

The Council of Ministers should, at the next meeting scheduled for 17 December, consider the violation of EnC rules by Serbia, because it did not separate the activities of gas operator Jugorosgas Transport, said The Director of the Energy Community (EnC) Secretariat Janez Kopac.

Kopac said that it was a serious case of violation of EnC energy law and that Jugorosgas Transport, a subsidiary of Srbijagas, was not certified in accordance with the Third Package. He added that the Secretariat is not insisting on an infringement procedure now, since some things have been realized after all. But if Serbia does not take measures to separate activities under the Third Energy Package, the Secretariat will initiate a new procedure against Serbia.

He said that the company Srbijagas has not harmonized its operations with the EC Treaty since its establishment, so it can be said that the case started in 2013, and the non-compliance with the Third Energy Package of Srbijagas has been going on since 2016.

Asked if there were any more problems in Serbia's energy sector, Kopac answered that Srbijagas is blocking access to competition at the entry point into the Serbian transmission gas system from Hungary near Horgos. Free access to the system at every point is a basic principle of the Third Package, and it is also a serious violation for which a case has been opened, which will be considered by the Council of Ministers next week.

He also pointed out that Serbia has been avoiding the implementation of the directive on the maximum share of sulfur in fuel oil for years. Another big issue is the unreasonable support for coal. Kopac reminded that President Vucic signed the Sofia Declaration, which envisages complete decarbonization by 2050, but a month later he announced the construction of a coal-fired thermal power plant Kostolac 3. A coal-fired power plant cannot be depreciated in 25 years and it is completely unreasonable if the promise of decarbonization is serious. According to Kopac, in accordance with the Sofia Declaration, Serbia would have to immediately introduce pricing for carbon dioxide emissions. In the region, only Montenegro has done that so far, and the EU will introduce a cross-border tax for carbon dioxide emissions next year.

The Secretariat also has significant objections to the regulatory framework of the Balkan Stream gas pipeline through Serbia (the extension of TurkStream), because the regulator's decision to exempt the project from the main principles of the Third Package on free access, tariff regulation and separation of activities did not respect the Secretariat's opinion. Kopac said that the Secretariat's opinion was not accepted in the part on long-term exempted capacity, monopoly position of Gastrans' shareholders, the separation of Srbijagas' activities and, most importantly, Serbia did not introduce any preventive measures against the future monopoly of Gastrans (which is 51 % owned by Russian Gazprom) in the domestic market.

