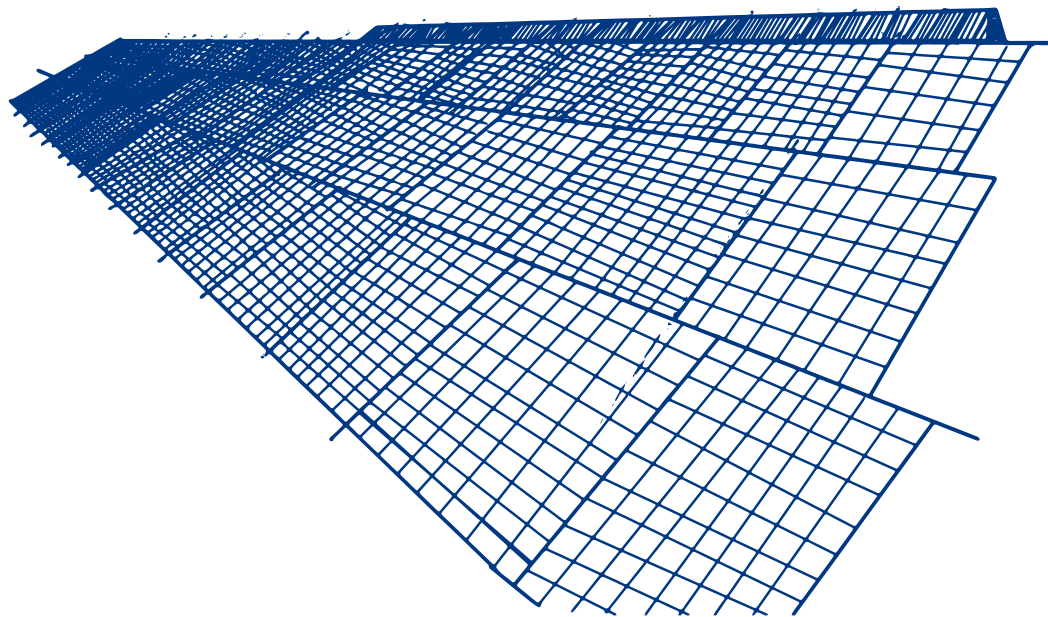


# Serbia

## Annual Implementation Report



















1 November 2022





# Serbia

## SUMMARY IMPLEMENTATION

SUMMARY INDICATORS	IMPLEMENTATION STATUS	2022 HIGHLIGHTS
 Electricity	 79%	Serbia implemented the REMIT Regulation and transposed Connection Codes. The transmission system operator became an operational member of the European platform for imbalance netting (IGCC). Yet, the allocation of capacity on the interconnector with Kosovo* is not performed.
 Gas	 40%	Serbia has adopted the gas network codes and implemented the energy units, but the needed reform of the gas market is still pending.
 Oil	 74%	The current number of days calculated on the basis of inland consumption increased to 36 but falls short of meeting the mandatory 61 days target. The Ministry of Mining and Energy continued to make efforts to ensure Serbia meets its emergency oil stocks obligation.
 Renewable Energy	 70%	Serbia came close to reaching its 2020 target. While implementation of self-consumption schemes is booming, long-awaited auctions for renewable energy projects have not been implemented yet.
 Energy Efficiency	 76%	Serbia achieved its 2020 energy efficiency target and made progress with adoption of the Long-term Building Renovation Strategy, implementation of the Energy Efficiency Law and creation of a sustainable financing framework.
 Environment	 55%	Serbia managed to reduce its emissions from large combustion plants in the last reporting year, a trend that shall be maintained.
 Climate	 76%	Serbia progressed with transposing parts of the Governance Regulation related to NECPs, and with the development of the draft NECP.
 National Authorities	 74%	Failing to enforce unbundling and upholding regulated household prices below the market price question the de facto independence of AERS and contrast with its high level of expert knowledge. The competition authority has closed an investigation in the district heating market which was addressed by voluntary commitments of the relevant company. The State aid authority reviewed two support schemes and provided substantive comments regarding their compliance.
 Statistics	 100%	By adding monthly oil statistics in 2022, Serbia achieved full compliance with the acquis.

Overall number of cases: **7**

ECS-9/18 Environment

ECS-2/21 Electricity

ECS-10/21 Environment

ECS-23/21 Environment

Procedure  
by Article **91**

Procedure  
by Article **92**

ECS-9/13S Gas

ECS-10/17S Gas

ECS-13/17 Gas

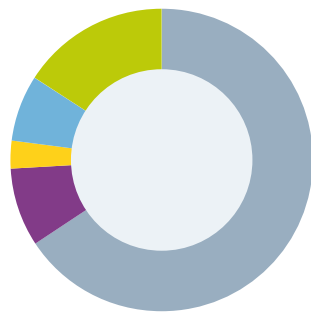
# State of Energy Sector Reforms

Serbia's otherwise good track record when it comes to acquis implementation was once again overshadowed by lack of progress on several crucial issues such as the lack of unbundling of the gas transmission system operator and refusal to grant third party access to the Horgos gas interconnection pipeline. Serbia implemented the REMIT Regulation and transposed electricity Connection Codes. The country is the best performer when it comes to the implementation of the oil stocks acquis.

Serbia made progress in most areas of the energy efficiency acquis. Minor progress was achieved in completing the regulatory

and legal framework for renewables and the country is yet to tap into its renewables potential.

With respect to the transposition of the 2021 Clean Energy Package, Serbia is by far the most advanced of all Contracting Parties with many elements of the Governance Regulation, Renewables Directive and Energy Efficiency already transposed. The only exception is electricity where work is yet to begin.

