
PRESS RELEASE
20th December 2011

Romania joins the CZ-SK-HU Market Coupling project

14th December 2011 the Steering Group of CZ-SK-HU Market Coupling project discussed latest development in the project and welcomed initiatives of Romanian and Polish stakeholders to join the project.

The Steering Group of the CZ-SK-HU Market Coupling (MC) approved the official application of Romanian Market Operator (OPCOM), Transmission System Operator (Transelectrica) and National Regulatory Agency (ANRE) for joining the project. Mutual dialogues on more intensive collaboration and harmonization of integration processes will be commenced within next weeks. The Steering Group also welcomed initiatives of major Polish stakeholders that demonstrated willingness to participate in and contribute to the project. Possible cooperation will be further discussed.

Mr. Gábor Szörényi, the Director of the Hungarian Energy Office (MEH), said: *I am very glad that the stakeholders from our neighboring countries show interest in the market coupling project. It proves that the project is going in the right direction and that the goals set down (CZ-SK-HU MC by 1st July 2012., and joining to CWE/NWE as soon as possible) are perceived as realistic and contributing to our common goal – creation of the Internal Electricity Market by 2014.*

The Steering Group of the CZ-SK-HU Market Coupling (MC) project further acknowledged the progress achieved by the project team. Market Operators are implementing the harmonized technical solution into their IT infrastructure and effectively employing new processes and procedures. Transmission System Operators advanced in assessment of the required technical solution and started preparation of the necessary procurement related to the project.

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Background information:

HUPX Magyar Szervezett Villamosenergia-piac ZRt.

MAVIR Ltd. established its subsidiary, HUPX Hungarian Power Exchange Ltd., on 9th May 2007 with a registered capital of 20 million Hungarian Forints. The most important task of the project company was to complete the preparatory works for the establishment of the organized electricity market. HUPX Ltd. prepared the documents required for the license application submission, and entered into negotiations regarding the IT support of the trading system.

Having met the requirements set in Decision No. 794/2008 of the Hungarian Energy Office, MAVIR Ltd. submitted the license application documentation for the establishment and operation of the organized electricity market on 11th September 2008 through its subsidiary, HUPX Hungarian Power Exchange Ltd.

After a long consultation process, in its Decision No. 136/2009 dated 9th April 2009, the Hungarian Energy Office issued the license for the operation of the organized electricity market for 10 years to HUPX Hungarian Power Exchange Ltd. HUPX has started its day-ahead market operation on 20th July 2010.

Additional information is available on www.hupx.hu.

MAVIR – the Manager of Power

MAVIR Magyar Villamosenergia-ipari Átviteli Rendszerirányító Zártkörűen Működő Részvénytársaság [MAVIR Hungarian Transmission System Operator Company Ltd., MAVIR ZRt.] is a young organization with great traditions and vast experience. Tradition, experience and youth in this case are not contradictory: before the establishment of MAVIR, the National Power Dispatch Centre had been performing the technical tasks of system operation since November 1949. By creation of the integrated transmission system operator (TSO) on 1st January, 2006 the transmission system operator incorporated the Division for Network Operation from National Power Line Company Ltd. and Division for Transmission Network from Hungarian Power Companies Ltd. A

highly skilled team of experts, who love their profession and pursue it on a high level have joined MAVIR ZRt., which is more than the old dispatch centre: today MAVIR ZRt.'s duties, are as follows:

- to provide for the reliable, efficient and secure operation of the Hungarian Power System including the required reserve capacities of generation and transmission;
- to supervise and augment the assets of the transmission system, to perform any renewal, maintenance and development works required for a proper and reliable supply;
- to ensure the undisturbed operation and further extension of the electricity market and access on equal terms for system users;
- to process the data received from the participants of electricity supply;
- to inform the market players as not to have unfeasible contracts;
- to harmonise the operation of the Hungarian Power System with the neighboring systems;
- to coordinate international co-operations;
- to prepare the Network Development Strategy and to put forward proposals for the development of the generation pool.

Additional information is available on www.mavir.hu.

