RES power gen lobbyists often argue with conventional power generation experts and compare the prices of new power plants using renewable sources of energy (be it wind, solar, biomass, small hydro, geothermal or any other) with the prices either from the "new generation" of thermal power plants (which are likely to range from €7-€9 per kWh) or for investments into revitalization of old power plants to increase their environmental standards. This lead to a serious competition between fossil fuels and renewables and will have to result in relevant officials rethinking and revising Serbia's energy strategy.

The time to rethink the energy strategy is maybe now? Serbia went through the Parliamentary elections on 16 March and has a strong Government which has more than a solid majority in the Parliament and is thus able to implement difficult, but needed, reforms. Also, the draft of the new strategy which covers the period until 2025, with predictions until 2030, is yet to be adopted.

The strategy recognizes sustainability as one of the main challenges of future development of the energy sector and in that regard states that focus needs to be on energy efficiency, renewable energy sources and decreasing the negative impact on environment. Maybe for the first time, the strategy acknowledges that the price needs to include environmental and other external costs through fees, taxes, penalties and other financial instruments, but that it also needs to be "socially bearable" . Also on the positive side, the strategy clearly identifies energy efficiency as a new source of energy. This is completely in line with the world-wide realization that 1 kWh saved is always cheaper than 1 kWh produced.

On the negative side, the strategy envisions 1,050 MW of new coal fired power plants to be installed in Serbia until 2030, of which 700 MW should be installed by 2025.Overall, the strategy predicts that by 2025 Serbia will have installed capacity of 3,620 MW from TPPs and by 2030 almost 4,000 MW from coal only. These projections are based on the data that Serbia possesses significant reserves of fossil fuels of which 99% coal (95% of those is lignite and 9% shale) and only 1% oil and gas. In all this, the strategy counts on the fact that these coal reserves will be able to meet Serbia's energy consumption needs by the end of the century. However, the fact is that as much as 76% of these reserves are in Kosovo which will make Serbia dependent on the imports of coal from Kosovo or elsewhere. This unreasonable thinking is both expensive and a bleak prediction. Expensive, because we will be burning imported coal which will bring us additional costs in externalities (health, agriculture, PYLL, YOLL, etc.), and because of which we would have to pay for CO2 emissions. Bleak, because Serbia is already dependent on energy imports (33,5% in 2010), heavily dependent on the imports of natural gas (84,5% of gas consumption is currently secured through imports) and is now likely to become even more so since large part of the strategy is based on the coal reserves in Kosovo. All this in a time when the energy consumption is on the increase: 5,7% increase by 2020; 10,5% by 2025; and 16,3% by 2030.