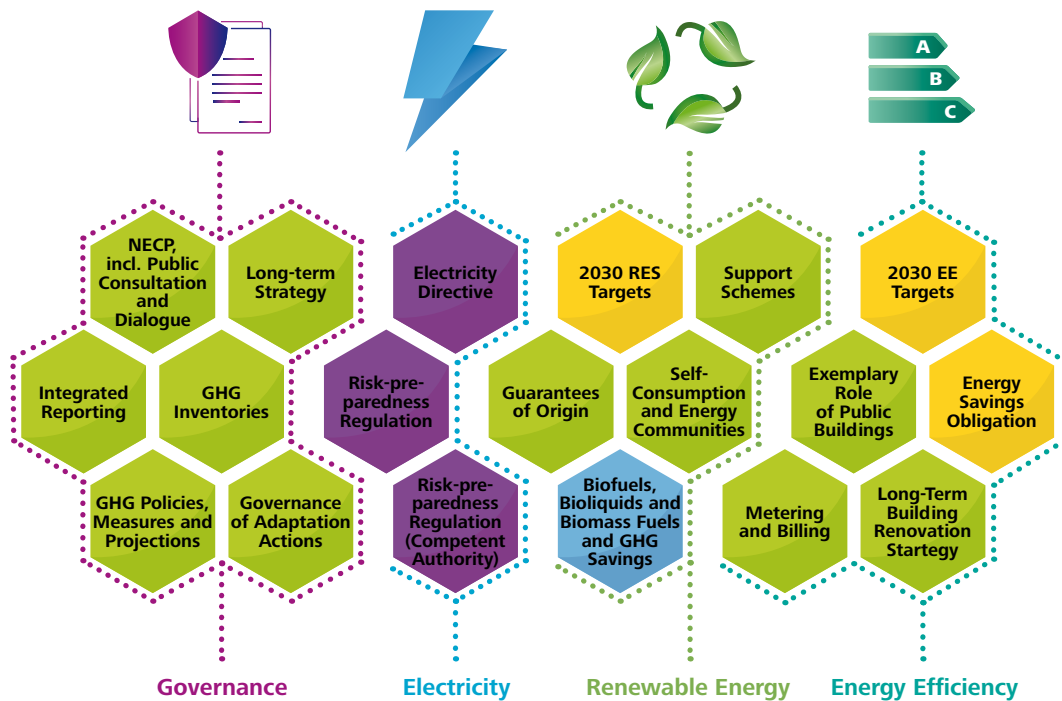


2020 Primary fuel mix in Serbia [ktoe]

- Solid fossil fuels
- Hydro
- Oil and petroleum products
- Natural gas
- Other renewables

Source: EUROSTAT

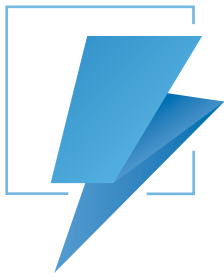
## Decarbonisation readiness - 2021 Clean Energy Package transposition



	Regulation (EU) 2018/1999	Directive (EU) 2019/944 and Regulation (EU) 2019/941	Directive (EU) 2018/2001	Directive (EU) 2018/2002
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### Transposition status:

- Planning / no steps taken
- Drafting process
- Final draft / approval process
- Approved and published



# Serbia Electricity

## ELECTRICITY IMPLEMENTATION

### UNBUNDLING

75% ↑

The transmission system operator EMS is legally and functionally unbundled from other electricity activities and certified by the regulator. As the decision-making rights for all energy activities lie with the Government, the Secretariat does not concur with the regulator's view that EMS complies with ownership unbundling requirements of the acquis.

The distribution system operator, Elektrodistribucija Srbije, is fully unbundled from other activities. The Government is the sole shareholder of the company. After the transfer of the ownership rights from the vertically integrated undertaking EPS, the independence of the distribution system operator from other activities was strengthened. A new compliance programme was adopted in January 2022 and approved by the regulator, and the conditions for the appointment of the compliance officer were adopted in June 2022.

The compliance report for 2021 is not published yet despite that the deadline for submission to the regulator expired on 1 July 2022.

### ACCESS TO THE SYSTEM

80% ↓

Access to the system is based on transparent rules for connection and use of the system. Transmission and distribution tariffs are regulated in accordance with the published methodology, amended in 2021.

Following an infringement procedure opened by the Secretariat, the Ministry adopted three decrees transposing the Network Codes, on connection to the network of production units, connection to the network of the customer's facilities and the connection to the network of DC high voltage systems in September 2022. Within one year of the decrees' entry into force, system operators are obliged to align their rules governing connection and obtain approval of the regulator.

Rules for the allocation of capacities on the interconnections with Kosovo\* have not yet been published and no auctions have been organised for the time being. This is subject to an open infringement case.

### WHOLESALE MARKET

98% ↑

The wholesale market operates through bilateral transactions and transactions on the organized day-ahead market operated by the power exchange SEEPEX. Incumbent producer and supplier PE EPS is still a dominant player in the market, withholding approximately half of total consumption and acting as provider of universal service supply. Traded volumes in the day-ahead market reached 10,8% of final electricity consumption in 2021. By adoption of the Decree on Day-ahead and Intraday Market Coupling in January 2022 and appointment of SEEPEX as NEMO in June 2022, Serbia advanced in transposing and implementing CACM, paving the way towards market coupling. An intraday market is not yet in place.

The balancing market is functioning in accordance with the market rules amended in December 2021. Prices for ancillary services and balancing reserves are regulated and adjusted annually.

The REMIT Regulation is transposed and implemented by the regulator.

### RETAIL MARKET

83% ||

All customers are free to choose their supplier, but only 3,8% of final customers were supplied from the competitive market in 2021. These were primarily big industrial customers which do not have access to guaranteed supply. The volume of electricity sold on the competitive retail market amounted to 51% of total final consumption, including supply of last resort to the customers which used the right to guaranteed supply.

Retail market concentration in 2021 was high with EPS holding 97% of total final consumption. As in other Contracting Parties, the increase of spot market prices in the EU spilled over to Serbia causing retail prices in the competitive market to rise. As a response, the Government issued a recommendation to EPS' supply branch on maximum retail prices. This brought the final customers back to EPS supply which is now practically supplying 100% of the market.

The regulator's report for 2021 repeatedly concluded that de-regulation of prices for universal service would be premature. Consequently, the appointment of a universal supplier in a market-based procedure is further postponed. End-user prices for

guaranteed supply were adjusted in September 2022, to reflect partially the costs of electricity.

The Decree on Energy Vulnerable Customer, adopted in 2015 and amended in 2018, provides safeguards to protect vulnerable customers in Serbia. The definition of vulnerable customers is provided in the Energy Law.

Cross-border exchange of balancing energy is performed bilaterally with neighbouring transmission system operators and imbalance netting with Montenegrin transmission system operator within the control block with operators of Montenegro and North Macedonia. As of October 2022, the transmission system operator of Serbia became an operational member of the European platform for imbalance netting (IGCC).

## REGIONAL INTEGRATION

53% ↑

Amendments to the Law on Energy from April 2021 stipulate that the Government prescribes the conditions and manner of promoting strategic energy projects. Certain provisions of the TEN-E Regulation were to be defined within six months from the entry into force of the Law. However, that has not happened yet. There are currently three electricity PECE projects in Serbia, all grouped into the Trans-Balkan corridor project. Section 2 of this project, OHL 400 kV Kragujevac 2 – Kraljevo 3, has been recently finished, while section 3, OHL 2x400 kV Obrenovac - Bajina Basta, is in a final preparatory phase. Section 4, OHL 2x400 kV Bajina Basta - Visegrad/Pljevlja, is pending further developments on the extension of the HVDC link between Montenegro and Italy, on which it relies.

