

By the end of 2016 about 33% of total energy consumption will be traded on the free market outside of regulated prices by the Energy Regulatory Entity (ERE). According to the Ministry of Energy plan based on the new energy law clients on 35 kilovolt and 20 kilovolt will come out from regulated tariff structure by the end of 2016. Consequently, the share of consumption in the non-regulated prices from current 13 percent is expected to reach 33% at the end of the year.

The new law for the energy sector was passed by Parliament in May 2015. The law restructures the relationship between the three public power companies responsible for generation, transmission and distribution (KESH, OST and Oshea) moving towards further liberalization of the market, in accordance with the EU Directives.

Pursuant to the law, businesses supplied by medium voltage network must leave Operator Electricity Distribution (OSHEE) and find the source of supply independently, starting this year.

By 2018, 40% of market is intended to be liberalized in this way. Liberalization deadlines do not give much time, as the government has not yet defined the market model to be followed. OSHEE currently offers a price of 14 Lek per kilowatt to business and has over 90% monopoly of supply. Business consumers have expressed concern whether other companies could bring cheaper power by buying it in Europe and using the transmission and distribution assets. Such a market model has failed in Italy after 20 years of effort and energy distribution monopoly is still in possession of the distribution company ENEL, transmits Serbia-energy.eu