

BALKAN GREEN ENERGY NEWS

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Balkan
Green Energy
NEWS

The most comprehensive coverage of green energy news from the Balkans





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FEATURES



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Public-private partnership as instrument for ESCO projects in Serbia

Currently, the highest public interest of Serbia is to consolidate public finances in order for the state government and local self-governments to secure stable starting budget funds and balances necessary for establishing sustainable economical development within their responsibilities. Important element of sustainable economy and its green growth is for sure the efficient production of sufficient amounts of energy in environmentally acceptable way and the rational use of that energy in modern technical systems.

Budget expenditures for energy

One of the most significant budget lines of each government level is the balanced purchase of fuel and energy for providing quality services for public buildings heating and public lighting. Together with maintenance and costs of managing technical systems, which use those fuels and energy to provide requested (utility) service, budgets of different government levels may be reserved with more than 10% of total appropriations for that purpose.

Reduction of expenditures for purchase of fuel and energy and maintenance and management of technical systems, which use that energy, therefore constitute sound public interest, which can be achieved only with investments in improving quality of providing respective public service (if we do not also take into account the awareness raising and promotion of responsible and professional attitude towards assigned responsibilities, which practically need no additional costs).

Capex-neutral financing

In this case, new investments can be generated from the division of existing expenditures with no need for the public sector to borrow (Capex-neutral financing, without new capital expenses). Existing costs are defined throughout respective budgetary appropriations, planned on a yearly bases for the purchase of fuel and energy and maintenance and management of technical systems (which should also include the change of amortized equipment and devices after expiration of their economical cycle), as well as public administration costs (salaries and tax contributions for employees, including employees in public utilities and directorates in the public sector which are responsible for providing concrete public services).

Investments and savings

If so defined unavoidable existing annual expenses are extrapolated on presumed period between 10 and 20 years of providing the public service (which is an economically feasible lifetime of majority of technical systems) and summed up, total amount of the costs may represent expected investment for financing the particular project which could be of interest for some of potential and qualified private partners.

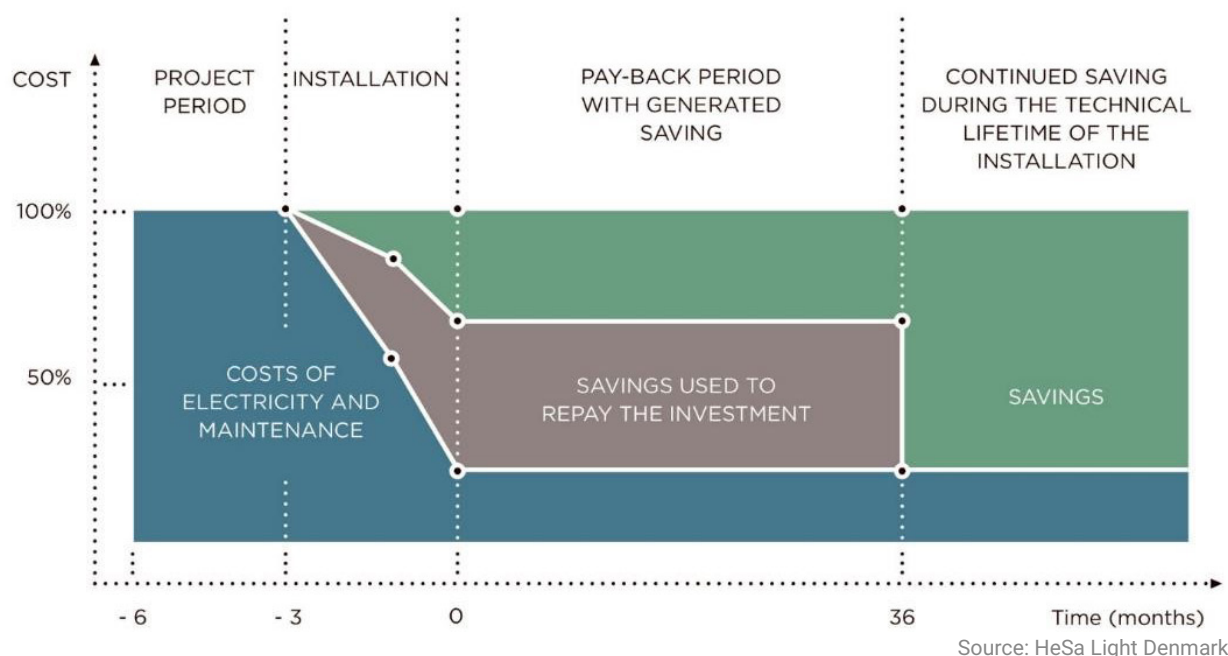
Hence, expenditures of the public sector could be transformed into the interested private partner's possible investment by dividing those expenditures in a way that the public party repays the investment through fees which are equal at most or, more often, smaller than expenditures that would be planned in the budget for the same period (10 to 20 years, for example).

