

Croatia Exclusive:HEP buys 200 megawatts of electricity, 170MEUR for electricity import cost for 2014/2015

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Croatia Power Utility Company announced last week tender for purchase 200 megawatts of electricity during two years. That means that in every hour during the next two years want to export 200 megawatts of energy in Croatia, which correspond to the half of the total electricity which HEP exports.

Before the contest HEP was under the charge that would buy electricity at higher price than it had bought the same amounts three months ago.

Then HEP also announced tender for the same electricity amount, but they decided, as they announced unofficially to Jutarnji list, that it would not accept any offer because all offered prices were two high compared on that that they did not want to pay.

They start new tender at the moment when the electricity price on the Hungarian stock exchange, referent for the region, is slightly low that it was three months ago. One megawatt of the electricity is sold for the 43, 5 EUR. HEP then has possibility to buy electricity cheaper than three month ago, but it is possible that the offers will be more expensive on this tender.

By the tender HEP wants to buy electricity, but also to get possibility that within 49 days give up the export of the agreed daily amounts with the announcement a few days earlier. This means that HEP want to enable that electricity not be imported, in those periods when the electricity consumption is lower, such as public holidays, Sundays or when due to the favorable water levels hydropower plants produce cheaper electricity.

Because such a request, usual in the practice of electricity buying, HEP can expect slightly higher prices in the offers that he will get, but they should not significantly differ from the price at the stock exchange. Considering the amount, it is estimated that HEP for that electricity could spend about 170 MEUR over the next two years, but the total cost at the end will depend on the prices that sellers will offer and HEP decision whether electricity will even buy since they are not tributaries to the public procurement.

Source; Serbia Energy See desk/HEP