

# THE BULGARIAN ELECTRICITY WHOLESALE MARKET – July 2007

**ATEB & EFET WORKSHOP**  
Sofia, July 4 2007



**Statkraft**  
PURE ENERGY

# OVERVIEW

1.

Brief history

2.

Current model

3.

Dreams for future

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# History

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Energy strategy – 2002;

Energy law – 2003;

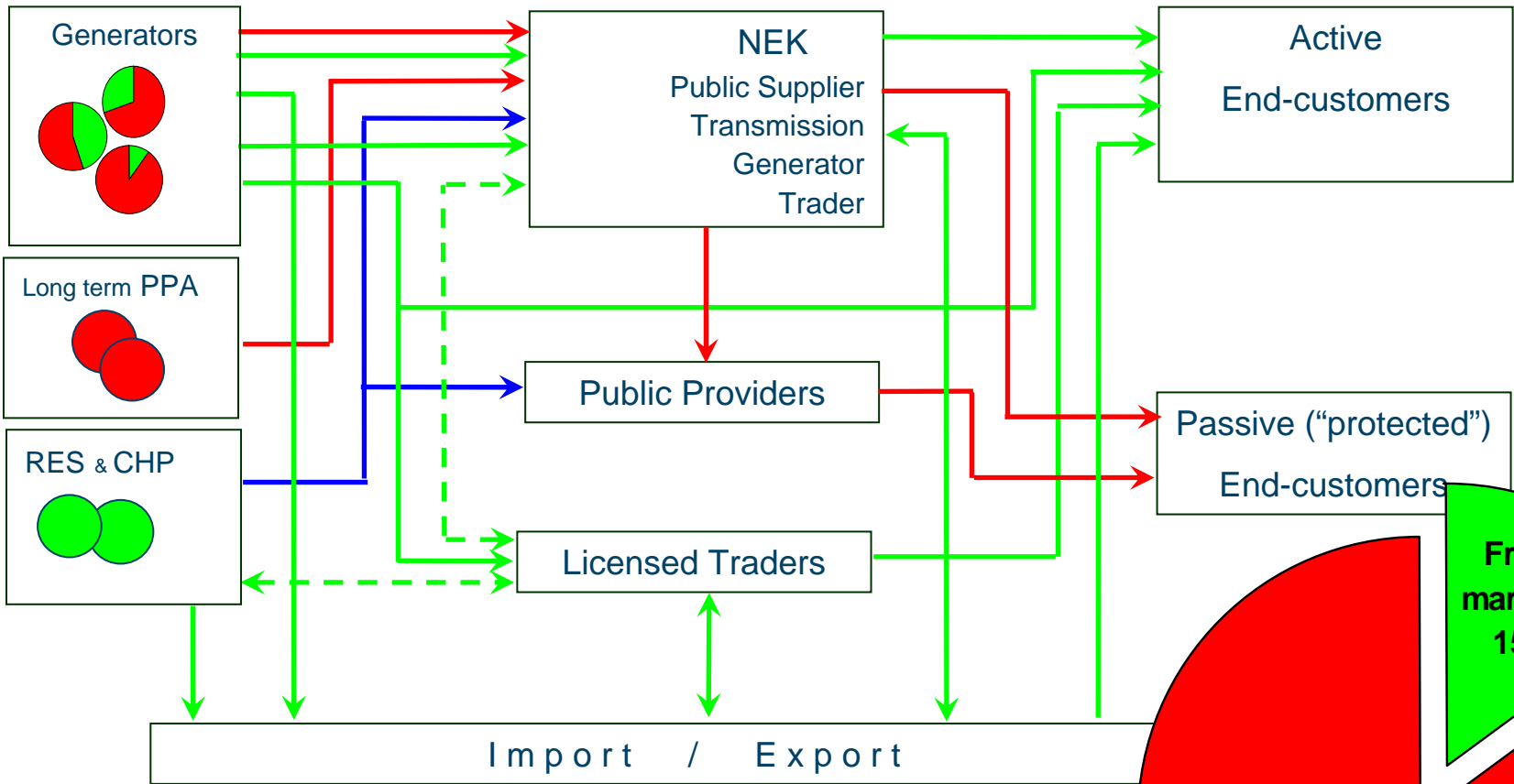
Market rules, Grid Code - 2004;

