

A new phase of liberalization of the electricity market started on 1.1.2014, for about 3,200 customers in the medium voltage, which will, as expected, bring a little bigger prices but also more secure energy supply. Liberalization of the electricity market in Serbia began in 2013, when firstly large consumers of high-voltage went to the free market, from 2014 opens the market for consumers to medium voltage, and since 2015 also for the citizens. Beside 70 registered traders state owned power utility company EPS expects to remain with majority of market share says Obradovic EPS CEO.

Energy Minister Zorana Mihajlovic reiterated that there will be no delay of liberalization. Liberalization of the electricity market in Serbia began in 2013, when firstly large consumers of high-voltage went to the free market, from 2014 opens the market for consumers to medium voltage, and since 2015 also for the citizens, if they wish, and if they do not decide for supply at regulated prices, to which they will even afterwards be entitled to. Energy Minister Zorana Mihajlovic said that they all had plenty of time to prepare for the opening of the electricity market and reiterated that there will be no delay of liberalization. She sent a message to everyone, including budget users, for whom the process may take longer, because they have to comply with the public procurement process, to deal with signing of the contract for the supply of electricity, because, she said, there will be no forgiveness.

- We are accustomed for years that someone is constantly forgiving us something. It is simply impossible, because the system would be completely down, if we'd just said, there is no liberalization one month, because it does not suit to someone - Mihajlovic said, adding that even if the budget users are not made contract with their electricity supplier, they will remain without electricity.

She sent a message also to EPS, to focus all of its resources to the consumers, to accelerate the reforms of the company and to establish a good corporate system, which should not only include the centralization of procurement, but also lower costs and increase the efficiency of all companies in the EPS. Talking about the price of electricity for consumers in a free market, in which citizens are not included, Mihajlovic said that price is not determined by the Ministry of Energy, but there is a certain methodology for its determination, and the price will depend on the contract concluded with the suppliers and their customers. It was announced that the fee shall be uniform for all customers in Serbia since the beginning of 2014, no matter which distributors are supplying them with electricity.

Aleksandar Obradovic expects EPS to maintain a leading position.

Acting Director of EPS Aleksandar Obradovic said that the EPS is ready for a new phase of market liberalization, which enters into force on 1 January of 2014. He added that he expects EPS to retain a dominant position in the medium voltage, as it did on high, where he kept 97 percent of the market.

- We are very successful, we retain key customers, we are signing contracts with them - Obradovic said, stressing that EPS regained the medium voltage single customer, which was lost at high voltage - the company Messer.

EPS has already entered into agreements with the largest customers in the medium voltage, including the NIS, and the signing of the contract began in September, he said, adding that EPS will present the first official information on the agreement in mid-January.

- We're pretty active in co-operation with the government and various institutions, we explain to customers what the realization of electricity market means, and for us market competition has started long time ago - said Obradovic.

Answering the question what will be the price of electricity that will EPS Snabdevanje (EPS Supply ) offer consumers in the liberalized voltage, he said it will be the market price, and that it will depend on the number of customers, the amount of energy the customer consumes, the guarantees and credit worthiness of consumers and the like.

- Our offer for electricity will also be the same for all customers in the same category, who remain in EPS, of course, depending on consumption, and depending on under which conditions they sign a contract - said Obradovic.

He added that EPS has managed to retain a dominant role in the Serbian market even under difficult conditions, as the reorganization of the company was not carried out as planned, and that if there was a real reorganization, EPS would have been more effective, pointing out that therefore the target of EPS in 2014 is to implement the reorganization and to become a profitable company.

Secretary of Association of Energy of Serbian Chamber of Commerce (PKS) Slobodan Petrovic told Tanjug that he does not expect any major problems due to the opening of the electricity market in the medium voltage because, to his knowledge, the majority of these customers have already signed contracts for the supply.

He recalled that about 3,200 customers comes out on the open market from tomorrow, with approximately 8,000 measuring points, and the introduction and explanation of the procedure passed about 50 percent of them. One problem that arises is for budget users, including a variety of state and government institutions, hospitals, utilities, district heating, etc.. that must comply with the public procurement procedures, which sometimes can last for several months, said Petrovic and expressed the hope that the Ministry and the government will overcome this problem.

He added, however, that if one fails to timely enter into a contract for the supply of electricity, or until the New Year, in the following it starts with a backup supply, which can last up to 60 days, but it is much more expensive than in the case of timely concluded contract with the supplier.

Petrovic: "EPS supply" is the only one who can give the best offer.

- Although the Serbian market has about 70 licensed suppliers of electricity, out of whom

about 30 are active, “EPS supply” is at this point the only real bidder who can give the best offer to consumers – said Petrovic.

He said that the second phase of market opening, which begins on 1 January 2014, is just the first step in the process, noting that he expects the right liberalization of the electricity market to come to life only for a year, when the market is liberalized also at the low voltage from 1 January 2015, when the entire system runs-in.

Source; Serbia Energy