

Balancing market in Serbia

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Date : April 9, 2019

Relative novelty in the Serbian electricity market since 2014, when the market was liberalized for medium voltage consumers, is that all market participants have balance responsibility and that their relations are regulated by contracts.

Balancing responsibility means that the consumer anticipates his consumption and thus achieves a balance between consumption and generation, and the one who organizes system operation must make sure to maintain the balance.

According to the rules, the suppliers send daily estimates their needs for the next day and how they plan to balance them to the transmission system operator - Elektromreza Srbije and distribution system operators.

There is a certain degree of tolerance for the “flickering” of the difference, and if the difference is high, the operator must buy or sell energy surpluses or shortages within the system. Costs are settled by those who have caused this imbalance by their poor estimates.

According to the latest data of the Serbian transmission system operator, EMS, in March 2018, 64 balance responsible parties (BRPs) were registered in the transaction reporting segment.

This list includes electricity suppliers, SEEPEX energy market, as well as regional power utilities (Elektroprivreda Crne Gore, Mješoviti holding Elektroprivreda Republike Srpske and Hrvatska elektroprivreda), as well as individual large consumers, for example cement factory Titan.

When it comes to the consumption reporting role, 10 participants were registered: HEP-Energija, JP Elektroprivreda Srbije, Nova Commodities, Energia Gas and Power, Green Energy Trading, NIS, Energy Delivery Solutions, Energy Financing Team, Petrol Ljubljana, Twinfin Tesla and Restart Energy.

In the generation reporting segment, there are only five participants – Elektroprivreda Srbije, Nova Commodities, Energia Gas and Power, NIS and Energy Financing Team.

Furthermore, 11 suppliers regulated their balance responsibility on the basis of a balance responsibility transfer contract with the balance responsible party, namely Noleko, S.O.K. Kraljevo, EFT Trade, Ezpada, Tinmar Energy Bucharest, GEN-I Trading, Energy Supply Food, Petrol Belgrade, Sentrade, Group Transenergy and BJN Commodities.

Most suppliers have signed balance responsibility transfer contracts with branches within their group. Thus, EFT Trade has entered into a contract with Energy Financing Team, Tinmar Energy Bucharest with Tinmar Energy Belgrade, GEN-I Trading with GEN-I Belgrade, etc. All

contracts, except for one, were concluded for an unspecified period of time.

Large consumers, usually high voltage ones, sometimes choose to have direct balance responsibility and bear the balancing costs themselves.

Participation in the balancing mechanism is regulated by the ancillary services contract and the balancing mechanism participation contract. These contracts need to be signed by the transmission system operator and a market participant having balancing entities in the market area of Serbia.

These market participants are under obligation to make available to the transmission system operator any available capacity of their balance entities remaining after the daily operation plans have been adopted, for engagement in the balancing mechanism.

The supplier's participation in the balancing mechanism is regulated by the ancillary services contract, signed by the supplier with the transmission system operator.

When it comes to the monthly settlement price, according to EMS data, for hours in which the balancing energy was engaged for upward regulation, the average price in January 2019 was 92,723 euros per MWh, while in February it was 65,177 euros per MWh.

For hours in which total balancing energy was engaged for downward regulation, the average price in January was 43.94 euros per MWh, while in February it was 19.524 euros per MWh.

The revenue of EMS from balancing energy sales in 2017 amounted to 5.52 billion dinars, while the projected income in 2018 was 5.14 billion dinars.

EMS purchases the balancing reserve from Elektroprivreda Srbije, which is the only balancing reserve provider, under a regulated price. This is an obstacle to establishing a cross-border exchange of balancing services.

The EMS plan for 2019 is to begin operating a unique EU Platform for Imbalance Netting (IN-Platform), as part of the International Grid Control Cooperation (IGCC) Project, selected by ENTSO-E (European Association of Transmission System Operators).

The IGCC was launched in October 2010 with the goal of covering 24 countries (27 transmission system operators) in continental Europe. Currently, the IGCC has 20 members, including the regional transmission system operators, Croatian HOPS and Romanian Transelectrica.

Since 2016, EMS has been a project observer.

EMS together with the Montenegrin CGES and the Macedonian MEPSO is working on establishing an Imbalance Netting within the SMM block (Serbia, Montenegro and Macedonia).

Similarly, contracts have been signed between EMS - CGES and EMS - ISOBIH to exchange

CBTREs (cross-border tertiary regulatory energy) over a virtual transmission line. This enabled the activation of an intra-hour tertiary reserve in a neighbouring system for the needs of our system and vice versa. In this way, the possibility of real time transmission system balancing has significantly been increased.

The Energy Law and the Market Code define an obligation of the distribution system operator to maintain a balancing responsibility register for the distribution system transfer points; in the process of acquiring the BRP status, the DSO keeps, updates, exchanges and coordinates the BRP information for the transfer points with the transmission system operator; implements changes in the balancing group composition; and updates and exchanges data with the DSO.