Legal framework

Contracting such a financing model is enabled by legal framework established by Law on Public-private Partnership and Concessions, while the selection of a contractor that would implement and finance the project is conducted through the procedure prescribed by Law on Public Procurement, for awarding the contract to the lowest qualified bidder for providing a particular service of public interest.

It should not be neglected that every cost reduction in fuel and energy purchase implicates less energy consumption (energy savings) which leads to proportional reduction in emission of harmful products of combustion in environment. Environment protection is with no doubt genuine public interest. \

GENERATING SAVINGS OF 50% - 80% ON THE ELECTRICITY BILL HAS A LARGE POSITIVE IMPACT ON YOUR COMPANY'S BOTTOM LINE



Dividing existing costs for project financing

Energy savings

Energy savings per se do not represent public interest in the sense of Law on PPP (like utility services of providing heating and street lighting). However, the Law on Efficient use of Energy introduced energy services as a business activity provided by specialized companies through respective ESCO (energy service company) model of contracting. By the same law, public sector is obliged to conduct activities which lead to reduction of energy consumption, and in that sense it may contract energy services with companies registered for that kind of business activities (i. e. ESCO entities). By this law as well, and in accordance with respective by-laws and regulations (newly adopted model contract and methodology for evaluation of achieved energy savings in public buildings and street lighting), contracting of energy services is determined to be conveyed through legal framework of Law on PPP.

By this, PPP is definitely established as one and only instrument for implementation of ESCO projects in Serbia which are conducted with an aim of contracting energy savings in order to reduce operational costs of technical systems usage in public sector.

Essential task of PPP lays in untying captured budget funds which have been planned for years – not in a very rational way. ESCO helps it.



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Macedonia improves legal framework on energy audits

In order to meet the energy savings targets and commitments to the European Energy Community, Macedonia is doing a lot to improve its legislation on energy efficiency. Macedonian policy and legal framework on energy efficiency is consisted of: Strategy for Development of the Energy Sector 2009-2030, Strategy for Improvement of Energy Efficiency 2010-2020, First National Energy Efficiency Action Plan 2010-2012, Energy Law (enacted in 2011) and numerous by-laws.

Balkan countries, with their vast untapped renewable energy potential, have adopted obligatory binding targets for renewable energy, but have struggled to mobilize capital to fund and bring projects to fruition. It is estimated that EUR 2.3 billion is required to finance regional renewable projects of common regional interest (Energy Community, 2013). Restricted by public budgets, state-owned incumbent utilities are unable to finance such projects on their own balance sheets, thus creating opportunities for private sector independent power producers (IPPs) to bridge the funding gap. However, attracting investors has proven to be rather difficult as national energy markets do not yet provide for stable, transparent regulatory frameworks and a competitive environment for such investments. Moreover, national markets are considered to be small on an individual basis which limits potential for economies of scale.

A driver for increased energy efficiency

All these documents foresee measures to be implemented and obligations to be fulfilled by the public institutions and private entities in order to increase energy efficiency in various sectors. Compulsory three-year energy efficiency programs in municipalities, energy certification (energy passports) of buildings, regular energy audits, are among the measures that should contribute to accomplish the goal.

Why are energy audits important?

In order to determine if a building is energy efficient and identify the types of retrofit and refurbishment measures necessary to increase its efficiency, an audit has to be carried out. It is estimated that the number of buildings that belong to or are used by the public sector institutions is around 2,500. Most of them were built decades ago without taking energy efficiency aspects into consideration. In recent years, through several donor funded projects, a small number of public and private buildings was subjected to energy audits and renovation, the end result being the significant increase of their efficiency.

