

Serbia applies a feed-in tariff model since 2009, updated in 2011 and 2013. Generators of energy from renewable sources are considered privileged producers. This applies to HPP also.

According to the NREAP, Serbia plans to develop only 500 MW in wind until 2020 and introduced an intermediate cap of 300 MW until the end of 2015 despite this being one of the most cost-effective ways to ensure Serbia is on the trajectory to 2020. For solar PV, there is an overall cap of 10 MW until 2020, out of which there were 7,2 MW already installed by the end of 2014.

Privileged producers are entitled to a feed-in tariff, established according to a pre-defined methodology based on capacity for energy from wind, hydro (up to 30 MW), solar PV, biomass, biogas, geothermal, waste and landfill and sewage gas for a period of 12 years. The feed-in tariff is adopted in EUR/MWh and indexed with the inflation rate in the Eurozone.

Privileged producers are also exempted from balancing responsibilities and balancing costs during the entire period of 12 years. The feed-in tariffs are paid by the state-owned electricity incumbent EPS Supply which is under an obligation to purchase all renewable electricity generated by privileged producers under power purchase agreements.

The guaranteed purchase price in the form of a feed-in tariff is being passed on to customers through a surcharge applied to all electricity end-users. For 2015, the renewable energy surcharge levied on end-users has been increased to 0,093 denars/kWh (ca. 0,001 €EUR/kWh) from 0,081 denars/kWh in 2014.

Amendments to the Law on Construction and Planning were adopted in December 2014 and introduce requirements for establishment of one-stop shops for spatial planning and construction licenses, and approval procedures at state, regional and local levels.

Several regulations were passed in 2015, such as the Rulebook on Energy Permits, the Rulebook on Available Renewable Energy Capacities per technology which are available due to expiration of privileged producer status awarded for some renewable energy producers and two other Rulebooks regulating the training of energy managers and certified energy consultants. The new by-laws are complemented by the existing ones related to (1) the conditions for issuing energy permits, (2) acquiring the status of a privileged producer, (3) incentive measures for privileged power producers, (4) the method for calculation and allocation of funds collected to remunerate the privileged power producers, (5) the amount of feed-in tariffs for different technologies, (6) power purchase agreements, (7) guarantees of origin, and (8) requirements for biofuels (from 2006).

According to the Energy Law, investors are guaranteed network access and priority dispatch for the electricity produced from renewable sources. Developers are now entitled to build the connection to the grid, calling for a tendering for construction works if they choose so. They have the right to deduct the respective cost of construction from the total

connection costs that are calculated in accordance with a prescribed methodology adopted by AERS.

Amendments to the Transmission Grid Code mostly related to grid connection for renewable energy producers were approved by AERS in June 2014. The Methodology for Cost of Connection to the Transmission System was amended in 2014. The transmission system operator, EMS issues decisions on calculation of the costs and tariffs which are approved by the regulator and available online. The costs of grid access are transparent. There is no sharing of cost of connection between old and new renewable energy projects to the same grid point. The five Distribution Grid Codes were also amended in 2014. The amendments to the Law on Construction provide for a definition of the connection point and allow investors to obtain a separate construction permit for this particular facility.

The transmission system operator EMS has been appointed as the issuing body for guarantees of origin. However the system for issue, transfer and cancellation of guarantees of origin has not been implemented yet.

Serbia was the only Contracting Party planning to use the cooperation mechanisms and transfer excessive renewable energy to an EU Member State within the framework of the Directive's cooperation mechanisms under Article 9 related to implementation of joint projects between EU Member States and third countries. However, the fulfilment of the agreement between Italy and Serbia for the joint development of 10 small hydropower plants is questionable as the agreement has not been ratified by the Italian Government. Currently, the Energy Law does not include priority or guaranteed access for electricity or gas produced from renewable sources. It only contains priority dispatch for electricity from renewable sources unless the security of the supply or operations of the distribution or transmission system are jeopardised. If this occurs, the distribution and transmission system operators should inform the regulator on the measures which should be undertaken in order to prevent further limitation of electricity from renewable sources.

The Transmission and Distribution Grid Codes have been reviewed to implement requirements for producers of renewable energy related to connection and operation of the grids. However, the transmission system operator has yet to clarify the approach related to assets and cost of connection to the network. Currently, there is no model agreement for grid connection to the distribution and transmission networks. Serbia does not fully comply with Article 16 of the Directive.

In January 2014, the Government adopted Rules on Issuing, Transfer and Cancellation of Guarantees of Origin. The Rules fail to provide to final customers information on the share or the quantity of energy from renewables in the supplier's mix, in accordance with Article 3(6) of Directive 2003/54/EC and Article 15 of Directive 2009/28/EC. EMS as the issuing body for guarantees of origin has to start the implementation of an accurate, reliable and fraud-resistant system in accordance with EU practice. Currently, Serbia is not compliant

with Article 15 of the Renewable Energy Directive.

According to the latest Energy Community implementation report, Serbia has made some progress in upgrading its renewable energy framework, at the level of primary and secondary legislation. However, Serbia is not on track to meet its 2020 targets. It might trigger a call for a revised NREAP if there is no progress in production of renewable energy to ensure Serbia is on the trajectory to 2020. It is to be noted that the impact of the legislative conditions on the actual deployment of renewable energy in the last years was minimal. The new renewable energy capacities put into operation reached only 23 MW since the adoption of the Renewable Energy Directive in 2012. Administrative, permitting and grid connection procedures and commercial agreements have to be further coordinated and simplified to ensure a conducive investment environment. , transmits Serbia-energy.eu