

**VISIONS OF THE DECISION MAKERS:  
CHALLENGES FOR THE COUNTRIES FROM  
THE REGION**

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**EVN**

# Our focus: 2.5 million energy Customers in CEE

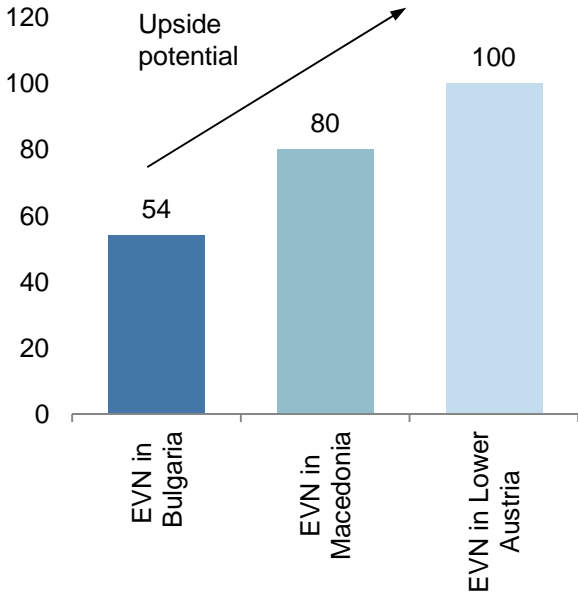
## – 3 major hydropower projects in the region

- ▶ Bulgaria
- ▶ Macedonia
- ▶ Albania
- ▶ Croatia
- ▶ Energy Trading SEE

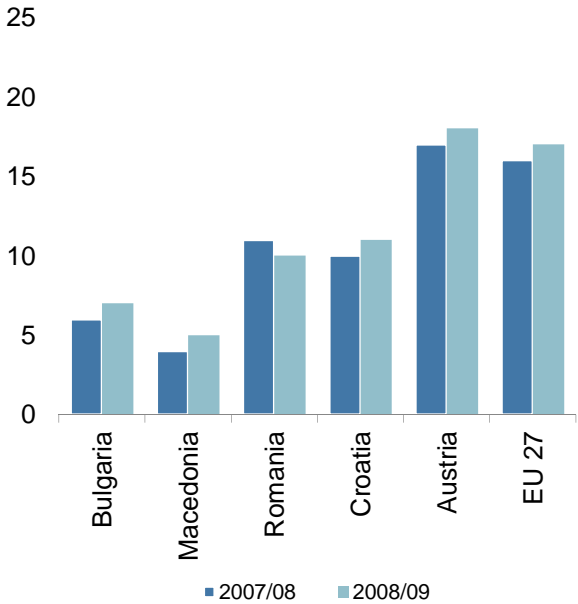


# Integration and convergence drive markets and attract investments

**Illustrative electricity sales volumes per customer (%)<sup>1</sup>**



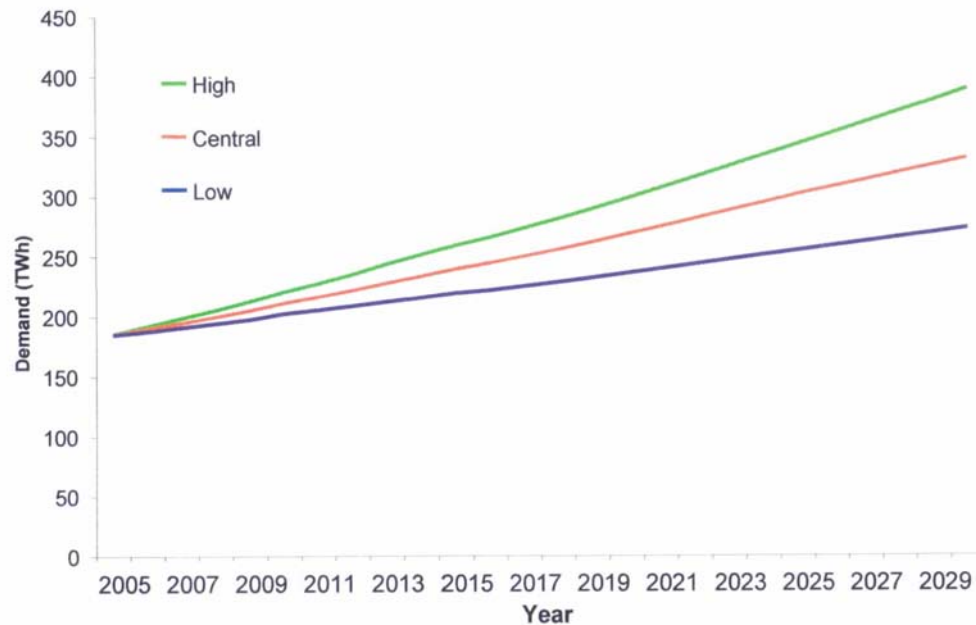
**Electricity prices for household (EUR cent/kWh)**



