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MONTENEGRO: ENERGY

One year behind the schedule imposed by Annex 1 of the Athens Treaty, the Montenegrin Regulatory Agency enacted at the end of 2008 several regulations aimed at creating some of the necessary conditions for the upcoming liberalization of the energy market: the Decision on the Opening of Electricity Market, the Decision on Determining the Public Supplier of Electricity, the Rules on Establishment and Operation of the Electricity Market and the Decision on Qualified Buyers.

Currently, the majority state-owned power company EPCG is the only licensed energy supplier to both industry and households users. The newly adopted regulations foresee the issuance of licenses to wholesale suppliers and provide that all industrial customers are qualified customers and thus able to choose their electricity supplier. Only households will remain tariff buyers, at least until 2015. However, in order for new players to enter the supply market, the Regulatory Agency still has to adopt tariffs for the use of distribution and transmission networks as well as to enact new network and distribution rules. Finally, as a condition for full liberalization of the market, EPCG is supposed to break up its transmission and system operation units into separate legal entities (currently, EPCG is an integrated entity with separate functional units for production, transmission, distribution, operation of the system, market operation and supply). This process is underway, in preparation for the upcoming partial privatization of EPCG.

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