



Člen skupiny **e-on**

# Common EU Energy Policy and Energy Security of Slovakia

ZSE  
Západoslovenská energetika a.s. Bratislava

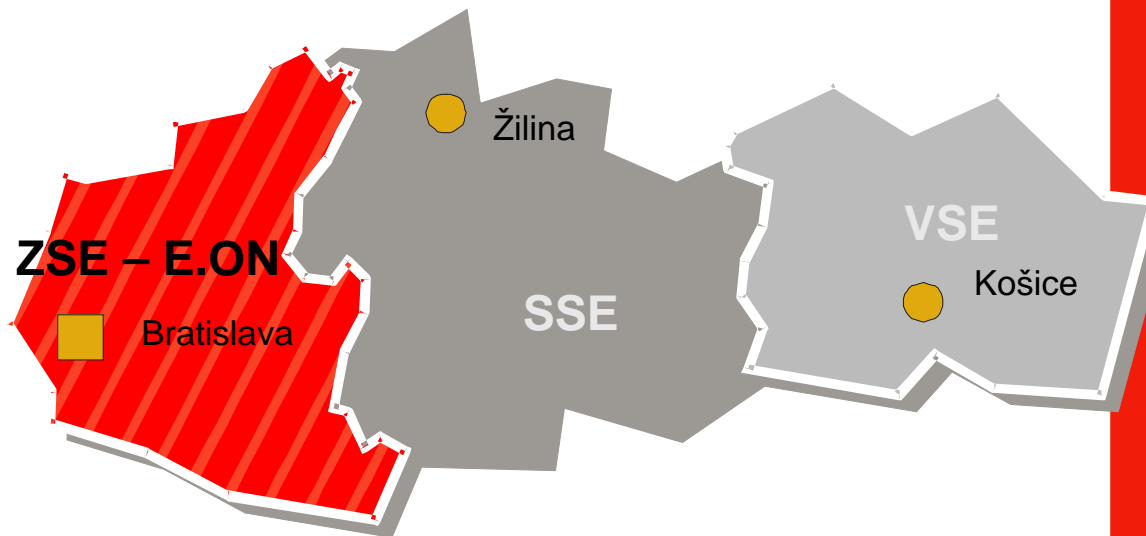
15.11.2007

Ivan Karovič

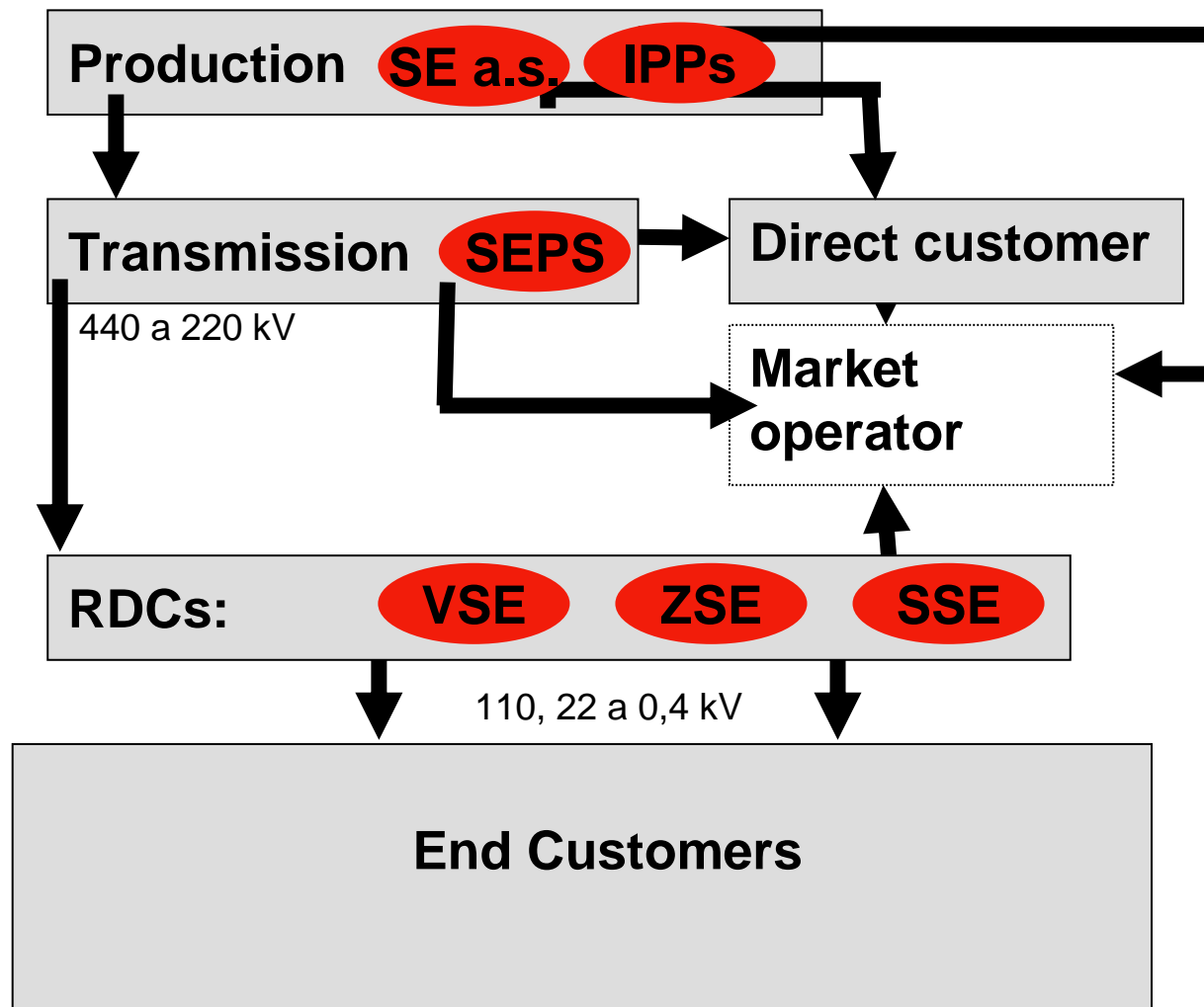
## ZSE - E.ON in Slovakia

### Electricity

### Slovakia



- ZSE is the largest power distribution company in Slovakia (40 % market share) on the market since 1922.
- Employs 1,420 people + 700 in daughter companies
- Shareholder structure: 51 % state  
40 % E.ON and 9 % via EBRD.



## Interests of Market Players – Suppliers

- **Interests of Suppliers:**

- Transparent and non-discriminating access to the infrastructure (transmission and distribution system)
- Stable legal framework in compliance with the EU legislation
- Clear rules regarding the legal duties of suppliers
- → **Stability and Transparency of the legal framework will create conditions for new businesses to enter the market and create a truly competitive environment**

## Interests of Market Players –Customers

- **Interests of Customers:**

- Lower electricity prices

Lower price is a relative term, because the energy inputs have increased, but in spite of that an open market with several suppliers is forced to offer lower prices than a market with a monopoly supplier

- Transparent and non-discriminating possibility to choose an electricity supplier
- Services of better quality
- To be protected in case of bankruptcy of the supplier
- Access to the price comparisons conducted by an independent / state institution

→ **Stability and Transparency of the legal framework will create conditions for new businesses to enter the market and create a truly competitive environment = the same interest as suppliers**

# Role of State and Regulatory Authority according to the European Commission

- Current legal framework (EU, SK):
  - Regulation of Infrastructure transmission and distribution network
  - Legal Unbundling
  - Independent Regulator
- **The proposed third energy package of the European Commission (September 19, 2007):**
  - To regulate not only infrastructure, but also commodity markets
  - Ownership unbundling (for transmission network operators)
  - Considerably bigger independence of regulatory authority
  - Strengthening the supranational regulatory competence in cross-border capacities and strengthening the cooperation between the transmission network operators

# Opinion of regulated companies on the third energy package

## We recommend

- Independent Regulator
- Emphasis put on Cross-border capacities

## We do not recommend

- To enlarge the scope of regulation, which may give distorting signals to businesses that consider entering the regulated sectors

**In the opinion of regulated companies, the regulatory body must secure efficient development, safe and reliable operation of energy networks, water supply and sewage networks, as well as protect the legitimate right of licensed service providers in network industries to an adequate return on their investment**