

Fortum/Uniper deal

In 2018, the FAS approved the acquisition of less than 50% of the voting shares of Uniper SE (Germany) by Fortum Deutschland SE (Germany)¹.

The Fortum Deutschland SE group, indirectly by 100% owned by the public company Fortum Oyj, includes the generating company PJSC Fortum, carries out activities for the production and purchase and sale of electrical energy in the Russian wholesale electricity market within the First Price Zone (Europe and the Urals)².

One of the acquired companies is the generating company PJSC Unipro, which carries out activities for the production, sale and purchase of electric energy on the wholesale electric energy market within the boundaries of the First and Second Price Zones (the Siberian zone).

According to the results of the transaction the FAS approved the deal with remedies³, which the merging parties should implement during the next 5 years, containing a number of behavioral remedies for companies aimed at:

- prevention of actions that lead (may lead) to a significant increase in prices on the wholesale market of electric energy and power in the formation of price bids for participation in the competitive selection procedure for the day ahead;
- using the strategy of minimizing the cost of fuel to produce a unit of electrical energy; when choosing the structure of consumed fuel for each hour of the day - consuming the cheapest type of technologically used fuel;
- submit quarterly information to the FAS on the progress of the execution of the ruling.

¹ The FAS Russia Decision No. VK/44196/18: <https://br.fas.gov.ru/ca/upravlenie-regulirovaniya-elektroenergetiki/vk-44196-18/> (Russian version only)

² The list of territories that are combined into price zones of the wholesale electricity and capacity market is established by Annex No. 1 to the Rules for the Wholesale Electricity and Capacity Market, approved by the Government Resolution dated December 27, 2010 No. 1172 "On approving the wholesale electricity and capacity regulations and amendments to some acts of the Government of the Russian Federation on the organization of the functioning of the wholesale market for electric energy and power": <http://government.ru/docs/20168/> (Russian version only)

³ The FAS Russia Ruling No. VK/44196/18: <https://br.fas.gov.ru/ca/upravlenie-regulirovaniya-elektroenergetiki/vk-44198-18/> (Russian version only)