

TSO Company Elektromreza Srbije” (EMS) will form the energy exchange in March next year, which will become fully operational in the fourth quarter of 2014<sup>th</sup>. Most of the work has already been completed and the stock market is ready to start with work next year. Partner in the electricity exchange formation will be French company “EpeX spot”. We expect that first exchange clients will be Montenegro, Macedonia and Republika Srpska - said Nikola Petrovic, EMS General Director. How will EMS solve the problem with wind energy developers?

Petrovic said that Serbia will become an energy hub with the exchange establishment, adding it was planned later to connect Serbian Energy Exchange with Hungary. According to him, for the past three years EMS filled the Serbian budget with nearly 80 MEUR, indicating that a public company in Serbia could successfully operate without losses. - EMS has recorded good results from the moment when, a little more than a year, new management has come in the company. The company achieved gross operating result of 4 MEUR in the first half of this year, which is 320% higher than in the same period in 2012<sup>th</sup>. Petrovic said that losses in the electricity transmission were decreased from 2.68 to 2.53%, which is in line with European networks.

#### Capital projects in 2014<sup>th</sup>

As EMS director says the implementation of capital investment projects such as substations “Beograd 20” and “Vranje 4” are planned in 2014<sup>th</sup>, and Trans-Balkan corridor project for the electricity transmission was also planned, which is a kind of electro—energetic counterpart to South Stream.

-I expect full completion of the substation “Beograd 20” in the 2015<sup>th</sup>. The access transmission lines of 400 KV should be cut between Pancevo and Lestane and the track to Mirjevo brought. The only problem with the land expropriation was reduced to 1-2 poles of the existing 50. We expect it to be solved, and that in the spring starts the transmission line construction. Two transmission lines of 110 KV and substation go with the flow, so it will be ready by the end of next year - Petrovic confirms.

When substation Mirjevo starts to operate, it will be provided a steady electricity supply of households in the northern, northeastern and central part of the city, which are about 300.000 inhabitants. In addition, “Beograd 20” should bring savings of one MEUR annually to Serbia electro-energetic system, because the electricity will be distributed with reduced losses.

In the coming year in EMS plan Trans-Balkan corridor development through our country. - It means that much more energy will pass through Serbia. An underwater cable between Montenegro and Italy has been done, and big energy migration from the north of Europe is expected to happen. We should make a little stronger network on this section - next year already starts a connection establishment from Romania to Belgrade, and then should continue from Obrenovac, over Bajina Basta to Pljevlja, with one line crossing from

Republika Srpska.

According to our source, in EMS expect to complete construction of substation "Vranje 4".

-Tender for construction of access transmission line of 400 KV is over. Two companies "Energomontaza" and "Energoprojekt" applied for this work and it has not been decided yet who won this competition.

#### Connecting transmission lines for wind parks

Given the fact that in July was made decision that EMS will be responsible for the construction of the connecting transmission line for wind parks, and that investors disagreed with it, we asked the EMS first man how the situation was resolved.

- It was quite complicated, and such situation does not fit to investors. In the new energy law this problem will be solved, namely it will be known exactly who is responsible for the transmission line.

Source; Serbia Energy