

The policy of subsidies for electricity produced from renewable sources (RES); wind farms, small hydro power plants, solar power plants, will be reconsidered by the Government, said Montenegrin Ministry for Capital Investments. The Ministry said that in case the Government decides to change the subsidies, an amendment to the current Law on Electricity will have to be adopted by the Parliament.

In Montenegro, there are 28 small hydropower plants, two wind farms and five solar power plants up to 1 MW output, which currently have the status of eligible RES producer. These producers were paid 19.42 million euros in subsidies last year, according to data from the Montenegrin electricity market operator (COTEE). From May 2014 to the end of last year, they were paid a total of 52.25 million euros. The Ministry also said that it will consistently implement the Government's policy to not approve any new SHPP concessions and to terminate all concession agreement which meet certain conditions.

The Government inherited already concluded concession contracts, so no hastily decision will be made in order to reduce the negative consequences to a minimum, the Ministry explained, emphasizing that they do not want to ignore the risk of terminating contracts without clear legal arguments which could lead to large compensations. That is why they are committed to first looking at and measuring all possible consequences before making decisions on the termination of any of these concession contracts.