

Bosnia: Electricity prices in FBiH could rise by 20 %

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According to Bosnian media, the management of power utility EPBiH is planning to increase the price of electricity for households in the Federation of Bosnia and Herzegovina (FBiH) by up to 20 % due to company's losses in the first quarter of the year, which amounted to 9.3 million euros.

EPBiH's management thoroughly analyzed the possibility of electricity price hike in order to stabilize the company's operation and the proposal for the price change will most likely be sent for approval to the company's Supervisory Board and to Regulatory Commission for Energy in Federation of Bosnia and Herzegovina (FERK).

Due to poor preparations for the winter period, which was accompanied by a lack of coal supply to thermal power plants, poor hydrological conditions and significantly increased domestic consumption during the cold spell in January/February, EPBiH was forced to purchase electricity on regional power exchanges at prices much higher than the company's production and sale prices.

Thus, EPBiH produced and sold electricity at the price of 42.6 euros/MWh, at the same time buying it at the power exchanges for 115.29 euros/MWh in January and 125.52 euros/MWh in February.

Only in January, the cost of purchased electricity amounted to 19.1 million euros, with additional 14.6 million euros in February, incurring huge losses to the company. The price of electricity at which EPBiH currently sells it to households is 32 euros/MWh and the management is planning to increase it to 39 euros/MWh. The price of electricity on open market amounts to 44 euros/MWh and it will not be changed.

There is one more reason for significant losses recorded in the first quarter of 2017. According to unofficial information, some coalmines operated by EPBiH have sold coal to Serbia instead of delivering it to EPBiH TTPs during winter, since the price of coal exported to Serbia is two times higher than the price paid by EPBiH. According to their current contract, none of these mines will have to pay any penalties for the delays in coal delivery.