

ZORD SLOVENIJA



ZORD SLOVENIJA, May 2009

COMPULSORY STOCKS OF CRUDE OIL AND PETROLEUM PRODUCTS – WHAT FOR?

- **Dependency on imports** of oil products
- **Disruption in supply** (reduced supplies, problems with transport, catastrophes...)



EU REGULATORY FRAME FOR COMPULSORY STOCKS

- Details of stockholding obligation are spelled out in EU directives (Directive 2006/67/ES)



PRINCIPAL REQUIREMENTS LAID DOWN IN EU DIRECTIVES

- **Type and quantity** of the petroleum product to be maintained by EU Member States
- **Transparency** and straightforward access to statistical data (statistical summary)



PRINCIPAL REQUIREMENTS LAID DOWN IN EU DIRECTIVES

- Compulsory stocks to be fully at the disposal of EU Member States as emergency mitigating measures – **availability and accessibility of stocks**
- EU Directive allows storage of compulsory stocks within the territory of other EU Member States intergovernmental agreements – provide guidelines for drawing up such **bilateral agreements**



Regulation of the field of compulsory reserves in the Republic of Slovenia

- Commodity Reserves Act
- Act Regulating the Guarantee of the Republic of Slovenia for the obligations of the Agency for Compulsory Oil Stocks
- Act on Tax Procedure



Regulation of the field of compulsory reserves in the Republic of Slovenia

- Energy Act
- Decree on the definition and methods of calculating a special fee for carrying out the public service obligation to form compulsory stocks of crude oil and petroleum products

