

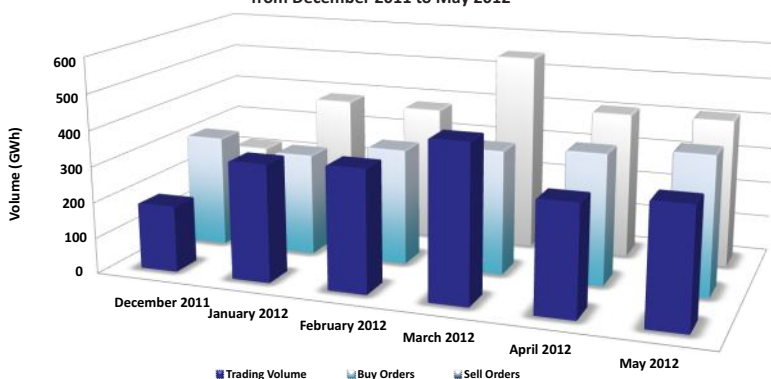
- **Traded volume at BSP SouthPool in 2012 exceeded last year volume**
- **Riccardo Cases (Chief Executive Officer Assistant at Europe Energy SPA): Slovenia is still one of the main portals for the eastern European region, so it could potentially become more and more of a European "hub", especially for Italian and Austrian companies, even at the risk of basically becoming a transit country.**
- **BSP Traders' Party 2012 took place in Portorož**



Traded volume at BSP SouthPool in 2012 exceeded last year volume

BSP SouthPool traded volume on Day-Ahead market already passed traded volume in year 2011

Volume of entered orders and total trading volume in the Slovenian market from December 2011 to May 2012



On 12th of May 2012 total traded volume reached 1.536.172,221 MWh and exceeded volume of concluded transaction of BSP SouthPool on Day-ahead market in the year 2011.

Total volume in May was 329.052,737 MWh, which represented 34 % of Slovenian market consumption. Average price for Base reached 46,51 Eur/MWh and for Euro-peak 50,23 Eur/MWh.

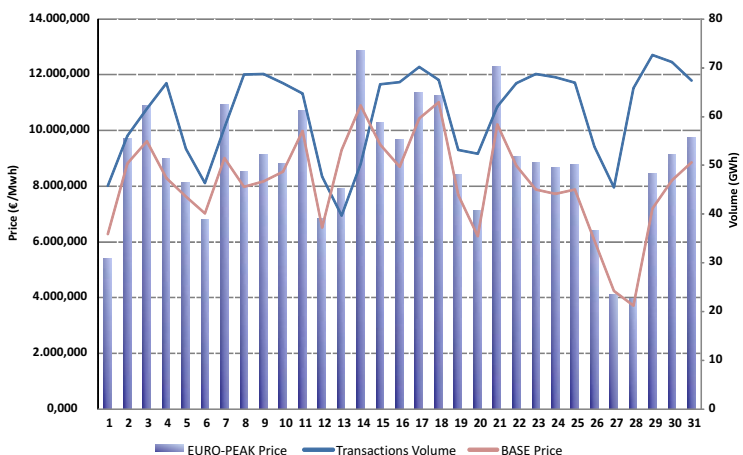
Maximum daily volume in May reached 12.716 MWh on 29.05.2012, average daily volume in this month reached 10.614,604 MWh.

Maximum hourly volume in May reached 603 MWh on 30.05.2012 for the 6th hour, average hourly volume reached 442,275 MWh.

No transactions were submitted for clearing (OTC) in May.

In May the total amount of offered daily capacity in the direction from Slovenia to Italy was 279.124 MWh. Through the implicit allocation at BSP SouthPool 273.578,221 MWh of offered capacities were allocated, representing 98 % utilization of daily available transmission capacity. In the direction from Italy to Slovenia the total amount of offered daily capacity was 103.350 MWh. None of the offered capacity in IT-SI direction was allocated in May.

