

In January, Electric Power Industry of Montenegro and Serbia terminated their contract regulating the usage and trade of electricity from hydropower Piva, after contract has been in effect for 23 years. Piva produces the so-called peak current which the EPS used for balancing its system in case of high demand or a breakdown. For one megawatt of electricity EPCG has received 1.4 megawatts of “regular” electricity.

“The requirement that the EPS set to resume the contract - a significant reduction in the coefficient for the exchange of electricity, was still unacceptable for EPCG, because the analyses have shown that the production of HPP Piva could be valorized higher if it uses the opportunities offered by the electricity market,” it was said from EPCG.

EPS in the first half of last year launched an initiative to modify certain elements of the contract in order to bring the “economic neutrality on both sides until the end of 2015 when contract terminates. “They said that their initiative EPCG is not accepted and that the contract is terminated prematurely.

“Undoubtedly, for 23 years of contract running, it was beneficial to both parties,” said the EPCG.

By termination of this agreement, and also “the fact that the supply of Kombinat with aluminum and Zeljezare of Niksic was no longer required of EPCG from 1st January 2013 ,” noted in EPCG, Montenegrin power balance structure is significantly changed.

Source; Serbia Energy See Desk