

November 2019

# EVN JOURNAL

Journal for the partners  
and associates

THE ENERGY YOU NEED!







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## Changes in the management of EVN in Macedonia

New Manager of EVN Macedonia Elektrosabduvanje, EVN Home and EVN Macedonia Holding DOOEL, since March 2019, is Roland Ziegler, who has previously held the position of EVN AG Services Manager since 2011. He graduated from TGM Vienna as a mechanical engineer and from the University of Economics and Business Administration in Vienna.

Mr. Ziegler took over the management of EVN Macedonia Elektrosabduvanje

from Mr. Marcus Brandstetter, who has held many management positions in our country since 2011. Mr. Brandstetter has been with EVN AG since August 2003 and has worked in several departments - accounting, controlling and IT, and since April 2019 he is Head of the Billing Department in Austria.

Since March this year, Mr. Jürgen Fleischhacker has been appointed member of the EVN Macedonia Board of



Roland Ziegler



Marcus Brandstetter



Jürgen Fleischhacker

Directors, a post previously occupied by Mr. Marcus Brandstetter. Mr. Fleischhacker has been working at EVN AG since 2005 in the Controlling and Accounting

Department since 2005 and since October 2017 is also a Manager at UTILITAS. He graduated business consulting at Wiener Neustadt in 2004.



Dear partners and associates,

When both your colleagues and clients accept you friendly and openly at the start of the new business challenge you get real motivation and positive energy to do your best for the common goal. And the goal is more than clear - EVN Macedonia Elektrosnabduvanje to gain the status of a stable and long-term partner among the customers.

We achieve this by setting the highest quality standards for the products and services at competitive and fair prices. As an electricity supplier we meet the daily electricity demand of our customers and we contribute to the safety and quality of their work through our reliable and high quality services.

The success and progress of our clients is our progress too. It is reflected on our work and together we improve performance, but we also demonstrate on daily basis that they can always count on us. Reliability has no price; it is created and nurtured.

The team of EVN Macedonia Elektrosnabduvanje is highly motivated and professional. Many good practices have been created in recent years and they represent a solid foundation for development in the coming years. Colleagues are also very open to career advancement, which is necessary in the further dynamic development of the market.

Clients and companies all over the world have the same needs. They expect good service for the best price. However, apart from the services and prices EVN Macedonia Elektrosnabduvanje provides, it also increases security and reliability and provides development.

In the future, we want to offer our customers one-stop shop products and services. In addition to supplying energy, we also offer complementary services such as energy management, photovoltaics, purchase of produced electricity, etc.

Customers who will install photovoltaic systems will receive a knowledge-based and expertise-based service and, in accordance with their specific needs, we will offer a personalized solution that will deliver the best results.

With our new service to purchase surplus energy produced by photovoltaics, our customer gets guaranteed sale of the surplus energy. We will also offer new expertise and systems for applying Energy Management, which will create conditions for saving funds and development. EVN Macedonia Elektrosnabduvanje already offers installation and full service related to the hardware and software for legal entities at competitive prices.

As part of EVN Group, we are already a recognized brand of electromobility.

Apart from the services and prices EVN Macedonia Elektrosnabduvanje provides, it also increases security and reliability and provides development.

The open market brings many challenges and competition in which everyone who invests in development, innovation, new technologies, but also in building trust with partners wins. All of our clients can count on our support in developing their business. They will get everything from us: energy, products, services, expertise and, most importantly, a reliable partner.

**Roland Ziegler**  
 Manager at EVN Macedonia Elektrosnabduvanje,  
 EVN Home, EVN Holding



# EVN Home, the newest member of the EVN family



The electricity market is fully liberalized in accordance with the Energy Law adopted on 21.05.2018. All consumers are eligible for the open market to choose which company will supply them with electricity. Households and small consumers that did not want to enter the open market are supplied by the Universal Supplier.

According to the amendments to the Energy Law required by European legislation, the newly established EVN Home is a company that will operate as a universal supplier as well as a supplier of last resort.