All these were considered to be one-time efforts. There was no systematic approach in implementing the energy audits. When the USAID-funded Clean Energy Investment Project was launched in April 2013, energy audits were foreseen on paper in the Energy Law and the Rulebook on Energy Audits, but in none were conducted, at least not in

the way the newly adopted legislation prescribed. It was realized how important is to set up a legal framework that will eliminate the identified bottlenecks, allow for energy auditors to be licensed and to perform the work in a smooth manner. Therefore, the project and the relevant national authorities established strong cooperation to complete and improve the relevant legal framework. Implementation of energy audits, especially in public buildings, is a necessary tool in measuring the progress towards the national energy saving target set to 9% of the average final energy consumption by 2018.

How did the Energy Auditors Training and certification process unfold?

The first step was to develop the Energy Auditors Training Program. Following its official adoption, the Energy Agency selected 5 training providers. In the course of 2014, many trainings and exams were organized, and as a result, around 240 energy auditors were certified by the agency and around 50 energy auditing companies licensed by the Ministry of Economy. However, the 2014 amendments to the Energy Law have foreseen transfer of authorities related to the issuance of energy auditors' certificates as well as changes in the manner of conducting the exam. The changes were supposed to enter into force in early 2015. These amendments entailed changes in the present by-laws and drafting completely new ones on this subject matter. The project assisted the Ministry of Economy in the drafting process.

What changes in relevant legislation were made?

There were major alterations in the examination of energy auditors. It was government policy to standardize the manner public institutions organize their exams. Uniformed type of questions (multiple choice answers), database of at least 200 questions, electronic application for conducting the theoretical part of the exam, and strict rules for allocation of points were among the novelties. Other changes referred to the fees for attending the training, taking the exam, conducting energy audit and issuing energy efficiency certificates. In determining the fees, the drafters had to ensure there is balance between confronting interests: a) the work of training providers and energy auditors to be profitable on one hand, and b) participation on the trainings and performing of audits to be affordable for trainees and building owners respectively, on the other. The fee to attend 90 hours training is around EUR 300, while the exam fee is about EUR 140. The fee for issuing an energy certificate (passport) for residential buildings cannot exceed about EUR 0.25 per square meter, and EUR 0.33 for commercial buildings.

To support these changes, the Rulebook on Energy Audits, Rulebook on Energy Performances of Buildings, and Energy Auditors Training Program were also revised. A few additional changes were made as a result of the deficiencies identified in the practice, which should overall facilitate the implementation of the rules.

“ Last year around 240 energy auditors were certified by the Energy Agency and around 50 energy auditing companies licensed by the Ministry of Economy. ”

What are the plans for the near future?

The USAID Clean Energy Investment Project, in cooperation with the EBRD's project of 'Technical Support to the Macedonian Ministry of Economy in Respect to the Transposition of the Energy Performances of Buildings Directive' and the Ministry of Economy, will propose another set of amendments to completely align all aspects of energy auditing with the European Union's legislation (e. g. differentiate between energy audits and inspection checks of boilers and air-conditioning systems). The end result should be improved legal framework for energy auditing and energy performances of buildings, which will be fully in line with the relevant EU directives and the best practices. This will allow for intensified and more effective energy audits, resulting in increased energy efficiency.

USAID Macedonia Clean Energy Investment Project

A three-year project, implemented by Winrock International, was initiated in April 2013. USAID Macedonia Clean Energy Investment (CEI) Project supports the Government of Macedonia in implementing relevant strategies with the goal to increase investment in energy from renewable sources, and reduce Macedonia's total final energy consumption and greenhouse gas emissions. Within the first component, the project provides technical assistance and implements a range of activities aiming at streamlining renewable energy project development and investment processes. In other words, the project activities aim to improve the overall renewable energy-enabling environment.

PROJECTS



Development of a Sustainable Bioenergy Market in Serbia

Component: Political awareness raising and networking events

Project summary

A series of round tables on sustainable use of biomass was held from October 2014 to April 2015 by the **Belgrade Fund for Political Excellence (BFPE)** with support from **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**. The aim of the project was to establish dialogue for decision makers at the national and local level and have experts in the field and other interested parties present studies, best practices and know-how in order to identify the major challenges, obstacles and possibilities for development of a sustainable biomass market in Serbia from economic, environmental and social perspectives. Another objective was to help raise awareness about efficient, sustainable and rational use of both forest and agricultural biomass, Serbia's biggest, yet, almost untapped renewable energy potential. Public debates focusing on issues relevant for local communities were organized in cooperation with the project 'Mapping the spatial, infrastructural, resource and logistics preconditions for production of electric or/and heat energy out of biomass in Srem County', which is implemented by the Standing Conference of Towns and Municipalities (SKGO) and supported by the Embassy of Finland in Serbia. The events in Belgrade, Užice, Bor, Niš and Novi Sad were covered by local and national media. The conclusions were presented at the project's closing conference on April 28 in Belgrade.