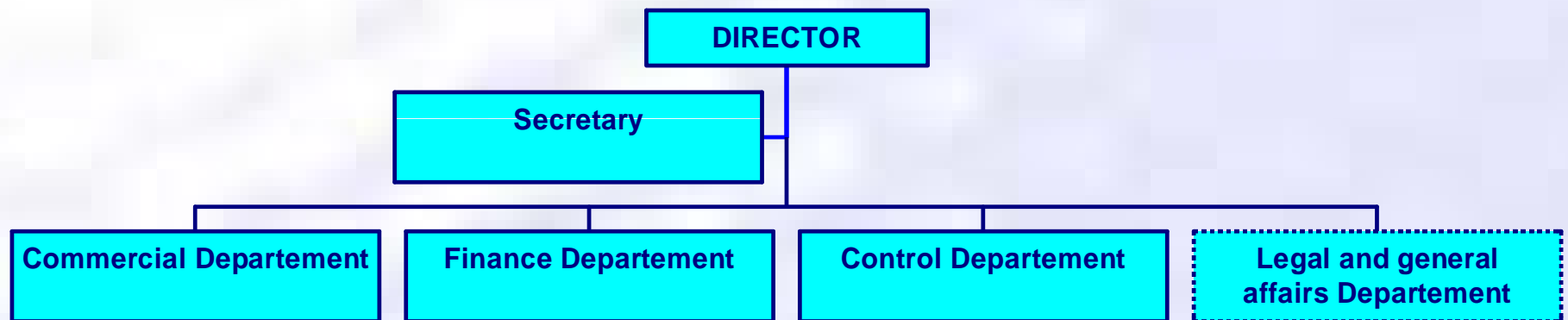


ZORD SLOVENIJA – SLOVENIAN AGENCY FOR COMPULSORY STOCKS OF OIL AND OIL PRODUCTS

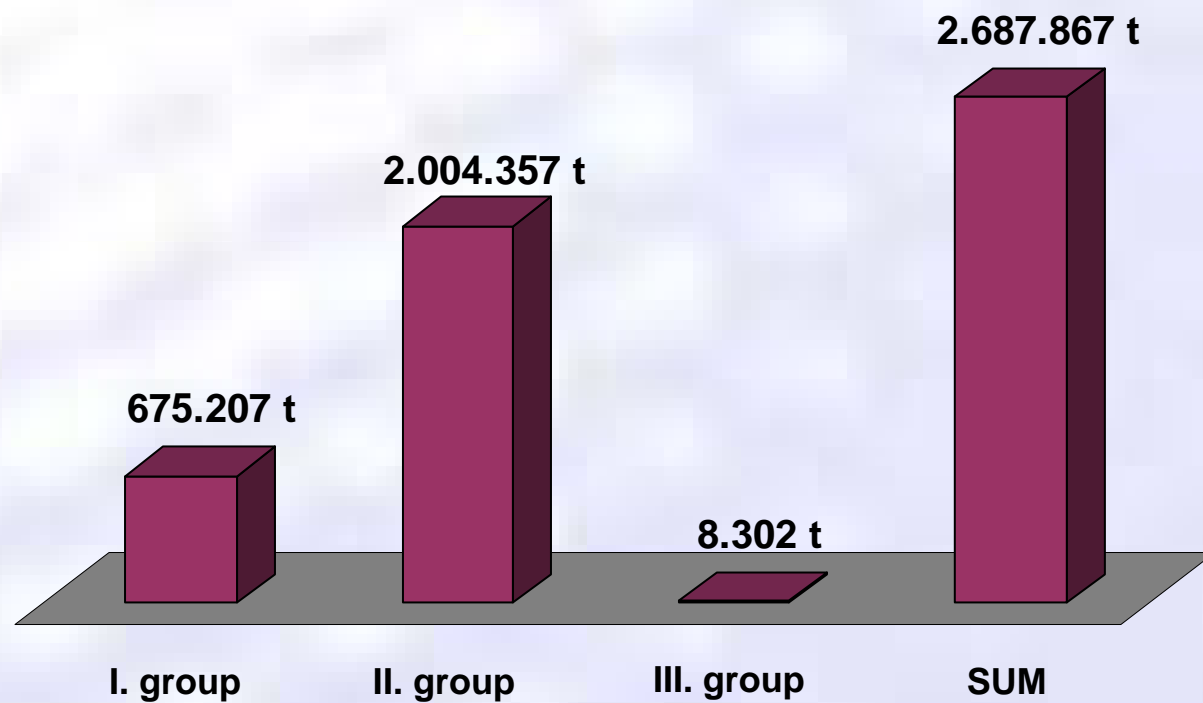
A stockholding agency established under Article 21 (a) of the Commodity Reserves Act and Article 44 of the Energy Act by the government as a public economic entity – abbreviated name ZORD Slovenija.



