

Two biomass-fired heating plants, in Priboj and in Mali Zvornik, have been officially commissioned.

Serbian Minister of Mining and Energy Zorana Mihajlovic said that the two towns had problems with air quality for years and that the new plants will reduce CO₂ and SO₂ emission by 90 %. She reminded that 10 % heating plants in Serbia still use coal and another 10 % use heating oil, adding that it is imperative to transition these to renewable energy as well.

Minister Mihajlovic said that another two towns in Serbia - Majdanpek and Novi Pazar will get similar biomass-fired heating plants in 2022.

In June 2017, former Minister of Energy and Mining Aleksandar Antic has signed a loan and donation agreement with the representatives of German KfW Bank and Swiss Government that will enable ten heating plants in Serbia to switch from using fossil fuel to renewable energy sources, namely biomass. The first stage will include heating plants in the municipalities of Mali Zvornik, Nova Varos, Novi Pazar, Prijepolje, Bajina Basta, Valjevo, Priboj, Kladovo and Majdanpek, while the municipality of Becej has already launched two projects - one to convert a part of its heating plant to biomass and the other aimed at using geothermal energy.

Total worth of the project is 27 million euros, which also includes a 2 million euros grant from KfW Bank and 5 million euros grant from Swiss Government. The agreements on financing the transition of district heating companies from fossil fuel to biomass are part of the project Stimulating Renewable Energy - the Development of the Biomass Market in Serbia (DKTI) which was launched in Serbia back in 2012 with a feasibility study for Subotica district heating company. The signing of the agreement marked the start of first stage of that project, with total value of 108 million euros.