No progress has been made towards extension of cross-border capacity allocation through the Joint Auction Office, which is for now allocating capacities on the interconnections with Croatia and Bulgaria only. On other interconnectors, joint auctions still apply.

## SECURITY OF SUPPLY

98%

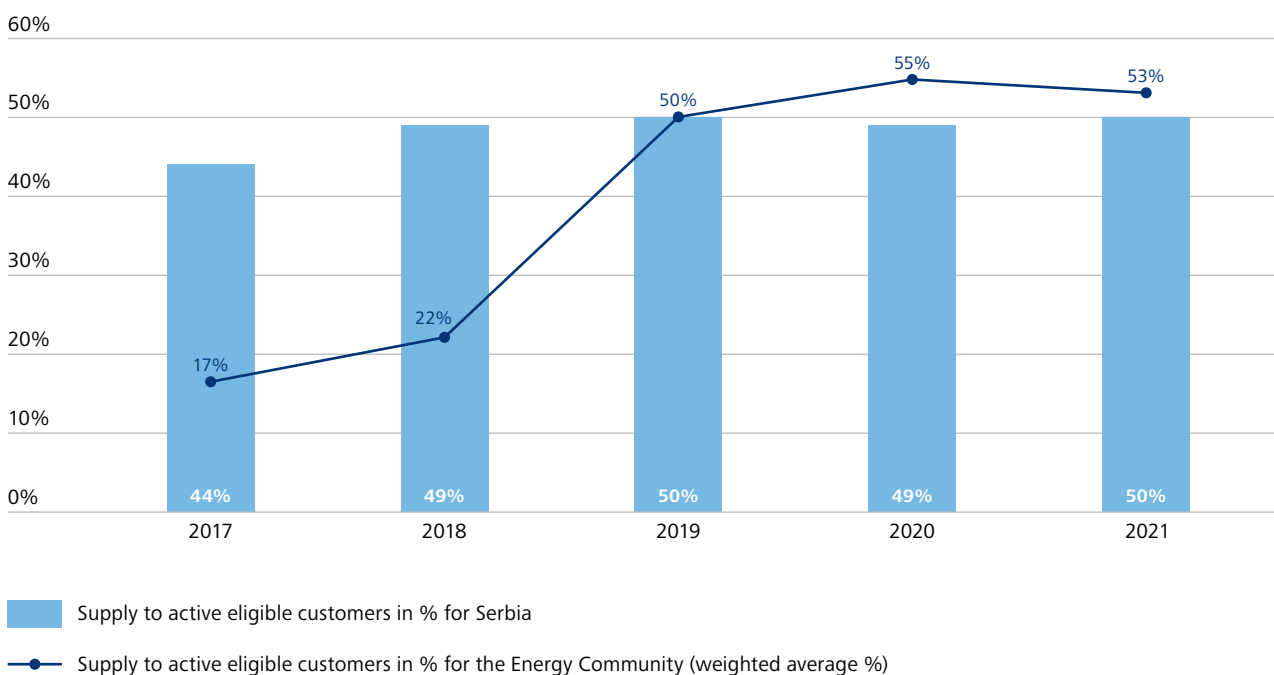
Directive 2005/89/EC is transposed and implemented and the security of supply statement is regularly submitted.

A cybersecurity strategy for 2021 - 2026 was adopted and the cybersecurity acquis is transposed in national law. The energy sector critical information infrastructure is defined and designated at national level. Energy-specific cybersecurity criteria could be further developed. SRB - CERT covers the energy sector.

## RECOMMENDATIONS / PRIORITIES

Serbia should invest all efforts in intraday market opening and resolving the remaining issues of non-compliance with the Treaty, including full unbundling of the transmission system operator and allocation of interconnection capacities with the transmission system operator of Kosovo\*.

### Retail Market Opening



Source: Ministry of Mining and Energy, compiled by the Energy Community Secretariat



# Serbia

## Gas

### GAS IMPLEMENTATION

#### UNBUNDLING

20% ||

Neither gas transmission system operator in Serbia was certified in line with the gas acquis. The unbundling plans for Srbijagas and YugoRosgaz, adopted by the Government in 2021, are not progressing. Srbijagas' spin-off company, Transportgas Srbija, is not unbundled and certified, nor is YugoRosgaz Transport. Transportgas Srbija is owned by the Republic of Serbia, but the separation of the public bodies who control the state-owned supplier and trader, Srbijagas and Transportgas Srbija, was not accomplished. Transportgas Srbija aims to be unbundled under the independent system operator model. For YugoRosgaz Transport, no progress with respect to unbundling was made. Gastrans, exempted and certified by the regulator disregarding the Secretariat's Opinions, was licensed under the independent transmission operator model. Banatski Dvor storage needs to undergo certification according to the new Gas Storage Regulation.

#### ACCESS TO THE SYSTEM

29% ↓

The Network Codes were transposed by the Government in October 2022. However, in practice, there is no capacity allocation at the interconnection points and the capacity at the interconnection point Horgos, with Hungary, is still hoarded by the incumbent shippers. Srbijagas thus effectively prevents new entrants to the Serbian market from more liquid central European hubs. This is a breach of Energy Community law and increases the security of supply risks for the entire region. The entry-exit transmission tariff methodology is in place, but harmonised tariffs are yet to be transposed. Gastrans was exempt from third party access contrary to the Secretariat's Opinion. Third party access to Banatski Dvor storage is not ensured.

#### WHOLESALE MARKET

17% ||

The wholesale market in Serbia is monopolised by Gazprom and Srbijagas. It is illiquid with no exchanges nor the possibility to purchase gas elsewhere. Serbia signed a three-year intergovernmental agreement on gas supply with Russia in 2022, aimed at satisfying at least 75% of its current demand. REMIT Regulation (EU) 1227/2011 is transposed by the regulator.

#### RETAIL MARKET

51% ||

In retail gas supply, Srbijagas is the dominant market player. Protection of customers is well established. Supplier switching occurs but to a very limited extent. Updated supply rules, adopted by the Government, enabled that measurement of natural gas was switched to energy units.

#### INTERCONNECTIVITY, REGIONAL INTEGRATION

73% ↓

The interconnector Bulgaria - Serbia is also a PCI priority project. It is currently under construction in the Serbian territory and is scheduled to be commissioned in 2023. The project will diversify the available gas sources. In order to exploit its full potential for regional integration, third party access on the Horgos interconnector must be in place so that the pipeline can link Southeast and Central markets. Transportgas Srbija has interconnection agreements with the adjacent transmission system operators.

The interconnectors Bulgaria - Serbia and Serbia - North Macedonia are PECI projects.