AGENCY FOR COMPULSORY OIL STOCKS

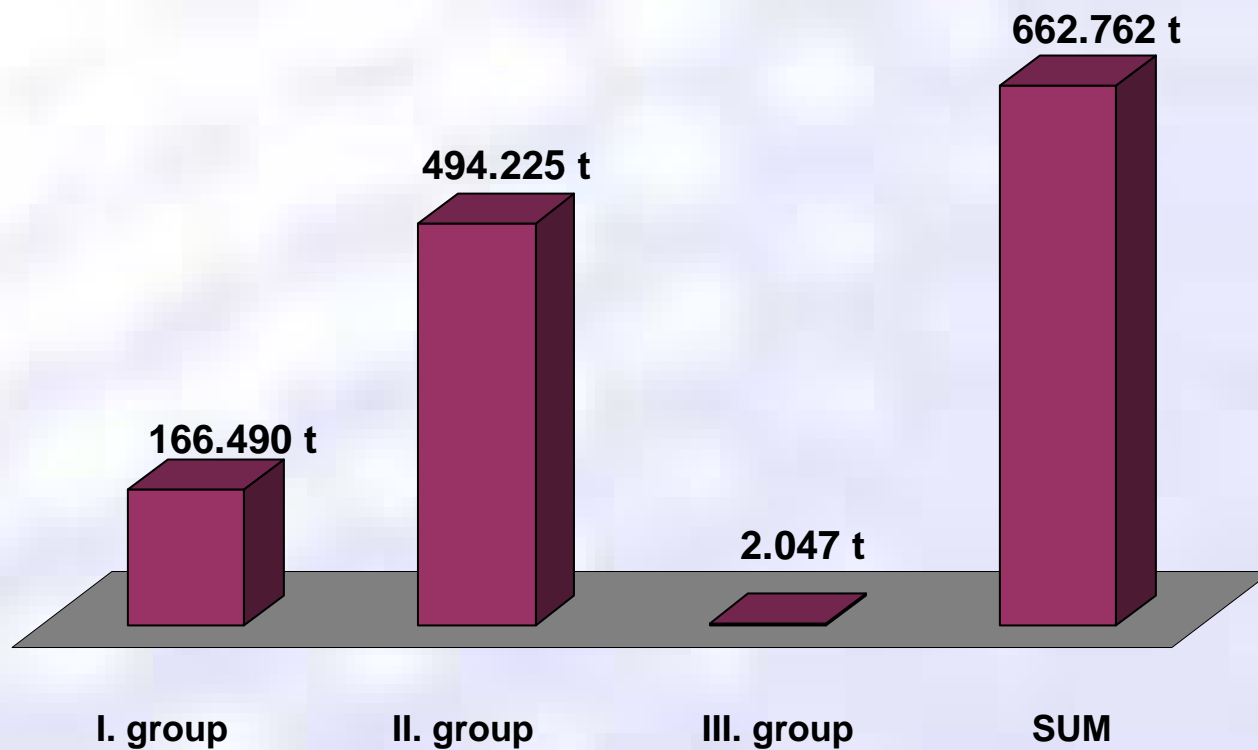


Consumption of petroleum products by categories I, II and III in 2008



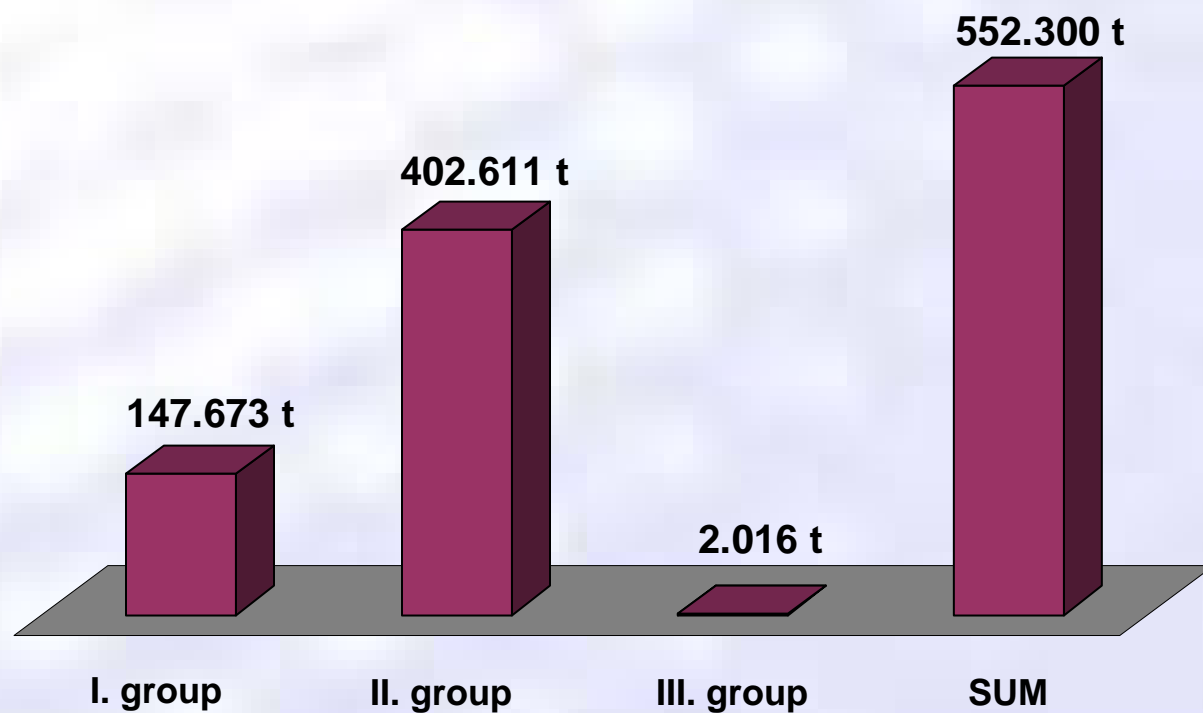
* consumption in 2008

Minimum 90-day stocks of petroleum products*



