

- **BSP SouthPool Market Results**
- **In 2014 Day-Ahead Traded volumes grew by 8% and Intraday by 52%**
- **BSP SouthPool ushers in a new era for Slovenian Day-Ahead trading**



BSP SouthPool market Results

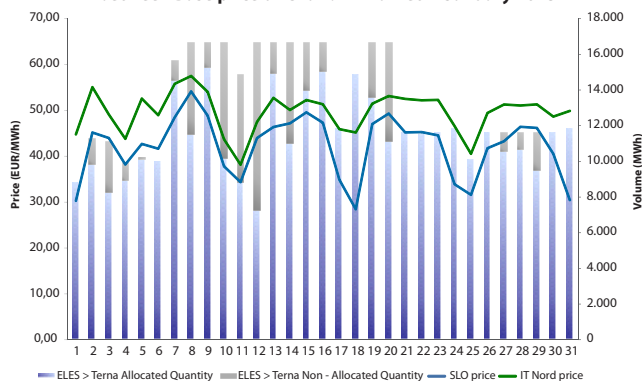
Trading report January 2015

In January 2015 the Day-Ahead trading volume at BSP SouthPool reached 527.541,911 MWh. The average monthly price for Base product was 42,23 EUR/MWh and for Euro-peak product 50,71EUR/MWh. The total traded volume at BSP SouthPool in January represented 64,93% of Slovenian market consumption.

The maximum daily volume in January 2015 reached 20.278 MWh on 09. 01. 2015, the average daily volume in this period reached 17.017,481 MWh. The maximum hourly volume in January 2015 reached 988 MWh on 15.01. 2015 for the 9th hour, the average hourly volume reached 709,062 MWh.

In January 2015 the total amount of offered daily capacity in the direction from Slovenia to Italy was 411.546 MWh. Through implicit allocation at BSP SouthPool, 352.534,394 MWh of offered capacities were allocated, representing a 85,66% utilization of daily available transmission capacity. In the direction from Italy to Slovenia the total amount of offered daily capacity was 557.440 MWh and 1.851,628 MWh were allocated.

Correlation between offered and allocated quantity of daily capacity on SI - IT border and difference between Base price on SI and IT market in January 2015

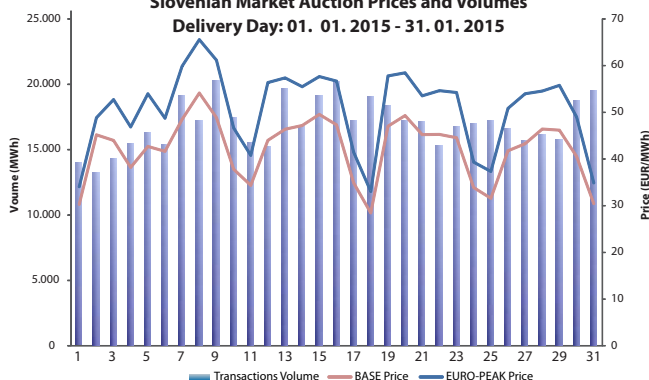


Trading report for BSP Intraday market for January 2015

In the January 2015 the total trading volume reached 20.948,5 MWh. In the same period a total volume of 12.700 MWh was concluded with block products, 7.396 MWh with hourly products and 852,5 MWh with 15 minute products.

No transactions were submitted for clearing (OTC) in January 2015.

Slovenian Market Auction Prices and Volumes Delivery Day: 01. 01. 2015 - 31. 01. 2015



BSP SouthPool ushers in a new era for Slovenian Day-Ahead trading

24th February was the go-live date of the two and a half year regional energy market integration project involving 6 Transmission System Operators (ADMIE, APG, ELES, RTE, Swissgrid, TERNA) and 5 Power Exchanges (BSP, EPEX SPOT, EXAA, GME and LAGIE) engaged in trading of energy through Italy's borders. The project implements the European target model for day ahead Capacity Allocation and Congestion Management in the CSE region.

Slovenia and BSP SouthPool, a project partner, seized this opportunity in order to make a big step towards fully merging with the European energy market as well as meeting the EU Internal Energy Market integration targets, securing key national strategic interests along the way.

Day-ahead trading is one of the most common and widespread energy market activities with thousands of deals being made across Europe each day. Countries such as Slovenia, who were yet to fully blend into the common European energy area, had to mostly rely on complex trading processes. This basically meant that hundreds of phone calls were being made directly between traders in order to ascertain, check and negotiate the price, place orders and arrange payment. On top of all that a set of follow-up activities was required in order to arrange for transport of the purchased electricity into or out of the national grid.

