

In the next two to three years, Serbia will have to increase the electricity price at an economically sustainable level, in order that EPS could operate with a profit that allows investment in new energy objects and the maintenance of the existing network. If we bring now the electricity price to an economic level, the electricity prices would increase by 20 to 30 percent .

State has an official strategy that anticipates reaching of economic electricity price within two to three years and warned that if this did not happen, EPS would not be able to carry out the necessary investments in the development of electric power systems.

There are three EU directives related to this area and Serbia now works on the implementation of the third among them. The goal for this year is the creation of a single energy market and strengthening of the regulator role. The Energy Agency now approves the rates, not the government, which was done in order to create prices on the basis of professional criteria. The regulator jurisdiction will be extended so that they will be able to impose fines of up to 10 percent of the company profits which would order rules – said Tanic.

Serbian power exchange should come in life in 2014, which will be linked to the regional stock exchanges through which electricity will be traded. At this moment there are 66 licensed electricity suppliers in Serbia, of which 23 are active, while the gas market has 27 licensed suppliers, among which three are active. The liberalization of the energy market is reflected in the fact that buyers of electricity at high voltage (large consumers) are no longer tariff customers, which means they do not buy electricity at regulated (lower) prices, but at the prices prevailing in the open market. From 2014. the buyers of medium voltage electricity will have to pay the market price, while the regulated prices only will be applied to the citizens and other small customers who purchase electricity at low voltage.

Abandoning the concept of regulated prices is evident in the fact that the production and wholesale of electricity is no longer an activity of public interest. As added Tanic more than 90 percent of the profit is unregulated on the gas market.

At the moment the electricity price in Serbia is the lowest in Europe, while only Romania had a lower gas prices than us.

When it comes to Serbia annual gas prices from Russia, saying that we got gas at prices common to the region, but on that price we had to pay another 10 percent of fee for transport over Hungary. Serbia was one of the few countries that had the right to pay only the amount of consumed gas, while most countries had to pay the full amount that was contracted.

The electricity price will rise

- There is a trend of prices increase in the future. The room for rationalization costs in the EPS system exists, but it is necessary to provide a reasonable profit rate in order to allow investment in development. Electricity prices will rise also because of the carbon dioxide

emission that we have to pay, as well because of subsidies for renewable energy sources. Besides, some power plants will have to be closed from 2017. because of too much carbon dioxide that they produce, and these capacities we will have to compensate by building new ones. In relation to the gas, the economic cost was already reached.

Source; Serbia Energy