

## **Serbia: Companies consumers are not ready for the electricity market liberalization**

**Categories :** [News Serbia Energy](#)

**Date :** January 16, 2014

There are about 3.200 companies that have lost the right to supply electricity at a regulated price so they need to choose electricity suppliers. Problem is, that most economists meet completely unprepared that market liberalization that has been announced for a long time. Economists point to the lack of information on market opening and lack of knowledge about how to define the contest which will have to be announced when choosing a new supplier, noting that is not possible to specify the quality of supplied electricity by the contract.

So far there are around 70 electricity suppliers in Serbia, of which 30 are active. That number of 70 suppliers is not real and that the inactive companies probably just waiting to see how the market will evolve and will it be free place for them.

Suppliers will probably decide for those that have predictable and uniform consumption and duly paid. Problem will arise for those who do not meet these requirements. Unlike Croatia or Macedonia, in Serbia is not required by law that bills for electricity and network distributor service must be separated. Energy agency repeated recommendations to customers to request unbundled bill since the bill for the network operator service must provide information on how to change the consumption way to make account smaller. Despite all customers are not ready yet, despite they have prepared the liberalization even from 2008. Changing the supplier is free to the customer and should last no longer than 21 days.

Request for reserve supply shall be submitted to the customers who are not able to find a new supplier after the termination of the contract with the previous one, as well as those who did not choose a new supplier. Contract with reserve supplier will last no longer than 60 days, and then the consumer will be disconnected from the power supply network. Reserve supplier was the Serbia Power Utility Company by 1. January, but the Ministry of Energy announced a competition for a new supplier in late September. Some suppliers still believe that certain provisions favor EPS. Great Czech power company CEZ has also shown interest to enter the Serbian market, but their director of missions for Serbia Ljubin Popovski said that before the final decision had to wait for the adoption of the new Law on Energy.

Since the beginning of 2013th the electricity consumers at high voltage in Serbia were obliged to purchase electricity directly on the market. From 27 customers, 26 of them signed a contract with a full supply of Serbia Power Utility Company (EPS), and only the company Messer signed with other supplier, Slovenian GEN -I. All companies will choose suppliers on the market by 1. January 2015, and households in Serbia will also be able to participate in the free market, but with the option to keep using of public supply.

Source; Serbia Energy