

The Biogas Serbia Association has announced that the Electric Power Company of Serbia has submitted to the biogas power plant operators, citing a state of emergency by applying a force majeure institute, that they should accept a drastic reduction in the price of electricity supplied under the threat of disconnection from the power grid after the Government of Serbia has decided to suspend payments for incentives to produce electricity from renewable sources and in high-efficiency cogeneration. From the Biogas Association, they state that “force majeure” is not in itself and cannot be a reason for non-fulfillment of contractual obligations, but that force majeure must directly cause the contracting party’s inability to fulfill its obligation.

Wind power plants have accepted EPS’s offer, even though they are being repaid by installments of loans from international financial institutions and banks that are not subject to the National Bank of Serbia’s moratorium.

- In this case, due to the state of emergency there was no inability of JP Elektroprivreda Srbije to fulfill its contractual obligation under the Electricity Purchase Agreement, and therefore EPS has an obligation to fulfill its contractual obligation. In a situation where all companies in Serbia would invoke “force majeure” and cease to fulfill their contractual obligations, economic collapse would occur - the statement said.

The Biogas Serbia Association also states that all their members are aware of the emergency and the decision that EPS has granted consumers not to pay their bills in the next three months.

- All our members have offered to EPS that during the state of emergency, EPS does not pay the delivered electricity without reducing the price and that the resulting obligation is settled after the end of the state of emergency, which EPS refused - it was stated.

Biogas also said that they wanted to appeal to EPS to change the decision.

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