

## Croatia: RWE wants 10% of Croatian electricity market

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“RWE Energy” keeps 0,5% of Croatian market and their goal is 10% of market.

German Company RWE entered Croatian market of electricity supply by buying a company “Energija 2 sustavi” that will act in business at Croatian market as “RWE Energija” in the future. “RWE Energija” will become the first competitor to Croatian power company HEP ODS in category of tariff buyers i.e. households and their goal is take 10% of total electricity market in the next three years.

“RWE Energija” delivers 8GWH at the moment and there are around 500 buyers currently. For example, it provides public lightning of Umag, Zabok, Opatija, Makarska, Kastel, Pakrac and institutions like HAZU and Sveuciliste in Zagreb.

Company “Energija 2 sustavi” was established only a year and a half ago and it has accomplished symbolical award of 135 thousand HRK and it holds around 0,5% of market participation. Zoran Milisa, Director of RWE Energija stated on press conference that this company plans to take over 10% of electricity market dominated by HEP OPS and HEP ODS at the moment. When he was asked how much market prices for households are attractive, Milisa said that factory has 60 GW of installed power in Europe so it has possibility to offer cheaper electricity than 1 to 10% with reference to the prices offered by competition. How much this offered energy will be competitive is the question, we’ll find out in two weeks when company will represent its tariff models. They want to be known as confident, for good price and simple services and it will be a challenge to explain to buyers that supplier replacement doesn’t mean just a signature or two. Milisa said that RWE Energija does not accomplish its losses on energy harmonization unlike competitor ad it is a real weight to their business. “We succeeded to develop algorithms for our buyers so no matter at all imperfections of system for electricity harmonization payment, we don’t have any difficulties with that. We will have meeting in HERA soon so we will discuss this subject. We hope that Croatia will adjust more developed markets in neighborhood”, Milisa said.

Karl Kraus, Managing Director of RWE Croatia, while speaking about the fact that RWE enters a segment of supply, “RWE confirms successful long term cooperation with Croatia this way and it wants to enable its citizens same conveniences in electricity supply as those in EU countries that have been being offered for 16 years so far. Acquisition of Energija 2 perfectly fits in our strategy to accomplish organic growth at these markets with limited investments”, Kraus said.

RWE is present in Croatia for years as a strategic partner to TPP Plomin 2 owned by “HEP “. RWE’s focus in Croatia is currently most at electricity supply but Kraus said that they are interested in giving expert support to HEP in plants’ renewal and eventual cooperation in construction of new HPPs if there are such opportunities. Considering that HEP will need pure ownership in TPP Plomin 2 in order to enter strategic partnership for construction of TPP

Plomin C, HEP is discussing with RWE for years about their exit from this joint venture together with HEP, but they are interested in continuation of cooperation with national electrical power utility in common projects or taking minor participation in some of hydro power objects or giving expert support.

Source;Croatian news agencies/Serbia Energy See desk