

THE BENEFITS OF THE FREE ELECTRICITY MARKET AND THE OPPORTUNITIES TO ENTER ON IT

The liberalization is an irreversible process following the directives of Third Energy Liberalization Package of the European Union for trade of electricity and natural gas. Bulgaria is among the few member states still lagging behind in the liberalization of energy markets.

The legal framework for the energy sector in Bulgaria is prepared for the full opening of the electricity market from 01.07.2007 in accordance with the requirements of the European Union. After that date are in preparation new regulations of the Commission for Energy and Water Regulation (KEVR) to establish new market relations.

The changes in the Energy Act (EA), effective from the 17.07.2012, provide all customers with sites at medium voltage and the companies at low voltage and with over 100 kW installed capacity to choose their electricity provider and to negotiate the energy prices. i.e. from 2012 the Bulgarian electricity market was liberalized for large consumers (privileged consumers).

Each customer at medium voltage is obliged to register in the free electricity market otherwise its service is taken automatically from the Provider of Last Instance (PLI).

In the month of July 2013 KEVR issued licenses to Providers of Last Instance (PLI) of the three distribution companies (CEZ, EVN and "Energopro"), and the public provider (National Electric Company - NEK). They can provide electricity to customers connected to the medium voltage on the territory for their current licenses for public supply.

As a result, the statutory requirements of the EA is fulfilled, to ensure the electricity supply for customers with sites of medium voltage, not chosen a supplier or left without a retailer for reasons beyond their control. In these cases the provider of last instance will provide electricity supply of sites of medium voltage to the selection of another provider.

The prices for the supply of last instance are higher for encouraging the rapid return to the free market.

Currently, the customers connected to low voltage with installed capacity over 100 kW have the right but not the obligation to register at the free market.

The advantage for all customers is the opportunity to negotiate a lower price and to receive better service.

The client could choose his electricity retailer but not his service provider. The distribution network is owned by Electricity Distribution Companies (EDC), obligated to invest in the development of the distribution network and removal of emergency. Penetrating the free market, the client stipulates two contracts: one with the retailer and another with the electricity distribution companies. At the end of the month the client receives two invoices: one of the retailers to whom pays the active electricity duty and charge "duties to the community"; and another from the electricity distribution company for transport and access fees costs (the network services with regulated prices not subject to negotiation).

It is expected in 2015-2016 to be introduced the so-called "standardized load schedules" that will give the opportunity to private customers to choose their electricity retailer.

Unlike the regulated market where the trade is carried out when the supply is made and covers a period of one month, in a free market the trade is carried out before the delivery and the volumes trades are on hourly basis. This means that the expected consumption per hour is previously planned.

Any deviation of actual consumption compared to the forecast, represents the so-called "imbalance" and is associated with additional costs. To reduce these costs, the participants in the free market form balancing groups administered by the "balance group coordinator."

To meet the new challenges of the liberalized energy market in the country at the beginning of 2015, the company Bulgaria Engineering EAD created its new subsidiary **BE Energy Ltd.**

At present **BE Energy Ltd.** is successful in the management of energy flows and providing advice for the end user in choosing the final energy retailer and balancing group. Selecting an energy retailer, negotiation of contractual terms, additional services as well as the billing are essential elements for the end user, for greater competitiveness at the energy market, ensuring lower prices and better quality service.

The lower costs for the end-user lead to the greater competitiveness giving him the opportunity to make higher revenues and to invest in business development.

ANALYSYS OF CONSUMPTION

The team of **BE ENERGY Ltd.** is available to prepare on request a free individual analysis of a typical energy load profile for each user, to assess the benefits of entering the free market. On customer providing data for the consumption in various time zones (daily, overnight and in peak hours) in the last 6 or 12 months and chosen method of measurement (one, two, three scales), **BE Energy Ltd.** offers a solution that satisfies at most customer needs.

REGISTRATION ON A FREE MARKET

The team of **BE Energy Ltd.** advises and assists customers in document preparation for registration and entering the energy free market. All service procedures as well as the maintenance of metering systems are free.

BALANCING AND FORECASTING

BE Energy Ltd. by its partner Most Energy AD, participates directly on the liberalized electricity market in Bulgaria, built on the model of bilateral contracts and balancing market.

With decision of December 2014, KEVR gives "Electricity System Operator" EAD a compulsory indication by application of limits on the marginal price rates of shortage and surplus. In case of excess energy requested but not consumed is purchased automatically by the Electricity System Operator (ESO) at a specified price for surplus defined by the ESO. In case of shortage, the energy consumed in more of the requested is purchased by the Electricity System Operator (ESO) at a specified price for shortage defined by the ESO. The actual prices defined by the ESO are about 180.00 BGN / MWh for shortage and 30.00 BGN / MWh for surplus.

As coordinator of the balancing group, our partner performs balancing for its customers to reduce the negative impact of the prices for surplus and shortage on monthly costs for electricity.

The Electricity System Operator (ESO) performs opportunities to reduce and optimize energy costs by operating with modern equipment and specialists for support of the service.

The control department provides balance through real-time monitoring of the hourly metered quantities of electricity by means of specialized software for data processing, evaluation of potential variations and forecasting.

ENERGY MANAGEMENT

The main activity of **BE ENERGY SRL** is to provide consulting services in the field of energy management.

The customers have the opportunity to monitor the consumption of energy and their financial costs in real time by the web portal.

Thus they can administer their account at any time by the unique username and password.

This advanced monitoring system provides effective and reliable communication with control information department and gives users opportunity to:

- monitoring parameters;
- generating various reports and analyzes;
- planning schedule for electricity consumption;
- determination of energy costs in the cost of production;
- reducing the energy costs of the enterprise as a result of improved energy management.

DESIGN, CONSTRUCTION AND MAINTENANCE OF ELECTRICAL INSTALLATIONS AND FACILITIES

The engineering-technical team of **BE Energy Ltd.** provides for the customers:

- Consultations and/or complete design of electrical installations in newly constructed or existing buildings;
- Construction of electrical installations;
- Maintenance of electrical installations - warranty, post-warranty and emergency;
- Replacement of existing energy facilities with equipment at lower power consumption;
- Technical and study activities and maintenance of network facilities;
- Technical solutions for measuring quantities of electricity and supply;
- Hire and purchase equipment for the supply, distribution and balancing of electricity;
- Construction of measurement systems and remote reading of electricity.

ENERGY AUDIT AND ENERGY EFFICIENCY

In recent years, the concepts of energy audit, energy management and energy efficiency have gained great importance in the world, due to the depletion of natural resources in various parts of the world, leading to an increase in the price of energy resources and stimulating the search for alternative energy sources and development of energy efficiency programs. Since 2014, **Bulgaria Engineering EAD** is the member of "**Chamber of the Energy Auditors**" that allows **BE Energy Ltd.** implementation of projects in energy

efficiency, energy audits and trade with energy savings.

In response to the new challenges of the Bulgarian energy market at the end of the 2014 **Bulgaria Engineering EAD** along with Tractebel Engineering SPA (part of GDF SUEZ), a world leader in the energy sector, with over € 80 billion annual turnover and about 140.000 employees on five continents, has established a consortium “**Tractebel Bulgaria Engineering**” DZZD.

One of the main activities in the energy audit and survey of energy efficiency is the preparation of the detailed report and comparative analysis of current energy consumption compared to a past period.

The information service directs customers to:

- better planning and control of energy costs;
- priority actions to increase energy efficiency;
- first steps in energy management.

The offered services may be requested at:

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