



Press release

16 February 2011

Czech and Slovak TSOs and Market Operators on market integration

Representatives of ČEPS, a.s., Slovenská elektrizačná prenosová sústava, a.s., OTE, a. s. and OKTE, a. s. , the Transmission System Operators (TSOs) and Market Operators of the Czech Republic and Slovak Republic agreed at a meeting in Prague on 14 February 2011 on a common procedure to enhance Czech and Slovak daily electricity market.

Further coupling of the European regional electricity markets is an indispensable step to achieve the Internal Electricity Market (IEM) within EU, which is to be accomplished by the end of 2014 according to the results of the EU Energy Council from 4 February 2011.

Regarding the last developments in the Central Eastern European (CEE) region and successful market coupling in the Central Western European (CWE) region, the involved entities consider the model already implemented in the CWE region as the most appropriate one for the Czech and Slovak market area. Advantages of such a solution are the maturity of the CWE model and its close relation to the target model of IEM. The parties also believe that their market coupling with the Hungarian market area is a logical intermediate, progressive step before the final market coupling with the CWE takes place.

An expert team of representatives of all involved parties was established to manage the project of market integration. Outcome of its activities will be presented to the national regulatory authorities – Energy Regulatory Office (CZ) and Regulatory Office for Network Industries (SK) as well as to the national ministries – Ministry of Industry and Trade of the Czech Republic and Ministry of Economy of the Slovak Republic.

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ČEPS, a.s.:

ČEPS, as a holder of an electricity transmission licence issued by the Energy Regulatory Office in accordance with the Atomic Act, is the sole Czech Transmission System Operator. The Company is responsible for the maintenance and upgrading of 39 substations comprising 67 transformers allowing electricity to be supplied from the transmission system to the distribution grid, as well as of 400 kV lines with a total length of 2968 km and 220 kV lines with a total length of 1371 km. ČEPS is a member of relevant European international organisations. The Company is responsible for maintaining the national balance of electricity supply and demand 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 within the Czech Republic and Europe. Additional information is available on www.ceps.cz.

OTE, a.s. (OTE)

OTE, the Czech electricity and gas market operator, is a joint stock company established in 2001. OTE provides comprehensive services to individual electricity and gas market players. 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 a supplier. OTE is organizing trading in the day-ahead electricity and gas markets, the intra-day electricity and gas markets and block electricity market. OTE also administers the National Register of Greenhouse Gas Emissions. According to Energy law 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.

Slovenská elektrizačná prenosová sústava, a.s. (SEPS, a. s.)

The Slovak Electricity Transmission System joint stock company was established on 21 January 2002 as the Slovak Transmission System Operator. The Company's mission is to ensure Slovak transmission system's reliable operation, maintenance, upgrade and development so as to provide high-quality electricity supply for its customers at any time. SEPS is responsible for reliable parallel operation with the neighbouring transmission systems in compliance with UCTE rules while respecting non-discriminatory and transparent principles for access to the network with minimum impact on the environment. Additional information is available on <http://www.sepsas.sk> and <http://www.isot.sk>.

OKTE, a.s.

OKTE, a.s., is the Short Term Day-Ahead Market Organizer (MO) in Slovak Republic accredited by the Ministry of Economy of the Slovak Republic. OKTE, a.s., was registered as an independent legal entity on 11. August 2010. The main business of the company is regulated and selected types of services provided are subject to price regulation by



Office for Regulation of Network Industries. Organization of Short Term Daily Market operates according to the Operating Order of OKTE, a.s.

The Market Organizer is responsible for:

- Registration of electricity market participants,
- Registration of orders,
- Matching of orders,
- Evaluation, billing and settlement of daily market,
- Publishing of data.