Major challenges for sustainable bioenergy market

The final conference, held in Belgrade on April 28, rounded and presented the conclusions from previous five roundtable. Over 60 people from business sector, state administration, local authorities, and scientific and professional environment attended the event and participated in one of four working groups. One of the most important conclusions of the series of events is the need for the **legal framework to be brought in line with public policies** in order to enable the most efficient use of available biomass capacities and develop the potential for growing additional quantities of this energy source through energy crops.

“ *There is room for wider inclusion of private landowners and forest owners.* ”

The working groups recognized there was room for biomass market to expand in Serbia and for wider inclusion of private landowners and forest owners. Participants underlined the need to overcome the obstacles in mutual communication and to establish better cooperation between local authorities, regional and state administration, and potential investors in the field. Officials and experts suggested introducing several instruments in the system, including standards for heating devices, mapping of arable land, and stimulation and subsidizing measures.

The working groups presented conclusions on the following four topics identified as the major problems in sustainable development of bioenergy market in Serbia:

Using biomass for heating in households and district heating systems – economic and energy efficiency

The working group responsible for heating and energy efficiency concluded there is not enough interest in the subject neither in various institutions responsible for it nor in financial organizations. It was suggested that a sustainable development policy needs to be established to improve the biomass market.



Photo by: Ana Dokućević, Media Centar

Photo 1: Working group covering benefits of using biomass for heating

The first round table was organized in Belgrade on October 17 and it was focused on the possibility to use biomass in Serbian capital's district heating and development of sustainable biomass supply. Thomas Michel, DKTI – Development of Sustainable Bioenergy Market in Serbia project's leader said one of important aspects of biomass market, especially one including a sustainable supply chain, is independence from energy imports, while there is also rural development and creation of jobs.

Other participants expressed concern for the stability of the district heating system in Belgrade and overall low efficiency across the land. They stressed the lack of motivation in local authorities to introduce biomass facilities because of fear from taking loans and due to the fact that procedure and construction take at least four years.

The quantity of biomass used in heating in Serbia is about one million tons of oil equivalent, says Slobodan Cvetković, adviser in Serbia's Ministry of Agriculture and Environment. At the second round table, held on November 7 in the town of Užice in the west of the country, he stated most of this energy source is **utilized in individual fireboxes rather than in big systems**. The share of biomass from agriculture is only about 36 thousand tons of oil equivalent and it is used mostly in Vojvodina, he said. Cvetković told participants that about a quarter of agricultural biomass is planned for generating energy and underscored a European Union rule that 10% of arable land must lay idle.

“ Biomass market with a sustainable supply chain means independence from energy imports, rural development and creation of jobs. ”

Level of energy efficiency in Serbia is very low and heating expenses in the housing sector are 3.5 times higher than in Scandinavian countries, experts said, stressing the ratio is even increasing due to measures of improvement in the continent's north, where this is seen as being in public interest.

On the other hand, energy efficiency enhancement measures in Serbia remain uncoordinated, participants concluded. They suggested incentives such as tax breaks for owners of buildings who invest in it. Meanwhile, it was said, there are still 1.3 million buildings not yet registered in accordance with the law, thus they remain out of the system for permits for works on energy efficiency improvement. There are also simpler and cheaper moves for households, such as replacing wood-fired stoves in rooms with advanced devices.

Availability and potentials of sustainable forest biomass utilization in the future

Forest-biomass residue is seen as an underdeveloped resource, while there is forest management capacity for increasing its use as well as for significant reforestation and growing energy crops, experts say. Among the conclusions from the working group covering the topic at the project's final conference, participants said a set of legal, financial and information tools is necessary, parallel to better forest ecosystems control.

Biomass is not only a complex issue, but sometimes also a controversial one, especially from the perspective of exploiting existing forests, which are scarce, if reforestation isn't taken into account, Sonja Licht, BFPE president, said at the opening of the first round table. Energy and environment will clearly be challenging issues in Serbia's negotiations about joining the European Union, so besides the pressure on decision makers to change policy, reaching out to the public to understand the importance of the topic is also exceptionally important, she added.