#### SECURITY OF SUPPLY

100%

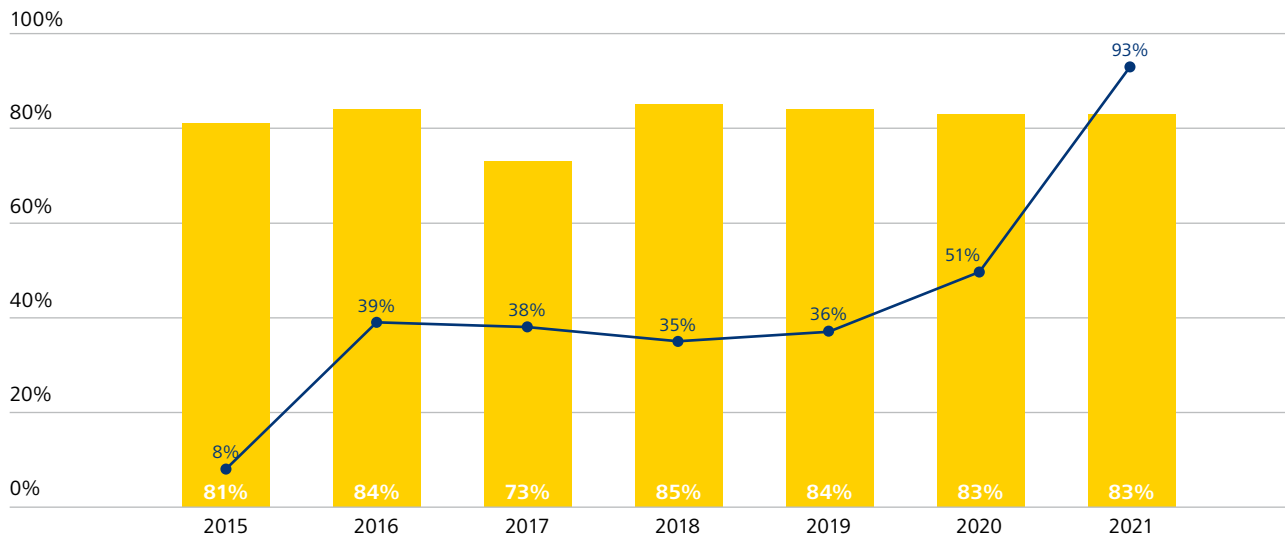
The national security of supply rules such as Preventive and Emergency Plans are in place but the framework needs to be aligned with Regulation (EU) 2017/1938 and the storage amendments.

#### RECOMMENDATIONS / PRIORITIES

Serbia needs to address the long-standing breaches of the gas acquis related to the lack of proper unbundling and certification of its gas transmission operators. It must operationalise the recently transposed Network Codes and grant third party access at the Horgos interconnection point without delay, and remove any other obstacles to new market entrants.

To boost regional gas market integration, it is of essence to commission timely the interconnector Bulgaria - Serbia. Serbia's underground storage operator will have to undergo the certification procedure in line with Storage Regulation (EU) 2022/1032.

## Retail Market Opening



■ Gas supplied to active eligible customers as % of total supply in Serbia

—● Gas supplied to active eligible customers as % of total supply in the Energy Community

Note: The weighted average level of market opening in the Energy Community was calculated assuming the full opening of gas retail market in Ukraine for the whole 2021. However the full retail market opening took place on 1st May 2021.

Source: Energy Agency of the Republic of Serbia (AERS), compiled by the Energy Community Secretariat

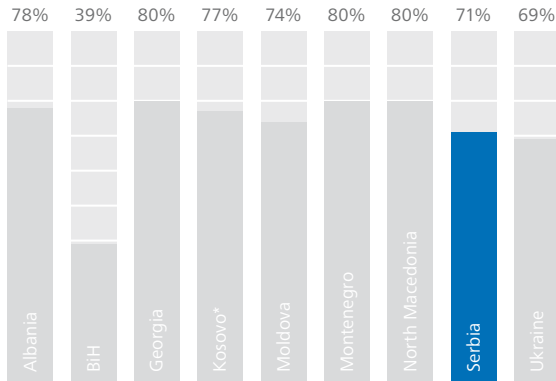


# Serbia

## National Authorities



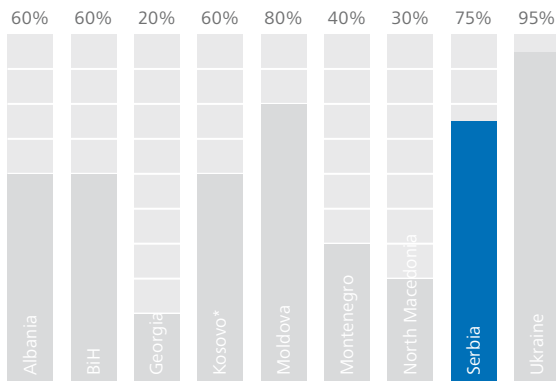
### Regulatory Authority



The Energy Agency of the Republic of Serbia (AERS) made use of its newly gained responsibilities by transposing the REMIT Regulation. At the same time, no progress was made as regards enforcement of unbundling and certification of network operators or third party gas access. AERS also upholds regulated prices for households below market prices. This inertia is of constant concern, and contrasts with the high level of expert knowledge present in AERS.



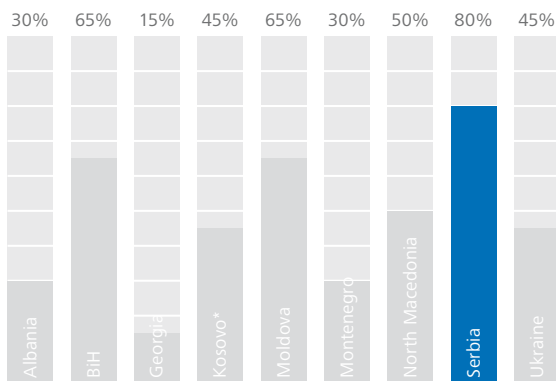
### Competition Authority



In the reporting period, the Commission for Protection of Competition (CPC) limited its enforcement activity in the energy sector to the clearing of one merger. It closed an investigation initiated in 2018 against Gradska Toplana Niš, in which the CPC had found that the company had charged a higher price for heat supply and connection to the district heating network than would have resulted from the compliant application of the relevant legal framework. Gradska Toplana Niš proposed voluntary commitments to eliminate the CPC's competitive concerns and implemented them within the deadline imposed.



### State Aid Authority



In October 2021, Serbia adopted the Regulation on Conditions and Criteria for the Compliance of State Aid for the Protection of the Environment and in the Energy Sector, which transposes the European Commission's Guidelines on State aid for environmental protection and energy 2014 - 2020.

