

The legal framework for the Serbia's electricity market is set out in the 2014 Energy Act, which, as the umbrella law, laying down general rules for performing activities in this sector. Serbia has transposed the Third Energy Package almost entirely, with the exception of the Energy Agency's authority to impose penalties.

The authorities responsible for energy are: the Government, which is responsible for policy and strategy management; Ministry of Mining and Energy, responsible for implementing the energy legal framework; and the Energy Agency, an independent regulatory authority responsible for licensing, tariff methodology and regulated tariffs.

The state-owned companies Electric Power Network of Serbia (EMS) and Electric Power Industry of Serbia (EPS) remain dominant players in the electricity sector. EMS is the transmission system operator. EPS is involved in the generation, wholesale and supply of electricity. The EPS branch, EPS Distribucija, operates the distribution system.

On paper, the electricity market is completely liberalized and all consumers have the right to choose their supplier. Currently, 67 companies are licensed to supply end consumers. However, in practice EPS remains the dominant player with about 95% share of the final supply.

Households and small consumers are entitled to regulated supply for the time being. The intention of the law is to gradually abolish regulated supply when the Agency determines that there is no longer any need for price regulation.

Spot electricity market, managed by SEEPEX A.D. (a joint stock company in which EMS holds 75% of shares and Epex Spot 25% of shares), was launched in 2015. SEEPEX is partnering with the European Energy Exchange (EEX) to launch electricity derivatives - futures transactions. Commencement of futures trading is expected in 2019. The idea is for EEX to list monthly, quarterly, and yearly contracts for the Serbian market area, versus a day ahead spot price on SEEPEX.

The planned annual generation from thermal power plants in 2017 is 72%, from hydropower plants 24% and other sources 4%. Planned exports and imports are 7.115 GWh and 4.731 GWh, respectively.