

Due to EU regulations Serbia need to shut down thermal power plants or to enable them technologically for production on some ecological fuel by 2027th. More than a quarter of production must be “green energy” by 2020th, and that costs money wich are lacking now. Loans for modernization of thermal power plants and financial mechanisms needs to be developed as Serbia gets its 70% of electricity from coal fired power plants.

Special Adviser to the Minister of Energy, Ljubomir Aksentijevic , at a meeting “The banking sector and investment in renewable energy sources” in Belgrade, recalled that the European Union has limited investment in the thermal sector, or in coal projects, with the plan to shut down large combustion plants from 2017th to 2027th .

“It will be only allowed to use the so-called clean coal, which is very unprofitable from investing point of view, so only those who need and can afford it will build thermal power plants, because the least output electricity price from such a capacity is between seven and nine euro cents, compared with todays 5.5 eurocents”, explained Aksentijevic .

According to him , Serbia need to “shut down 1.095 megawatts” by 2027th , except that some of the thermal power plants can be technologically enabled for the production on “some ecological fuel, as waste that floats Sava , or medical waste , and similar, as it does Mazdar from the United Arab Emirate “.

Green energy, added Aksentijevic at the meeting which organized Danas conference center at the Hyatt Hotel, should make 27 percent of the total domestic consumption by 2020th , which is an investment that will cost between four and six billion EUR.

“The alternative is in green energy, which means that we have to build the hydroelectric facilities, solution is in reversible HPPs, in the new modern thermal power plants, and we planned to build two such, one of them is in Kostolac”, he said.

Aksentijevic stressed that green energy is good, noble, but it is also expensive, so a period of two to three years needs for the real price introduction, because the ad hoc introduction of real prices for consumers could cause shock and collapse of the economy.

In order to be able to catch on time or deal with the supply of the lacking energy Serbia needs to change the laws.

Special Adviser to the Minister of Energy, Ljubomir Aksentijevic, said at the meeting, that draft amendments to the Energy Law would be in the public hearing to 8th January next year, after which a matter of urgency would be forwarded to the Parliament.

Draft amendments to the Energy Law, which is now available on the website of the Ministry of Energy, Development and the Environment Protection, will correct 85 percent of the deficiencies in the existing regulations and eliminate inconsistencies in the system legislation.

The representatives of interested financiers also presented what problems have been created by inadequate regulations.

Erste Bank is a pioneer in the projects financing in the field of renewable energy sources in

Serbia, since it started with such activities in 2010th and so far it has approved loans for 13 small hydro power plants of total capacity of about 15 megawatts. Almost half of the total funded projects are already on network.

“Among the projects financed by Erste Bank, however, there are not wind parks, and not because of will or interest lack, but due to some difficulties with the law, and because these projects are much larger and require a longer preparation time “, said Director of the bank’s Directorate for business with the public sector, Aleksandar Savic.

He noted that there were not enough quality projects on the market in this area which commercial banks would finance, and where the project was good there usually was no opportunity for investors to participate in it with a sufficient amount of own funds.

Expert for electro power systems and renewable energy sources economics, Maja Turkovic, pointed out the major deficiencies in the existing regulations in this area that were obstruction to the investors and bankers.

It is, above all, the network (non) availability, which is fully inserted into the domain of “force majeure”, then unresolved issue of who installs connection, limited deadline for power plant construction in two years, which is relatively short period of time, because, for example, it is not same to construct three or 33 wind parks, etc..

She invited investors to be engaged in dialogue in order to “iron” discrepancies between what was predicted by legislator and what was the reality imposed by practical experience.

EPS BOOSTED “GREEN ENERGY” TO 21 PERCENT

Assistant Director for renewable energy sources in Serbia Power Utility Company (EPS), Dusan Zivkovic, said that this public enterprise had a tradition of producing energy from renewable sources, particularly from hydropower potential, which represented third of their production and 21 percent of total energy production from these sources in Serbia.

The EPS goal is to increase the production share from these sources in the future, and in that sense a projects funded by the European Bank for Reconstruction and Development, the German KfW Bank and other international financial institutions have been launched”, he said.

Through the certain facilities revitalization, such as HPP Bajina Basta, Djerdap and Zvornik , as he added, EPS creates conditions for the revitalization of small hydro power plants of total capacity slightly more than 20 megawatts. The plan is to create conditions for several small HPPs construction on the existing water supply facilities.

These projects implementation has shown that they are less expensive than thermal sector funding, where investments in environmental protection are huge, so that renewable energy sources, regardless of their price, become quite competitive, he said.

The EPS aim is to take the market part in the future and to refund through their profitability but only in hydro sector, which is definitely the most significant country potential, but also in the sector of wind- power and solar panels. The preparations of the technical

documentation for a wind park near Kostolac and one small solar power plant are in
progress to build.

Source; Serbia Energy