

BSP SouthPool



news

The newsletter of the BSP Regional Energy Exchange **No 3**



E.on Energy Trading is joining BSP SouthPool
BSP SouthPool integrates different markets in the region
New dates for Trainings and examination
The first BSP Traders' party

BSP SouthPool is the regional energy exchange in South Eastern Europe. It provides complete and high-quality liquid, competitive, and transparent services of organised electricity market for market participants. At the moment, BSP enables trading with electricity on Slovenian and Serbian market. BSP energy exchange has an international ownership structure and is open for admission of new partners. Our ultimate objective is to become a leading regional cross-border energy exchange in South Eastern Europe.

Trading report for May 2009

Total volume of concluded transactions on BSP Regional Energy Exchange in May reached 798 MWh. There were 9 transactions concluded in the Slovenian market, most of them (5) with Base product, 3 with Euro-peak product and 1 with Off-peak1 product. The average price for Base product reached 32,25 EUR/MWh, for Euro-peak product reached 38,50 EUR/MWh and for Off-peak1 product reached 16,50 EUR/MWh. The average price for all traded products in the Slovenian market reached 33,86 EUR/MWh. There were no concluded transactions in the Serbian market.

488 orders in the total volume of 34.998 MWh were entered in the Slovenian and in the Serbian market in May. 478 orders were entered in the Slovenian market, most of them (142) with Base product. In the same

period 10 orders were entered in the Serbian market, most of them (7) with Base product.

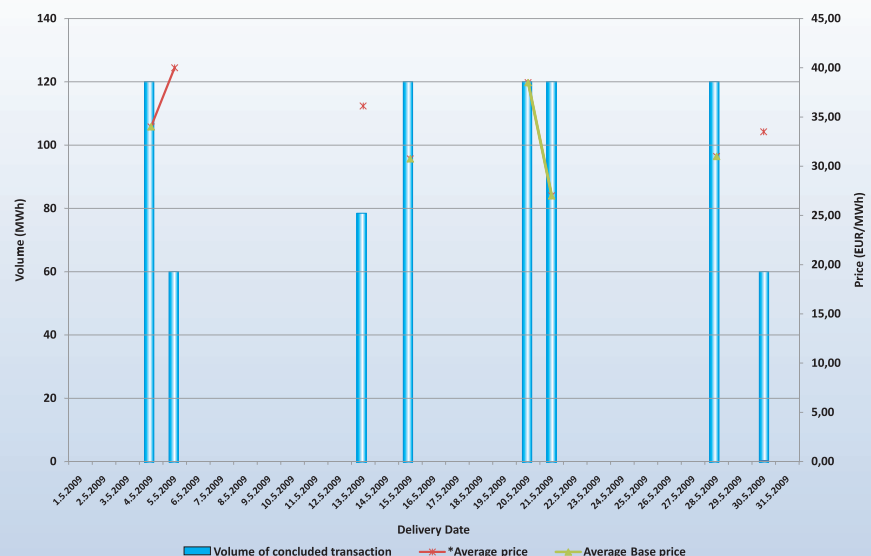
Market Statistics for 2009

Total volume of concluded transactions from the beginning of the year 2009 until the end of May reached 5.854 MWh for the Slovenian market. The total volume of concluded transactions in May compared to April decreased from 2.658 MWh to 798 MWh which represents 69 % decrease. All transactions in May were concluded in the Slovenian market.

The total volume of entered orders in both Slovenian and Serbian market reached 167.652 MWh in the first five months of 2009. The total volume of entered orders in the Slovenian day-ahead market in May reached 33.438 MWh and in the Serbian market reached 1.560 MWh.



Trading volume, average price and average Base price in the Slovenian market in May 2009



*Average Price is calculated as the weighted arithmetic mean of all transactions concluded on the day-ahead market

Interview with
Stefan Sewckow,
the Head of Spot Trading,
responsible for Central and
Easteran Europe at E.ON
Energy Trading AG (EET)

E.ON Energy Trading is joining BSP SouthPool



Stefan Sewckow, the Head of Spot Trading, responsible for Central and Easteran Europe at E.ON Energy Trading AG (EET)

E. ON Energy Trading (EET) is the commercial heart of E.ON, one of the world's leading power and gas companies. As one of the leading asset-backed energy trading businesses in Europe, EET is looking to play a leading role in the effort to develop new European market regions . One of the areas in which the Dusseldorf-based company is keen to increase its profile is South-eastern Europe. As part of its objective to expand its trading activities in the region, EET will begin spot trading on BSP SouthPool this summer. "We're looking to start trading in July or August this year," said Stefan Sewckow, the Head of Spot Trading CEE for EET.

What does E. ON Energy Trading find most interesting about the electricity markets of the SEE region?