### What is a universal supplier?

Under the new amendments to the Energy Law, a universal electricity supplier is being introduced. It is tasked to supply households and small consumers that have not entered the open market. Small customers include enterprises with fewer than 50 employees and total annual revenue of less than 2 million euros over the past two years. The introduction of a universal supplier will ensure the security of supply for those in this category of consumers that have not chosen their own supplier on the open electricity market.



### What is a supplier of last resort?

Electricity supplier of last resort is the supplier obliged to supply consumers that do not fall into the category of households and small consumers that are without an electricity supplier in case when:

- the previous supplier ceased to meet its electricity supply obligation under the existing supply contracts;
- bankruptcy procedure has been initiated against the previous electricity supplier or when it is in liquidation;
- the previous supplier has lost its license (it has been suspended, revoked or has expired);
- consumers have not concluded a new electricity supply contract after

the termination or expiry of the existing electricity supply contract.

Consumers who do not fall into the category of small consumers or households must choose a supplier on the open electricity market. If for some reason they do not have a supplier on the open electricity market, they will be supplied with electricity through the supplier of last resort EVN Home, but only within a specified time limit of 90 days. After this deadline, they must choose a supplier or be disconnected from the distribution grid. The supplier of last resort will supply consumers at a price that will be

50% higher than the day-ahead market price of electricity at the HUPX exchange for the month for which the calculation applies.

EVN Macedonia AD in consortium with EVN Macedonia Elektroabduvanje DOOEL was selected as a universal supplier auction at an auction, after which they established the new company EVN Home DOO, which was licensed as a universal supplier by the Energy and Water Services Regulatory Commission. EVN Home started working on 01.07.2019.

From now on, EVN Home will issue the invoices for the electricity consumed that the customers were getting from EVN Macedonia so far and their content will remain in compliance with the regulation as before.





# EU Emissions Trading System

In an effort to fight climate changes and cut greenhouse gas emissions, especially CO<sub>2</sub> (carbon) emissions, the European Union introduced the EU Emissions Trading System (EU ETS) in 2005.

## What is the EU ETS?

In order to encourage businesses to reduce the amount of greenhouse gases they emit into the atmosphere economically, the EU introduced a cost to carbon emissions as most influential on climate change. The financial value given to each ton of emissions emitted (or saved) created a market mechanism where emission allowances can be traded. As such, the EU ETS mechanism has placed climate change on the agenda of company boards across Europe thus promoting investment in clean, low-carbon technologies.

## How is the price determined?

The EU ETS establishes the carbon emissions price through quota system called cap-and-trade. A cap is a ceiling on the maximum amount of carbon dioxide emissions that facilities covered by this mechanism can emit; it is reduced over time so that total emissions of greenhouse gases fall. Through this mechanism, the total allowable emissions in a country or region are set in advance ('capped'). Then, permits are created for the allowable emissions budget and are either allocated or auctioned to companies. As needed, the companies can trade permits between each other thus contributing to the reduction of carbon emissions at the lowest cost possible.

## How does this affect the price of electricity?

The power sector is substantial source of carbon emissions from burning fossil fuels for electricity production thus making it an attractive primary target for emission reduction efforts. Higher carbon emission price drives up the cost of using hard coal and lignite to run power plants. As the result of this EU measure and in the absence of cheaper energy sources, particularly gas and renewable energy sources (RES), an increase in the wholesale electricity price can be expected. As the carbon emissions price rises, coal becomes less competitive over gas, but mainly both energy sources lose competitiveness over RES. This leads to frequent changes in the power production mix, which coupled with the price trends of the substitute energy sources, especially gas, causes fluctuations of the wholesale electricity price.

## What is the situation in our country?

The EU ETS market mechanism is not yet introduced in our country and the energy-intensive industries are not obliged to hold allowances corresponding to their CO<sub>2</sub> emissions. However, their businesses are still affected by this mechanism through the effect the volatile carbon price has on the wholesale electricity price. The carbon



prices are strongly driven by the strategies and expectations of market participants, the current EU policies and political crises, hence predicting their development is difficult.

