

In the electricity sector, pursuant to the Energy Law, bilateral and balancing market is being developed and the establishment of an organised market (power exchange) is being prepared in line with the relevant Government act. Wholesale market is developed with the participation of around 40 out of 86 licensed suppliers.

In terms of electricity production, 2014 was significantly different from the average year due to large-scale floods which affected lignite pits as well and due to long recovery period which considerably decreased production in thermal power plants.

The most dynamic activities of suppliers in the open market were in the field of engagement of cross-border capacities, mainly for the purpose of transit through Serbia, trade among suppliers and import in order to meet the demand of final customers. The import was significantly higher than export due to unavailability of a part of production capacities, open pits and thermal power plants. There were 39 suppliers who dealt in cross-border exchange, 7 suppliers in final customers electricity supply in the open market, while there was one supplier who was only a purchaser in the open market in order to meet his own demand. Power utility EPS was the dominant final customers' supplier.

In 2014, regulated market, i.e. public supply still covers a greater share.

In the electricity sector, more than 6,000 customers were not entitled to regulated market supply. They purchased

10.16 TWh (36% of final consumption). Another 5.2 TWh were purchased under market conditions for loss recovery in transmission and distribution network.

Due to the obligation to launch public procurement procedure and due to unwillingness of customers to launch energy purchase in the open market, a share of electricity customers exercised their right to the supply of the last resort during the period of market entrance. Competent bodies in 2014 adopted all the bylaws necessary for market functioning. The following bylaws are applicable:

- decrees on conditions for electricity and natural gas supply;
- rules on conditions for issuance, modification and withdrawal of the energy licence;
- Electricity Transmission Network Code (applied as of 2008 and amended several times) and electricity Distribution Network Code (applied as of the beginning of 2010 and harmonised with the Law and market requirements during 2013 and in 2014);
- Natural Gas Transmission Network Code of PE Srbijagas which also includes the necessary natural gas market rules;
- Natural Gas Transmission Network Code of Yugorosgaz (approved by the Agency in January 2015);
- Natural Gas Distribution Network Code (of PE Srbijagas was approved by the Agency in December 2014, and of most of other distribution companies in early 2015);
- rules on the allocation of cross-border transmission capacity for the allocation of 50% of cross-border capacities on 4 borders and with joint auctions on remaining 4 borders

- electricity market rules;
- supplier switching rules;
- rules on monitoring technical and commercial indicators and on regulating quality of electricity and natural gas delivery and supply;
- methodologies for setting electricity, i.e. natural gas transmission and distribution use-of-system charges; the Agency's Council also adopted the methodology for setting natural gas storage access price but it will be applicable to new storages that will be built in the future;
- methodologies for setting public supply electricity and natural gas prices and
- methodologies for setting electricity, i.e. natural gas transmission and distribution connection charges.

Electricity transmission use-of-system charges have been regulated since 2008, while the distribution use-of-system charges have been regulated since 2010. Natural gas transmission use-of-system charges have been regulated since 2008, while the distribution use-of-system charges have been regulated since 2009. , transmits Serbia-energy.eu