

Serbia: Establishment of energy stock exchange

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The document "Principles of Cooperation between PE EMS and EPEX SPOT for the establishment and functioning of Seepex" was signed in May 2014. The document specifies the current cooperation between "Elektromreza Serbia" and EPEX SPOT on the establishment of organized electricity market in the Republic of Serbia and the region of Southeast Europe. Has it was announced then, the stock market should be open by the end of the year.

To remind, cooperation between EMS and EPEX SPOT began with the signing of the Letter of Intent in March 2013 and continued through intensive activities of consideration and analysis the legal- regulatory and technical framework, both at national and European level.

Seepex will be a joint venture company with property share between EMS and EPEX of 75:25, the agreement will allow the establishment and development of organized electricity spot market in Serbia in accordance with the European target model, while ensuring appropriate platform for the planned establishment of a regional market the day - ahead.

The project is at the stage of concrete implementation, and provisional deadline the work to begin is the first quarter of 2015, while the stock market will completely begin to live in 2018, the expected profit is 400,000 EUR annually.

Regarding Seepex utility for market participants, the organized market will provide a centralized, user-oriented infrastructure, where all the bids are submitted in one place, so that the optimal hourly rates are determined on the basis of supply and demand.

Thus, the resulting market prices are undoubtedly more relevant than those that are formed in the bilateral market, since, given that the regulated market concentrates liquidity in the market, it is much easier to find the matching offer this way, but without the infrastructure provided by the stock market.

The rules of trading on the electricity stock exchange are public and these are the same for all members of society. The centralized function of financial settlement with the central mediator, i.e. partner (clearing house) will increase financial security of market participants, and thus reduce financial risks.

Platform and services provided by Seepex will greatly strengthen a European integration project, which directly leads to improvement of the investment framework in the field of electrical engineering.

Full market opening in the region will bring the regulated electricity prices, the existence of defined market rules and much needed investment in the energy sector. The development of the energy stock exchange in the region does not go by identical pace. The Romanian stock market OPCOM achieves great success while other stock exchanges have yet to realize the



ambition to unify the fragmented market and attract more partners.