

# Energia gas and power - The largest private supplier of electricity in Serbia

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Energia Gas and Power is the second supplier of electricity in Serbia according to the amount it delivers to end customers.

We supply electricity to Apatinska Pivara, Ball Packaging, Swarovski, Metro Cash & Carry, Neoplanta, Nelt Group, Philip Morris, IDEA, Mona Group, Strauss Adriatic (Doncafé) Belgrade Department Stores, DDOR, Japan Tobacco, Mozart, Helios, Mitas, Aroma Markets, Metropol Palace, Metalac Market, Euro Diesel, but also to a variety of other larger and smaller customers, factories, foundries, workshops, shops, printing shops, restaurants, bakeries ... ENERGIA is a long-term and reliable partner for our customers with the lowest price of electricity

Energia Gas and Power is the second supplier of electricity in Serbia according to the amount it delivers to end customers. "Energia Gas and Power offers energy security to our customers in Serbia, as well as in all markets where we operate. Energia procures and sells electricity, cooperating with electric utilities, manufacturers and wholesalers of electricity over a wide area from Italy to the Black Sea and from the Czech Republic and Slovakia to Greece. In Italy, in addition to power supply, we also supply natural gas to consumers. In Serbia, we have a gas supply license. However, due to the absence of regulations, we are unable to lease a pipeline and deliver gas from the border to end customers in Serbia", says Mr. Velimir Gavrilovic, director of this company.

**"VREME":** Since when has Energia Gas and Power been present in Serbia's and regional markets?

Velimir Gavrilovic: Energia operates in Serbia since 2013, when our electricity market was liberalized. Supply of the first customers in Serbia was agreed in 2014 and since then the number of satisfied customers is growing steadily. During 2016, in Serbia we have delivered five times more energy than the previous year to end customers, and during 2017 we contracted deliveries that will increase our volumes by more than 40 percent compared to the previous year. In parallel with the development of the Serbian market, we have developed retail in Croatia, supplying a range of shopping malls, hotels, office buildings, inter alia, the Serbian Orthodox Church. In Slovenia, we started retail operations last year and we are already supplying some 100 end customers of electricity. In Italy, a company from our group delivers electricity and gas to approximately 30,000 end customers located in northern Italy. In the coming years, we plan to start expanding to the markets of Bulgaria, Albania and Bosnia and Herzegovina.

In addition to end customers, your company also supplies large systems and is engaged in the wholesale of electricity?

In all the countries located in this, so to say, wider region of Energia, our group is present on the wholesale markets, as well as on electricity exchanges. Our wholesale deliveries in the region of Southeast Europe alone (mainly Greece, Serbia, Turkey and Albania) were approximately 2.5 million MWh in 2016. We supply large industrial systems at high voltage, with KAP (Aluminum Plant Podgorica) certainly being the most prominent one. It is the largest electricity consumer in Montenegro and one of the largest regional consumers, with annual consumption of about 550,000 MWh. During 2016, we supplied Michelin Tigar Tires, a well-known manufacturer of tires from Pirot, which annually consumes some 120,000 MWh, as well as Elektromreza Srbije.

You offer specialized packages for different types of consumers. What can you tell us about them?

One of the reasons for our success lies in approaching customers and quick responses to their specific requirements and energy needs. Our relationship with each customer and potential customer is professional, regardless of the consumer size or media recognition. Therefore, we have managed to win over customers like Apatinska Pivara, Ball Packaging Europe, Swarovski Subotica, Metro Cash & Carry, Neoplanta and the entire Nelt Group, Philip Morris, Mona Group, Strauss Adriatic (Doncafé), Belgrade Department Stores, DDOR, Japan Tobacco Senta Mozart, Aroma Markets, but also a number of unknown to the public, large and small customers, factories, foundries, workshops, shops, printing shops, restaurants, bakeries, cafes. We strive to offer the lowest possible prices of electricity to our customers and for them to recognize in us a long-term and reliable partner.

Rapid social change, digitization, new technologies have also altered the needs of end consumers. How do you follow this rapid change and respond to customer needs?

Information revolution occurred a long time ago, both internationally and regionally. One specific quality of this technological revolution compared to the previous ones, I would say, is that the information revolution had not taken place and stopped at a certain level, it accelerates every year, progressively increasing digital capacity while reducing media, or the carriers of these capacities. In the electric power industry, which by its nature requires continuity, digitization facilitates and optimizes many processes.

Energia is investing in IT systems that facilitate our own operations, allowing us to meet the needs of our customers in more wide-ranging and better ways. For example, we are pioneers in the electricity market of Serbia when it comes to the design and manner monthly electricity bills are delivered. Energia's bills are absolutely understandable, based on the readings. Our bills are made, signed and also delivered electronically. We wish to improve our website [www.e-nergia.rs](http://www.e-nergia.rs) and make it a kind of energy portal for each of our partners and clients. Modern communications and social networks allow us 24/7 access to our current customers. We have also introduced a toll-free number for them, 0800 - struja, or numerically 0800 - 787 - 852

How do you assess the domestic electricity market and where do you see room for innovation and investment?

Serbian electricity market is one of the balanced markets, with the usual seasonality, i.e. winter shortages and summer surpluses of electricity. Domestic generation is significant and we expect that in the coming years, this generation will be offered at the Belgrade electricity exchange (SEEPX, opened in early 2016) on a much higher level. Our exchange could also become a reference exchange for electricity prices of the region. With a good geographic position of Serbia and the role of Elektromreža Srbija in the European transmission system, Serbia should become a regional electricity hub. All this would also bring benefits to end customers of electricity in Serbia. As for the public procurement of electricity for the needs of state institutions, municipalities, cities, public lighting, and public utility companies, the domestic market is not fully free. There is still a 5 percent price discrimination of Enerģia as a private supplier compared to EPS. This results in the fact that through taxes, one part of the money is taken from the citizens of Serbia, which through increased electricity prices for public institutions ends up in EPS.

Investments are certainly needed, but investments into smart digital meters that would replace old meters at the metering points are most necessary. Serbia is among the countries with the lowest percentage of smart meters. Savings potentials significantly increase and distribution costs fall with the digitization of meters. The real question is why Serbia has delayed the rollout of smart meters for a decade. Distribution system of Serbia also requires investments, to ensure quality and continuity of electricity supply, minimize voltage fluctuations and increase system reliability. The status of EPS Distribucija remains debatable. Namely, this company as an official distribution system operator must provide equal treatment of all producers, suppliers and end customers of electricity in Serbia. Distribution is currently owned by EPS, which is only one of the generators and suppliers of electricity in Serbia. This automatically brings into question the equality of other generators and suppliers of electricity. It would be justified if the state directly owns Distribucija, as is the case of Elektromreža Srbije, or Distribucija to become a branch of Elektroprivreda Srbije responsible for the lower voltage levels.

The true “innovation” for all gas consumers in Serbia, economy and households alike, would be a real liberalization of the natural gas supply. The state, unfortunately, without any justification still holds this market under a monopoly of one company - Srbijagas. Competition in any market is most favorable for the customers, bringing lower prices, higher quality and more satisfied customers. Enerģia Gas and Power has for several years now been holding a license to supply natural gas in Serbia and is ready to start deliveries to its customers, as soon as it is possible to lease the use of the free section of the state pipeline.