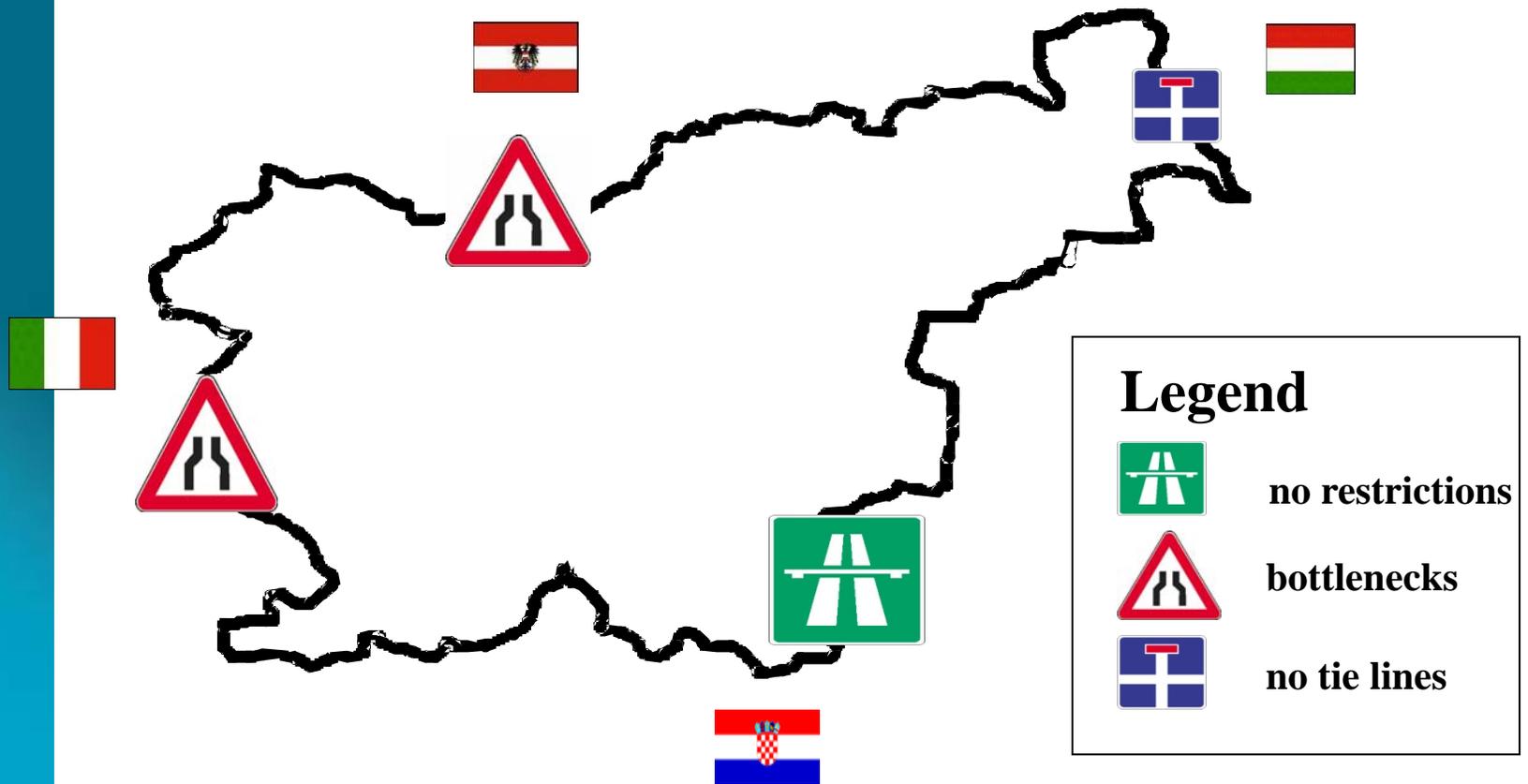
- **Development of the transmission network,**
- **Construction of new transmission lines and substations,**
- **Maintenance of the existing network.**

## MARKET MONITORING

- **Congestion management,**
- **Allocation of cross border capacities,**
- **Explicit coordinated auctions,**
- **Development of auction rules,**
- **Auctions for system services,**
- **Regional coordination (CEE, CSE, SEE).**

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## Existing congestions on Slovenian borders



## Congestion Management in Slovenia until 01.07.2007

- **Derogation**
  - Transitory period for Slovenia till 1.7.2007
  - Cross-border capacities divided 50:50 between neighboring TSO's
  - The majority of cross-border capacities allocated with pro-rata method

## Congestion Management in Slovenia from 01.07.2007

- Only **market based cross-border** capacity allocation mechanisms allowed (yearly, monthly, weekly, daily explicit auctions)
  - The exception is intraday allocation – FCFS currently used
- **Coordinated** assessment and allocation of cross-border capacities (bilateral coordination as minimum requirement)

