MARKETING MIX IN OLTENIA ENERGY COMPLEX

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Abstract: Electricity generation in Romania it's realized in percentage 30 % in OLTENIA ENERGY COMPLEX. This is the biggest producer of energy, end coal in the country. Therefore Marketing mix is very important to ensure that the company grows. The final objective is that the volume of sales, market share and growth.

Keywords: *product, price, promotion, distribution*

Clasificare JEL, M40, M41

Further I discuss the four business segments within the Marketing universally known as the 4p of the energy:
-Product
-Price
-Promotion
-Placement or distribution

Studying these elements are called mixed marketing. Knowing the relationships between these elements in the energy producers is one of the important levers of profit growth. Next we want to realize the connection between these elements in Oltenia Energy Complex.

Company Overview

The Government Decision no 1024/2011 on 31.05.2012 was registered Oltenia Energy Complex Commercial Company SA, dual system administered by the merger of SC Energy Complex SA, Rovinari Energy Complex, SC Complex Craiova SA, National Lignite Oltenia SA main activity is the production of electricity and heat based on lignite, extraction and agglomeration of lignite.

The number of staff is about 18,800 of which to energy of about 5800 and about 13,000 mining activity.

Unit capital is estimated at 280 million Euros major shareholders are the Ministry of Economy, Trade and business (77%) and Property Fund (21.5%) and the estimated turnover of 900 million Euros.

Owned production capacities consist of:

a) 12 power units with an installed capacity of 3570 MW as follows:

- SE Rovinari - 4 power units of 330 MW lignite-fired condensing;
- SE Turceni - 4 power units of 330 MW lignite-fired condensing;
-SE Craiova - 2 power units of 315 MW lignite plant condensing the Isalnita plant;
-2 power units of 150 MW / 160 Gcal on coal cogeneration in Craiova II plant.

b) A total of 79 high-capacity mining equipment, distributed in 15 quarries, which can provide an output capacity of 30 million tons of lignite per year.

Product

Product unit is the electricity. The main feature of this product is that it cannot be saved. Electricity is obtained in the energy units Turceni, Craiova II, Isalnita, Rovinari.
Quality of electricity supply is determined by the following factors:

- safe operation of the facility,
- power quality at the point of separation between the consumer and supplier
- electromagnetic compatibility (EMC) facilities with the environment in which it operates, the point of common coupling.

Among the main indicators characterizing reliability, or continuity of power supply to a consumer at the point of separation of network provider, mention:

• annual number (average / max) Interrupt removed by repair or by maneuvers
• average duration of an interruption,
• Maximum duration of recovery,
• The average total duration of interruption per year.
The main factors influencing the continuity of supply to customers are:
• reliability of each element entering the power supply facilities,
• relay protections characteristics (sensitivity, selectivity, speed, reliability),
• existence of automatic type ARR, RAR and DAS
• Quality of exploitation

The quality of energy

Regarding electricity, ideal to follow any electricity supplier is to continuously make available to consumers a sinusoidal voltage, frequency and actual value maintained within certain limits fixed contract equal to the three phases of the network.

System of power quality indicators should allow measurement / estimation of quality in a particular network point at a time, and comparing the information obtained with the considered optimal or at least tolerated by most consumers connected to the grid question.

In most countries, the system of power quality indicators consists of certain quantitative characteristics of slow variations (deviations) or fast (fluctuations) of voltage, shape and symmetry of three-phase system and the characteristics of variation slow / fast the frequency.

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In Romania there is yet a uniform standard of power quality. Some of the parameters that may be of interest to define power quality rules are defined and individually as follows: STAS 930, PE 124, PE 109, PE 142, PE 143.

Electromagnetic compatibility (EMC)

In accordance with International Electrotechnical Vocabulary - IEV, the electromagnetic compatibility means the ability of an equipment or system to function in a satisfactory manner and without causing intolerable electromagnetic disturbances to what is in a natural / artificial.