The South-eastern European region currently consists of several fragmented energy markets with different energy positions. The markets also differ in prices and we find the interaction between the markets very interesting. One of our objectives is to increase our profile in this region, so naturally we don't want to miss the opportunity be there from the very beginning.

How would you evaluate benefits of the BSP SouthPool for the SEE region energy markets and for the companies that are interested in the SEE area?

BSP provides spot trading as well as financial clearing and settlement on the Slovenian and Serbian day-ahead market. By offering the whole range of trading and post trading activities, it brings more transparency to the energy market in the region, common state-of-the-art technology, clearing services, higher business security and

lower risks. It also underlines the important role of energy exchanges in providing a better balance between supply and demand.

E.ON is a world-leading power and gas company with high ambition to enter new markets. Are you considering to join BSP SouthPool, energy exchange in SEE region?

Yes, we're preparing to start spot trading on BSP Southpool in the near future. We expect to kick things off in July or August of this year and we want to be seen as a reliable trading partner and an important player in the market.

What would be your suggestions for future development of the BSP regional energy exchange from the member point of view?

We'd like BSP SouthPool to become a strong actor in the South-eastern European market and, of course, we could provide some support to them. We'd also appreciate if BSP could act, as far as it can, as an interface between the regulator and the wholesale electricity market , e.g. in order to avoid trading obstacles.

"One of our objectives is to increase our profile in South-eastern European region, so naturally we don't want to miss the opportunity be there from the very beginning."



BSP SouthPool: The exchange which integrates different markets in the region

The participation on one exchange enables trading on several markets in SE Europe

At the moment, BSP SouthPool facilitates trading on the Slovene and Serbian electricity market, but the goal of the company is to facilitate trading on all markets within SE region.

The South-Eastern European market is one of the markets that European Commission identified as a potential regional energy market on its way to establish a **uniform European energy market**.

The most important expected **benefits of the establishment of the regional energy market** are enhanced economic growth in the region, larger reserves of the electricity system, assured competition in generation and consumption, and, consequently, the influence on energy prices, more effective generation optimization (hydro-thermal coordination), and mutual coordination in the planning of reliability of power system operation.

The generation and consumption structure among countries in SE region differs significantly, and the projections for the future and expected surpluses/shortages show that the diversity of energy sources and needs will sustain; in addition, the current cross-border capacities are relatively good. This forms good grounds for the establishment and operation of BSP SouthPool as a regional energy exchange in this area.

At the moment, BSP enables trading with electricity on Slovenian and Serbian market; however, trading will also be possible on other markets in the region in the future. South-East European region is currently fragmented into several energy markets with different energy positions, where markets also differ in prices. The exchange is designed to facilitate members to join each market in the region with the local approach and it adjusts to the requirements of different power markets in the South-Eastern European Region accordingly. The ultimate objective of the BSP Regional Energy Exchange is, firstly, to become a leading cross-border energy exchange in the South-Eastern European region and, secondly, to become a bridge among European energy markets through the mechanisms of market coupling and implicit auctions.



What are the benefits of trading on BSP SouthPool for companies which wish to do business in SE European region?

- The regional exchange provides an efficient juncture of supply and demand of electricity and financial security for participants, which is especially important on SE European markets;
- The exchange provides important synergetic effects with complementary electricity transmission systems in individual national power industries which will be reflected on financial and electricity field;
- Power exchange trading with an integrated congestions management system provides efficient use of cross-border capacities and increases reliability of supply;
- In comparison with national exchanges, the regional exchanges are more effective from the viewpoint of costs as well as offering services (better liquidity and higher number of participants);
- The regional exchange provides price signals which are essential for the establishment of competitive and transparent market;
- The anticipated good liquidity of the exchange will facilitate the development of financial futures market which is essential for further market development and for consumers', traders', and investors' risk management;
- Stable and transparent investment-prone business environment;
- The exchange represents business opportunities for the entire regional economy.

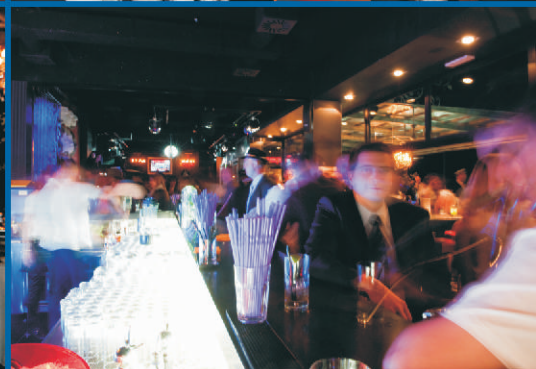
**The next
Exchange Trader
Training Course
will take place
on 2nd of July 2009.**



The first BSP Traders' party

There is a trading time
and there is a
party time

The first BSP SouthPool Traders' party took place on Friday, 29th May 2009 in Paprika Club in Portorož (Slovenia). More than hundred traders from Europe joined the gathering. There are some photo highlights from the event...



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