

**INVITATION TO PUBLIC AUCTION FOR
PURCHASE OF ELECTRIC ENERGY
PRODUCED FROM RENEWABLE ENERGY
SOURCES FOR YEAR 2010**

Ljubljana, 17.11.2009

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1 General

Consortium of producers of electric energy from renewable energy sources (RES), coordinator of producers Zveza društev MHE Slovenije and organizer of auction Interenergo d.d. hereby publish invitation to public auction for purchase of electric energy from renewable energy sources for year 2010.

Purpose of this public auction is to offer produced electric energy from RES, to carry out a transparent procedure of public auction and to offer to any interested subject an independent source of electric energy produced in the Republic of Slovenia.

2 Offer of the Public Auction

Offer of this public auction is produced electric energy from RES under the following characteristics:

Seller: Consortium of producers of electric energy from RES.

Period of Supply: From 1.1.2010 from 00:00 until incl. 31.12.2010 until 24:00.

Price: Price shall be determined by public auction.

Delivery point: Measuring device at production site.

Quantity: Expected profile of production is given in the table below.

Month	in MWh
JAN 2010	2.040
FEB 2010	1.830
MAR 2010	2.590
APR 2010	3.720
MAJ 2010	3.660
JUN 2010	2.820
JUL 2010	2.420
AUG 2010	2.200
SEP 2010	2.260
OCT 2010	2.750
NOV 2010	2.760
DEC 2010	2.490
SUM 2010	31.540

3 Public Auction

Public auction will be held on Monday 23 November 2009.

Public auction will be held in two (2) phases.

1. PHASE

All interested bidders shall send via fax on Monday 23 November 2009 between **12:00 and 12:15** filled APPLICATION FORM, by which they formally apply to the auction. APPLICATION FORM is attached to this invitation.

Jury to first phase reviews applications and informs all applicants via email **by 12:50** about their ability to approach the second phase of the public auction.

2. PHASE

Second phase is held in two (2) or three (3) legs.

First leg shall be held **between 13:00 and 13:10**. Bidders send their binding offers via fax on the OFFER FORM. OFFER FORM is attached to this invitation.

Jury to second phase reviews all offers and informs **by 13:20** all bidders via email about best offer and invites all bidders to submit improved offers in the following leg.

Second leg shall be held **between 13:20 and 13:30**. Bidders send their binding offers via fax on the OFFER FORM. OFFER FORM is attached to this invitation.

Jury to second phase reviews all offers and informs **by 13:40** all bidders via email about best offer and invites all bidders to submit improved offers in the following leg, if third leg is to be held, otherwise informs all bidders the auction is closed.

Third leg, if executed, shall be held **between 13:40 and 13:50**. Bidders send their binding offers via fax on the OFFER FORM. OFFER FORM is attached to this invitation.

After last leg ends jury to second phase informs via email all bidders **in 10 minutes** if the condition of the public auction has been met (point 6, paragraph 4) and if public auction is successful and who provided best offer (bidder's name, offered price),.

Best bidder (buyer) will be informed also via fax **by approximately 14:30**.

Public auction shall be closed approximately **by 14:30**.

4 Contacts

CONTACTS VALID ON THE AUCTION DAY:

Telephone: +386-1-30-70-744

Fax: +386-1-30-70-851

Email: drazba@interenergo.si

CONTACTS FOR ADDITIONAL INFORMATION ABOUT THE AUCTION:

Telephone: +386-1-30-70-977

Fax: +386-1-30-70-851

Email: gregor.karlovsek@interenergo.si

5 General Conditions of Public Auction

A bidder accepted to this public auction shall be a member of Balance Scheme in the Republic of Slovenia as a balance responsible group or a balance responsible subgroup.

By submitting the APPLICATION FORM a bidder accepts general conditions of the public auction and other relevant facts, declares that he is aware of all facts concerning produced electric energy (indicative and non-binding quantity, commitment for transfer of production into his balance (sub) group, deviations, etc.), submission of offers and his obligation to conclude individual contracts with consortium members, if he is found as the best bidder on the public auction.

A bidder accepts the wording of the contract for purchase and sale of electric energy in Slovene language. Contract is attached to this invitation.

Offers submitted on public auction should be in Euro, rounded to **one (1) decimal point**.

Bidder is aware any offer submitted is legally binding and that his best offer on the public auction is his highest price offered, which he submits during the auction process – either in first, in second or in third leg, if held.

A bidder cannot withdraw from public auction, if he submitted at least one offer.

