

The announced opening of the electricity exchange SERPEX is in its initial stage, and the implementation of the project is being done together by Serbian power grid Elektromreza Srbije (EMS), Ministry of Energy and Energy Agency of the Republic of Serbia (AERS). It seems that this initiative is seeking private capital or engagement from EU exchanges like EPEX or EEX.

Opening of the electricity exchange offers multiple benefits to the Serbian energy market, among which the most important are: ability of hourly balancing of surpluses and shortages for the electric energy suppliers in the domestic market, reduction of risk for big consumers of the electric energy in case they decide to participate as a balance responsible party and to supply directly from the market, reduction of the national company's monopoly on prices of the electric energy, increasing competition and free forming of electric energy prices, potential for additional revenue for the national company in case it decides to support the electricity exchange as a "market maker" (participant ready to assess the value of electric energy at all times, when offered to buy or sell to another participant).

Opening of electricity exchange will go in parallel with the additional liberalization of Serbian electric energy market until 2014, when more electric energy buyers who will be able to choose their supplier are expected to emerge.

Serbian Energy Agency, as a regulatory body in energy, offers full support to the opening of the electric electricity exchange. "We support opening of the electricity exchange, because it will lead to creation of a more dynamic market, increase competition and reduce prices", says Ljiljana Hadzibabic of the Energy Agency. Whether the electricity exchange should be administered by a new operator, independent from the existing energy subjects instead of electricity grid operator, Ms Hadzibabic answered that the initial idea was to have the electricity exchange administered by an independent operator, but due to lack of educated staff and an appropriate body, it was decided to have the electricity exchange administered by the operator of the transmission system EMS (had been awarded the market operator status), while after some time independent institutions for administering of the electricity exchange would be formed. Hadzibabic added that there is still no official government decision on opening of electricity exchange.

EMS CEO Nikola Petrovic, in his statement confirmed the electricity exchange will have dry start from beginning of the next year, and will officially be open for participants in the third quarter of 2014. That will help Serbia to establish its road towards the EU, where the electric energy market and energy in general are very important component of the accession negotiations. According to MR Petrovic's words, EMS was interested in the French EPEX Spot model (www.epexspot.com). EMS is ready to offer co-ownership in the project to the French EPEX up to 50%, announces Petrovic.

It may seem that there is room for private capital in the ownership structure,. It is still unclear whether the future the electricity exchange will be a joint stock company and where it will be listed (in Serbia or outside Serbian borders) or there will be a third solution.

Source; Serbia Energy