

The Turkish stream/Turk stream through Serbia goes from the Bulgarian border near Zajecar in the East, to Horgos near Hungary in the North, and that section of the gas pipeline was built by Russia and Serbia through the mixed company Gastrans (51% owned by Russian state Gazprom, 49% by domestic Srbijagas).

Gas from the Turkish Stream does not bring significant changes in the energy sector of Serbia, but only enables Russian gas to arrive from two directions, according to a CINS research. For now, the new gas pipeline will not reduce Serbia's dependence on dirty coal, and the state is additionally investing in the construction of new thermal power plants. Meanwhile, the European Union is seeking to reduce pollution and open up the gas market. If there is no adequate cleaner energy, gas in Serbia can be a good substitute for other fossil fuels, Petar Đukić, a professor at the Faculty of Technology and Metallurgy in Belgrade, explains to CINS.

"If you need to replace dirty energy sources in cities, such as coal and fuel oil, then the easiest way to do that is with the help of gas. You can make gas from power plants that emit far less harmful substances and are far more efficient than other fossil fuels," said Djukic. It is more stable than energy from the sun and wind because it can be stored, ie kept in reserves.

The European Union, on the other hand, has objections to the Turkish flow.

The gas market and the company Srbijagas are some of the key problems in Serbian energy, judging by the European Commission's report on Serbia's progress in accession negotiations with the EU from 2020.

The Secretariat of the Energy Community (EC), which implements the EU energy policy with the aim of establishing a single market, states for CINS that they have initiated several proceedings against Serbia for violating a set of European regulations, and two proceedings are currently underway.

The EC claims that the construction of the new gas pipeline leads to discrimination on the market, because the monopoly over the gas supply will be held by a Russian and Serbian company.

In order to reduce the use of coal, Serbia has been subsidizing renewable energy sources through the so-called feed-in tariffs, so citizens have so far given hundreds of millions of dinars through electricity bills. Small hydropower plants are the most popular among investors, although their contribution is almost negligible - in 2018, they contributed 0.7% to the energy sector. The state company EPS and companies connected with the godfather of the president, Nikola Petrović, benefited the most from them.

In January 2021, the state increased the fees for renewable sources to the citizens five

times, so now this figure amounts to 0.437 dinars per kilowatt-hour, which increased the monthly electricity bill. For example, those who used to pay around 50 dinars, now pay around 250 for the same electricity.

The Ministry of Mining and Energy for CINS explains this increase by a larger number of green energy producers, especially wind power plants. Although the price at which electricity is purchased from investors in renewable sources has not changed since 2015, the costs of purchasing energy have been “significantly increased” because EPS must purchase all energy from privileged and temporarily privileged producers. According to the Ministry, that was a “serious financial burden for EPS”.

The ministry also announces the construction of medium and large hydropower plants, increasing energy efficiency and the construction of gas power plants and gasification. On the other hand, the state received a warning from Europe that, instead of allocating more money, it is time to abolish feed-in tariffs and introduce auctions as a riskier form of incentives for investors. The new Law on Renewable Sources is still being drafted, but it could change the way incentives are for investors.

On average, wind farm owners get more money from small hydropower plants for electricity from renewable energy sources, because there are more products, EPS data show. As we wrote earlier, Nikola Petrović expanded his business to wind farms. This is followed by natural gas and biomass.

Source: cins.rs