

The newly formed company within EPS contracts mutual relations with the producers of electricity from renewable sources, according to the new regulations and rulebooks. At the end of July, the Company of “EPS Supply” began signing the agreements with privileged producers of electricity, since the PE EPS had previously conceded this procurement to it, according to the Energy Law and the new by-laws.

By July 31st, the producers of electricity from renewable sources- water flows, biogas, natural gas, wind or the Sun- were selling their product to the PE EPS, on and in behalf of which the work was performed by the Department for Electricity Trading of EPS. Since it is regulated by the Energy Law and by-laws that the public supplier is obliged to buy the electricity produced from the renewable sources, given that “EPS Supply” obtained the license of the public supplier on July 1st, the preparations, in order to take over this work and classify it into the activities of “EPS Supply”, have started immediately. However, the preparations weren’t finished only by changing the name of one of contractors in already existing agreements, as one might suppose, because “EPS Supply” is within EPS, and the purchase of electricity from the small suppliers remains in the same, common company. One part of the additional obligations is a result of the fact that the new Company is, however, new and completely defined legal entity, with all the rights and obligations that such a status implies. Also, in the meantime, on July 24th, the Ministry of Energy, Development and Environmental Protection made official a new contract model for the purchase of electricity from renewable energy sources in accordance with the Decree on Incentive Measures for Privileged Power Producers, adopted in February this year. This Decree, among other things, regulates a twelve- year-old incentive period of purchase of the total produced electricity at a discount price, the discount electricity prices and obligation of a public supplier to take over the balance responsibility and balancing costs from the privileged producers during the incentive period.

In this way, the Company “EPS Supply” took over this purchase and previously signed agreement from PE EPS, and started to sign the new ones with all the “small and independent” producers of electricity in Serbia. At the same time, the relation with the power plants owners that has the agreement with PE EPS is also regulated, and there are 38 of such owners and most of them own small power plants. A few owners have power plants on biogas, fossil fuels, as well as solar panels.

Mr. Zoran Jeremić, Director of the Department for Commercial Supply of the Company “EPS Supply” says that a few more “small” producers have applied for the electricity sale, which are in the process of requesting the status of privileged producers and they want to sign a temporary or permanent (twelve-year) agreement on electricity purchase. Our interlocutor reminds that by the Decree on Incentive Measures for Privileged Power Producers, which was adopted this winter, the content of the agreement is defined, and the feed-in tariff is established. All of the above has been put into the new model of the agreement between

“EPS Supply” and privileged producers.

Last year, PE EPS had agreements on purchase electricity from renewable sources with 37 producers, which produced 36.2 million kWh, for which the Electric Power Industry of Serbia allocated 494 million dinars, paying those kilowatts at discount price including VAT. Mr. Jeremić says that it is envisaged, by the Business Plan Revision of PE EPS of this year, to purchase 88 million kWh at feed-in tariff from the privileged producers, i.e. at prices that depend on the power plant capacity and the source of energy. He said that the privileged producers invoiced their July production to the name of PE EPS, and that the August invoice will be issued to “EPS Supply”, pointing out that the regulation of contractual relations of “EPS Supply” and the producers will be finished during September. Therefore, the innovation of the agreement content must follow appropriate dynamics.

Source; EPS Kwh/Serbia Energy