

Group of authors comprising Aca Vuckovic, Nebojsa Despotovic and Milica Brkic-Despotovic from the Energy Agency of the Republic of Serbia, in their paper on the topic of system services pricing inside the power system, gave a brief overview of system services in the light of new European regulations, as well as the Serbian legislation. It also describes the pricing methodology for system services applied inside the power system of the Republic of Serbia, with special emphasis on capacity reservation prices for secondary and tertiary regulation.

The transmission system operator is under obligation to provide system services defined by the Grid Code, to ensure security and stability of the power system it operates. According to the present, but also under the new European grid code, it is envisaged that some of the reserves must be provided from capacities connected to the system. Therefore, when there is a dominant producer within the system, there are no conditions to establish competition of different capacity providers, whereby the regulator needs to determine a fair price for the provision of the latter. Hence, the main point of this paper is to explain the pricing method based on the estimated lost revenue in the electricity market.

Bearing in mind that some of the system services must be provided from facilities connected to their own system, the question is how the capacity reservation prices will be determined – freely on the market, based on the system users' offers or the price should be regulated, i.e. determined by the energy regulator? The answer to this question depends on many factors such as the level of development of production capacities inside a system, and whether there is a generation monopoly or more power producers, what is the congestion of cross-border capacities and the level of development of the regional system services market. The latest legal solutions in Serbia stipulate that the power reservation prices for system services of secondary and tertiary regulation may be regulated and that the Energy Agency of the Republic of Serbia will on 1 May 2017 for the first time assess whether such prices will be regulated after this date, transmits Serbia-energy.eu