With February 24th all this becomes just a thing of the past for everyone operating through the SI-IT border. From this day on access to the Slovenian day-ahead exchange market is open to traders from all over Europe, who no longer have to worry about chasing down the best price or finding the cheapest home route for their newly purchased power. Common European implicit trading algorithm deals with all of that, matching supply and demand to give all auction participants the best possible price, while ensuring that the whole process is both unbiased and transparent.

"It's like online shopping for electricity but without having to sort out multiple offers and prices" says Anze Predovnik, CEO of BSP SouthPool power exchange and adds that "you simply state how much power you want to buy or sell and system makes sure you get the best price of the day, while also taking care of all the necessary arrangements for the transfer of the purchased electricity back to or out of your home grid."

For BSP SouthPool, a relatively new and small power exchange, this full integration into the common European energy market has delivered many new opportunities and

perspectives. For one it is now open for business to all traders within Europe thus accessing the same market as power exchanges many times its size. But what is even of greater importance, BSP SouthPool managed to integrate in such a way that it did not merely copy protocols and solutions, but it has rather worked out a policy mix that best suits is specific situation.

"If you compare Western and Northern European countries with Central and Southern ones, you can quickly see that there is no difference in the electricity we trade, but there are vast differences in the way we elect to govern and manage our internal markets, grids and relations" observes Predovnik and stresses that joining the common energy area demanded of Slovenia and BSP SouthPool to carefully negotiate conditions and devise such co-operation protocols, which would make things not merely compatible but also very practical for both Slovenian and other European countries.

Sorting out the details did take 2 years, but it was 2 years well spent, delivering the most competitive trading and pricing models to Slovenian traders and consumers as well as securing Slovenia's strategic interest in terms of roles, responsibilities of its national TSO and other stakeholders in regards to the EU. This again proves that BSP SouthPool knows how to take charge of key roles within large projects and leverage its know-how in order to achieve win-win results for everyone involved.

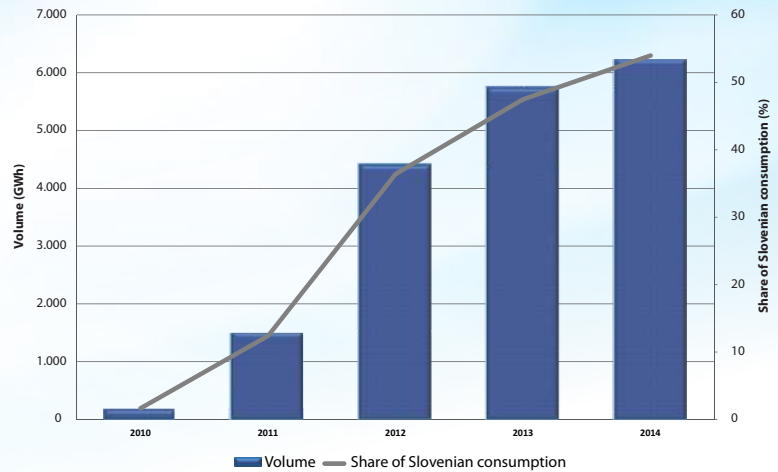
"This has been a fascinating experience for us, with a steep learning curve and many lasting impressions, which can surely be of great benefit for other stakeholders that will soon embark on a similar journey such as this one when introducing same mechanisms on other Slovenian borders" concludes Anze Predovnik.

BSP in 2014

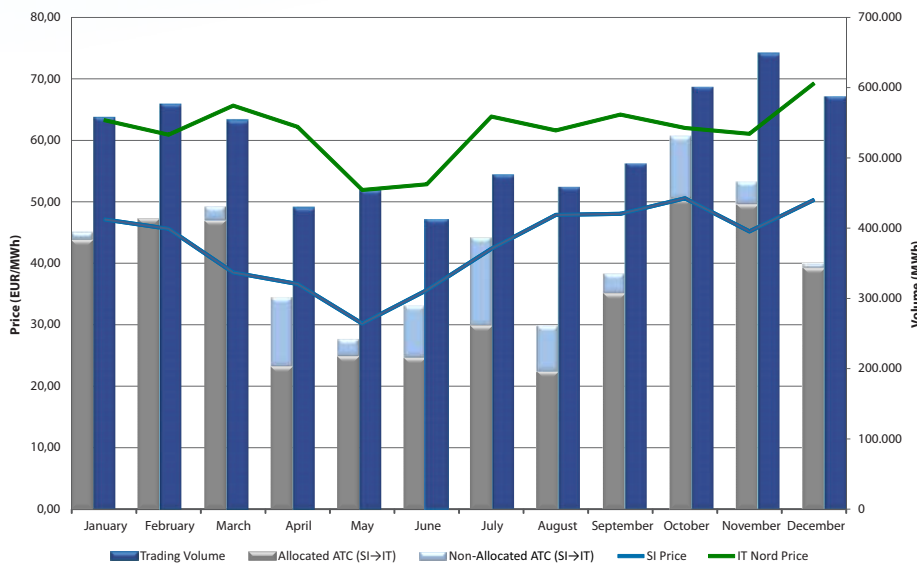
In 2014 Day-Ahead Traded volumes grew by 8% and Intraday by 52% compared to the year 2013