These global trends inevitably put pressure on electricity suppliers, big or small. Despite the difficult and uncertain market conditions, EVN Macedonia Elektrosnabduvanje has an expert team that is successfully tackling the

challenge. We are fully committed to ensuring stable and fair electricity prices to our customers throughout the year, irrespective of the fluctuations of the carbon price and overall the wholesale electricity price.



INTERVIEW WITH DAN TIMOTIN, GENERAL MANAGER OF PIVARA SKOPJE

# EVN Macedonia Elektrosnabduvanje is our stable business partner

The new services for technical solutions for the production of electricity from renewable sources that are being proactively presented by EVN Macedonia Elektrosnabduvanje have sparked great interest in Pivara Skopje as a distinctive socially responsible company and we hope to put them into practice in the near future.



→ **EVN Journal:** As part of Heineken Corporation, which is a world leader in the production and sale of beverages, you probably already have implemented a number of energy efficiency measures. How much do these measures contribute to lowering the costs in your company? Is it just that component or striking a balance between savings and social responsibility that matters?

**Dan Timotin:** As part of the Coca-Cola Hellenic & Heineken groups we are constantly keeping up with the global trends of new technologies and their implementation. New technologies provide maximum efficiency in terms of energy savings, reduced carbon dioxide emissions and the highest level of environmental protection. In recent years, with the introduction of international standards: Quality Systems (ISO 9001:2015), Food Safety (ISO 22000:2018), Environmental Management System (ISO 14001:2015), Energy Management System (ISO 50001:2018), Occupational Safety and Health (ISO 45001:2018), Water Resources

Management System (EWS), as well as the quality standards of the companies Coca-Cola and Heineken Knowledge Management System, we minimized the risks of environmental pollution and we demonstrate continuous improvement in terms of environmental protection and electricity savings.

→ **EVN Journal:** Given that your company has been operating in the liberalized electricity market for a long time, what are the benefits of the open market?

**Dan Timotin:** The liberalization of the electricity market has opened up the possibility of electricity supply from several suppliers, thus creating more competition in the supply. As end users we have the opportunity to get the highest quality service at the best price and choice of a stable partner. The biggest benefit for our company is to receive an appropriate offer tailored to our requirements and capabilities. We also see the stability of the electricity supply and distribution

system, the continuous monitoring and analysis of consumption, the opportunity to implement own electricity production systems, voltage variation and equipment damage compensation, etc. as the benefits of market liberalization.

→ **EVN Journal:** You have chosen EVN Macedonia Elektrosnabduvanje as your partner in the open market. What is your experience from the past collaboration and can you apply the new services offered by the company in your technological process?

**Dan Timotin:** EVN Macedonia Elektrosnabduvanje is our long-time partner for electricity supply and so far we have only positive experience in our cooperation. For us, EVN is a stable business partner. Pivara Skopje as a socially responsible company strives to increase the percentage of electricity supply from renewable sources every year in which we have significant support from EVN Macedonia Elektrosnabduvanje

that fully meets our requirements. In this context, the new services for technical solutions for the production of electricity from renewable sources that are being proactively presented by EVN Macedonia Elektrosnabduvanje have sparked great interest in Pivara Skopje as a distinctive socially responsible company and we hope to put them into practice in the near future.

→ **EVN Journal:** Maintaining the position of leader certainly requires a constant focus on improvement. Where do you see the future growth of your company?

**Dan Timotin:** Our mission is to meet our own sustainable development goals by 2025, focusing on the following key areas: reducing carbon dioxide emissions, using and managing water resources, achieving a „World without waste“, nutrients and of course our people and the community we belong to. Good progress has already been made and we are well on track to meet the defined targets.

# Photovoltaic systems for businesses

The sun is a clean, affordable and renewable energy source. Installing and using photovoltaic systems in your business operations enables the utilization of solar energy, which will save costs and provide sustainable business development. EVN offers its customers a complete solar energy turnkey service.