MEH (HEO)

The Hungarian Energy Office is a national public administration body with independent powers and competence, acting under Government control and under the supervision of the Minister of National Development. The Office was established in 1994 to perform the tasks specified in act on gas supply, as well as in act on electric energy. Concerning the CZ-SK-HU market coupling project, according to the provisions of the acts, the main responsibilities of the Office are the followings:

- issues and amends the licenses for the transmission system operation (MAVIR) and for the operation of the organized market (HUPX),
- approves the general terms of electric energy market (Commercial Code prepared by MAVIR, Market Rules of HUPX), as well as the business codes of the license holders
- determines the sphere of information to be disclosed,
- investigates customer complaints.

Additional information is available on www.eh.gov.hu.

ČEPS, a.s.

ČEPS, as a holder of an electricity transmission licence issued by the Energy Regulatory Office in accordance with the Energy Act, is the sole Czech Transmission System Operator. The Company is responsible for the maintenance and upgrading of 39 substations comprising 68 transformers allowing electricity to be supplied from the transmission system to the distribution grid, as well as of 400kV lines with a total length of 2979km and 220kV lines with a total length of 1371km. ČEPS is a member of relevant European international organisations. The Company is responsible for maintaining the balance of electricity supply and demand within the Czech power system in real time (system services) and for organising cross-border power exchanges including transits. ČEPS has traditionally been involved in the creation of liberalised electricity markets both in the Czech Republic and Europe.

Additional information is available on www.ceps.cz.

OTE, a.s.

OTE, a.s., the Czech electricity and gas market operator, (OTE) is a joint stock company established in 2001. OTE provides comprehensive services to individual electricity and gas market players in the Czech Republic. OTE commenced organizing trading in the day-ahead electricity market in 2002 and the intra-day and block electricity markets in later years. OTE has been the market operator on the gas market since 2010 including operation of day-ahead gas market and intraday gas market. Continuous data processing and exchange required for the accounting and settlement of imbalance between the contractual and actual volumes of electricity and gas supplied and received are among services offered by the OTE to players in the Czech electricity and gas markets, as well as administrative procedures associated with a switch of supplier. The OTE also administers the National Register of Greenhouse Gas Emissions. OTE is the holder of the license for market operator's activities, which includes activities in the electricity and gas market in the Czech Republic.

Additional information is available on www.ote-cr.cz.

OKTE, a.s.

OKTE, a.s., as the Short Term Day-Ahead Market Organizer (MO) is a joint stock company established as an independent legal entity on 11. August 2010. The main business of the company is organizing trading in the day-ahead electricity market and settlement of imbalance on the electricity market of the Slovak Republic.

Additional information is available on www.okte.sk.

ERÚ (ERO)

The Energy Regulatory Office ('ERÚ') was established on 1 January 2001 by Act No. 458/2000 of 28 November 2000, on the Conditions of Business and State Administration in the Energy Industries and Changes to Certain Laws ("the Energy Act") as amended, as an administrative authority for regulation in the energy sector in the Czech Republic. The ERÚ is mainly responsible for support for competition on energy market, support for the use of renewable energy resources and protection of consumer interests in the areas of energy industries, in which competition is not feasible.

Additional information is available on www.eru.cz.

Slovenská elektrizačná prenosová sústava, a. s.

Since 21 January 2002 the company Slovenská elektrizačná prenosová sústava, a.s. operates transmission system in the Slovak Republic as an independent legal entity. Mission of the Company is to reliably operate the transmission system, ensure dispatching control of the system, its maintenance, renewal and development so as to ensure a sustainable and quality supply of electricity to all users of the transmission system and its parallel operations with adjustment transmission systems. At the same time it is essential for the Company to adhere to transparent and non-discriminatory principles of accessing the network with a minimum impact on the environment. It is also essential to respect the requirements proceeding from the national and EU legislation, national regulatory authority's decisions, pertinent rules for operations and international co-operation within the synchronized inter-connected electricity network of EU.

Additional information is available on www.sepsas.sk.

ÚRSO (RONI)

The Regulatory Office for Network Industries is a state administrative authority established by the Act No. 276/2001 on Regulation in Network Industries. The Office fulfils the function of the regulatory body, together with the Board of Regulation, in the electricity, gas, heating and water management sectors with the aim to create and support the competitive-like environment, to protect both the consumers and the interests of licence holders to achieve reasonable return rates on investments, and provide for reliable, economic and good quality supplies of goods and services related to regulated sectors.

Additional information is available on www.urso.gov.sk.

