

The tender is ready, but cannot be announced until the official approval arrives from Government. In the „Electric Power Industry of Serbia“, it has been emphasized that they timely took all measures to ensure a secure supply of electricity during the upcoming winter, as well as that the tender for coal import will be announced when the Government approves the modifications of the annual business plan of the EPS for 2014.

Serbia will have to import all the kilowatts that will be lacking this winter. We will have electricity, but it is questionable at which price. As colder days are coming, the prices on the world market are rising, and the tender for coal import, as one of the ways to provide the lacking quantities of electricity, has not been announced yet. In the „Electric Power Industry of Serbia“, it has been emphasized that they timely took all measures to ensure a secure supply of electricity during the upcoming winter, as well as that the tender for coal import will be announced when the Government approves the modifications of the annual business plan of the EPS for 2014.

As it has been stressed in the EPS, the tender for the procurement of coal from abroad has been prepared and now they are waiting for the Government’s “green light”.

- As soon as the Government has given its approval of the amendments to the annual business plan of the EPS for 2014, the tender will be announced - it has been said in the EPS. - These amendments also include the effects of the recovery and repair of damage caused by floods, as well as the Decree on determining the state program for reconstruction of damaged power facilities for electricity generation. The procurement of coal for the needs of thermal power plants is therein. We expect the Government approval by the end of this week.

By procuring coal from abroad, the authorities want to secure themselves in case of a gas crisis in Ukraine, a disruption on the electricity market and the possibility of certain countries declaring force majeure and thereby suspending the deliveries of electricity which the EPS has already arranged.

IMPORTED KILOWATTS In 2014, the EPS has purchased 1.2 billion kilowatt-hours outside the system and this has cost 55 million euros, but, from 15<sup>th</sup> May, i.e. from the beginning of floods, to 15<sup>th</sup> September, one billion kilowatt-hours were purchased for 47.4 million euros - it has been said in the EPS. At that, in 2014 the EPS has managed to sell energy on the free market for 41 million euros. This means that, financially, 14 million euros have been spent since the beginning of the year, and of this, 6.5 million euros as the consequence of floods.

- When it comes to ensuring the security of supply, the EPS is not late, because we have already ensured sufficient quantities of electricity and emergency import has not been planned - it has been said in this public enterprise.

However, it is questionable what kind of bids will arrive for the tender for coal import.

Because, experts emphasize that the procurement of low-calorie lignite would not be cost-effective, mostly due to the expensive transport. According to certain estimates, the

procurement of coal can be cost-effective only at the distance of one hundred kilometers from the thermal power plants. At any greater distance, electricity generation would be deadly expensive and more costly than the imported kilowatts.

- Coal will be imported only if, in the tender, we have obtained a bid with the price which provides that the electricity generated from the imported coal in the power plants of the EPS should cost less than or as much as the imported electricity - it has been said in the EPS.

During the coal import, the World Bank could also make a problem, because foreign kilowatts of electricity are paid from their loan.

- The costs of the procurement of electricity outside the EPS as the consequence of floods will be covered from the profit of the EPS achieved by selling the electricity and from the loan of the World Bank - it has been emphasized in the EPS.