

Serbia: Wholesale electricity market, households choose electricity supplier from 1st July

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Draft Law on Energy predicts that from 1st July of this year or no later than the date of the new law entry into force, citizens will be able to choose their electricity supplier, said Minister of Energy in resignation Zorana Mihajlovic. Mihajlovic stated that the entire section of the Draft Law was dedicated to final customers supply with electricity, and that the supplier requirements were to inform the customer about the terms of electricity sale.

"The rules on supplier change which is free were also enacted. Market opening offers a possibility of supplier and sale condition choice, and therefore prices choice and better selection of commercial services", said Mihajlovic.

She also said that, due to the fact that customer will have access to all information about the suppliers and the terms of electricity sale, he would be entitled to make a decision on the supplier choice based on the gathered information and to take the risk of its choice, and that the consumer protection was also done with Energy Law.

Asked what does concretely the new Energy Law bring to households and businesses, Mihajlovic responded the profit of the market opening was real energy price and the opportunity to invest in new production capacities, which will provide long-term supply security.

"Households can choose the supplier that offers the most favorable conditions for the electricity sale. Among 75 licensed suppliers, who are mainly engaged in wholesale, for now, the six expressed interest in supplying end customers", she added.

Mihajlovic also stressed that, because of the competition possibility, it was important for EPS to be competitive in terms of price and conditions.

She explained that also the third energy package of the EU directives, when it comes to electricity, imposed an obligation on the separation of the transmission system operator, which was reflected in the fact that the same owner could not manage the transmission system operator, production and electricity supply.

"As for the gas and the gas pipeline "South Stream ", specific solutions will be made in accordance with what Russia and the EU member states participated in the project would agree", said Mihajlovic.

She emphasized that Serbia's energy sector was an inseparable part of European energy space and reminded that Serbia in 2006th signed the Energy Community Treaty and therefore was committed to gradual harmonization with the EU acquisitions in the energy sector.

"So, the process has begun long ago, and negotiations with the EU, ahead of us, it will be only the final step of the process that we have started in 2006th", recalled Mihajlovic.

Asked whether she thought the new law and the market opening for house holds will prevent the electricity price to be social category, Mihajlovic responded that the electricity price already was not that and the objective of market opening was to achieve a market electricity price.

She added that the law "recognizes the energy protected purchaser, about which has already passed the bill, and which protects vulnerable customers categories".

Mihajlovic said that the goal of the new law was not only meeting EU requirements or just directives takeover, but removing the limitations and shortcomings identified through the application of the existing Energy Law.

"The market opening has aim to increase the competitiveness, and thereby selection of supplier, supply conditions and lower electricity prices. Market will enable EPS to sell electricity at market prices, and suppliers cannot dictate prices to EPS. If there is energy excess, the assumption is that the electricity value in Serbia will be lower, according to the general rules of the market and the competition", explained Mihajlovic.

Mihajlovic said that preparation for the legal form changing of a public company were under way in EPS and Elektromreze Srbije, with the support of the Ministry and that they would be realized very soon.

Source; Serbia Energy