

Serbia: Emission reduction plan impacts EPS power plants with limited operational regime 2018-2023

Serbian power utility EPS had to submit the NERP action plan, national emissions reduction plan which would affect its coal fired power generation facilities. If applies for opt out regime for its TPPs this would mean that listed power generation facilities would get approval for operation at maximum 20.000 operational hours between 2018 and 2023. Serbian power utility company Elektroprivreda Srbije EPS faces severe challenge for the costs of modernization and environment investments needed for full harmonization with EU environment package of regulations. Opt out regime for TPPs will influence the import of electricity and strategic orientation of future Serbian energy balance.

By end of 2015 Serbia has to submit to the Energy Community the National Emission Reduction Plan which will estimate the operating conditions of EPS coal fired power plants. EPS generates more than 50% of electricity from TPPs, 4 plants Nikola Tesla TENT subsidiary company and 2 plants in Kostolac TEKO subsidiary company both under the EPS umbrella.

NERP will determine the EPS projections and strategy for future operations of TPPs but also the level of investments into environment protection systems which were projected earlier by Ministry of Energy on the level of 700MEUR. EPS may decide to apply for opt out regime of TPPs operation which would mean the decrease of operating hours of TPPs and still will need to complete certain environment investments. Opt out regime and decrease of total working hours of EPS TPPs will influence the electricity import needs and overall electricity price in the country.

If EPS applies for opt out regime for its TPPs this would mean that listed power generation facilities would get approval for operation at maximum 20.000 operational hours between 2018 and 2023. Upon the timeframe completion, or hours limitation fulfillment, the facilities would have to be decommissioned or continue operating under even stricter emission values in accordance with Industrial Emission Directive. Ministers council of Energy Community would have to approve the submitted list of opt out regime on the first 2016 meeting. Starting from 2028 large combustion facilities would have to fulfill even stricter standards of IED explained recently Janez Kopac director of Energy Community.

Financing of all required investments in Serbian EPS power plants is estimated at 700MEUR. EnC Secretariat director Janez Kopac recently stated that they are in contact with international financial institutions and investors with goal to involve them in this projects.