In the reporting period, the Commission for State Aid Control reviewed the support scheme for the production of electricity from renewables established by the new Law on the Use of Renewable Energy Sources and found it to be compliant. Furthermore, in the context of the compilation of a comprehensive list of State aid schemes, the Commission for State Aid Control found the incentives for the recycling and reuse of waste to constitute non-compliant State aid and proposed amendments to ensure compliance of the support scheme. The Commission for State Aid Control should follow-up by ensuring implementation of amendments to the scheme.





# Serbia Oil

## OIL IMPLEMENTATION

### OIL STOCKHOLDING OBLIGATIONS **65% ↑**

The emergency oil stocks obligation, calculated based on inland consumption, stood at 36 days at the time of publication of this report. This is an increase of 11 days in the reporting period.

The public-private partnership project aimed at involving industry to help Serbia meet its emergency oil stocks obligation, initiated by the Ministry of Mining and Energy, has been delayed due to the war in Ukraine.

The Ministry is reconsidering the chosen model and conducting additional market research to provide a realistic model for PPP under the new circumstances.

### FUEL SPECIFICATIONS **100% ||**

Environmental specifications for petrol, diesel and gas oil used for non-road mobile machinery are in conformity with the Recommendation.

The quality monitoring programme for petroleum products is in place.

## RECOMMENDATIONS / PRIORITIES

Despite Serbia's efforts to boost emergency oil stocks (an increase of 11 days compared to the last reporting period), the country is not likely to fulfil the final 61 days of inland consumption obligation by 1 January 2023.



# Serbia

## Renewable Energy

### RENEWABLE ENERGY IMPLEMENTATION

#### NATIONAL RENEWABLE ENERGY ACTION PLAN

58% ↑

Serbia came very close to reaching its 27% target for 2020 on the basis of a recalculation of biomass consumption for heating following the completion of a household consumption survey in 2021. The country registered a 26,30% share of renewables in 2020. Sectorial targets for electricity and transport were not met.

#### ADMINISTRATIVE PROCEDURES AND GUARANTEES OF ORIGIN

84% ||

No progress was made to simplify administrative procedures and establish a one-stop shop in the reporting period. Elektromreža Srbije (EMS), as the designated issuing body, implemented requirements related to guarantees of origin and established the electronic registry. EMS also became full member of the European Association of Issuing Bodies.

#### QUALITY OF SUPPORT SCHEME

80% ↑

The Law on the Use of Renewable Energy Sources adopted in 2021 provides a legal basis for the creation of a market-based support scheme. Renewable energy projects with capacity of less than 500 kW and 3MW for wind are entitled to a feed-in tariff, while auctions based on the feed-in premium will be held for other projects. In addition to long-term contracts providing for an incentivized price for the off-take of electricity, renewable producers are exempt from balancing responsibility by law until an intraday market is liquid. Although a quota of 400 MW and a ceiling price of 5,57 cEUR/kWh for the first wind auction were already defined, the launch of the auction is blocked by the absence of a by-law on balance responsibility of renewables.

#### RENEWABLE ENERGY IN TRANSPORT

53% ||

Provisions of Directive 2009/28/EC, including sustainability criteria, have been transposed by primary and secondary legislation. The share of renewable energy sources in transport remained very low in 2020. The Ministry is preparing a decree on the mandatory share of renewable energy in transport sector fuels in line with RED II requirements.

#### GRID INTEGRATION

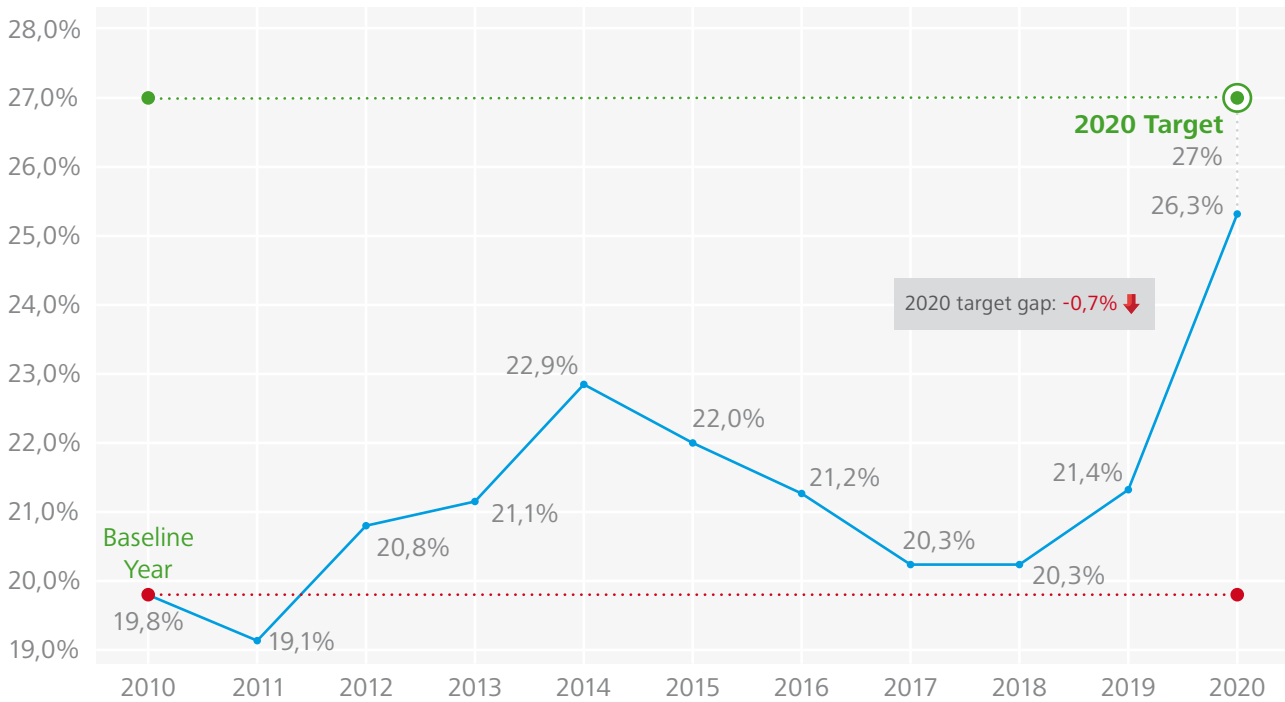
80% ||

Guaranteed and priority access to the network for electricity produced from renewable energy sources is provided. The Government adopted the Decree on Network Rules relating to connection to the network of production units in August 2022.