“ Existing forest management capacity has potential for significant reforestation and for growing energy crops. ”

Aleksandar Kovačević from the Oxford Institute for Energy Studies stated that biomass use may halve heating expenses. There is great difference, even when the energy source price is the same, if it is imported, ordered from a third party, or if the consumers produce it by themselves or they get it locally, from associates, he said at the March 11 event in the Chamber of Commerce and Industry of Vojvodina in the city of Novi Sad. Vojvodina is an agricultural area, so that sector has great potential as a source of biomass, experts said. Branislav Knežević, deputy provincial secretary for agriculture, water and forest management, stressed how forest expansion funds aren't used enough by local authorities, due to lack of interest, while for effective biomass utilization forests should reach a minimum of around 14% of territory, in comparison to the current 6.5% in Vojvodina.



Photo 2: Media interested in biomass potentials

Public-private partnership and biomass utilization projects

The main subject of the round table in Niš on February 4 was public-private partnership and its ESCO (energy service-savings company) model, as the city hired a private investor for an overhaul of heating systems in kindergartens and schools. In the words of deputy mayor Ljubivoje Slavković, the municipal authority may save between EUR 400,000 and 600,000 a year from the switch to biomass starting next season. “We present ourselves as a community with a pioneer project for biomass. The City of Niš spends about one million euros for **heating oil, which is the most expensive way to generate energy**. The initial proposition came from the partners in Slovenia. We sent a request

to the authorized Commission for Public–Private Partnership. This institution did its job perfectly. Still, after that point is reached, there is the discrepancy between laws on public–private partnership and public procurements, administrative obstacles as well. “If the state was more efficient, would have already saved EUR 200,000.” he stated. Predrag Cvetković from the Faculty of Law in Niš said the law enables a private company to develop a draft project to present to a potential public partner and get a refund for it. This does not in any case mean the company would be hired, however the document may help the public partner to be better informed on the issue, he added. “It is good to start with smaller-scale projects. This way know-how is expanded as well as the professional capacity,” Cvetković claims.

“ *Municipal authority of Niš may save between EUR 400,000 and 600,000 a year from the switch to biomass for heating in schools and kindergartens.* ”

Andrijana Jovanović, deputy head of the Commission for Public–Private Partnership, explained that institution's role in establishing such projects, providing support in expertise and consultancy, adding it is no political body. “The model only covers public interest and there is no room for lucrative activity, since it is designed to be long term. The essence is in cooperation and risk spreading, not competition,” she said. Jovanović stressed that Serbia didn't adopt an institutional type of partnership, but the contractual model of arrangements, where a concession is granted. The commission's role is to determine if a project is efficient and sustainable in relation to its funding and classic finance, she concluded.

Energy poverty and population health

Užice event was organized on November 7. Its main topics were environmental impact of renewable energy sources utilization, and energy poverty and its gender aspect. Wider aspect of energy poverty calculates household expenses on energy including the cost of transport to work or for education, health care or cultural activity, says sociologist Ksenija Petovar. In her words, some of the main factors are debt for heating services, bad isolation and inability to reach necessary room temperature levels. In Serbia, poverty is threatening even the population covered by district heating, especially in the case of the price exceeding 10% of the household's income, Petovar explained. Furthermore, inadequate, old fireboxes in rooms cause indoor pollution and are a health risk, she underlined.

Speakers at the round table agreed the population lacks information on alternative ways of heating and that systematic efforts in that field are necessary.

“ *Petovar: Poverty is threatening even the population covered by district heating.* ”

Višnja Baćanović, gender issues consultant, raised the women's vulnerability issue. She laid out an example where lower tariffs for power at night cause women to lose sleep because they tend to save money by using electrical devices, such as stoves and washing machines, only after midnight. Data from different surveys showed women make up the majority of single parents in families in risk of poverty, she added, as well as the most single-person and remote households. They constitute the minority, on the other hand, of energy experts, for instance among local energy managers, and have lower income on average, Baćanović stated.

The round table in the town of Bor in eastern Serbia was held on December 16. Ljubinka Kaluđerović from SKGO's environmental committee underscored there are numerous technologies that can be used to switch to renewables for energy. “We believe that in Bor and its surroundings **many more entrepreneurs and small firms can be active** in areas related to heating, such as pellet production,” she said at the panel.

