

Ministry of infrastructure revoked a construction permit to Continental Wind Serbia for its 145MW wind park, costing 300MEUR. Permit was revoked because of the issue with TSO company EMS which claims that the ownership of the power station connecting wind park and national grid have to owned and managed by EMS. Current legislation requires that all energy developers have to hand over the ownership of all high voltage transmission facilities to EPS as sole operator of the national grid.

Continental Wind Serbia, a subsidiary of Continental Wind Partners, planned to start construction this year on the 145 megawatt (MW) wind park, but Serbia's construction ministry said it had revoked the construction permit.

The company planned to add another smaller farm costing 150 million euros at a later stage. The two combined would be capable of meeting around 7 percent of Serbia's annual energy demand and help diversify the country away from coal, the company said.

Serbian grid operator Elektromreze Srbije (EMS) had appealed against the project, in a dispute over who would own the power transformer station that would connect the park to the grid. The construction ministry overruled a regional authority's decision to grant the permit, saying the decision violated EMS's rights on ownership.

"We are stunned by such a decision and we are trying to find some solution, especially for the fact that it may affect the entire wind industry in Serbia because all permits were issued in the same manner," Ana Brnabic, stated general manager of Continental Wind Serbia.

While EMS had challenged Continental Wind Serbia's right to build the wind park, it also said that current legislation, requiring energy project developers to hand over ownership of all high-voltage facilities to EMS as the sole operator of the grid, posed problems.

This means that under current law many developers will find it difficult to secure loans for their projects because facilities, such as power transformer stations, cannot be registered as the investor's ownership. The only way out of this mess is a change in the regulatory framework.

The construction ministry said it recognized the problem in the existing law and that an upcoming new law on planning and energy would try to streamline the procedure. However, energy developers fear it may delay their plans as they will be required to seek new permits. Brnabic, who also heads Serbia's Wind Energy Association, said that red tape and an opaque regulatory framework could scare off investors and hamper Serbia's objective to secure 27 percent of total energy consumption from renewables by 2020.