### RECOMMENDATIONS / PRIORITIES

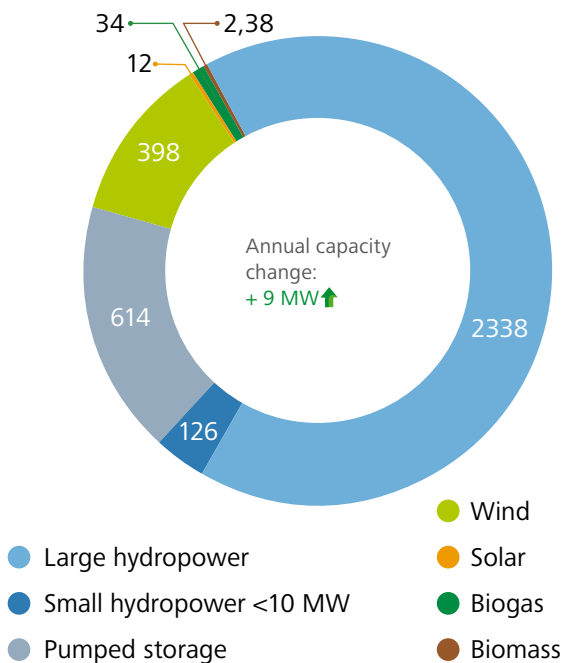
Serbia should adopt the missing by-laws, in particular the one on balancing responsibility, as soon as possible and proceed with implementation of renewables auctions.

## Shares of Energy from Renewable Sources



Source: EUROSTAT

## Total Capacities of Renewable Energy 2021 (MW)

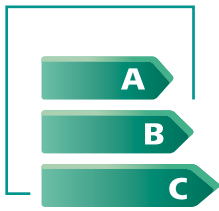


In 2021, only a few MW of renewables capacity were added, mostly in hydro and 1 MW of rooftop solar PV and 6 MW of biogas.

Total capacities of renewable energy (MW):

3524

Source: Ministry of Mining and Energy



# Serbia

## Energy Efficiency

### ENERGY EFFICIENCY IMPLEMENTATION

#### ENERGY EFFICIENCY TARGETS AND POLICY MEASURES

88% ||

While its primary energy consumption increased in 2020, Serbia was still able to meet its national 2020 energy efficiency target, as reported in the sixth Annual Progress Report submitted to the Secretariat in July 2022.

After the adoption of the new Law on Energy Efficiency and Rational Use of Energy in April 2021, several implementing acts were adopted to improve compliance with the amended Energy Efficiency Directive 2018/2002 (on energy management and energy audits, calculation of cumulative energy savings, public procurement and energy services, reporting etc.). The Secretariat was notified of the model of implementation of the Article 7 target for obligation schemes, which was achieved through alternative measures, and ongoing work to improve the monitoring and reporting system.

The 2030 energy efficiency targets and policy measures are being integrated into the draft NECP.

#### ENERGY EFFICIENCY IN BUILDINGS

64% ↑

The long-term building renovation strategy until 2030 was adopted in February 2022, with the vision to renovate and decarbonise the existing public building stock by 2050. On the other hand, little progress was achieved on the finalisation and adoption of the regulation on minimum energy performance requirements and certification, to achieve full compliance with Directive 2010/31/EU.

#### ENERGY EFFICIENCY FINANCING

90% ↑

During the reporting period, the framework for sustainable energy efficiency financing was improved with the establishment of the Administration for Financing and Promotion of Energy Efficiency as a legal authority within the Ministry of Mining and Energy, allocation of more state funding and adoption of the annual programme for financing activities and measures for energy efficiency improvements as well as new procedures enabling subsidies to the household sector.

Since 2021, public calls are being regularly launched to support financing of energy efficiency projects in public and residential

buildings. Support schemes in 2022 covered energy efficiency measures for improvement of the building envelope and heating and cooling systems, as well as installation of PVs.

An enabling legal framework for energy service contracting was updated in 2022, with several ESCO projects already being implemented in buildings, public lighting and district heating.

#### ENERGY EFFICIENT PRODUCTS – LABELLING

84% ↑

The revised Law on Energy Efficiency and Rational Use of Energy partially transposed Framework Labelling Regulation (EU) 2017/1369. Complete transposition is expected to be obtained through adoption of a new decree on energy labelling that is in the final drafting phase. During 2021 and 2022, the Ministry updated existing rulebooks to introduce new requirements and rescaled labels for fridges and freezers, washing machines and dishwashers, electronic displays and light sources. The adoption of remaining four labelling delegated regulations is pending.

After the adoption of the Decree on Eco-design of Energy-related Products in December 2021, Serbia started introducing eco-design requirements for certain product groups.

#### EFFICIENCY IN HEATING AND COOLING

54% ↑

With 58 operational systems, Serbia has the largest district heating system in the Western Balkans, but renewables make up less than 1% of the input fuel. The Ministry established a programme to support 11 projects with modern technologies for integrating renewables and waste heat in district heating. 95% of substations have heat meters, however, only 7% of the total heated area has measured heat consumption.

The Rulebook on the Methodological Framework for Determining the Technical Feasibility and Cost-effectiveness of Installing Heat Meters was adopted in October 2022.

The assessment of the potential for high-efficiency cogeneration and efficient district heating and cooling is under preparation. The Secretariat strongly recommends the implementation of consumption-based metering and billing in all district heating systems, as required by the Energy Efficiency Directive.

## RECOMMENDATIONS / PRIORITIES

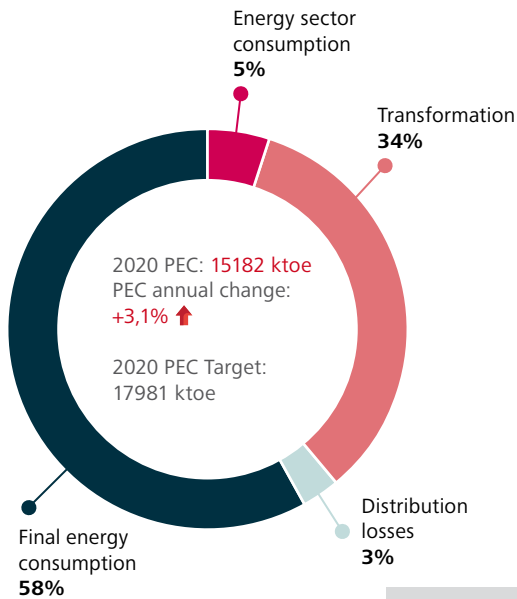
In the forthcoming period, Serbia should adopt the remaining by-laws to implement the Law on Energy Efficiency and Rational Use of Energy, including the remaining delegated regulations for energy labelling and application of consumption-based metering and billing.

The adoption of the updated regulation for full alignment with the Energy Performance of Buildings Directive remains a key priority.