6 Other Relevant Facts to Public Auction

A buyer is obligated to conclude individual contracts with consortium members – individual producers of electric energy from RES **by 27.11.2009 at latest**. Example of CONTRACT in English language is attached to this invitation. Zveza društev MHE Slovenije already possesses all option contracts signed by all consortium members, which become obligatory, if condition from paragraph 3 of this section is met, for acceleration of the process. Declaration and authorization for transfer between balance (sub)groups is attached to the contract.

Central European Time “CET” is given in all timeframes of this invitation.

Members of consortium are obligated to sell electric energy at a price which is higher than »Phelix Baseload Year Futures: Cal-10« decreased by 1.00 EUR/MWh (auction price). »Phelix Baseload Year Futures: Cal-10« will be determined on the auction day at 10:00 from the web site www.eex.com.

If the auction price from above paragraph is not exceeded on the auction, auction is invalid, and members of the consortium do not have any obligations to sell the electric energy.

Given indicative production quantities in point 2 are based on production expectations by producers and they are not fixed, nor binding, but solely indicative to help bidders to submit an offer.

A buyer has to transfer measuring points of production sites into his balance (sub)group. All **deviations** which arise as a difference from schedule and realization are a cost of buyer.

Bidders on the auction day shall not be informed about the number of legs of the auction, but shall be determined by the jury to the first phase for internal purposes only. Jury to the second phase shall carry out defined number of legs, as decided by the jury to the first phase. Bidders shall be only informed about the next leg or when the auction ends.

Jury to the first phase has the discretion right (merit) to exclude any interested bidder to approach to the second phase of the public auction. Merit is a decision by the jury to the first phase about the financial ability of the interested bidder. The bidder who has not been granted to approach to the second phase shall not appeal, nor shall an appeal withhold the auction process.

If the bidder in the first leg of second phase does not submit an offer, jury to the second phase urges him to do so via telephone. If the bidder does not submit an offer despite the call, his participation right to participate the auction is canceled.

If the bidder in the second or third leg of the second phase does not submit an offer, jury to the second phase urges him to do so via telephone. If the bidder does not submit an offer despite the call, his preceding offers are taken into consideration.

If after the final leg (second or third leg, upon decision of the jury to the first phase) two or more bidders have equal offers (equal price), jury to the second phase invites only those equal via email and via telephone in order to additionally improve their bids (direct call) and provide them with extra time of **5 minutes**. If after the direct call two or more offers are equal, jury to the second phase shall take into the account the timestamp of their arrival.

Schedule of the public auction stated in point 3 is indicative and may differ, if technical or other problems occur during the auction process. All bidders will be promptly notified about any change.

Jury to the second phase will publish results publicly. The notice will include success of the public auction, best offers of single bidders and decision of the jury about the best bidder (buyer).

All public notices shall be given on web site of Zveza društev MHE Slovenije www.zdmhe.si. On the given web site other materials are made publicly – this invitation, CONTRACT in English, contract in Slovene, both with declaration and authorization, APPLICATION FORM and OFFER FORM, and consortium contract (in Slovene language and in Slovene version of website only).

Notwithstanding the fact that a member of the jury has been selected by Zveza društev MHE Slovenije who is also an employee of a potential bidder, organizer hereby commits himself that members of the juries will act transparently, objectively and with a purpose of reaching the highest price. Due to this fact organizer demands from a single member of the jury to comply with strict rules, decided on internal basis. In case of any deviations, organizer shall promptly inform all bidders.

All additional information concerning public auction, demanded by potential bidders, members of consortium, coordinator or interested public, can be received by contacting given contacts in point 4 (CONTACTS FOR ADDITIONAL INFORMATION ABOUT THE AUCTION) by **Monday 23 November 2009 by 10:00**.

Notwithstanding the fact, this invitation and contract for purchase and sale is translated into English language, any ambiguities strictly rely on original Slovene versions. Contract for purchase and sale will be concluded only in Slovene version.

7 Members of the Jury

Members of the Jury to the First Phase:

Marko Gospodjinački, president

Edo Dobravec, member

Zvonimir Smrekar, member

Members of the Jury to the Second Phase:

Marko Gruden, president

Drago Šolar, member

Gregor Karlovšek, member

8 Attachments

1. Example contract for purchase and sale of electric energy (CONTRACT) in English version
2. Example contract for purchase and sale of electric energy in Slovene version
3. Application to the public auction (APPLICATION FORM)
4. Binding offer (OFFER FORM)