

With the electricity producers from renewable sources the newly established EPS economy company contract relationships under the new Regulations and Rules. Last year PE EPS had contracts on electricity purchase from renewable sources with 37 manufacturers who have produced a total of 36.2 million kilowatt - hours, for what the “Serbia Power Utility Company” has allocated 4.316.329 MEUR paying that kilowatt - hours at a discount price and value added tax.

In late July, EC “EPS Supply” began signing contracts with privileged electricity producers, after PE EPS previously ceded him this procurement in accordance with the Energy Law and the new by-laws. Inclusive by 31<sup>st</sup> July, the electricity producers from renewable energy sources - water flows, biogas, natural gas, wind and sun - they sold their product to PE EPS, in whose name and for whose account the EPS Directorate for electricity trading performed the work. Since the Energy Law and the by-laws regulate that the public supplier is obligated to buy energy produced from renewable sources, and that “EPS Supply” received public supplier license on 1<sup>st</sup> July, also immediately began preparations to take over this job and to bring “EPS Supply” in business. Preparations , however , did not end just by changing the name of one of the contractors in existing contracts , as it can be assumed since” EPS supply ” was founded within the PE EPS and that , ultimately , energy purchase from “small ” remained in the same , unique , company.

One of the additional obligations arose from the circumstance that the new EC is still new, completely defined legal entity, with all the rights and obligations that such status entails. Also, in the meantime , namely on 24<sup>th</sup> July, the Ministry of Development , Energy and Environment protection established the new model contract for the electricity purchase from renewable energy sources in accordance with the Regulation on Incentives for privileged electricity producers , passed in February this year. By this Decree are regulated, among other things, a 12-year stimulating period of the purchase of total produced energy at reduced prices, preferential energy prices and commitments of public suppliers in the incentive period to assume balance responsibility and balancing costs of privileged producers.

Thus, EC “EPS Supply”, assuming this procurement and contracts signed earlier by PE EPS, started signing new ones with all the “small and independent” electricity producers in Serbia. At the same time regulates the relationship with the owners of power plants which have contract with PE EPS, and there are 38. Among them, most numerous are owners of small hydro power plants. Several are owners of biogas plants and fossil fuels as well as solar panels.

Zoran Jeremic, Director of the Directorate for commercial supply in EC “ EPS supply ,” says that for the electricity sale have applied several “small ” producers , who are in the process of seeking the privileged producer status and want to sign a temporary or permanent ( 12 - year-old ) agreement on the electricity sale. Our source recalls that last winter by adopted

Decree on Incentives for privileged producers was also defined the contract content and was established feed-in tariff, and that now all is built into the new model contract between “EPS Supply ” and preferred manufacturer.

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Source; EPS Kwh