

From January to the end of September 2021, EPS made a profit of 8.5 billion dinars (72 million euros).

Since then, in the next nine months ending with the last day of June, a total loss of 610 million euros was made. In the last quarter of 2021, expenses exceeded revenues by 185 million euros, and then another 418 million euros were lost in the next six months, according to the report on the implementation of EPS's annual business plan for the first six months of this year.

Thus, the financial effects of a series of accidents and energy collapse from the last heating season are approaching the sum of one billion euros.

The total financial debt of the largest energy company in Serbia on June 30 of this year rose to 177 billion dinars or 1.5 billion euros, which is 30 billion dinars more than at the beginning of the year.

At the end of June, there were only thirty million euros in the EPS accounts.

The most important reason for such poor performance of Elektroprivreda is shortages in electricity production.

Electricity production in the first half of the year is 16 percent lower than in the same period in 2021.

In addition to problems with adequate quantities of quality coal, EPS also faced drought and poor hydrology, due to which electricity production in hydroelectric power plants was 27 percent lower than last year.

The production of electricity from renewable sources was lower than planned by 56 percent, while the production of electricity in thermal power plants was lower than last year by nine percent. Coal-fired thermal power plants produced 10 percent less electricity, but Pannonia Elektrane's TE-TO produced 56 percent more electricity than in the first half of last year.

3.7 billion dinars were spent on gas for electricity generation in TE-TO, and 6.8 billion dinars were spent on additives and fuel oil for burning coal in boilers in six months.

EPS's plan is to import as much high-quality coal as possible from the surrounding area, primarily from Montenegro, and by mixing it with coal from Kolubara, reduce the potential import of electricity in the winter months, and increase domestic electricity production as much as possible.

1.1 billion dinars were spent on imported coal for thermal power plants.

Another reason for the financial disaster in EPS, closely related to the production shortfall, is the increased import of electricity and, as stated in the report of this company, at record prices.

In the last quarter of 2021, EPS bought 1,244 gigawatt hours of electricity on the market at an average price of 232.8 euros per megawatt hour for a total of 289.7 million euros.

In the first half of this year, 2,356 gigawatt hours were purchased on the market at an average price of 222.08 euros per megawatt hour, which is more than 520 million euros.

In June of this year, EPS bought electricity at 236.79 euros per megawatt hour, and on the other hand, sold it to the economy on the commercial market for 67.52 euros per megawatt hour due to the Government's recommendation to limit the price of electricity.

The situation in Europe's energy sector seems to be only getting worse, so let's say on Friday at 12 o'clock, on the stock market, a megawatt cost 547.78 euros, and in Central Europe it was slightly less, but above 500 euros.

The costs incurred by importing electricity at a time of incredible prices on the international market and the resulting losses are well documented. On the other hand, in previous years, in addition to importing electricity in the winter months, EPS was an exporter in the second part of the year.

The cost for EPS due to poor management, untimely coal mining is not measured only by the cost of importing expensive electricity due to the lack of own production. It is also measured by the lost profit that he would have had if he had exported electricity at such high prices on the international market.

According to data from the Energy Agency of the Republic of Serbia in 2020, Serbia was a net exporter of electricity. Such was the case in 2015 and 2016. In other years, it was a net importer, but a relatively small one. For example, in 2012 the net import was only 264 gigawatt-hours, and in 2019 it was 320 gigawatt-hours.

However, for the last three years, from 2019 to 2021, the average annual export of EPS was around 4,300 gigawatt-hours.

For example, last year, 5,400 gigawatt-hours of electricity were imported into Serbia, and 4,800 gigawatt-hours were exported.

Given that there is nothing from exports this year, except for the electricity we returned to Elektroprivreda Republika Srpska (about 20 million euros for the first six months according to the EPS balance sheets), the question arises as to how much money they would have earned if the thermal power plants had worked at their usual capacity as in the previous three years.

It should be noted here that the production, especially for export, is affected by the operation of hydropower plants, which are not working at full capacity this year due to the drought.

For the sake of illustration, if EPS exported 4,300 gigawatt-hours of electricity in 2022 at the average price at which it imported in the first half of the year of 232.8 euros per megawatt-hour, it would earn exactly one billion euros. This does not mean that we would not import electricity at all, but the final financial balance would certainly be much more favorable for both EPS and Serbia, Danas writes.