Slovenian Market Auction Prices and Volumes Delivery Day 01. 05. 2012 31. 05. 2012



Correlation between offered and allocated quantity of daily capacity on SI-IT border and difference between Base price on SI and IT market in May 2012



Riccardo Cases (Chief Executive Officer Assistant at Europe Energy SPA): **Slovenia is still one of the main portals for the eastern European region, so it could potentially become more and more of a European “hub”, especially for Italian and Austrian companies, even at the risk of basically becoming a transit country.**



In general, how important is the Slovenian market to your company, and what are your expectations for developments in the Slovenian power market for the future?

It's a relatively new market for us, so dimensionally it is of course less “strategic” than Italy, Germany, or France, for example.

That particular market, anyway, seems really sensitive to hydrological conditions, which makes its prices really volatile, above all, during winter time. Moreover, on the over the counter market, Slovenian futures are often really difficult to price (peak products still have an excessively high premium price); there's still a big liquidity problem, and so far, there isn't a market maker that can help this situation. Although, to be honest, I still saw some improvement compared to last year.

Nevertheless, Slovenia is still one of the main portals for the eastern European region, so it could potentially become more and more of a European “hub”, especially for Italian and Austrian companies, even at the risk of basically becoming a transit country.

Does your energy company see opportunities in other markets?

We are thinking about the Hungarian market at the moment, but these decisions usually take some time. I also heard other traders talking about the Serbian market as being the most interesting one; I think this is because its borders allow a great number of possibilities.

Speaking about opportunities, it is interesting to note that soon CASC (the Capacity Allocating Service Company) will start the new intraday auctions: there is a lot of uncertainty about this because it's difficult to predict how much capacity will be auctioned and how much bid-ask spread there will be on intraday products. With the incoming market coupling, some people think that this kind of auction will replace the day-ahead ones.

However, it would be nice if someone in Slovenia worked to create an efficient and liquid intra-day market.

You're also a member of BSP Southpool? What kind of benefits do you receive from that?

We have been a BSP Southpool member since 01/01/2012, and because of the volume this year we have justified the investment to become a direct operator. We're absolutely satisfied with the decision we've taken. Honestly speaking, we immediately had an excellent relationship with all of the colleagues at BSP Southpool, in terms of transparency, communication, presence, consistency, and information sharing.

To go further into the region: the SEE region is known for monopolies, especially in the power sector, where players are not really satisfied with the current market situation. What could change this situation? More power exchanges in the regional market? Or ... ?

First of all, it might be important to distinguish between monopolies that are born of a limitation of free-market principles and those that remain because of the superiority of their products compared to that of their competitors.

If we are talking about the first case, a good start could be a full disclosure regarding price sensitive information, such as power plant production, outages, financial reports, or changes in local regulations. Moreover, the newborn REMIT guidance seems to go exactly in that direction.

If, instead, we are talking about the second case, I would not do anything.

To read the full interview with Mr. Riccardo Cases please visit the web page: www.energetika.net/see

Training Courses

On the 15th and 31st of May BSP organized Exchange trader training courses. For both trainings participants came from Slovenian companies GEN energija and GEN-I. Participants upgraded their expertise on BSP exchange rules, clearing procedures and trading platforms.

On the 29th of May BSP prepared training course for 13 participants from five Slovenian companies (Soške elektrarne Nova Gorica d.o.o., Elektro Maribor Energija plus d.o.o., Termoelektrarna Brestanica d.o.o., Elektro energija d.o.o., GEN-I d.o.o.). The main topics presented on the course were wholesale trading, spot trading and electricity prices forecasting.

Workshop on REMIT, MiFID, MAD and EMIR regulations

At this workshop, organised under the framework of BSP Members Chamber, a lecturer from company Maycroft, Mr. Kasper Walet, that has given numerous seminars, workshops and (in-house) training sessions on the abovementioned topics took the attendees through the latest standing of the REMIT, MiFID, MAD and EMIR regulations and discussed with them the impacts on the European energy markets as well as what this all means to their individual companies. He also provided attendees with strategies and scenarios to tackle these issues and pointed out ways to use them into their favour.

BSP SouthPool Traders' party

On Friday 25th May 2012 the 3rd BSP SouthPool Traders' Party took place at Slovenian coast in Portorož. The event offered opportunity for traders and other BSP SouthPool partners to meet each other in person.



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