* consumption in 2008

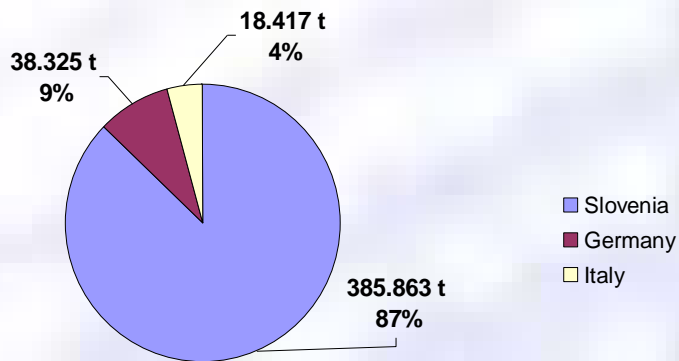
Realised 90-day stocks of petroleum products



* consumption in 2007

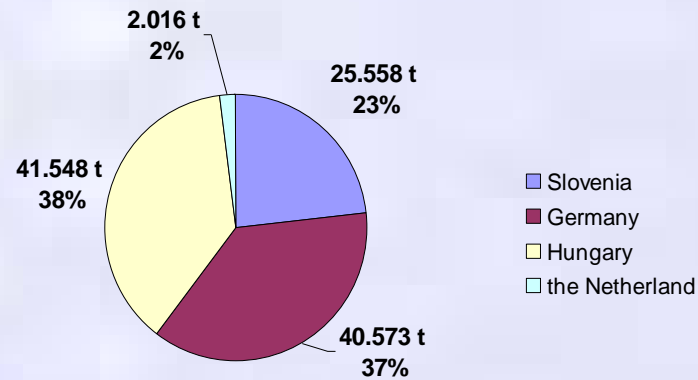
Allocation of physical stocks and tickets in Slovenia and abroad on 31 December 2008