New Energy law – 2006;

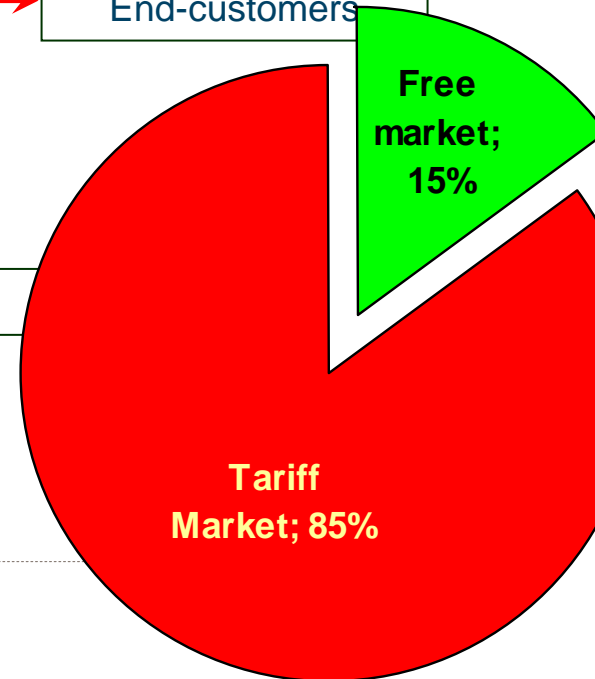
Market rules amendment – Feb. 2007

First OTC deals – Sept. 2004;

# Wholesale contracts



- Contracts - regulated prices
- Contracts - freely negotiated prices
- Feed-in tariff contracts



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# OTC Contracts

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Weekly forward contracts. Nominations on Wednesday for the period Saturday till Friday. Once registered by ESO – firm delivery + imbalances;

No publicly available market price;

Deferent contract models (some close to EFET standard).

Generators respect a quota decision of the Regulator

## Active market participants

- 6 generators
  - 36 consumers
  - 14 traders
  - 0 DisCos
- out of ~ 50
  - out of ~ 3.5 millions
  - out of 14
  - out of 5

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# Balancing market

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BM design – similar to most BMs in Europe:

- Providing tertiary (15 min.) reserve to ESO
- D-1 Offer and Bids
- 2 price system (Top-Up and Spill)

BUT: No incentive to Generators to participate

- RES and CHP – happy with the their feed-In tariffs
- Condense TPP sell all available capacity to NEK

RESULT: 100% of balancing power delivered/absorbed by NEK under “administrative” price formulas.

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## Further steps

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### OTC

- Day-ahead nominations and registration of power delivery schedules;
- Implementation of BRP concept where BRPs will supply small end-consumers and will be responsible for their imbalance;
- Development of standard load profiles for groups of end-customers;
- Brokers;
- Generators quota to be designed to secure Governmental protection by tariffs for vulnerable customers only;

### Retail :

- Balancing groups
- Standard load profiles

### BM

- Qualified participation of NEK's HPPs, by free bids and offers (not by default);
- Incentives to other generators, who are flexible enough.

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# Further steps

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## Market Mechanisms:

- Power Exchange :
  - Pressing need of market place for clearing of the market positions and liquidity improvement;
  - Reference market price;
  - National of International
- Auctions for x-border capacity allocations;
  - Need of transparent mechanism;
  - Coordinated with neighboring TSOs;
  - Explicit and then Implicit;



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## Further steps

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### Information:

- From Regulator - about future market environment (enough time in advance) :
  - Quotas and/or other restrictions;
  - Market rules changes;
- From ESO – about operation of the electricity power system :
  - Generation / demand balance for future periods;
  - Planned outages of transmission and generation;
  - Emergency generation trips;
  - NTC , ATC;

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**THANK YOU FOR YOUR  
KIND ATTENTION !**