<sup>1</sup> In %, basis: Lower Austria = 100%



## Trend: significant demand increase up to 2030



▶ Average growth rates of approximately 1.5%, 2% and 3% p.a.



▶ 3% average household consumption growth rate

▶ HH consumption from now 3400kWh to ~7000kWh by the year 2030

# **Main Challenges in the SEE region**

- ▶ **Rising demand versus increasing lack of electricity production capacity in the SEE-region**
- ▶ **Strengthening interconnection capacities**
- ▶ **Step by step developement of renewables**
- ▶ **Implementation of EU legislation: up to 2015 full scale adoption of energy sector regulation; CO2 reduction, increase of energy efficiency**
- ▶ **Enormous need for investment capital in a time of increased risk premiums and credit crunch**

# A functioning internal energy market needs harmonisation

				
Law: roles and responsibilities	✓	(✓)	✗	(✓)
Unbundling				
- Transmission	✓	(✓)	✓	✓
- Distribution	✓	✓	✗	✗
Market transparency	✓	✗	✗	✗
Grid access				
- Industry	✓	✓	✓	✓
- Small Customers	✓	(✓)	✗	✗
- Exchange rate	✓	✗	✗	✗
Price Transparency (Energy Exchange)	✓	✗	✗	✗
Compl. Market Rules	✓	✗	✗	✗
Energy Balancing Clearing & Settlement	✓	✗	✗	✗
Public Supplier	-	NEK	ELEM	Pri-Plin

✓ = fulfilled, ✗ = missing, (✓) = partly fulfilled

## Challenges

- ▶ European Regulation Standards, functioning market
- ▶ Lack of cost orientation in relation to prices and tariff structures;
- ▶ High grid losses are an impediment for liberalisation in CEE
- ▶ Insufficient unbundling -> lacking transparency and non-discrimination
- ▶ Over 90% of payment transactions in cash

# Reinforce cooperation with public stakeholders



**A harmonised energy market requires successful cooperation between:**

- ▶ **national states/governments**
- ▶ **Energy Community**
- ▶ **EU Institutions**

# MK: Improved roadmap as a basis for better cooperation



“After long discussions between representatives of EVN and the Government, it is good that we managed to find a methodology of how to deal with problems in future ”  
Nikola Gruevski, The Prime Minister of RM  
31.07. 2010

- ▶ **July 2010: summit EVN/government**
- ▶ **Understanding of approach: Roadmap**
- ▶ **Settlement of open points of discussion**
- ▶ **realisation: until 2011**
- ▶ **Working Groups on most important topics**
- ▶ **Discussion of first measures**

## Participate in civil societies' initiatives



- ▶ **Energy Saving Campaign:**  
“Who knows more, pays less”
- ▶ **Project Energy Efficiency in Schools**
- ▶ **Project „Good Management of the family budget“**



- ▶ **EVN – Partner of the project**  
“Bridge to the business”  
access to labour market for young Roma.
- ▶ **Energy Management Institut, Sofia -**  
Platform for networking, discussion  
and information exchange

