

## Workshop “Strengthening national capacity in applying sustainable energy policies and practices based on the recommendations of the Environmental Performance Reviews”

30 June 2021, Online  
09:00 a.m. – 12:00 p.m. (CEST)

### Serbia - 3rd EPR

Report	No.	Topic	SDG	Recommendation (quote)	Implementation
Annex I	7.1 (a) (b) (c)	Renewable energies; Energy efficiency; Climate change	7.2, 7.3	<p><i>To reduce the impact of energy production and consumption on the environment, the Government should:</i></p> <p><i>(a) Ensure fuel switching from the utilization of electricity for space heating to the use of natural gas or connection to district heating systems;</i></p> <p><i>(b) Increase energy efficiency to reduce electricity and heat demand;</i></p> <p><i>(c) Significantly increase the share of renewable energy sources in primary energy production by 2015.</i></p>	<p><i>a) The recommendation was partly implemented. Around 57,000 new consumers have been connected to district heating systems between 2006 and 2010. The implementation is ongoing. No significant fuel switch towards natural gas occurred.</i></p> <p><i>b) The recommendation was partly implemented. The energy consumption targets of the First Energy Efficiency Action Plan of 1.5 per cent energy savings in final energy consumption in the period 2010–2012 have been 80 per cent met. Electricity and heating demand are still very high.</i></p> <p><i>c) The implementation of this recommendation is ongoing. The national target is to increase the share of renewables in final energy consumption from 21.2 per cent in 2009 to 22.9 per cent in 2015 and 27 per cent in 2020. As the adoption of the legal framework was taking a long time, this increase was slowed down, but a series of plants for renewable electricity generation are under construction.</i></p>
	7.2 (a) (b) (c)	Market mechanisms; Support to vulnerable groups, awareness, access	7.1	<p><i>The Government, in cooperation with the Energy Agency, should:</i></p> <p><i>(a) Stop subsidizing the energy sector; in particular, it should make electricity prices fully reflective of costs, including the costs of production, grid operation and measures to reduce environmental impacts;</i></p> <p><i>(b) Introduce cost-reflective prices for district heating in cooperation with responsible local authorities. The installation of a metering system should be proposed to allow a switch from area-based to consumption based pricing as soon as possible.</i></p>	<p><i>a) On the energy sector, no funds are allocated from the Budget for subsidizing public enterprises which perform activities related to electric power. As of 1 January 2013, high voltage consumers purchase electricity on the open market; from 1 January 2014, medium voltage consumers will do so, and from 1 January 2015, all remaining users will do so. The draft law on energy provides for changes to the criteria for the category “small customers”, so that instead of the number of employees, total annual income and voltage level of the buildings connected to the electric power distribution system, the criterion will be the amount of electricity consumed annually.</i></p> <p><i>From 1 January 2015, only customers belonging to the category “households” will be entitled to public electricity supply but, in accordance with the given law, at the same date, customers in</i></p>

				<p><i>Measures to enlarge or overhaul the network should always include the installation of a metering system;</i></p> <p><i>(c) Develop special social measures to support vulnerable users.</i></p>	<p><i>this category have the right to freely choose a supplier on the market.</i></p> <p><i>The price movements in the open electricity market are regulated by the market itself, according to the laws of supply and demand and market competitiveness. The prices of electricity for public supply are determined based on the Methodology for determining the cost of electricity for public supply (OG 52/13), which is adopted by the Energy Agency on the basis of a mechanism to control prices of electricity for public supply through cost-plus pricing, the mechanism used to determine the maximum allowed revenue of a public supplier for the regulatory period, i.e. the price of electricity for public supply. This ensures that: eligible expenses are covered in the public electricity supply process; the short-term and long-term supply is secured; economic and energy efficiency is encouraged; and there is no discrimination, i.e. there is equal treatment of all system users and prevention of mutual subsidizing of the different activities which are performed by energy entities and between customers and groups of customers.</i></p> <p><i>b) The 2013 Law on Efficient Use of Energy stipulates, among other matters, that the local self-government unit is obliged to include the measured, i.e. actual, amount of provided thermal energy in the tariff system for district heating, as one of the elements for calculating the price of heating services. Under the same Law, the distributors of thermal energy are obliged to apply the mentioned tariff system within 18 months of the date of entry into force of the Law. In order to enable the application of this provision, the Law stipulates that every new building or building unit, e.g. apartment, should be equipped with a device for measuring the actual heat consumption. The same measure is prescribed for the connection of existing buildings to the distribution system</i></p> <p><i>In relation to the above, under the programme "Rehabilitation of the District Heating System in Serbia" Phase IV, realized in cooperation with the German development bank KfW, all programme participants, i.e. local government units and distributors, are under contractual obligation to implement the tariff system, which will include the actual amount of distributed thermal energy. The Government adopted the Regulation on the method for determining the highest and the lowest average price of thermal energy (OG 37/13) which prescribed the method for calculation of the price of thermal energy depending on the actual costs incurred by the production and distribution of thermal energy. Through this Regulation, one of the key problems in the operation of heating plants referring to the disparity in prices of thermal</i></p>
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7.3 (a) (b) (c)	Energy efficiency; Legal, Policy and Institutional framework; Market mechanisms	7.3	<p>The Government, in cooperation with the relevant ministries and agencies, should:</p> <p>(a) Establish an energy efficiency fund as soon as possible for financing measures to improve energy efficiency in industry and households. The fund should</p>	<p>(a) The implementation of the recommendation is ongoing. An energy efficiency fund in the state budget is introduced for 2014 but not yet fully operational. It is fed by the state budget, but by none of the other proposed funding possibilities.</p> <p>(b) The recommendation is implemented. Standards for building were recently introduced.</p> <p>(c) The recommendation is partly implemented. The above-mentioned energy efficiency fund will concentrate on residential and public buildings;</p>

