

Serbia: Energy Community to impose sanctions over NIS and Srbijagas

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Serbia requested the delay of implementation of sulphur in fuels directive which impacts GazpromNeft NIS. Srbijagas state owned gas company did not completed the unbundling process. TSO Co EMS have issues with CAO platform.

Due to unresolved energy issues, primarily the delayed unbundling in Serbiagas, Serbia could face the Energy Community sanctions and difficulties in EU membership negotiations, the Director of Energy Community Secretariat, Janez Kopač stated recently.

At the press conference in Belgrade, Kopač said that, that day, he had spoken to the representatives of the Ministry of Energy about open issues with respect to the implementation of obligations arising from Serbia's membership in the Energy Community and that four issues had been singled out.

"These are the issues that prevent the opening of the negotiation chapter on energy. Until these issues are resolved, it is unlikely that there will be any visible progress in the opening of energy chapter", said he.

He emphasized that the unbundling process in Serbiagas had not been concluded, i.e. the separation between the operational transmission system and the commercial activity.

"The Ministry has promised to us once again that this will happen by 1st July this year", Kopač said and added that, otherwise, the Secretariat would forward this issue to the Ministerial Council of the Energy Community so as to decide about imposing sanctions on Serbia.

According to him, EC sanctions can be formal such as a ban on voting at meetings and the withholding of the financial compensation for the costs of participation at the meetings of this organization, which is a sum of 30.000 to 40.000 euros annually.

More serious sanctions envisage the withholding of European energy funds from the pre-accession assistance IPA, which could also reflect on the funds planned for the gas interconnection between Serbia and Bulgaria, he warned.

The second open issue refers to the membership of the Power Grids of Serbia (EMS) in the Office for allocation of coordinated cross-border capacities in Podgorica, and for the EMS, the tariff of 40.000 euros that it has to pay is problematic.

The third open issue refers to the cooperation between the EMS and the Kosovo transmission operator in Kosovo (KOSTT) which envisages the establishment of a new supply company,

which has not been done so far.

"In this case, the EC Ministerial Council will probably make some decision", he said and added that no conclusions had been made that day and that they would try to reach an agreement, whereas the EC had made it clear that it could re-launch the infringement procedure against Serbia.

Likewise, Serbia has not fulfilled the European Directive on sulphur in fuels yet and wishes to postpone it by the end of 2019, Kopač said and added that this was unacceptable for the EC and that they would go for a compromise.

At the press conference, the Head of EC Gas Unit, Predrag Grujičić, said that the unbundling in the EPS was going well, transmits Serbia-energy.eu