

# LATEST DEVELOPMENTS IN ESTONIA

MÄRT OTS



KONKURENTSIAMET  
Estonian Competition Authority

Tallinn, 08.11.2013

# MARKET OPENING SINCE 1<sup>ST</sup> OF JANUARY 2013

- Full opening of electricity market, incl. household customers
- Public service obligation (PSO): all household + commercial customers incl 63 A
- No price regulation
- The reference market price is based on power exchange (NPS)
  - 94,7 % (89,0% sept 2013) Elspot market share in the Estonia in 2013 (so far)
  - The price of electricity sold on public service obligation is based on NPS
  - Different supply options offered by the suppliers are based on NPS

# ISSUES RELATED TO ESTONIAN/LATVIAN INTERCONNECTION

- Agreement among Baltic TSO-s: implicit auction on Estonian-Latvian border from 3th of June 2013
- Problems on transmission capacity: clear signals on congestions
- Estlink 2 in operation at the latest by 1<sup>st</sup> of January 2014 – more pressure to the congestion on Estonian-Latvian border
  - Congestion between Finland and Estonia interconnection will probably move to the Estonia and Latvia interconnection
- Position of Estonian regulator: the TSOs shall introduce long-term hedging tools for congestion management:
  - Implementing PTRs between Estonia and Latvia are the quickest way to provide market participants hedging opportunities against congestion cost and day-ahead congestion pricing before the Estlink 2 comes in to operation
- Use of congestion income: in Estonian case income to be taken into account by the regulatory authorities when fixing network tariffs

# OWNERSHIP UNBUNDLING AND CERTIFICATION OF TSO

- Since January 2010 the Estonian TSO *Elering AS* is an independent company – ownership unbundling.
- Since April 2013 the shares of *Eesti Energia AS* and *Elering AS* are under different ministries. *Eesti Energia AS* Ministry of Finance. *Elering AS* Ministry of Economic Affairs and Communications
- Estonian regulator has received the application of the certification of *Elering AS*
- Positive opinion (24.10.2013) by EU Commission, the certification procedure to be completed by the end of 2013.

# COMPETITION ON ELECTRICITY MARKET

- High market share of Eesti Energia AS on wholesale and supply. Market share of Eesti Energia AS balance provider 70%.
- All DSO-s are suppliers on PSO 33.
- Number of suppliers non PSO 15 (10 active).

# ENERGY SUBSIDISES

- From 1<sup>st</sup> of January 2013 renewable energy charge to consumers is 0,87 €/kWh. In 2012 0,97 €/kWh
- The new subsidise scheme is in status of parliamentary debate now. The political target is to reduce the tax burden on customers. No final decision yet

# GAS SECTOR - OWNERSHIP UNBUNDLING

	Initial situation	Current situation	By NGA § 48 <sup>1</sup> (1) after 01.01.2015
Transmission system operator	EG Võrguteenus AS owned by Eesti Gaas AS	EG Võrguteenus AS owned by Eesti Gaas AS	EG Võrguteenus AS owned by <b>someone else</b>
Disrtibution system operator	EG Võrguteenus AS owned by Eesti Gaas AS	Gaasivõrgud AS owned by Eesti Gaas AS	Gaasivõrgud AS owned by Eesti Gaas AS

# PROJECTS OF COMMON INTEREST (PCI)

- Important projects for development of gas and electricity sector of whole region
- We received 8 project (7 gas, 1 electricity)
- Baltic gas connector Estonia-Finland
- Regional LNG terminal (3)
- Other gas project (3)
- Estonia-Latvia 3rd electricity connection



# THANK YOU FOR YOUR ATTENTION!

FURTHER INFORMATION  
[WWW.KONKURENTSIAMET.EE](http://WWW.KONKURENTSIAMET.EE)