

OTE sets the Czech National Residual Mix

In accordance with a new Decree no. 70/2016 Coll. on the billing for supply of energy and related services in energy industries OTE, a.s., (the Czech electricity and gas market operator) sets the National Residual Mix as of July 1st 2016. National Residual Mix will enable electricity suppliers to determine the parameters of billing of electricity supply so that a customer can obtain a clear and transparent information and easier orientation in their own electricity consumption.

The National Residual Mix represents the sum of shares of individual energy sources in the total mix of fuels in a given calendar year and thus serves the electricity suppliers for the purpose of determining the shares of individual energy sources in their overall mix of fuels and stating such shares on a bill (according to the Decree no. 70/2016 Coll. on the billing for supply), for that part of the supply of electricity to its customers, which is not disclosed through cancelled Guarantees of Origin.

The National Residual Mix is determined each year for the previous year's electricity consumption and is published no later than on 31st of May on the website of OTE– www.ote.cz – Statistics section.

A share of a selected renewable energy source can be increased in the bill to the end customer through cancelled Guarantees of Origin for the supply of electricity in favor of this customer or group of customers. Information on the issuing of Guarantees of Origin can be found on the website of OTE.

"The newly set National Residual Mix is calculated according to a uniform methodology which is used in many European countries." says Ing. Ales Tomec, Chairman of the Board of OTE, a.s. "We therefore believe, that this new joint approach will lead to a more transparent disclosure of energy sources used in the production of electricity from suppliers to its end customers, as already experienced by consumers in other European countries." says Ing. Ales Tomec.

OTE informed electricity suppliers about the National Residual Mix so that they can take this mix into account in the next billing of electricity to their customers.

Annex: National Residual Mix for the period 2013 – 2015

OTE, Inc.

Joint-Stock company OTE, a. s., (OTE) operates on the electricity market in the Czech Republic since 2001 and on the gas market since 2010. OTE provides comprehensive services to individual electricity and gas market participants. Since 2002 OTE organizes trading on day-ahead and later on an intra-day and block markets and since 2010 also on the day-ahead and intraday gas market. Among others OTE also provides continuous processing and exchange of data, information for clearing and financial settlement of differences between the actual values and the supply and consumption of electricity and gas and provides administrative supplier change in both commodities to the all market participants in the Czech Republic and abroad. At the same time manages the national registry of greenhouse gas emissions. As of 1 January 2013 OTE is responsible for the administration and payment system of OTE for supported energy sources.

OTE is according to §20a of Act no. 458/2000 Coll., on business conditions and the performance of state administration in the energy sectors and amending certain laws (Energy Act), as amended, the licensee of the Market Operator, which includes the electricity and gas market in the country.

As of 7 October 2015 the joint-stock company OTE was established by the Energy Regulatory Office a nominated organizer of the electricity market (NEMO) which will provide a uniform interconnection of day-ahead or intraday markets. As of 7 October 2015 Market Operator also launched reporting on business data from OTE short-term markets into the database of the Agency for the Cooperation of Energy Offices (ACER) for market participants.

More information can be found at www.ote-cr.cz.