			<p><i>be fed with a tax on electricity consumption by industrial customers, and be supplemented by international funding and other funding sources. Companies implementing an energy audit and energy-saving measures could be exempted from this tax;</i></p> <p><i>(b) Introduce energy consumption standards for the construction of new buildings and the renovation of existing buildings;</i></p> <p><i>(c) Introduce a funding programme to promote insulation measures for residential and public buildings (e.g. soft loans and tax rebates) and to connect flats and buildings to district heating or to the gas grid.</i></p>	<p><i>further funding mechanisms such as fiscal incentives have not been implemented.</i></p>
7.4	Support to vulnerable groups, awareness, access	13.3	<p><i>The Energy Efficiency Agency and the Regional Energy Efficiency Centres should continue and intensify awareness- and capacity-building regarding energy efficiency measures. Public awareness campaigns should show the economic and ecological benefits of reduced fuel consumption</i></p>	<p><i>The recommendation is partly implemented. The Energy Efficiency Agency was working on awareness-raising, but since its closure in 2012 capacities for awareness-raising are reduced significantly. There have been large efforts in training on capacity-building, e.g. on energy efficiency in buildings for engineers.</i></p>
7.5 (a) (b) (c) (d) (e)	Legal, Policy and Institutional framework; Market mechanisms	7.2	<p><i>To stimulate both the production and consumption of renewable energy, the Ministry of Mining and Energy should:</i></p> <p><i>(a) Introduce as soon as possible implementing regulations for the Law on Energy to promote electricity and heat production from renewable energies;</i></p> <p><i>b) Introduce economic incentives, e.g. a feed-in tariff, for electricity produced from renewable energy sources;</i></p> <p><i>(c) Simplify the complex licence procedures for facilities based on renewable energy and establish a one-stop shop to prepare renewable energy projects and offer support to possible investors during the licensing procedure;</i></p> <p><i>(d) Engage itself, in cooperation with other competent ministries and</i></p>	<p><i>a) The recommendation was implemented to a large extent. The legal framework for production of electricity from renewable sources is adopted, and recommendations for municipalities on incentives to use renewables for heat production is in preparation.</i></p> <p><i>b) The recommendation was implemented. A feed-in tariff was introduced in 2009 and improved in 2013.</i></p> <p><i>c) The recommendation was not implemented. The licensing procedure is still complex and responsibilities are split among many different institutions.</i></p> <p><i>d) The recommendation was implemented. For efficiency, renewable energy and the waste sector, CDM projects were developed and seven projects have been deregistered. Furthermore, Serbia deregistered six NAMAs</i></p> <p><i>e) The recommendation was implemented. The Designated National Authority is located with the ministry responsible for the environment.</i></p>

			<p><i>industry representatives, in developing a range of investment projects in the energy, waste, forestry and agricultural sectors which reduce greenhouse gas emissions or enhance sequestration and which are therefore eligible for financial funding from the Clean Development Mechanisms after the Kyoto Protocol has been ratified;</i></p> <p><i>(e) Designate a body for implementing Clean Development Mechanism projects and entrust it with preparing ready-to-offer projects to investors.</i></p>	
7.6	Infrastructures		<p><i>The Government should develop measures to further reduce environmental impacts from thermal power plants and refineries on air, soil, ground and surface waters, as well as health impacts on human beings, by introducing best available techniques and abatement technologies, and should find ways to safely dispose of ash deposits.</i></p>	<p><i>The recommendation was implemented. The Government developed measures related to the reduction of environmental impacts of energy facilities (BAT implementation and ash deposition) through the adoption of relevant legislative acts: the IPPC Law, Law on Air Protection, Law on Waters, Law on Waste Management (including ash) and relevant secondary legislation. National environmental standards that are applicable for the operation of energy facilities are defined by the various laws (and relevant secondary legislation). The Law on Environmental Protection sets down general principles on environmental protection. Moreover, Serbia ratified the Energy Community Treaty in 2006. Contracting parties have a binding obligation to implement certain EU directives related to the environment. Besides the Treaty, the legislation consists of various legislative acts that refer to the environmental impact of TPPs and refineries.</i></p>