## Congestion Management in Slovenia from 01.07.2007

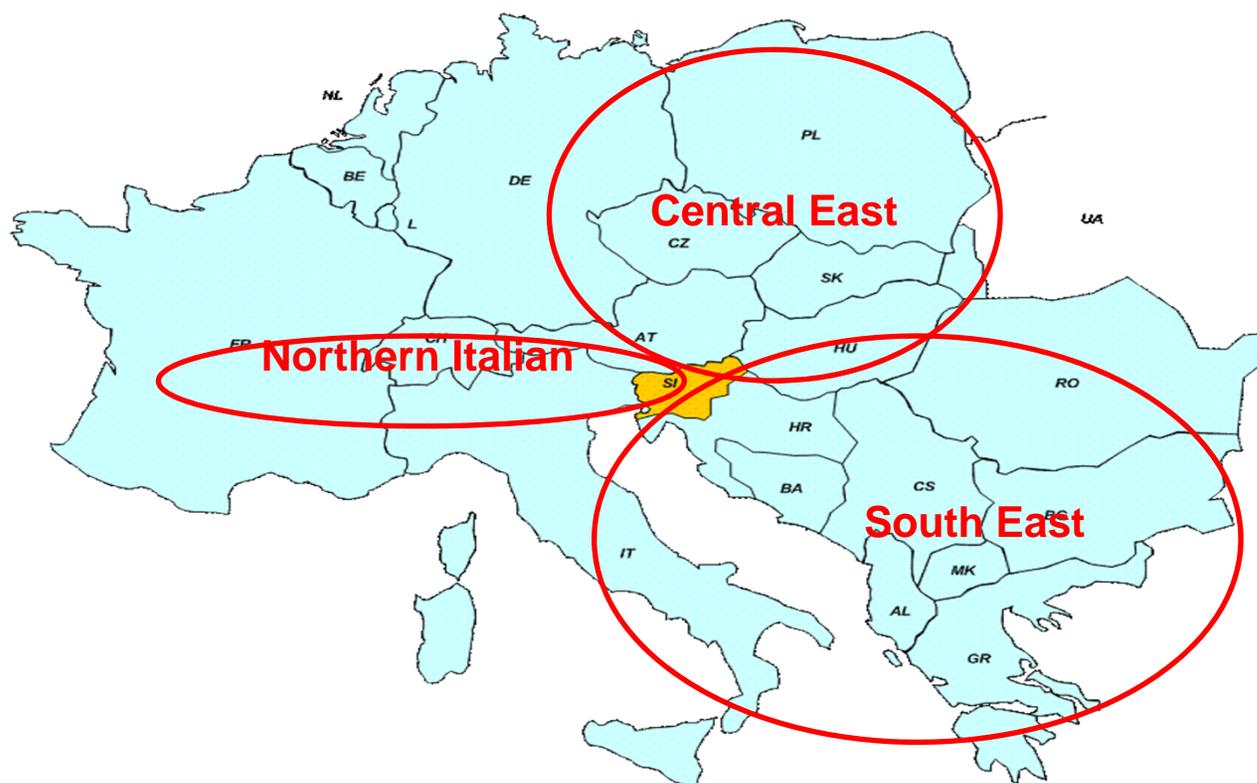
- **Easier access** to the auctions as a consequence of mitigated conditions for participation on Slovenian wholesale market
- **Auction participants:**
  - Balance responsible parties
  - Holders of contracts with BRP's on the settlement of imbalances
- **Financial insurance**

## Bilateral coordinated auctions on SLO borders

- Neighboring TSO's have allocated the majority of their 50% capacity quota for 2007
- Harmonization of auction rules for each border
- **ITALY:** Auction rules harmonized
  - First joint auction for September went well
  - ELES is auction operator in direction SLO-I
  - TERNA is auction operator in direction I-SLO
- **AUSTRIA:** All technical elements agreed.
  - Need approval of both regulators
  - First joint auction foreseen for December 2007
- **CROATIA:** still in process

# Regional Coordination

- Slovenia belongs to 3 regions.
- Bilateral coordination: harmonizing auction rules on a border
- Regional coordination: harmonizing regional rules (inter-regional compatibility required for TSO's belonging to two or more regions)



# In the future

- **Obligatory two-step nomination:**
  - Use It Or Lose It – All non nominated long-term capacities are re-allocated at daily auction.
  - “Morning” nomination (at 8:00, respectively 7.00 for Italy after joint auctions take place)
  - “afternoon” nomination (at 14:00)
- Secondary market
  - Possible **transfer** on another auction participant (condition => settled all liabilities for particular PTR)
  - **Resale** back to the TSO and re-allocation at next auction – the reseller is paid back according to the price on the second auction
- **Market based intraday allocation** (to be implemented in 2008).

## Conclusions

### Slovenian market is:

- Small market
- Number of market participants is low
- Limited competition
- Well interconnected for own needs
- The cross border capacities are fully utilized
- Market based congestion methods
- Coordinated auction (Italy, Austria)
- Flow based mechanisms in the future

**ELES**

**Thank you for your  
attention**