Physical stocks



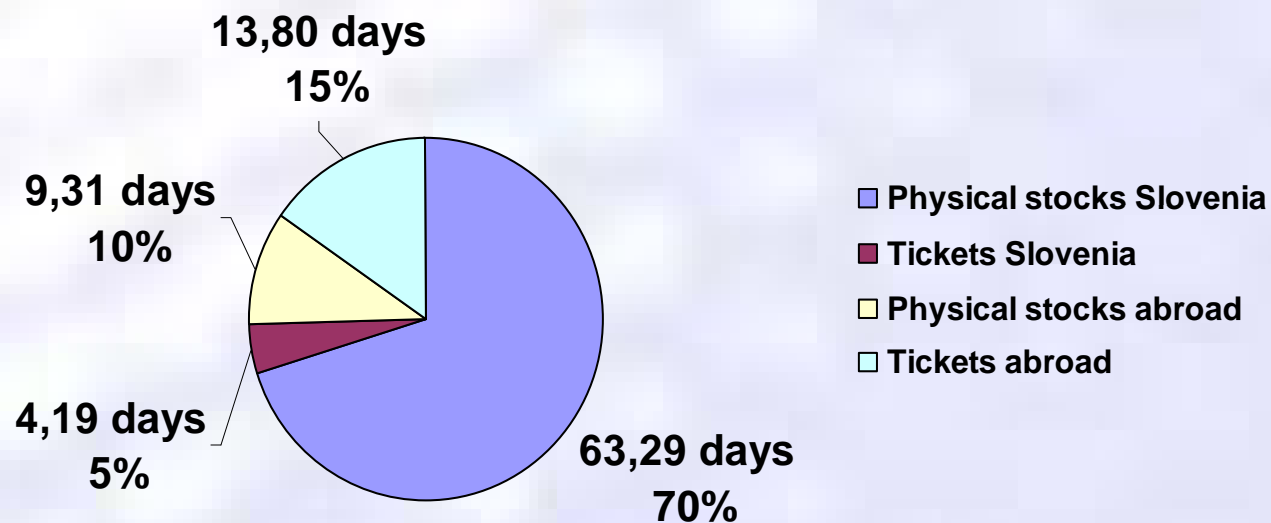
SUM 442.605 tons = 80 %

Tickets



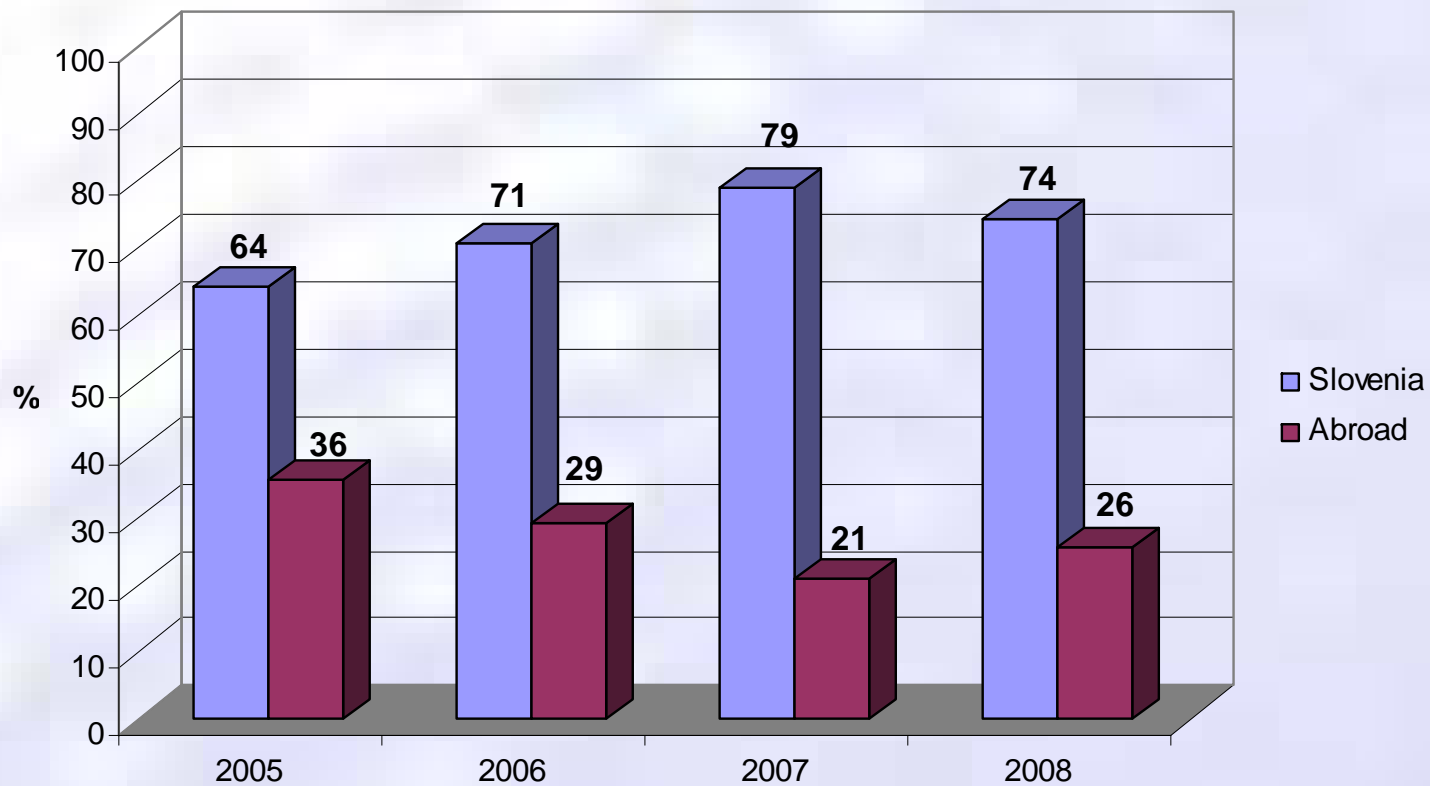
SUM 109.695 tons = 20 %

Allocation of minimum 90-day stocks on 31 December 2008 in days and percentage



SUM = 552.300 tons = 90,59 days

Allocation of compulsory stocks on 31 December 2008 (physical stocks + tickets)