If you're considering installing a photovoltaic system in your business, the road is simple.

1. Contact your regional customer manager ([www.snabduvanje.mk](http://www.snabduvanje.mk)) or write to us at [golar@evn.mk](mailto:golar@evn.mk)
2. Fill out and submit an official application with details of the business or facility
3. Based on your application and the on-site inspection, our engineers will draft a specific offer that is a personalized configuration of photovoltaic system tailored to your business.
4. By accepting the offer and signing the contract with EVN, the next step is the complete installation of the planned solution

Favorable conditions for the operation of photovoltaic systems are:

- proper positioning
  - clear skies
  - direct sunlight
- \* Systems also work in cloudy weather with diffuse light.

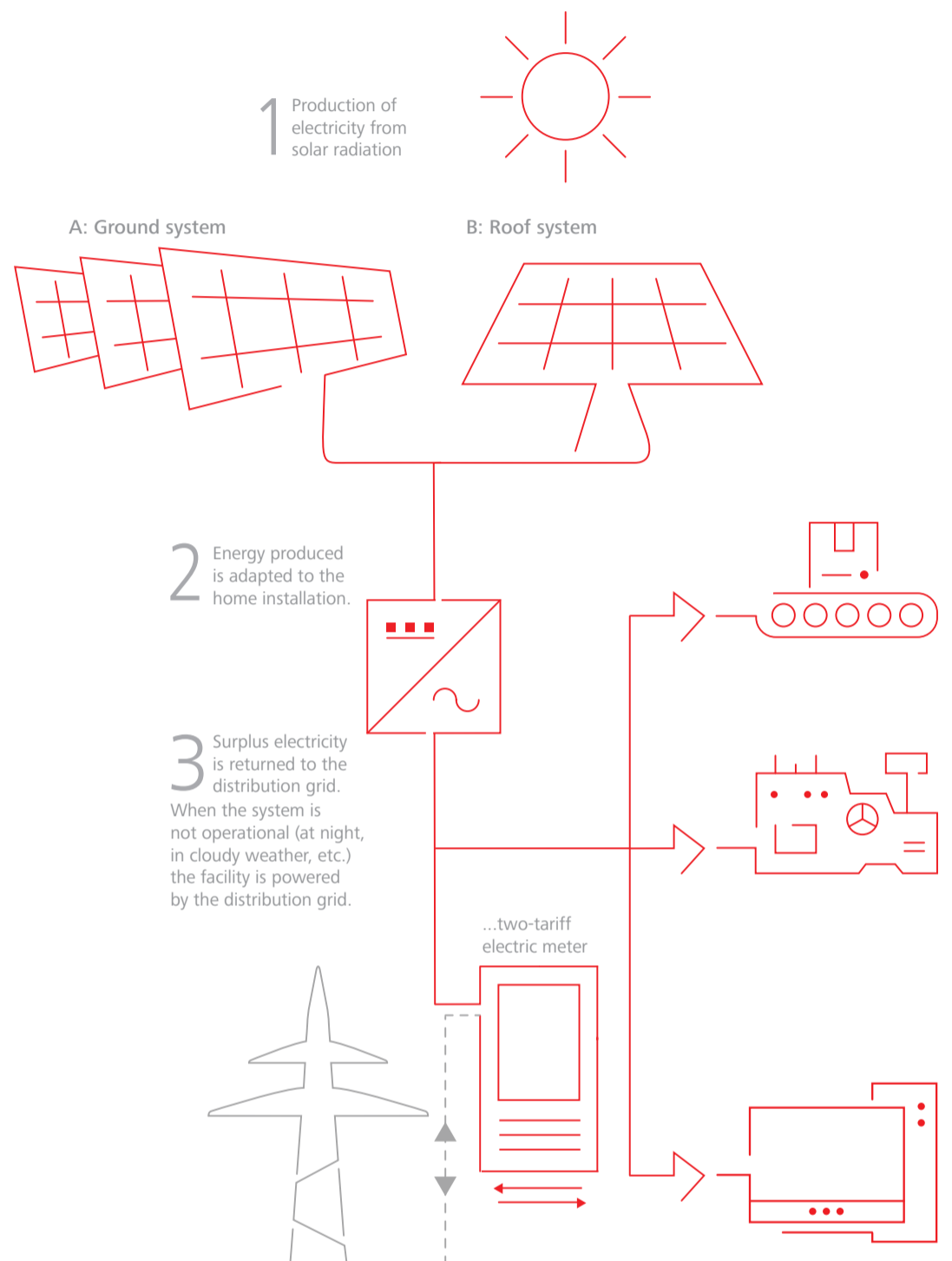
The installed capacity of a photovoltaic plant is expressed in kWp. The offered price for installation of the photovoltaic system is expressed in euro per kWp. kWp is obtained under standard test conditions:

- 1,000 W/m<sup>2</sup> solar radiation
- 25 °C solar cell temperature

## Choose EVN as your partner

We offer:

- turnkey service - from concept to implementation
- personalized solution tailored to your business
- lump sum calculation of the expected output of the system
- opportunity for purchase of surplus energy produced
- Poli PERC and Mono PERC panels with the highest efficiency
- panels and inverters from the top 5 manufacturers in the world
- cooperation with domestic companies and manufacturers
- quality assurance
- maintenance options



Types of installations for business customers

\* Installation of 1kW on the roof requires 7m<sup>2</sup>, and on the ground 13m<sup>2</sup>

## Energy efficiency with photovoltaic systems

- maximum savings is achieved by almost fully utilizing the energy produced by the photovoltaic system for own use.
- by adapting the working processes in your business and, if possible, an increased amount of energy consumed in the daytime when the photovoltaic system produces energy, the potential for energy savings is high.

Photovoltaic plant on the ground within a water treatment plant in Kochani, performed by EVN. Installed capacity of 450 kW





# Electromobility with EVN



EVN implemented a series of activities for promoting and utilizing the benefits of electromobility in the country during the past year. Electric vehicle technology has become more advanced, cheaper, thus more affordable to customers in recent years, so the decision to switch from fossil fuels to electric powered mobility is a trend that will surely take a long time. At present the main prerequisite for increasing the number of electric vehicles on the streets and roads is the widespread infrastructure of electric chargers. Recognizing this shortcoming in our country, EVN has set up a total of 40 charging stations across the country in central, publicly accessible and busy locations. In the initial promotional period, the charging at EVN stations is free of charge. In addition, we are actively supporting all local initiatives to promote electromobility and we introduced electric vehicles and scooters in our own fleet. With this, the company proves again that sustainability and responsibility are part of our long-term business efforts.

Electric vehicles are more economical, quieter, safer and cleaner than the classic ones. They reduce noise in cities, are cheaper to maintain due to simpler mechanics, and most importantly - they do not pollute the air. Owners of electric vehicles are often motivated to charge their vehicles at home or at the office with renewable energy. Most often they install photovoltaic systems and thus make maximum savings and protect the environment.

## Already have electric vehicles in your fleet? Apply for a charging card!

EVN's electric vehicle charging stations operate via electronic card activation. The card is free and you can apply for it at [emobility@evn.mk](mailto:emobility@evn.mk) or via the online form at [emobility.evn.mk](http://emobility.evn.mk).



## Why set up a charging station in your business facility?

- Recognition of your business location
- Opportunity for additional revenue
- Demonstrating social responsibility
- Visits by drivers of electric vehicles from the country and abroad

Some of the charging stations are set up within private business premises with high driver presence such as restaurants, hotels, malls and the like. EVN offers its customers and business associates the opportunity to collaborate and set up charging stations within their facilities. If you are interested, please contact your customer manager ([snabduvanje.mk](mailto:snabduvanje.mk)).

