

Ministry of Energy announces that by the end of the year Elektromreza Serbia should open the electricity stock exchange in cooperation with the French company “Epex spot.” The Energy Board also was established on the basis of the idea of the electricity market liberalization, whose members are the countries of Southeast Europe, Moldova and Ukraine, observers Norway, Turkey and Armenia, and future member Georgia.

Simon Uzunov, Head of Department for power system in the Secretariat of South East Europe Energy Community (EC) said that net import in this region was eight terawatt hours during 2012nd and net exporters only are Ukraine and Bosnia.

Noting that at the regional level only foreign trade and large consumers supply are on the free trade regime, while the retail and supply are regulated, Uzunov said that it restricted the market and prevented end-consumers to be the market carriers.

Everything that hinders the EC development

Uzunov has listed a number of problems with the market opening in the region, such as the supply obligation of public supplier, which is not the case in Serbia, but it reduces the amount of available energy on the regional market. Regulated production costs also impede market entry and new investment. The great dominance in manufacturing at regional level, according to this representative of the Energy Community, hides danger of dominant position abuse. As he said, market is suppressed on the supply side by block tariffs, consumer protection with lower tariffs, as well as electricity theft and poor collection (in Albania is not paid half of consumed electricity).

As structural problems Uzunov pointed out regulated bilateral market and defectiveness of public procurement in electricity, and very little activity of only part of the 246 licensed traders in the region. The problem also is the lack of stock exchange in the region, as referent electricity price is determined by them.

“Although is not good that anyone has a stock exchange”, said Uzunov.

The electricity will not become cheaper with stock exchange

It is expected to make trading in this segment more dynamic with the establishment of the electricity stock exchange in Serbia, but because of that it should not be automatically expected decrease in electricity prices, assessed Ljiljana Hadzibabic, a member of the Council of the Serbia Energy Agency. She added that the electricity price would depend on various parameters and conditions governing in the market after the upcoming legislation. “Feasibility study and action plans have been done for the stock exchange. EMS has found partners in France, which will assist them in the financial part of the stock exchange, so after the appropriate legislation adoption it is expected that stock exchange starts up by the end of the year”, said Hadzibabic.

Source; Serbia Energy