Reforms, forest quality conversion needed for biomass supply

April 28



Official information from public sources about forests in Serbia, most importantly from the national inventory from nine years ago, has a lot of discrepancy and data varies very much, even up to six times in some important categories, said Nenad Petrović, a docent at Faculty of Forestry in Belgrade. One of the main reasons, in his words, is inaccurate records. **The overall quality and age of Serbian forests isn't at all favourable,** and systematic conversion is necessary, Petrović said at the last round table of 'Political awareness raising and networking events', a component of the project 'Development of a Sustainable Bioenergy Market in Serbia', implemented by the Belgrade Fund for Political Excellence and supported by **German Agency for International Cooperation (GIZ)**. The event in Belgrade's Hyatt hotel covered possibilities and perspectives of biomass utilization.

Letters of commitment were signed with 10 municipalities in Serbia that want to substitute fossil fuels with biomass in district heating, said Rainer Schellhaas, manager of biomass supply component in a programme by German international cooperation enterprise GIZ.

Petrović also spoke of potentials that wood biomass has for a sustainable economic and social development and its environmental aspect. He stated that forests in private ownership, 47% of existing stock, have great potential. However, these are small units, in the range of three hectares, and even separated into several unregistered lots after inheritance, he said. Unfortunately, new generations aren't interested in managing such a resource, especially if they move to towns and cities, Petrović added. One way forward would be for the government to develop measures to stimulate forest owners to organize into associations, he concluded.

The final conference, held in Belgrade on April 28, rounded and presented the conclusions from previous five round tables. Over 60 people from business sector, state administration, local authorities, NGOs, media and scientific and professional environment attended the event and participated in one of four working groups.

One of the most important conclusions of the series of events is the need for the legal framework to be brought in line with public policies in order to enable the most efficient use of available biomass capacities and develop the potential for growing additional quantities of this energy source through cultivating energy crops.

The following four topics have been identified as the **major problems in sustainable development of bioenergy market in Serbia**: using biomass for heating in households and district heating systems – economic and energy efficiency, availability and potentials of sustainable forest biomass utilization in the future, public–private partnership and biomass utilization projects and energy poverty and population health.

Loan guarantees for equipment for renewables and efficiency

April 29

Guarantee Fund of Autonomous Province of Vojvodina said it started a new line for the approval of long-term loans for energy-efficient equipment as well as gear for the use of renewable sources.

The guarantee potential is RSD 200 million (EUR 1.66 million), with a possibility of expansion. The programme was supported by five banks. Loans can be used by micro, small and medium enterprises, entrepreneurs and owners of registered farms from Vojvodina. The loans are **worth up to EUR 250,000** for a maximum period of seven years.

Farmers and entrepreneurs can **buy the most advanced machines** which use a minimum of energy, and the gain doubles because they will have smaller expenses while the use of these energy sources takes the load off state infrastructure, claims Goran Vasić, the Guarantee Fund's director, adding the loans are favourable.

Efficiency boost – EUR 3 million for district heating system

April 29

Ministry of Mining and Energy signed a contract with companies which will reconstruct the district heating system in the central Serbian town of Trstenik, seat of its own municipality. The project is financed with EUR 1.7 million by German KfW Development Bank, while the local authority said in a press release that it had **already invested EUR 1.3 million**, and that the town shall enter the next heating season with an energy efficient system, the most advanced in Serbia.

Miloš Banjac, assistant minister, stated that Trstenik, located in central part of the country, got more grants than any other town in the project for systematic overhaul of district heating. "What separates Trstenik from other participants in the programme is above all good management and a good project, given to the ministry several years ago, which KfW's consultants rated as the one with the most potential for savings," he explained.

For several decades, users didn't get adequate service because of an obsolete and inefficient heating system, said Miroslav Aleksić, the municipality head. The Energetika public enterprise operated with losses and the local budget was very strained, so now efforts are made to introduce a new concept and new boilers on natural gas were constructed, he added. Next phase is the reconstruction of the distribution system and substations installment.

Small hydropower plants project stuck with deadline nigh

May 6



PHOTO: Cins.rs

Zorana Mihajlović, Serbian vice-premier and minister for construction and infrastructure, said the construction of mini hydropower facilities for which investors have been given the locations, **has seized**, B92.net portal reported. She reminded that, while she was the minister responsible for energy, in the last mandate, two public invitations were published for the locations. Altogether, there were 450 locations on

offer, with memorandums subsequently signed for 293 lots.