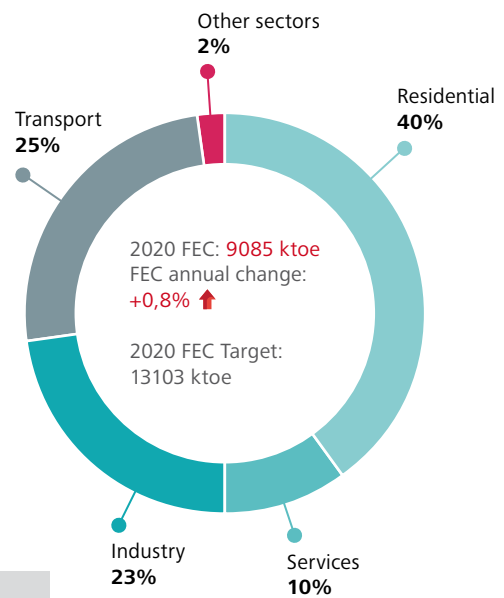
The Directorate for Financing and Promotion of Energy Efficiency should be further strengthened in order to be better equipped with policy and financial support for energy efficiency.

### 2020 Energy Efficiency Indicators and Trends

#### Primary Energy Consumption (PEC)



#### Final Energy Consumption (FEC)



Energy intensity, 2020 value and trends:  
0,42 ktoe/mil EUR, +4,2% ↑

Source: EUROSTAT 2022 data and Contracting Party's Annual Report under Directive 2012/27/EU

### Energy Efficient Products – Overview of Implementation of Labelling Regulation

FRAMEWORK REGULATION*											
Household dishwashers	●										
Fridges and freezers*		●									
Household washing machines			●								
Televisions				●							
Air conditioners and fans*					●						
Household tumble driers						●					
Electrical lamps and luminaires							●				
Solid fuel boilers*								●			
Space heaters*									●		
Water heaters & storage tanks										●	
Domestic ovens and range hoods											●

● Adopted and implemented    ● Compliance or implementation issues detected    ● No progress with adoption/implementation

\* The new labelling package adopted by the Ministerial Council in November 2018 was assessed, as the transposition deadline expired in January 2020.

Source: multiple sources of data (EECG reports, NEEAPs etc.), compiled by the Energy Community Secretariat



# Serbia

## Environment

### ENVIRONMENT IMPLEMENTATION

#### ENVIRONMENTAL ASSESSMENTS **43% ↓**

The breach established by the Ministerial Council for failing to transpose Environmental Impact Assessment (EIA) Directive 2014/52/EU is ongoing. The consultation process was initiated and draft amendments were developed, however, the process was not finalized. The amendments are also expected to address another non-compliant element of the existing law, the possibility of issuing construction permits (development consent before the EIA consent). Draft amendments to secondary legislation concerning the lack of EIA screening of small hydropower projects (less than 2 MW) located outside protected areas were prepared but not adopted.

In the reporting period, Serbia initiated amendments to the Strategic Environmental Assessment (SEA) Law in order to fully align it with the SEA Directive. The need for compliance with certain provisions of the SEA Directive is primarily in the part related to the hierarchical framework and compliance with other plans and programs, avoiding double assessments and the level and scope of the SEA report. The new law should also improve the quality of the evaluation of SEA reports by strengthening the role of the expert commission and introducing mandatory training for the members of the expert committee. The draft SEA Law also foresees establishing a database and a central web portal through which the authorities responsible for the preparation of plans and programmes will inform interested parties and provides a clear legal framework for the public consultation process. The SEA process for the National Energy and Climate Plan (NECP) was initiated in 2021, however, the SEA report was not prepared and the deadline for providing it under the 2021 decision expired.

#### SULPHUR IN FUELS **92% ↑**

The legislation transposing the Directive is in force since December 2020. Sampling and analysis of the fuels concerned takes place according to the annual fuel quality monitoring programme.

#### LARGE COMBUSTION PLANTS **60% ↑**

Serbia complied with its reporting obligations under the Large Combustion Plants Directive for the reporting year 2021, and also provided emission scenarios taking into account ongoing investments. An infringement procedure for non-compliance with the NERP ceilings for sulphur dioxide and dust is open since March 2021. In the 2021 reporting year, emissions of all pollutants decreased and dust emissions complied with the ceilings. Non-compliance still persists for the ceiling for sulphur dioxide. Out of the four large combustion plants operating under the opt-out regime, two (boilers 3, 4, 5 of Termoelektrana Kolubara A3 and Termoelektrana Morava) are expected to reach the end of their lifetime by the end of 2022 based on their current load factor.

#### NATURE PROTECTION **67% ||**

In the reporting period, the protection procedure was initiated for 14 protected areas of national, regional and local importance, among which the protection procedure was initiated for two national parks - Stara planina which is already protected as a nature park and Kučaj-Beljanica as a newly protected area. A national action plan on the prevention of illegal killing of birds is not yet developed. Serbia revised the Rulebook on Declaring the Hunting of Protected Wildlife Species and included three new endangered wild bird species subject to hunting prohibitions. The amendments also introduced a temporary ban on turtle dove and partridge hunting.

#### ENVIRONMENTAL LIABILITY **0%**

Although the drafting of the Law on Liability for Environmental Damage began in 2015, the draft Law remains to be finalized and submitted to the legislative process.

### RECOMMENDATIONS / PRIORITIES

Serbia should transpose Directive 2014/52/EU and update the relevant secondary legislation in order to align it with the EIA Directive. New legislative amendments should be supplemented with a capacity building training programme. Until the legal gaps are addressed, the competent authorities should take into account the Secretariat's Policy Guidelines on the development

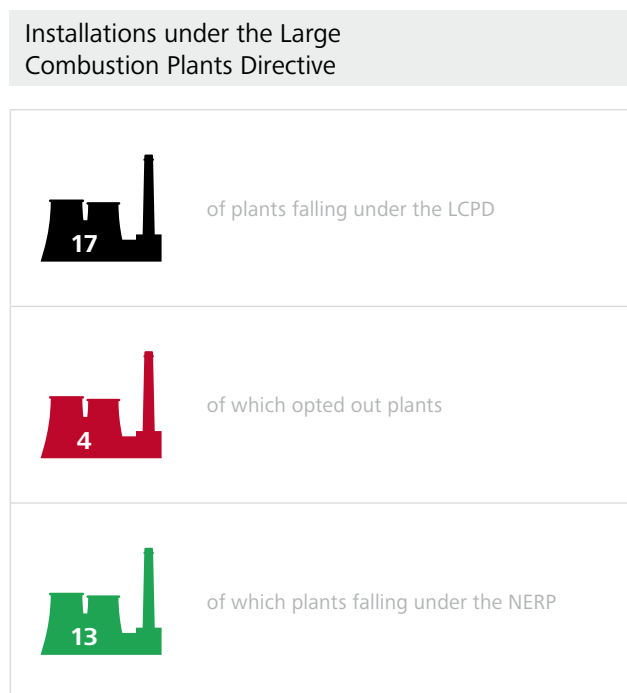
of small hydropower projects. The amendment of the SEA Law should be finalized. The SEA for the NECP should be reinitiated and accompanied by a detailed scoping report.

