

Serbia: Power utility EPS electricity trading division EPS Trade has ambitious development plans

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Only the one who has his own production will have a better perspective in relation to someone who has just a financial capital says Dragan Vlasisavljević, the Executive Director for Electricity Trade Affairs in Power utility EPS Group.

Our main goal is to minimize the cost of supply and profit maximization of primary energy and electricity trade is in the function of balancing the electricity power portfolio, said Mr. Dragan Vlasisavljević, the Executive Director for wholesale of electricity.

We have a development plan for electricity trade in the coming mid-term period, and the positive effects have already been achieved through “EPS Trade”.

What are the most important tasks and duties in front of EPS group regarding the wholesale trade in the future, what should be changed compared to before?

Our main task is to balance of the power portfolio and it's influenced by the fact that EPS is forced to import the electricity in the winter, as well as planning the overhaul of the thermal power plants. In the following period, it is necessary to change the whole way of planning both in the time domain (from one to five years) and all segments, including trade. Anyway, this year we have started the implementation of the IT systems to support the planning, in three segments: support trade, the use of IT tools in the planning process and system for monitoring and collecting information in real time. These complex and interlinked systems ensure the operations to be performed in the time domain from one hour to one year in advance.

Why is it important to plan the trade, but also the production, overhaul and maintenance for a longer period than the current plans?

Time overhaul plan, primarily of the power plants, has great impact on electricity trade. The plan is made to avoid periods when we will have to buy expensive energy and sell it cheap. I hope that the overhaul activities will be prepared two or three years in advance with this new way of planning which will be at five -year medium level. Time overhaul plan should be adapted to the electricity market. The cheapest energy is in the spring, when we have the biggest hydro production and when it is necessary to overhaul the thermal capacities.

Due to the market developments and European energy policy, what are the perspectives of EPS trade?

The trade of EPS in the forthcoming period will be based primarily on trade and management of the electricity portfolio. Depending on the financial resources of EPS group and the level of

development of the commercial infrastructure in the region, the scope of buying and selling of the other people's energy will increase. This requires positioning in multiple markets. "EPS Trade" works on several markets, and EPS can trade only in one market - in Serbia. That is why the mother-daughter companies are tightly related. Now, all decisions on trade are made in PE EPS, and through daughter company, all the administrative and technical operation are completed in various countries and markets and stock exchanges in the region. Only the one who has its own production will have better perspective in relation to someone who has just the financial capital. For EPS, it is very important that the power plants, primarily the TPP, are competitive.

What is the position of EPD in the free market and what are the effects of "EPS Trade" operation on the profitability of EPS group?

Last year was very difficult for EPS, but with trade and use of good hydrology we have managed to reduce the damage to some extent resulting from the inability of TPP production. As for the coming years, EPS will use the opportunity to go to the other markets and stock exchanges directly with their daughter company "EPS Trade". On 1st April, the PE "EPS Trade" started to work on the electricity stock exchange in Budapest and we have positive effects. Otherwise, the access to the four markets is granted through Budapest: in the Czech Republic, Slovakia, Hungary and Romania and it is possible to access to one joint market. By the end of 2015, we will begin to trade on the electricity stock exchange in Slovenia, which is open to a large market of Italy.