

The prices of renewable energy-green kilowatts at which Electric Power Industry of Serbia – EPS will buy electricity from the owners of those plants can still be higher than the market prices of Serbia, after the adoption of the new law on renewable energy sources. Whether, when this law comes into force, consumers in Serbia will pay a lower fee for electricity obtained from “green kilowatts” than is the case now depends exclusively on the amount of the premium that will be prescribed by the state in the new auction process.

At the moment, Serbia has a system of feed-in tariffs for electricity obtained from renewable energy sources, which were introduced in 2013 and imply that the Electric Power Industry of Serbia for a period of 12 years pays their owners more expensive than regular electricity to investment paid off.

The cost of the feed-in tariff is borne by consumers who on that basis pay an additional 1.3 euros, every month in the total amount of electricity bills.

Feed-in tariffs in Serbia depend on the energy source from which the electricity was obtained as well as on the power of the plant. The price for hydroelectric power plants is from 6 to 12.6 euro cents per kilowatt-hour. For biomass from 8.22 to 13.26.

For biogas from 15 to 18.33 eurocents per kilowatt-hour. Electricity from waste costs 8.44 to 9.02 eurocents per kilowatt-hour.

The purchase price for wind power plants is 9.2 and for solar power plants from 12.4 to 14.6. From geothermal power plants, electricity was obtained, which EPS pays 8.2, and from waste power plants 8.57 euro cents per kilowatt-hour. For power plants that combine electricity and heat energy, the price is 7.45 to 8.2 eurocents per kilowatt-hour.

According to available data, in 2016, EPS charged consumers 21.1 million euros for electricity obtained from renewable energy sources.

The draft law on renewable energy sources, whose public debate was recently completed, envisages a change so that the fee for electricity producers from RES would no longer be fixed, but would be formed at an auction.

The public has been speculating for a long time that the introduction of auctions instead of fixed fees means lower purchase prices for electricity from RES compared to the current ones, and thus lower bills for consumers who pay that fee.

However, in practice this will depend solely on the amount of auction fees to be determined by the Energy Agency.

The auction procedure will apply to large plants, such as wind farms and solar power plants, while the feed-in tariff will continue to apply to smaller facilities.

The Energy Agency determines the initial price of the auction, and the bidder who gives the most favorable, which means the lowest price, will have the opportunity to sell “green kilowatts” to EPS. The public invitation for the auction is initiated by the relevant Ministry of Mining and Energy, which, among other things, forms a commission for conducting the auction and makes a decision on the best bids. The initial amount of the auction price is

called the market premium and is a supplement to the market price of electricity. It is determined in eurocents per kilowatt-hour. The incentive period, in which the market premium is determined, cannot last longer than 12 years.

The draft law also retains feed-in tariffs allocated for small plants with a capacity of less than 500 kilowatts, including small hydropower plants and wind farms with a capacity of less than three megawatts, but they are no longer fixed, but participants will compete for their amount of auction. The initial amount of the feed-in tariff is determined at the auction, and the participants compete in it in order to give the lowest bid and thus get a job.

Whether the auction procedure will reduce the purchase prices of electricity from renewable energy sources and thus the amounts in consumer accounts depends exclusively on whether the premiums at auctions will be lower or not from the current amount of feed-in tariffs.

Energy expert Vojislav Vuletic told Danas that there is no longer a need for preferential prices for electricity from renewable sources and that they should be equated with regular prices at which EPS buys electricity from producers from non-renewable sources.

- Whether electricity will be cheaper for consumers will depend on the level of the selling price that will be reached at the auction. I believe that incentives are no longer needed when it comes to the production of electricity from renewable energy sources and that the price of electricity from them should be equal to that from other production plants - concludes our interlocutor, Danas reports.

Source: serbia-business.eu