Frequent use of high power consuming capacity and advanced control techniques raises more problems of compatibility issues that influence.

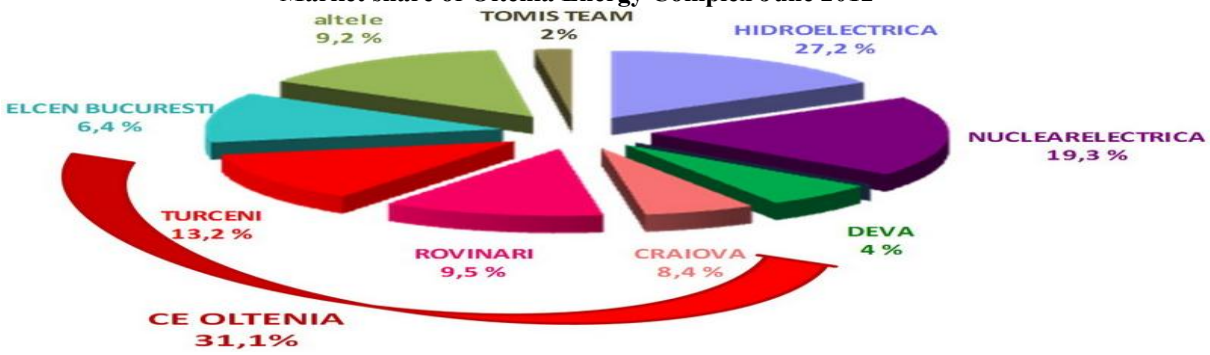
But unlike other industries, the quality of electricity supply service provider depends not only but also to all electricity users connected to the same network

Price

We analyze the market share, selling electricity and electricity prices in Oltenia Energy Complex.

Figure 1

Market share of Oltenia Energy Complex June 2012

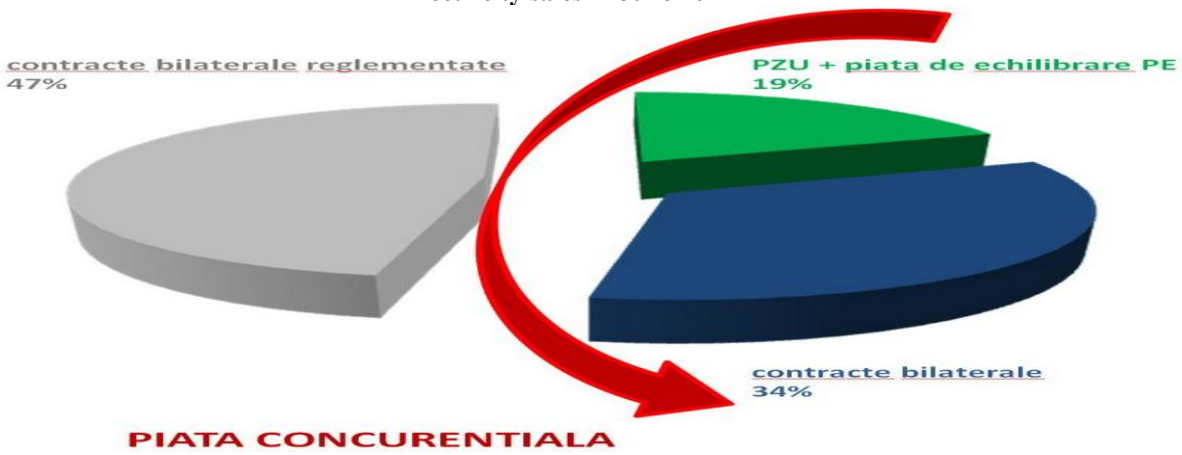


Source: www.cenoltenia.ro

As is shown Oltenia Energy Complex in June has the largest market share in the sale of electricity. But should be kept in mind that June was dry and Hidroelectrica produced less, in May Hidroelectrica having a market share of 40.4%.

