

A new, 15 % higher, purchase price of electricity for the largest producer in the Republic of Srpska (RS) – coalmine and thermal power plant (RiTE) Ugljevik, was approved by The Energy Regulatory Commission of the Republic of Srpska (RERS). According to initial estimates, annual revenues from electricity sales of RiTE Ugljevik will reach over 29 million euros, which is by some 3.5 million euros more than before. However, the producer’s initial request was not entirely fulfilled because they asked for an increase of 20 %.

In its request submitted to RERS in July, RiTE Ugljevik stated that current conditions, compared to 2016 when the last such procedure was conducted, have changed significantly, which is why the company needs an additional 12 million euros of per year in order to be able to operate normally. The company based its demands on the fact that a flue gas desulphurization facility was recently put into operation, whose annual maintenance costs exceed 7.5 million euros. The facility consumes additional electricity and on the other hand, due to the poorer quality of coal in the existing mine, the planned annual production of electricity has been reduced by about 10 %.

The new price may or may not mean that the price of electricity for end consumers in the RS will increase. Namely, the difference in the price should be compensated by the plant’s parent company – state-owned power utility ERS through their mutual economic relations. However, ERS definitely does not have financial capacities to bear this price increase on its own, so it is likely that the price for end consumers will be increased.

The first in line are industrial consumers, for whom new supply contracts are being prepared, with the proposed price increase of 7 %. Negotiations on the new price between the Government and the representatives of the industry have been going on for some time already, but the price increase is inevitable, it only remains unclear to what extent the price will be increased.