Serbia should intensify its efforts to continue the trend of emission reductions from large combustion plants and ensure compliance with the ceiling for sulphur dioxide.

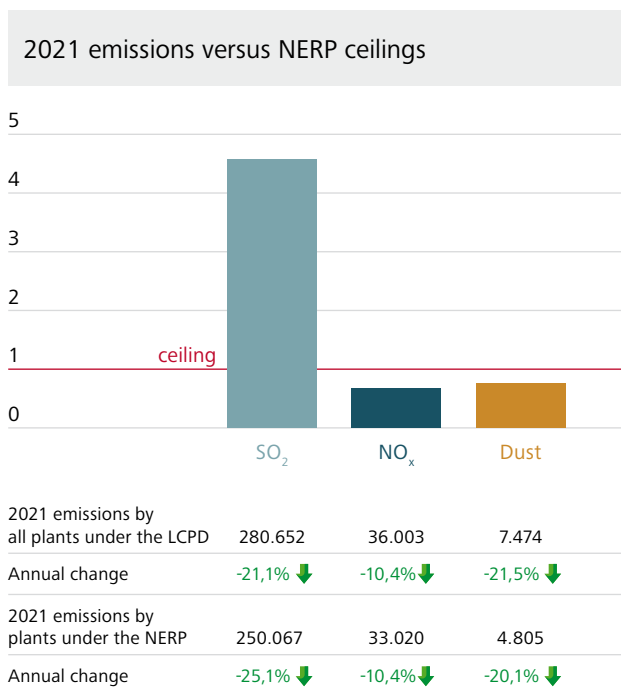
The protection procedure for the identified sites based on Law

on Nature Protection should be finalized and a national action plan on the prevention of illegal killing of birds developed. The future protection and management plan for "Stara Planina" should assess the challenges with hydropower development in detail and provide clear rules and conditions for project development.





The draft Law on Liability for Environmental Damage should be finalized and adopted.



Source: compiled by the Energy Community Secretariat

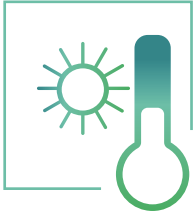


### Amount of operational hours used from opt-out period

Termoelektrana Kolubara A3 (boilers 3, 4, 5) 	Expected expiry of opt-out period	August 2022
	Remaining hours	2.815
	Operating hours consumed in 2018 - 2021	17.185
Termoelektrana Morava 	Expected expiry of opt-out period:*	September 2022
	Remaining hours	3.034
	Operating hours consumed in 2018 - 2021	16.966
Termoelektrana Kolubara A3 (boiler 1) 	Expected expiry of opt-out period	March 2023
	Remaining hours	4.523
	Operating hours consumed in 2018 - 2021	15.477
Termoelektrana Kolubara A5 	Expected expiry of opt-out period	October 2023
	Remaining hours	6.107
	Operating hours consumed in 2018 - 2021	13.893

\*Calculations for the expected expiry of the opt-out period are based on 2018 - 2021 average load factor.

Source: compiled by the Energy Community Secretariat



# Serbia Climate

## CLIMATE IMPLEMENTATION

### NATIONAL GREENHOUSE GAS EMISSIONS MONITORING AND REPORTING SYSTEMS

82% ||

Serbia's revised Nationally Determined Contribution (NDC2) under the Paris Agreement was finalized and submitted to UNFCCC in August 2022.

The Law on Climate Change, adopted in March 2021, sets the framework for mitigation actions. Secondary legislation should ensure the transposition of the climate related parts of the Governance Regulation. In addition, two by-laws were adopted to ensure the operationalization of the Law on Climate Change for the planned extension of the Energy Community acquis: rulebook on the verification and accreditation of verifiers of reports on greenhouse gas emissions and regulation on types of activities and greenhouse gases.

### NATIONAL ENERGY AND CLIMATE PLANS (NECPS)

71% ↑

Amendments to the Energy Law, adopted in April 2021, set the legal framework for the preparation, monitoring and updating of the NECP.

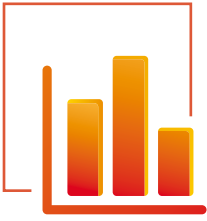
A rulebook related to the content and development of the NECP was adopted on 15 April 2022.

Work on the NECP continued with the finalization of the scenarios in August 2022, which were subject to consultation between August and September 2022. The draft NECP was developed and shared with the technical working group in October 2022 for comments. Public and cross-border consultations are to take place following the discussions in the technical working group.

### RECOMMENDATIONS / PRIORITIES

Serbia should continue the NECP development process via public and regional consultations and to submit its draft NECP to the Secretariat for its assessment.





# Serbia Statistics

## STATISTICS IMPLEMENTATION

### ANNUAL STATISTICS

100% ||

Annual energy statistics for 2020 were compiled by the Statistical Office of the Republic of Serbia (SORS), transmitted on time and published by EUROSTAT. Disaggregated data on energy consumption of households were compiled and transmitted to EUROSTAT on time.

SORS has established a quality management system based on written procedures and policies and submitted the first quality report in 2019. The updated quality report was submitted to EUROSTAT in July 2022, in accordance with the acquis.

Non-mandatory datasets, namely preliminary data for 2021 and disaggregated data on final energy consumption in industry with data from 2017 to 2020, were also compiled and transmitted to EUROSTAT, as well as the questionnaire on the renewables share for 2020.

### MONTHLY STATISTICS

100% ↑

SORS is responsible for disseminating monthly data. In cooperation with the Ministry of Mining and Energy, which collects data in its database, monthly electricity, coal, oil and natural gas data are collected and transmitted to EUROSTAT.

In cooperation with the Ministry, SORS is preparing to report on all data related to oil stocks in accordance with the acquis on oil stocks and the Crude Oil Import Register.

### PRICE STATISTICS

100% ||

Bi-annual prices of electricity and gas for industry and households per consumption band, as well as the price breakdown per component, are submitted to EUROSTAT in accordance with Regulation (EU) 2016/1952.

The quality report on electricity and natural gas price statistics is submitted in time to EUROSTAT and published in accordance with Regulation (EU) 2019/803.

## RECOMMENDATIONS / PRIORITIES

In the course of 2022, Serbia began collecting and transmitting monthly oil statistics, hence removing the only remaining non-compliance. Serbia should only continue to steadily improve the timeliness and punctuality of its energy statistics.