Procurement of oil products

- Open procedure
- Negotiated procedure without or with prior publication of contract notice
- Tender collection procedure with prior publication of a contract notice; and
- Tender collection procedure (40,000 €)

Tickets

The contractor holds the stocks at the disposal of ZORD Slovenija

Renting the goods and the storage space

Explicit right to buy the goods in a case of crisis

The prices depend on prices in the world oil market

Storage capacities

- ZORD Slovenija will meet the country's stockholding obligation by ensuring storage within the territory of the Republic of Slovenia – long-term objective.
- ZORD Slovenija keeps stocks within the territory of other EU Member States under intergovernmental agreements – temporary measure.

The key features of the financing model

- **Current generation of consumers foot the bill for:**
 - Costs arising from establishing and managing compulsory stocks
 - Costs arising from financing
- **Future generations of consumers will pay for:**
 - Oil derivatives (future generations will consume stocks established today)

Financing the activities of ZORD Slovenija

- Compensation fee (charged to members)
- Borrowing (loan proceeds)

Compensation fee

Serves to cover the following costs:

- Operating costs
- Stock management costs
- Financing costs

Compensation fee

I. GROUP:

– 11,11 €/cbm 0.011111 €/l

II. GROUP:

– 10,60 €/cbm 0.01060 €/l

III. GROUP:

– 10,60 €/t 0.01060 €/kg

Costs relating to compulsory stocks management

Rent (handling, storing oil products in Slovenia and across the national borders, tickets)

Insurance policies for stocks

Evaporation

Replacement

Transport

Insurance for compulsory stocks of petroleum products

- Stored stocks are insured against usual risks:
 - fire, earthquake
 - theft
 - leakage
 - destruction of oil product
- Stocks are not insured against the risk of terrorism
- Transport: additional transport insurance (usual risks)
- Insuring procedure: according to the Public Procurement Act

Overview of effective standards

- Unleaded gasoline super
EN 228
- Diesel fuel
EN 590
- Heating oil (EL fuel oil)
SIST 1011
- JET A1
AFQRJOS
- Heating oil
Specification ZORD Slovenija

Sampling of petroleum products

Sampling is conducted in accordance with the standard ISO 3170

Sampling can be conducted by:

- authorised qualified entity (Bureau Veritas, SGS,...),
- storage operator,
- stockholding agency – ZORD Slovenija.

Laboratory analyses and reports

- Selecting a laboratory
- Choosing parameters for the analysis
- Drawing up the report

Evaluation of test results

Results presented in the lab report are evaluated by using EQPS programme

Results are benchmarked against preset values – compliance with standards and EQPS programme

Preparation of the final report

Quantity control of compulsory stocks of petroleum products –

- Quality control is carried out by:
 - Authorised qualified company
 - ZORD Slovenija
- Quality control is carried out:
 - On regular basis
 - By special occasions (measurement of sludge, ...)
 - By inventories (twice a year)

ISO 9001 and ISO 14001

- Implementing the quality standard ISO 9001 and environmental standard ISO 14001 in ZORD SLOVENIJA
- Both certificates obtained in 2003

SLOVENSKI
STANDARD

SIST EN ISO 9001

Sistemi vodenja kakovosti – Zahteve
(enakovreden ISO 9001:2000)

Quality management systems – Requirements

SLOVENSKI
STANDARD

SIST EN ISO 14001

Sistemi ravnanja z okoljem – Razčlenitev z navodili za uporabo (ISO 14001:2005) (identičen EN ISO 14001:2005)

Environmental management systems – Specification with guidance for use (ISO 14001:2005)

**Thank you for your
attention!**

zord@zord.org
www.zord.org

