

Minister of Mining and Energy Zorana Mihajlovic said that the goal for all cities and municipalities in Serbia is to increase the use of renewable energy sources for generating heat and electricity, thus protecting the environment.

Serbian Ministry of Mining and Energy announced that a contract for the construction of biomass heating plant in Novi Pazar has been signed, a project that will enable the city to move away from using heating oil, thus reducing carbon dioxide emissions from 6,000 to less than 500 tons per year and completely eliminating sulfur dioxide emissions.

The tender for the design and construction of a biomass-fired heating plant in Novi Pazar was launched last July. The allocated 5.8 million euros for the heating plant project that envisages switching from fossil fuel (heating oil) to renewable sources (biomass). Novi Pazar is the third municipality, after Priboj and Mali Zvornik, to receive funds within the program launched in mid-2017. The contract envisages the installation of new 8.5 MW biomass boiler and the reconstruction of the city's district heating system. In June 2017, Serbian 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. 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.