

Forecast by the Republic of Serbia on the measures of cooperation between EU-MS and EnC-CPs

(Dated: 28 June 2013)

1. Introduction

Pursuant to Decision of MC of EnC D/2012/04/MC-EnC from 18th October 2012 and Article 20 of Energy Community Treaty - Implementation of Directive 2009/28/EC in the Contracting Parties, as well as according to Article 4(3) of Directive 2009/28/EC, the Contracting Parties will have to notify to the Secretariat (six months in advance before the NREAP is due, i.e. by 31 December 2012) the forecast document that should indicate:

- (a) its estimated excess production of energy from renewable sources compared to the indicative trajectory which could be transferred to others in accordance with Articles 6 to 11, as well as its estimated potential for joint projects, until 2020; and
- (b) its estimated demand for energy from renewable sources to be satisfied by means other than domestic production until 2020. That information may include elements relating to cost and benefits and financing.

In the 27th PHLG meeting held on 6th December 2012, the Secretariat presented the next steps in the area of RES for 2013, because of the short time, the deadline for submission the forecast document for Contracting Parties was proposed to be **15 February 2013**.

2. Serbian forecast on the cooperation mechanisms with other states for reaching mandatory targets

- (a) *Estimated excess production of energy from renewable sources compared to the indicative trajectory which could be transferred to others in accordance with Articles 6 to 11, as well as its estimated potential for joint projects, until 2020;*

Pursuant to Article 4 (2) of above mentioned MC Decision (Ad hoc adoptions of the mandatory overall national targets) for Republic of Serbia was determined target of a **27% share of energy from renewable sources in gross final energy consumption in 2020**. Even though Serbia has significant estimated RES potential (about 5.6 Mtoe/a), this is very challenge target in terms of investments in RES technologies which are necessary for the target achievement. Nevertheless, according to current estimates for the development of renewables, Serbia will exceed its 27% target for 2020 and reach a share of 27.3% (as shown in the Table below). Serbia expects to exceed its target through joint project cooperation with Italia. This will be done on the basis of agreements entered into between the Italian Ministry of Economic Development and the Ministry of the Environment and the Protection of Natural Resources and the Sea, on the one hand, and the Serbian Ministry of energy, development and environmental protection on the other hand. Under this Agreement it is foreseen that electricity which will be produced from ten new Serbian small hydro power plants (up to 10 MW) will be exported in Italy. This cooperation is based on the possibility in Italian law to

grant the Italian incentives to electricity from renewable sources produced in third countries and imported to Italy.

Serbia highly welcomes all types of the flexible cooperation mechanisms between States for their target achievement. Joint projects between Member States and Contracting Parties are already possible under Directive 2009/28/EC and will continue to be governed by the provisions of Article 9 and 10 of this Directive. Other two cooperation mechanisms between MS-EU and EnC- CPs such as Statistical transfers from Contracting Parties to Member States and Joint support schemes between Contracting Parties and Member States are now possible and will be governed by the provisions of Article 8 and Article 9 of MC Decision D/2012/04/MC-EnC from 18th October 2012.

In all these types of cooperation Serbia recognizes great opportunity for its economic development and job creations in green energy sector. This is why Serbia will support all possible cooperation with other Countries.

Accordingly, RES potential which is most suitable for cooperation with Serbia is a hydro. Because Serbia for solar energy limited the installed capacity (up to 10 MW for whole country) which electricity will be financially supported by incentives (by recently updated Feed-in tariffs Decree) it could be other possible RES available for cooperation.

(b) Estimated demand for energy from renewable sources to be satisfied by means other than domestic production until 2020. That information may include elements relating to cost and benefits and financing.

Serbia will reach its national target of a 27 % share of energy from renewable sources in gross final energy consumption in 2020 by using its own potential and measures except for biofuels. Currently determined very ambitious target of 10% biofuels in transport 2020 for Serbia has not achievable from its own capacities. Serbian NREAP foresees that this gap in biofuels could be overcome by import from the other countries.

According to the current estimates for the achievement other targets except biofuels there is no need for Serbia to import renewable energy.

Table 1 Overview of the estimated RES production in Serbia by 2020 and potential for the use of cooperation mechanisms

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
(A) Expected gross final energy consumption [ktoe/a]	9150	9804	10200	10400	10287	10174	10060	9947	9834	9721	9608	9495
(B) Expected total RES consumption (with estimated excess compared to the indicative trajectory) [ktoe/a]	1943	2053	1785	1855	1982	2005	2100	2172	2283	2377	2487	2596
(C) Total RES Share [%]	21.2	20.9	17.5	17.8	19.3	19.7	20.9	21.8	23.2	24.5	25.9	27.3
(D) Expected transfer of RES to other Member States [ktoe/a]	0	0	0	0	0	0	0	3.0	8.9	16.2	23.7	32.1
(E) Expected transfer of RES from other Member States and 3rd countries	-	-	-	-	-	-	-	-	-	-	-	-
(F) Expected RES consumption adjusted for mandatory target (B) - (D) + (E) [ktoe/a]	1943	2053	1785	1855	1982	2005	2100	2169	2275	2361	2464	2564
(G) RES Share indicative trajectory pursuant to mandatory target [%]	21.2	20.9	17.5	17.8	19.3	19.7	20.9	21.8	23.1	24.3	25.6	27.0

Note: All information included in the present forecast is based on the Serbian current target and instruments of Government for its achievement. All figures given in the table are based on the latest available estimates. These are continuously reviewed and updated if necessary. All figures included in the table are therefore subject to change in framework of priorities of Serbian energy policy.