The deadline for launching 200 small hydro plants expires in June **without a single one built**, Center for Investigative Journalism (CINS) said in a report. Investors are suffering losses and many are giving up on their endeavour, accusing the state of being inefficient. Others still struggle to get permits and hope for help from the Ministry of Energy. Apart from the procedure, there was no help to solve ownership issues and the power monopoly EPS isn't making grid connection any simpler, investors say, some of them adding the ministry doesn't even communicate with them. After a year in the process, in September last year, it cancelled a third of the location permits, ones that belonged to investors who hadn't submitted investment projects, but it didn't inform them.

A review by Serbia's public water management enterprise Srbijavode led to the conclusion that at least one fifth of locations the government offered to investors to build mini hydroelectric facilities was on dry land, Serbian daily Večernje novosti said in April. **Out of 600, only around 60 places are suitable** to build a dam on a small stream, while the rest is in national parks or owned by citizens who do not wish to sell property or ask up to EUR 10,000 for the location.

EBRD helps EPS restructuring only with strategic partner in

May 4

Blic newspaper said the European Bank for Reconstruction and Development had asked for 20% of Electric Power Industry of Serbia (EPS) to be sold by end-2016 **in exchange for its financial restructuring loan of EUR 200 million**. The paper's portal said the EBRD insists on letting a strategic partner get a share in the company. EPS said the **loan deal was still in negotiation**.

The European Bank for Reconstruction and Development plans to grant a EUR 200 million loan in autumn to the Electric Power Industry of Serbia (EPS) for financial restructuring, the bank's country director for Serbia Matteo Patrone told Tanjug agency in April. The goal is to finally sign a loan contract for EPS restructuring before the year's end, Serbian Wise Broker quoted him saying.

EPS invites expressions of interest for consultancy

May 4

Electric power monopoly EPS said it seeks an environmental expert and independent engineer for its small hydro power plants project.

The invitation for expressions of interest follows the general procurement notice from July 29. The European Bank for Reconstruction and Development said EPS intends using the proceeds of its loan for a project to **rehabilitate 15 small facilities and the construction of two new ones** on existing water management dams in Serbia, leading to improved efficiency and carbon savings.

Interested firms are invited to submit expressions of interest by June 12. The assignment is expected to start in September and last about 30 months. Maximum budget available is EUR 600,000 (exclusive of VAT).

Interest-free loans in Société Générale for Ceresit facade

May 5



Henkel's Ceresit brand agreed with Serbian branch of Société Générale bank to launch a second subsidized consumer loan programme for the purchase of company's facade material, BetaOMS advertising service said. The energy efficiency initiative brings zero interest rate during the cycle of 12 months, and the material can be bought in Ceresit Mix shops. The consumer **saves up to 40% energy expenses**, thus paying for the loan from that, the press release said.

Reservoir advances construction permitting for Brodarevo

May 6

Brodarevo hydroelectric projects on the Lim river in Serbia's southwestern region secured **several positive opinions** from relevant authorities, Reservoir Capital Corp. said. State-controlled institutions that issued the documents included the transmission company Elektromreža Srbije (opinion and conditions for the connection of Brodarevo 1 and 2 to the transmission network), water management company Srbijavode (opinion on the technical documentation for the construction of Brodarevo 1 and 2 and on the technical documentation for the relocation of parts of the M-21 highway between Mijoska village and

Montenegrin border), the National Water Directorate (for water requirements for construction of facilities and relocation of parts of the highway), Serbian Railways (technical requirements for the construction of the two hydro plants), and the Institute for Nature Conservation of Serbia.

Reservoir Capital said in mid-March that the **Ministry of Mining and Energy has granted the location permit** for the company's 33.1 MW Brodarevo 2 project. The permit is valid for one year and allows the company to undertake preparatory work on the project, encompassing the temporary passage over the river, site access roads and river diversion.

Regional Alterenergy platform network enhances Renexpo

May 7

Small and medium enterprises from the Adriatic region, engaged in the sectors of energy saving and renewable energy, met in April at the Renexpo Western Balkans fair in Belgrade, during the business meeting opened with the Alterenergy strategic project – funded within the IPA Adriatic Cross-border Cooperation Programme 2007–2013, Alter-energy.eu website reported.

