

GEN-I presents its business partners with innovative solutions for controlling electricity costs

To minimise the impact of fluctuations in electricity prices on business customers' procurement processes, GEN-I are introducing a major new service. Solar energy communities will enable business partners to enjoy lower and more predictable electricity costs at times of increased price fluctuation – and support the green transition at the same time. Based on recent experiences of the energy crisis and in cooperation with GEN energija, they have announced the development of fixed-price long-term forward transactions that will further help to keep electricity costs down.

Ljubljana, 16 April 2024 – At the 16th meeting of GEN-I Group partners, the company outlined major new advanced green energy solutions aimed at helping enterprises control their electricity costs in the face of future increased price fluctuations and volatility.

Details of the entirely new electricity cost-control solution for enterprises, involving solar power, were given by GEN-I management board member Sandi Kavalič. The aim of this innovative service, **GEN-I Solar Energy Communities**, is to put in place self-sufficient communities of electricity producers and business customers. The solar energy communities will provide an answer to one of the key questions being put by business and industry: how can we set up our own electricity producing capabilities so as to reduce costs, become less dependent on energy price fluctuations and thereby increase our competitive advantage? Most enterprises today already have their own solar power units, or are considering installing them. At peak sunlight times, these units produce energy surpluses that can then be sold on the market at low prices that depend on the general surpluses of energy production at any moment. By building a solar energy community, GEN-I provides enterprises with a self-sufficient community that includes all the metering measuring points required by each company within the community. At times of peak production within the community, there is almost no transmission to the electricity grid because the surpluses are distributed to other electricity take-off metering points. Solar energy communities reduce a company's dependence on events on the market, minimise peaks and troughs, and reduce overall electricity costs. Equally importantly, the solution helps companies reduce the adverse environmental impact of their business operations, thereby improving their ESG indicators. Solar energy communities can be established with existing or the construction of new solar power units.

CEO of the GEN-I Group Dr Dejan Paravan today announced details of a major new service to Slovenian business and industry representatives. This service, the **long-term fixed-price purchase of nuclear energy from Krško**, is a response to the experience of the recent energy crisis. Long-term products are becoming increasingly important in the energy sector, and are based on long-term contracts between electricity producers and final customers at a pre-agreed price. These products offer greater price predictability to the customer, as well as more stable income to the producer at times of extremely volatile electricity prices. With the aim of designing innovative long-term products at a fixed electricity price, GEN will offer a portion of the nuclear energy produced at the Krško plant. This is stable base-load energy with almost no carbon footprint. The long-term fixed price purchase of nuclear energy is the basic building block upon which GEN-I can then, with a well-planned market infrastructure, enable the design of more advanced structured comprehensive energy supply products for customers. The new product will be presented in May after the company gauges the responses of market participants following a market test.

In the 12 months since the energy crisis, **conditions on energy markets** in Slovenia and Europe have calmed somewhat. Owing to record gas storage levels for the time of year, high levels of production from nuclear plants in France, high levels of rainfall throughout Europe and low electricity consumption, prices have fallen, which points to a well-functioning and stable energy market. A rise in the amount of energy from renewable sources throughout Europe is causing increasing hourly price fluctuations. This is leading to accelerated falls in prices at times of peak sunlight, extremely high prices in the morning and evening,

and changes to the traditional directions of electricity flow. We can expect additional increased price fluctuations at the hourly level and on the forward market in future as a result of geopolitical shocks and uncertainties affecting the delivery of natural gas.

To mitigate the increasing fluctuations of hourly prices throughout the day, GEN-I has **introduced battery electricity storage into its portfolio of services for business customers**. Through active management, stored energy can be used in a smart way at peak price times. In addition, in combination with a solar energy unit these battery storage systems provide greater self-sufficiency and enable energy surpluses to be stored cheaply, thereby reducing consumption at more expensive times. Other advantages, in addition to optimisation of energy consumption, include the option of being incorporated into the portfolio for trading on organised electricity markets.

In the European Union, the calming of prices since the peak of the energy crisis has coincided with **preparations for electricity market reform**. These reforms were initially slated to include a complete overhaul of the structure of the market, but will now feature no major systemic changes. Market operations will be strengthened, with particular emphasis on long-term trading via Power Purchasing Agreements (PPA) and Contracts for Difference (CFD), and a number of crisis measures will be implemented.

At the end of the meeting, GEN-I representatives reiterated the increasing importance of **sustainable development and sustainable business**. Building on its commitment to the green transition, GEN-I called on its partners not to see the new sustainability reporting standards merely as another 'obligation', but to see them as providing guidance to strengthen the sustainable development of business and industry, design sustainable strategies and adjust business models to future requirements. Sustainability reporting should provide an opportunity for businesses to demonstrate the added value that they bring, provide more details of their impact, their risk management and their values, and highlight their commitment to sustainable development. These are values to which the GEN-I Group are also committed: a continuous reduction in carbon footprint, protection of our precious planet and achievement of wider sustainable development targets.

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