

Serbia: Power market developments, 138 buyers have left state power utility EPS

Categories : [News Serbia Energy](#)

Date : August 20, 2014

By the opening of the electricity market in 2013th consumers at high voltage were required to choose and sign a contract with a supplier who does not have to be Electric Power Industry of Serbia. Since last year, about 4,200 customers in the medium voltage and those on low who do not have the status of a small customer had to make the decision on the supplier's selection, while by the next 2015th it will so also the consumers in the household category. The game at the domestic electric market has started, and the companies GEN-I, Rudnap, Vukovic in 1967 and Nova Komoditis also compete with EPS also for customers in Serbia.

So far, according to information received from EPS Supply, 138 customers until recently EPS's elected another supplier, or 2.8 percent of the total number of consumers, while in the process of replacing is another 30 or 0.6 percent.

When it comes to the household, it is not expected that too many people will seek a new supplier, since the average price of electricity for that category, even with the increase in the price, among the lowest in the region, so there is a little chance that competitor offers lower price.

- The experience of developed countries shows that few households change supplier. If is so in circumstances where the market price is regulated, it is unlikely that suppliers in Serbia will be able to give a more attractive price than the one offered by EPS Public Supply - says Ljiljana Hadzibabic, a member of the Council of the Energy Agency, adding that it would be good that heating price would be less than the regulated one, as in this case the use of electricity in heating season would increase.

However, adds our interviewee, it is possible that other suppliers or EPS as a supplier on the open market offer a lower price for some consumption profile during, for example, the heating period.

Judging by the customers' number who have changed suppliers from the beginning of the electricity market opening, it is obvious that one after the other dealt with the initial difficulties that have accompanied this process - from the companies reluctance to enter the market to the confusion about the implementation of public procurement. The market is slowly broken in, but there are still obstacles to "come to life" like the one in the example of Slovenia and Croatia.

- EPS supply still does not behave commercially. The prices offered to buyers are usually below the market because it has the privilege of buying the energy of their manufacturers at these prices. Also, by the introduction and submission of origin certificates for domestic goods in the public procurements, which is provided by the Law on Public Procurement, EPS

Supply has the advantage of 15 percent in price from the start. In order that market would be open in this customer segment, the electricity must be exempted from the criteria of domestic origin, as is the case in other countries. Another reason for the slower market opening is that there are no clear rules, standardization and automation around the delivery of metering and billing data by the transmission and distribution systems supplier. If the suppliers had detailed measurement data, customers would have a lower price - says for "Danas" Dejan Paravan, executive Director of Sales in GEN-I, and adds that the company plans to expand sales to end customers, offering alternative products and amenities tailored to customer's consumption profile , which will be competitive.

Our interlocutor states that GEN-I has been contacted by the customers who are already on the market in order to find out the conditions of supply and possibly to change the supplier. He adds that customers who went last year on the market were quite aware of the advantages, but the advantages and consequences of the open market are still quite a mystery to those who are in it since this year.

It is not hard to imagine that the next months on the Serbian electricity market will be dynamic and interesting. As stated in the Energy Agency, it is likely that new ones suppliers will join to those who are already active on. Attention of all, as the market rules order, will be focused on a strong and successful company. Companies in bankruptcy, companies in restructuring and evaders certainly are not interesting customers. The deadline by which they can be on the reserve supply has been extended several times since the beginning of the year due to customers who did not arrive in time to carry out the public procurement e, and if they do not choose a supplier until the new expiration date, according the law, it should be followed by exclusion from the network.

Deadlines

- Customers who had to carry out the procurement successively were leaving a reserve supply. The Government adopted a conclusion on June 26th that EPS supply ^t, continue with spare supply of businesses that are in the process of restructuring or bankruptcy at the latest by December 31^s - said Ljiljana Hadzibabic.

Licensed 79 suppliers

In the electricity market, according to EMS, at the moment there are 79 licensed suppliers. Of that number, 42 suppliers have acquired the status of a balance responsible party which provides the trade in electricity.