In the year 2014 the total traded volume at BSP reached 6.376.164,514 MWh, which represent 53,97% of yearly Slovenian market consumption. On the day-ahead market total traded volume was 6.248.399,014 MWh and on the Intraday market 127.765,5 MWh. The increase of Day-Ahead volume is largely a consequence of Market Coupling on the Slovenian-Italian border; the offered capacity in direction SI-IT rose for 13,85% compared to the year 2013. Higher number of active market participant on the Intraday trading segment resulted to grow of volume by 52,13%. In the previous year 5 additional companies joined BSP and the total number of members increased to 44.

Traded volume and its share of Slovenian consumption



Correlation between offered and allocated quantity of daily capacity on SI - IT border and difference between Base price on SI and IT market in the year 2014



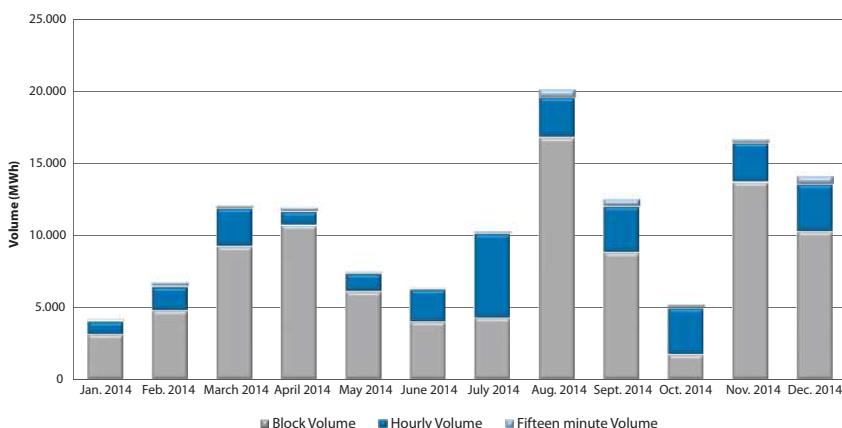
BSP Traders Party took place at Club Pergola in Portorož

At the end of May 2014 BSP organized a Traders Party in Portorož, on the Slovenian coast. In the backdrop of events guests had the chance to talk in an informal setting and get to know each other on a more personal level.

Training courses and workshops organized by BSP SouthPool in 2014

In the year 2014 BSP organized 3 workshops. The Exchange trader training course was organized for participants from Borzen, Hep and also for individual participants. On these courses participants obtain knowledge about auctions and continuous trading, supply and demand modelling and information on usage trading platforms (Euro market and ComTrader). Participants also get a licence to trade at BSP.

Slovenian Intraday Market Volumes



Total Volume: 127.765,5 MWh Block Volume: 93.908 MWh Hourly Volume: 30.552 MWh Fifteen minute Volume: 3.305,5 MWh

Training courses and workshops in 2015

In 2015 BSP SouthPool offers Training courses and Workshops for traders and other professionals who would like to obtain new knowledge. We have prepared, in the following section, outlines of the topics presented at the workshops, but we remain flexible to suit applicants' further inquiries. Some of the most interesting workshops are:

Exchange Trader Training Course – focusing on Day-Ahead and intraday Markets, Trading Rules and Auction Trading.

Trainings courses will take place on the:

9th April 2015

4th June 2015

10th September 2015

5th December 2015

SEE (South-Eastern European) Wholesale Electricity Markets Workshop – at this workshop participant get further insight into SEE Electricity markets, energy flows in the SEE region, establishment of balance responsibilities, scheduling systems in SEE countries, etc.

Tailor-made Workshop for Companies – this workshop is prepared for companies outside of the electricity industry, which would like to learn about trading, market structure, electricity prices and the ways in which electricity contracts are concluded.

All information about Training Courses and Workshop is available on our web page www.bsp-southpool.com.

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