



KONKURENTSIAMET  
Estonian Competition Authority

# *Latest developments in Estonia*

**Märt Ots**

**Estonian Competition Authority**

**Baltic Electricity Market Forum**

**Vilnius 10.05.2013**



# Market opening

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- Full opening of electricity market, incl. household customers.
  - No price regulation
  - Public service obligation (PSO): all household + commercial customers incl. 63 A
  - The price of PSO shall reflect the market price, including reasonable costs and profit. Ex-post price regulation.
  - PSO shall be provided by DSO. The service might be outsourced – the DSO of Eesti Energia has contracted the mother company.
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# Change of supplier

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- **Number of suppliers non PSO 11**
- Eesti Energia AS, Elektrum Eesti AS, VKG Elektrivõrgud OÜ, Imatra Elekter AS, 220 Energia OÜ, Elektrimüügi AS, Eesti Gaas AS, Elveso AS, Saku Maja AS, Loo Elekter AS, TS Energia OÜ
- **Number of customers non PSO**
- 13% of total electricity consumption is used under the PSO using
- **Number of customers changed the supplier**
- The market share of the largest electricity supplier Eesti Energia AS has decreased by 12% approximately, from 85 to 73%.



# Market opening conclusions

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- High rate of customers selected the market price (non PSO).
- High margin on PSO provided by market dominant Eesti Energia.
- The market share of Eesti Energia is high as a generator and in wholesale. Market dominance until the Estlink 2 is in operation.



# Electricity price components

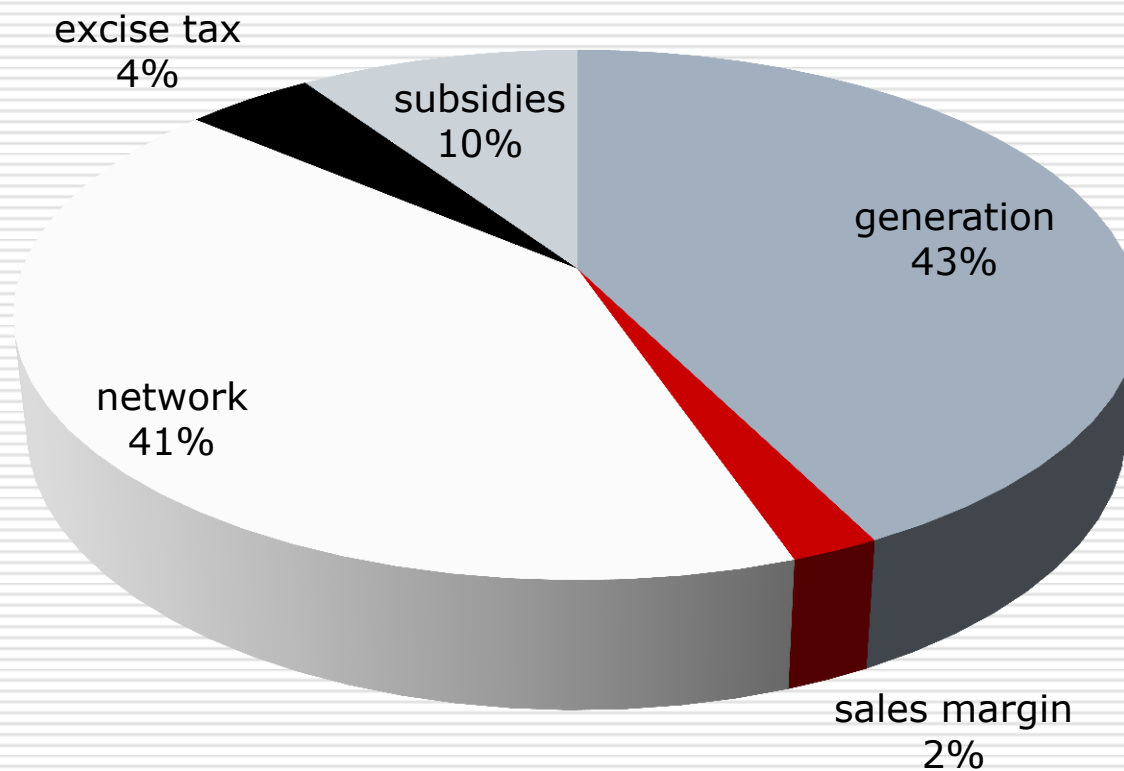
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	€s/kWh	
generation	3,9	42,5%
sales margin	0,2	2,2%
network	3,8	41,4%
excise tax	0,4	4,4%
subsidies	0,87	9,5%
<b>total</b>	<b>9,17</b>	

generation price: 2012 average



# Electricity price components





# Ownership unbundling and certification of TSO

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- Since January 2010 the Estonian TSO *Elering AS* is an independent company.
  - Since April 2013 the shares of *Eesti Energia AS* and *Elering AS* are under different ministries. Eesti Energia Ministry of Finance. Elering Ministry of Economic Affairs and Communications.
  - ECA has received the application of the certification of Elering.
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# Positive developments in market integration

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- 15.03.2013 three Baltic TSOs in Vilnius signed an agreement on the principles of calculation and allocation of the cross-border capacity within Baltic States and with third countries. The agreement is important for the successful integration of the Baltic-Nordic electricity markets.





# Energy subsidies

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- From 01.01.2013 renewable energy charge to consumers is 0,87 €/kWh. In 2012 0,97 €/kWh.
  - The new subsidy scheme is in status of parliamentary debate now. The political target is to reduce the tax burden on customers. No final decision yet.
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# Thank You for Your Attention!

Further information

[www.konkurentsiamet.ee](http://www.konkurentsiamet.ee)

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