



**KONKURENTSIAMET**  
Estonian Competition Authority

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# *Latest developments in Estonia*

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**Palanga 03.06.2011**



# Market developments (1)

- **Gradual opening of the electricity market**
  - Until 2009 market opening level was 12%. Eligibility level 40 GWh.
  - **From 1.01.2009 35%. Eligibility level 2 GWh.**
  - From 2013 100%.
- The price cap on non-eligible customers tariff is set by the regulator.
- Since 01.04.2010 the eligible customers have no right to purchase electricity with regulated price.



# Market developments (2)

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- Nord Pool Spot power exchange operational from 01.04.2010.
- Intraday market Elbas was launched in October 2010.
- Today NPS Estonia price area's market price is higher than the regulated price.
- Full market opening is scheduled by 01.01.2013. Expected abandon of all type of price regulation (except network tariffs).



# Crossborder infrastructure

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## ■ Estlink 1 (365 MW)

- In operation since 2006 as a commercial link.
- Since 20.09.2010 fully open for TPA (350 MW).

## ■ Estlink 2 (650 MW)

- Planned as a part of TSO-s with TPA. 100 million € support from the EU. Positive decisions made by the Finnish and Estonian TSO. Should be in operation by 2013.

## ■ The links to well-functioning Scandinavian market are essential for the market developments in Baltic's.



# Legislative amendments

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- Ministry of Economic Affairs and Communications has published in May 2011 a draft legislation to transpose the third energy package.
- Draft legislation includes inter alia:
  - Rules for unbundling TSO
  - Rules for certifying TSO
  - Notion of universal service
  - Additional duties for ECA
  - Rules not directly related to 3rd package



# Ownership unbundling of TSO

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- Since January 2010 the Estonian TSO is an independent company.
- The shares of the TSO have been transferred from *Eesti Energia AS* to the Ministry of Economic Affairs and Communications.
- Final goal is to transfer the shares of *Eesti Energia AS* and TSO to the different ministries.
- TSO must be certified by 03.03.2012



# New tariffs for TSO

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- The new 3-years RPI-x regulatory period 2011-2013
  - Based on calculation of x-factor
- Tariff increase 7,7% from 01.01.2011
- Main reason for increased tariffs are the investments to the transmission network. In total for 3 years ap. 288 million Euros.



# New tariffs for the largest DSO

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- ECA approved in March 2011 new tariffs for the largest DSO – Eesti Energia Jaotusvõrk OÜ
- Tariff increase 13,3% from 01.08.2011
- Main reason for increased tariffs are the investments to the distribution network. In total for 3 years ap. 215 million Euros is invested.
- Includes obligation to reduce energy losses by 2017 from 7,7% to 5,5% per year.



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# Thank You for Your Attention!

Further information

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