

**South East Europe Regional Consultation
Meeting
Bucharest, Romania
6 – 7 October 2016**

Session II: Opportunities and Challenges in RE Deployment in the Region

SERBIA

**Rastislav Kragic, Senior Advisor
Ministry of Mining and Energy**

Structure:

- **SLIDE 1:** Status of RE development in a country
- **SLIDE 2:** Encountered challenges in deploying renewables
- **SLIDE 3:** Identified opportunities from the uptake of renewables
- **SLIDE 4:** Expected future developments in the frameworks for renewables
- **SLIDE 5:** Potential areas of required support

SLIDE 1: Status of RE development in a country

- In base year **2009**, share of RES in GFEC¹⁾ was **21.2%**
- In accordance with NREAP²⁾, share of RES in **2020** should be **27%** (incl. 10% in transport)
- **FiT³⁾ system**: started in 2010; 12 years incentive period; actual, 3rd version - Jun 2016
- **Energy Sector Development Strategy of the Republic of Serbia** for the period by 2025 with projections by 2030, adopted in 2015

	2009		2012	2013	2014	2015	Jun 2016		2030 ⁶⁾
Share of RES in GFEC [%]	21.20		20.27 ⁴⁾	19.10 ⁴⁾	NA	NA	NA		33.95
RES [Mtoe]	1.949		1.911 ⁴⁾	1.914 ⁴⁾	NA	NA	NA		3.761
New RES power [MW] ⁵⁾	0		11.003	28.524	47.278	52.748	55.473		
GFEC [Mtoe]	9.15		9.431 ⁴⁾	10.021 ⁴⁾	NA	NA	NA		11.076

1) GFEC – Gross final energy consumption

2) NREAP – National RE action plan, adopted 2013

3) FiT – Feed in Tariff

4) Data from Progress Report on Implementation of the NREAP of the Republic of Serbia 2014 - <http://www.mre.gov.rs>

5) Data from Register of Privileged Power Producers - <http://www.mre.gov.rs>

6) Data from Energy Sector Development Strategy of the Republic of Serbia for the period by 2025 with projections by 2030 – energy efficiency scenario - <http://www.mre.gov.rs>

SLIDE 2: Encountered challenges in deploying renewables

- **Legal challenges:** Limited administrative capacities to covering all administrative activities and needs in RES domain.
- **Technical challenges:** Private investments under market competition are generating use of better and better technical solutions.
- **Economic challenges:** The basic challenge in RES is **how to make RE financially acceptable for final consumer.**
- **Political challenges:** Developing the necessary conditions which would create the possibility for successful implementation EU legislation in RES area (regional electricity market developed, significant RES capacity installed, grid network adequately developed etc.). For example, introduction of same incentive measure in Balkan area will not give same results as in Germany.

SLIDE 3: Identified opportunities from the uptake of renewables

- The chance for wider use of RES should be in supporting measures which would contribute the final users have besides environmental benefits also the financial ones. It could be:
 - Supporting RES technologies which will enable development of local economy
 - Incentive measures which support small projects as well as small and medium enterprises
 - Organization and support for international found(s) which directly donate small projects and individual use of RES in Balkan Region
 - Stronger support of measures based on principle:
Local invest → Local produce → Local use
 - Supporting mechanisms based on local cooperative investments in RES
 - Using biomass, solar and geothermal energy for heating

SLIDE 4: Expected future developments in the frameworks for renewables

- In accordance with Serbian Energy Law, National Renewable Energy Action Plan will be changed if it is necessary. Most important than exchanging NREAP is finding appropriate incentive measures which could lead to the achievement of the NREAP goals.
- After Progress Report on Implementation of the NREAP, planned for end of 2016, there will be considered whether it is necessary to change the defined RES targets.
- Feed in Tariffs are in progress. Actual version of Decrees has just adopted and investors are satisfied. In next three years about 500MW of wind farms should be installed under FiT.
- For long-term Serbia as member candidate for EU will follow RES EU policy. Anyway focus will stand on some kind of incentive measures based on detailed cost-benefit analysis of using national RES potentials and all available technologies.

SLIDE 5: Potential areas for required support

- Exchange of experience, especially in terms of effects caused by legislation in RES domain (successful measures for achievement the targets)
- Introduction on new technologies, especially in heating sector
- Demonstration projects and donations
- Projects based on the strengthening of administrative capacities on local and state level, especially in heating sector
- Development of supporting mechanisms based on RES final-user projects