

Serbia: Delayed electricity procurement for winter 2014, EPS plans 100MEUR imports

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Domestic experts in electricity market and tariff systems are warning that there is a serious delay in procurement of electricity for the winter which is missing because of the decreased thermal power plants electricity production caused by the lower supply of coal from Kolubara mine basin. Prolonged waiting is making electricity procurement more expensive, because other buyers of this energy source can appear in the region. According to the local medias World Bank is negotiating with EPS power utility company for a loan of 150 MUSD for electricity purchase for coming winter.

It's a fact that Serbia will be missing significant amounts of electricity during the winter, and prolonged waiting is bringing more problems, because other buyers of electricity can appear in the region, and with winter approaching comes increase in consumption, and price increase. There is a serious delay with that activity confirmed the analyst from Serbia Energy.

Serbia has a shortage of electricity, he said, certainly as of February next year, and should immediately procure electricity for the entire period.

As for logical direction from which Serbia could import electricity, in the immediate environment that could be Bulgaria, but given the amount of electricity needed, EPS state power utility company will likely buy electricity from several producers and traders.

There are serious warnings on indications that missing electricity can be compensated by coal imports from the region which are unreal.

Such announcements probably contain the idea that it is cheaper to buy coal and produce electricity at our own power plants, instead of importing electricity. This could work if the coal we use for electricity generation is located near Serbia. However, lignite is generally not transported over long distances. Power plants on lignite, that use imported coal do not exist in the world. That is because transport costs are extremely high explain the Serbia Energy business intelligence desk analytics.

However, there are power plants in the World that burn imported coal, but they use stone coal that has five times more caloric power than our domestic lignite.

Stone coal can endure transport costs from different parts of the World because its caloric power is equal to that of petroleum. But our power plants are not projected to use that coal. They are projected to use low caloric domestic coal, and they can't use stone coal. If Serbia imported stone coal, by his opinion, than we would have to buy equipment for mixing that coal in correct proportion with domestic lignite, in order to use that mixture in TPP Nikola Tesla.

This all requires time and investments

Minister of energy and mining, Aleksandar Antic, stated that he is still considering several options, whereby 'the ideal scenario is to reach coal systems at Tamnava pit until December'. If that doesn't happen, Antic left the possibility of importing missing amounts of coal from the countries in the region, and importing missing amounts of electricity as one of the options.