

Serbia power market liberalization, phases and obligations: EPS and “Srbijagas” get competitors

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EPS and “Srbijagas” get competitors since 1.1.2013, because domestic gas and electricity market is open for big consumers which can choose who they purchase this energy from at most beneficial conditions. According to the plan, households will also have this convenience.

Electricity market for big consumers opened in Serbia on 1.1.2013. EPS and Srbijagas have supplied these companies and plants so far. Besides them, consumers have to choose the most beneficial supplier now. Households will be able to choose who they will buy energy from, since 2015.

Market opening means that part of market is exhibited to free market price forming without any supervision or anyone’s regulation. There is no Energy Agency’s supervision, no government’s supervision, suppliers competes to offer lower price, says Ljiljana Hadzibabic from Energy Agency.

“60 electricity suppliers were registered on Serbian free market, but just 20 of it are active. 21 suppliers were licensed, only two of them worked”.

Serbia is actively being prepared for full opening of this energy market, but certain adjustment period is required.

“All of it has been made for half a million buyers market supporting. We are opening market for 27 electricity and 60 gas buyers. It is research period for us to see if we did everything, where we make mistakes and if something can be better”.

Adjustment period during which system weaknesses were recognized existed in all countries. Everyone will be involved, Agency, operators, buyers and there will be interventions

wherever is needed. Even broader market opening will be in 2014, says Ms Hadzibabic.

Big buyers, plants or companies, are often biggest debtors for delivered gas and electricity.

“There are also situations everywhere in the world that someone cannot be cut off from net even though it can’t pay electricity bill, occasionally or always. Those situations are typical for hospitals or railways. State must take over that part of burden”, says Ms Hadzibabic.

The Cheapest Electricity in Serbia

The question is: “Does open market bring lower gas and electricity prices?”

“We analyzed around 30 European countries for electricity and about 20 for gas in our region. When it comes to electricity, we have lowest prices and we are second to the last when it comes to gas. Only Romania has lower price for biogas from its sources”, says Ljiljana Hadzibabovic.

“Our price is the lowest possible on market at the moment and I don-t believe that lower price than this can be found, because state protects the poor, reconstruction companies and those who cannot pay. But there are also wealthy companies which sells its products at market prices and use cheap energy”, says Ms Hadzibabic and adds that there are two main reasons for electricity and gas market opening in Serbia.

We won’t be able to build any new object, as long as there are low prices, and EPS and “Srbijagas” will have no funds to develop, unless there is an economic price, was said in Energy Agency. Other investors will have funds, but they won’t be able to justify investment, because they cannot return invested funds at low price.

That is the main reason why market is opening. Other equally main reason is that we signed the contract about energy association where we accepted dynamic of market opening and economic price managing”, says Ljiljana Hadzibabovic from Energy Agency.

Source Serbia Energy Magazine