

Serbia to change feed in tariff system for RES projects, government to boost competition for green electricity production

Categories : [News Serbia Energy](#)

Date : November 26, 2012

Ministry of Energy of Serbia announced that by the end of November they will publish a proposal of the new Regulation on feed-in tariffs, said Deputy Energy Minister Dejan Trifunovic. According to him, the incentive tariff for purchase of electricity from renewable energy sources will not be significantly changed, but the length of the period to which they apply will be changed.

At the meeting on investment in renewable energy sources a delay in the adoption of by-laws was stressed, as well as the fact that investor need a large number of permits which take four years to obtain. Trifunović said that in the next few months other key documents will be adopted to encourage investment in renewable energy, and the Ministry of Energy announced that the procedure will be facilitated.

There will be no radical changes in tariff incentives for the purchase of electricity from renewable energy sources (feed-in), Trifunovic said in Belgrade on a panel discussion on the future of Serbia regarding investments in renewable energy sources, organized by NIN.

Trifunovic said that there will be changes in the period of feed-in tariffs, which is 12 years currently, adding that incentives will be introduced for the production of electricity from biomass of animal origin.

He also said that preferential purchase of electricity from renewable energy sources in 2013 will be between 25 and 30 million Euros, since it is not expected that larger production capacity would connect to the grid.

So far in Serbia, 128 permits for energy facilities up to one megawatt of power and 81 permits for power plants over one megawatt, but a total of 34 facilities connected to the grid.

"Serbia needs serious investors in renewable energy, who will build fast" he said and recalled that Serbia took upon itself to increase the share of renewable energy in total energy consumption from 21.2 to 27% by 2020.

According to Trifunovic, should wind plants of 450 MW capacity connected to the grid which is the current quota a 106 million Euros per year should be allocated for feed-in for the purchase of electricity from these plants.

Assistant Minister of Energy of Serbia also said that in the next six to nine months key documents regulating the energy sector should be passed, starting from energy development strategy until 2025 with projections to 2030.

Trifunovic said the law on the rational use of energy would be adopted, and national plans for renewable energy and energy efficiency passed, as well as a series of by-laws including guarantees of origin, the Act on Bio-fuel, the status of privileged producer of electricity. Some of these documents will be adopted by the end of this year, and some in early 2013, Trifunovic said.

President of Serbian Wind Energy Association (SEWEA) Maja Turkovic said that we have been waiting for a year and a half for the adoption of laws that regulate energy production from renewable sources. "This is a bad signal to investors. Precondition for investment is a regulatory framework that is stable and predictable. Uncertainty is something that investors are fleeing from" she said.

Turkovic also said that the price of electricity in Serbia, which is now about 5.5 euro cents per kilowatt hour, would have to be increased, adding that this would affect the fulfillment of obligations to reduce carbon emissions, protecting the environment and exploiting renewable sources. According to her, the connection of 450 MW from wind farms in Serbia to the grid would increase electricity prices by 2 to 2.5% in the period from 2015 to 2017 year.

Turkovic also pointed out that capacities to produce energy from renewable sources have not been built in any country without the incentive tariff for the purchase of electricity.

The director of the Securum Equity Partners Ivan Matejak said that many countries reduce and abolish feed-in tariffs. "It is impossible to base investment in renewable energy on good faith of the governing structures and incentive fees. We must find innovative ways to finance projects" he said.

Matejak recalled that the company Securum Equity Partners in Serbia plans to build solar power plants with total power of 1,000 megawatts, in which they will invest about 1.75 billion Euros. Electricity from these plants will be exported to the European market, Matejak added.

At the meeting it was also said that obtaining all necessary permits for the construction of power plants using renewable energy sources in Serbia takes four years. For hydro power

plants you need 27 permits, and to build wind farms you need approvals from 22 institutions.

The Ministry of Energy has announced that it will be easier for investors to obtain permits through the institution of "one stop shop" in the Ministry, which will provide all the necessary documents.

Source Serbia Energy Magazine