

Serbia must continue its efforts for the preparation of implementing the Large Combustion Plants and Industrial Emissions Directives. In this regard, the adoption of the amendments to the Decree on the Emission Limit Values of Polluting Substances to Air and the National Emission Reduction Plan are of primary importance.

Furthermore, operators of combustion plants need to bear in mind the deadline of end-2015 should they want to subject their plants to the opt-out rules reads the latest Energy Community Implementation report.

Environmental impact assessment in Serbia is governed by the Law on Environmental Impact Assessment of 2004, as amended in 2009. The list of activities requiring an environmental impact assessment is transposed by the Decree on the Lists of Projects Subject to an Environmental Impact Assessment, adopted in 2011. Following the entry into force of the new Environmental Impact Assessment Directive (2011/92/EU) in the EU, Serbia started revising the Decree on the Lists of Projects according to Annex I of the new Directive (projects for which an environmental impact assessment is mandatory). This exercise, however, has been put on hold and no legislative changes are foreseen for the remaining part of 2015.

During the reporting period, 21 environmental impact assessments in the energy sector were carried out or were being processed. One of these projects concerns the construction of a gas distribution pipeline (Uzice-Čajetina-Zlatibor), one the storage of petroleum products (Smederevo - Directorate for Commodity Reserves), one a wind farm (Krivaca in the municipalities Golubac and Kecevo), one the treatment of waste water at a thermal power plant Nikola Tesla B, one the construction of overhead cables (SS Rudnik 5 -KO Kostolac, SS Rudnik 3 - SS Rudnik 5 and KO Klicevac - KO Kostolac, assessed together), one the reconstruction of a district heating plant (Jug) and fifteen small hydropower plants. None of them concerns a Project of Energy Community Interest. In total, the environmental impact assessments for ten Projects of Energy Community Interest were concluded so far (combined heat and power combined cycle gas turbine plant in Pancevo, thermal power plant Kolubara B, thermal power plant Nikola Tesla B3, hydropower plants Ibarske (10 HPPs), 400 kV OHL SS Kragu-jevac - SS Kraljevo, 400 kV OHL SS Bajina Basta - SS Kraljevo / 400 kV OHL SS Obrenovac - SS Bajina Basta, 400 kV OHL SS Resita (ROM) - SS Pancevo (SER), interconnection pipeline CRO-SER (Slobodnica-Sotin-Ba~ko Novo Selo) and interconnection pipeline SER (Niš-Dimitrovgrad) to BUG).

Serbia has nine thermal power plants falling under the scope of the Large Combustion Plants Directive with a total of 21 units and a total rated thermal input of 13,943 MW. 18 units are fired by lignite while three are running on natural gas. Furthermore, a total of 23 combustion plant units are operated in different industrial sectors.

Currently, emissions of large combustion plants are regulated by the Regulation on the Emission Limit Values of Polluting Substances to Air adopted in 2010 and amended in 2011.

This Regulation partially transposes the Large Combustion Plants Directive and contains detailed technical requirements for large combustion plants, including emission limit values and monitoring standards. In September 2014, a legal gap analysis of existing Serbian legislation in comparison to Chapter III of the Industrial Emission Directive was carried out with EU Instrument for Pre-Accession Assistance (IPA) and a transposition plan was developed as follow-up. The plan provides for a two-step transposition of Chapter III of the Industrial Emission Directive into national legislation, firstly by transposing the provisions of the Large Combustion Plants Directive via a new Regulation (to be adopted in the course of 2015) and then Chapter III of the Industrial Emissions Directive by mid-2017 via amendments to the new Regulation.

The implications of implementing the Large Combustion Plants and Industrial Emissions Directives were reflected in the scenarios of the draft Energy Development Strategy of Serbia by 2025 with projections until 2030.

Finally, Serbia is preparing and planning to adopt a National Emission Reduction Plan under Article 4(6) of the Large Combustion Plants Directive, as adapted by the Decision of the Ministerial Council. In December 2014, a Parliamentary committee hearing was carried out on the draft plan with the participation of a wide range of stakeholders, including the Ministries concerned, industry and civil society representatives and the Secretariat. While no formal requests have been made so far to trigger its application, it is likely that certain large combustion plants in Serbia will make use of the opt-out provision provided by Decision 2013/05/MC-EnC.

Overall, Serbia has reached a high level of transposition as regards the Environmental Impact Assessment Directive and environmental impact assessments are carried out in accordance with the provisions of the Directive. Therefore, efforts should be focused on the practical implementation of the legislative measures in environmental impact assessment procedures, with particular regard to the provisions on public participation.

With regard to the implementation of the Sulphur in Fuels Directive, the Secretariat in 2013 launched an infringement procedure against Serbia. While the Rulebook on Technical and Other Requirements for Petroleum-Derived Liquid Fuels contains a description of different types of heavy fuel oil, it is not in line with the definition set out by the Directive.

Furthermore, the maximum sulphur content of certain fuel categories (HFO-S and HFO-T) are above 1% by mass which constitutes a breach of the Directive. As regards sampling and analysis, the Secretariat concluded that the standards referred to by the Serbian legislation cannot be considered as equivalent to the ones required by the Directive.

In the meantime, Serbia has addressed one of the shortcomings related to the transposition and implementation of the Sulphur in Fuels Directive, namely by banning HFO-T. Other breaches, i.e. those related to the definition of fuels, HFO-S as well as sampling and analysis still persist, although an article of the recently adopted Energy Law establishes a legal basis

for the creation of monitoring systems for the quality of liquid fuels. In order to address these shortcomings, the Secretariat is currently preparing a Reasoned Opinion against Serbia.

The emission limit values of the Decree on the Emission Limit Values of Air Pollutants are aligned with those of the Large Combustion Plants Directive. During the last reporting period, Serbia continued with important steps in order to prepare for the implementation of the relevant provisions of the Large Combustion Plants and Industrial Emissions Directives which is crucial to the implementation of these pieces of the environmental acquis. These efforts form a reasonable basis to ensure that the provisions of both Directives (as adapted by the Decision of the Ministerial Council) are implemented by the deadline set by the Treaty, i.e. 31 December 2017.

In general, Serbia has made significant efforts on its way to reach compliance with the Energy Community environmental acquis, an ambition that should be maintained in the future.

In terms of priorities, Serbia should ensure that the provisions of the Environmental Impact Assessment Directive are applied in practice, with particular regard to the provisions on public participation and access to justice.

Serbia must achieve complete transposition into national legislation and effective implementation of the Sulphur in Fuels Directive. This concerns in particular the provisions in the Rulebook on Technical and Other Requirements for Petroleum-Derived Liquid Fuels related to HFO-S and the monitoring rules. Despite the minor achievements such as the creation of the legal basis for monitoring systems, most of the Secretariat's concerns remain valid and therefore infringement action needs to be continued until the breaches are rectified.

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