

The World Bank, the European Bank for Reconstruction and Development and the Energy Community have urged Serbia not to delay implementation and not to amend the Law on the Use of Renewable Energy Sources - which they said is important for achieving the green transition of the country's energy sector.

Having learned that state power company Elektroprivreda Srbije (EPS) and transmission system operator Elektromreža Srbije (EMS), with the support of the Energy Agency of the Republic of Serbia, had sent a memo to the Ministry of Mining and Energy requesting amendments to several articles of the Law and postponement of its implementation, the three international organisations sent a letter to Prime Minister Ana Brnabić and Minister Zorana Mihajlović.

"We are afraid that accepting requests for a delay in implementing or amendments of the Law, a carefully drafted and well-balanced piece of legislation, may be perceived as renegeing on the achievements made, and chill investor confidence in the Serbian renewable energy sector," says the letter seen by EURACTIV.

In the memo last December, EPS and EMS highlighted the problems the transmission system would have due to the connection of a large number of solar power plants and wind parks, claiming that this would jeopardise the stability of the power grid and cause sizable costs which the two companies would have to pay, as well as citizens and companies through electricity price hikes.

The Law on the Use of Renewable Energy Sources was important for opening Cluster 4 (Green Agenda and Sustainable Connectivity) in the pre-accession negotiations with the EU, and Mihajlović has said that stopping that law means stopping investment and that changes in the energy system are inevitable, despite resistance and obstructions.

EMS has dismissed such claims as incorrect, insisting on legal amendments to add renewable energy sources to Serbia's "production mix" in a careful and controlled way.

"While scaling up renewable energy sources poses challenges for their successful integration, these can be addressed through measures that have successfully been implemented in other countries," says the letter, adding that balancing costs can be reduced through better prediction and regional cooperation.

The World Bank, the EBRD and the Energy Community add that "the new legal framework for renewable energy sources replaces long-term administratively determined feed-in tariffs by a flexible and market-based regime and as such provides the basis for an increase of the share of renewables in the Republic of Serbia at lower, competitive prices."

"We have worked closely with your Government in drafting the Law in a process which involved all stakeholders, including EMS and EPS. What has been adopted by Parliament

follows recommended European and global standards,” it adds.

Meanwhile, increasing the share of renewable energy produced in the country, adds the letter, will make the power system more sustainable, reduce pollution and help combat climate change.

“The Law on the Use of Renewable Energy Sources lays the legislative foundation for scaling-up renewable energy in Serbia, and will therefore be critical for achieving the green transition of the energy sector of the country,” says the letter, adding that in the process of making the necessary bylaws for the implementation of the new law it is natural that different stakeholders have different interests which need to be reconciled.

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