

The Draft Law on Renewable Energy Sources is currently in the parliamentary procedure, and it will be discussed these days.

Serbian Minister of Energy and Mining Zorana Mihajlovic said that the new Law on Renewable Energy Sources will ban the construction of all hydropower plants in protected areas of the first, second and third degree of protection, and the reason is the unscrupulous realization of small hydropower projects in the previous period. Minister Mihajlovic explained that ban is related to ordinary small hydropower plants, derivative small hydropower plants and all other hydropower plants, including large ones.

She emphasized that the public should know the reasons for banning the construction of hydroelectric power plants in protected areas of Serbia. The Ministry is doing this because in the previous period the construction of SHPPs was done very unscrupulously, i.e. some investors have built them even without necessary permits. According to Minister, the construction of SHPPs is generally beneficial, especially in remote areas, but due to these irregularities the Ministry will have to ban them.

In 2020, 120 small hydropower plants (SHPP) produced and sold to the state electricity worth about 21.5 million euros, majority of which was paid to state-owned EPS operated plants. Some 2.8 million euros were paid to SHPPs Medjuvrsje and Ovcar Banja in 2020, which are operated by EPS. Compared to 2019, these figures are lower because, during the state of emergency in the first half of 2020, subsidies were not paid at the full price. Thus, EPS received about a million euros less for the production of its two SHPPs, compared to the previous year. In Serbia, companies that operate SHPPs have the status of privileged electricity producers due to the promise of the state to the Energy Community that by 2020, 27 % of electricity will be produced from renewable sources. This means that the state buys electricity produced by SHPPs at higher prices in order to encourage investors to invest in that business.