

Subsidies for small-scale power plants remain in force in Montenegro. The Montenegrin Government approved the proposal of the amendments to the Energy Law, which does not envisage the abolition of subsidies for privileged producers who generate electricity from renewable energy sources. Several non-governmental organizations and political parties demanded the abolition of these incentives, which have been paid to RES producers since 2014.

Minister of Economy Dragica Sekulic explained that the amendments to the Energy Law prescribe the possibility of awarding incentives for renewable energy producers, but it is not mandatory, especially for large-scale wind or solar projects. She reminded the Briska Gora solar power plant, developed by EPCG and Finnish Fortum, will not receive RES subsidies, adding that the current Government did not grant any concessions which include subsidies. The proposed amendments to the Energy Law stipulate that the eligible producer has the right to subsidies that are valid at the time of applying for temporary status of eligible producer, that the eligible producer has the right of priority in taking over the total produced electricity in the transmission or distribution system, unless in the case of endangering security of the system, as well as that the payment to the privileged producer for the produced energy at incentive prices is made for the amount of electricity measured at the place of connection of the production facility to the system. Incentives are paid by end-consumers through electricity bills, as well as by the Government through excises on coal. For households which consume less than 300 kWh, subsidies are paid by the Government, and those who consume more pay around one eurocent per each kWh above the 300 threshold.

Minister Sekulic also said that proposed amendments enable easier, faster and cheaper network connections for commercial consumers but also gives households the opportunity to produce electricity for their own needs.