The selling price of Oltenia Energy Complex of the energy transactions are formed by the following markets: contracts regulated market, following day market, balancing market, bilateral contracts market. The unit can participate in the export market, central market contracts and intraday market.

Figure 2
Electricity sales in June 2012



Souce: www.cenoltenia.ro

As can be seen almost half of the energy supplied is made contracts to market. This is an advantage because production has the disadvantage, however, is safe lower price per mwh.

Contracts to market price is 83 USD / mwh for night hours and 209 lei / mwh for day hours Oltenia Energy Complex.

The average price in the regulated market was 144 lei / mwh in May 2012 representing 44.9% of domestic consumption and 156 lei / mwh in May 2011 representing 49.9% of domestic consumption.

In august bilateral contracts market prices were recorded between 235 and 243.2 lei / mwh recorded a total of 13 contracts, 10 of them ended Oltenia Energy Complex.

Latest sales transactions Oltenia Energy Complex Market for Bilateral Contracts were made on 31 august 2012 and the price was 239.5 Euro / MW / hour or 243.2 Euro / MW / hour recorded two contracts.

For next day market on 06/09/2012 for national example 109lei/mwh there is a price for oral intervals 1, 3.4 5, and 6, of 301 lei / mwh for interval 10, de330 lei / mwh for range 14, 15, 16 and 171lei/mwh the interval 24.

Promotion

Essential features of promotion (whether direct, immediate, tangible presence of an advantage, transient, exceptional and unusual) are difficult to implement energy market because it is a highly regulated market where buyers and sellers are subject to clear rules on what the transaction.

Using the marketing mix to promote energy is less favored by a favorable trend in demand.

Since there is a strong market energy product differentiation, its hidden qualities, an emotional important reasons that affect the acquisition, promotion is linked to more information on the stability of the manufacturer and type of raw materials used in the process of obtaining energy.

For 2012 the budget of income and expenses (7 months) of Oltenia Energy Complex were provided advertising and publicity expenses in the amount of 472 thousand and sponsorship expenses of 410 thousand lei.

We also do promotional and demonstration projects Getica CCS carbon capture and storage.

Distribution

Because electricity required by consumers can not be stored, it should be used even when its production. This

condition is fulfilled as generation, transmission; distribution and use of electricity are related to one another and result in a set of facilities that make up the national power system.

The electric power system or electrical means the national energy system from electric generators to power receivers including. In the electrical system, waste generation, transmission and use of electricity distribution are interconnected in a certain way and have a common and continuous electricity production and consumption.

To obtain the required mechanical energy involvement coal consumed fuel oil generators) to power and gas. Necessary electricity supply to consumers of power systems is produced by generators in power plants. Synchronous generator converts mechanical energy that drives the primary engines (steam turbines Babcock license) into electricity. In conclusion, the power plants of the Oltenia Energy Complex coal as primary resource becomes successively, with the help of machines and aggregates, mechanical energy and then into electricity.

Electricity is transported from the place of production to consumers through power transmission networks, owned Transelectrica and electricity distribution networks of distribution companies.

Connecting power plants in Turceni, Rovinari, Craiova and Isalnita the national energy system is through 400KV lines. Distribution companies bear full responsibility for continuity of supply and quality.

Conclusions

Priority element in the marketing mix energy is price.

Analysis of the marketing mix to increase the company's profit is reduced mainly to influence the price of internal cost analysis, analysis of the degree of wear of machinery and equipment, thermal stress and life of machinery and equipment.

Must take account of future trends of environmental policy at European and global level for upgrading gas and dust emissions in this regard should be modernized 10mw hydro / h from Turceni of the river Jiu. This must be done to qualify for green certificates obtained through renewable energy production.

Promoting unity may be in particular respect for the environment and community. Increasing concern for the environment and community can be achieved by increasing the production of energy from renewable resources. This is done by arranging land where coal was uncovered and construction of photovoltaic power plants on these lands because these lands are located in areas with good solar potential.

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