There were more than **40 joint business bilateral tables** between enterprises and investors for a total of about 200 B2B meetings. Participants came from Italy, Albania, Bosnia and Herzegovina, Croatia, Greece, Montenegro, Serbia and Slovenia. The initiative is unprecedented and provides for the definition of a **real chain of small and medium sector firms** in the Adriatic, with tangible economic and employment benefits, says Bernardo Notarangelo, director of Mediterranean department in Italy's Puglia regional administration.

“*Participants came from Italy, Albania, Bosnia and Herzegovina, Croatia, Greece, Montenegro, Serbia and Slovenia.*”

Investment opportunities, collaborations and technology transfer: these are the actions provided aside the B2B meetings held in the Renexpo, all planned in consultation with the Chamber of Commerce of Bari and the Internationalization Department of Puglia, in collaboration with the Serbian Ministry of Mining and Energy, Alterenergy said.

More than 100 companies, selected by the Alterenergy partnership, will meet again in late June, this time in Apulia and in an increasingly innovative context for the exchange of best practices.

Chinese company CEE acquiring stake in Plandište wind park

May 11



Serbian Prime Minister and NIS general director at the building site in September 2013

NIS oil industry, majority owned by Russia's Gazprom Neft, communicated there was progress in negotiations about a stake at Plandište wind park to be taken over by Chinese company CEE, Sinteza Invest Group brokerage reported. The Serbian company said **estimation of financial aspects of the project was in progress.**

For the wind park project in Plandište municipality, located in the northeastern part of the country, the plan is to construct 34 wind generators with a total capacity of 102 MW. Total project value is EUR 160 million, while NIS will provide EUR 23 million. In accordance with the document signed in December 2012 by NIS general director Kirill Kravchenko and Energowind director Goran Novaković, **NIS acquired a 50% stake in the project.**

“**The plan is to construct 34 wind generators with a total capacity of 102 MW.**”

In March, Kravchenko announced a **EUR 150 million investment** in the project with Chinese partners.

NIS had marked the construction launch in September 2013. The building site was opened by Kravchenko and Serbian then-first vicepremier Aleksandar Vučić, today's prime minister. The project implementation had been entrusted to company NIS Elektrowind, in which NIS holds a 50% stake. The plan, in Kravchenko's words at the ceremony, had been to complete the project in 12 months.

Energo-Zelena gets permit six months after ending operations

May 11

Integrated Pollution Prevention and Control (IPPC) **permit** has been given to Energo-Zelena d. o. o., a rendering plant for treatment of hazardous animal

by-products, which ceased its operations last year. The company based in Indija, 40 kilometers northeast of Serbia's capital Belgrade, received the certificate from the Provincial Secretariat for Urban Planning, Construction and Environmental Protection, the authorized institution within the Government of Vojvodina, the country's northern province.

The facility is designed to process hazardous animal by-products that are no longer allowed to be consumed either by humans or by animals. The final products, after treatment, are meat and bone meal and tallow, used as fuel and for biodiesel production, respectively.

Handing over the document to Energo-Zelena's director Tom Hanson, provincial secretary Slobodan Puzović said this is now the **only facility in Serbia that can process animal waste in accordance with the highest standards** of environmental protection of European Union, as quoted on the official website of Government of Vojvodina. He added there are only two other facilities in Serbia that process animal waste, but with a limited capacity and lacking very important standards. Hanson considered the permit a valuable gift, adding it gives great motivation for the enterprise, which stopped operating in November due to the non implementation of the Serbian laws and regulations.

“**Issuance of the IPPC permit to Energo-Zelena was due in October last year.**”

The issuance of the IPPC permit had been due in October last year. In November, Energo-Zelena and its parent company, Zelena N. V. of Belgium, introduced **arbitration against Serbia** at the International Center for Settlement of Investment Disputes (ICSID) in Washington DC, United States, citing the government failed to enforce its own legislation concerning the treatment of animal by-products, thus jeopardizing the viability of Energo-Zelena's operations. The enterprise issued a press release at the time, saying it had suffered substantial and recurrent damage and losses and that it had been “continuously exposed to unfair competition and blatant discrimination.”

In total, 11 IPPC permits have been issued in Serbia. Five are for new and six for old facilities. There are 165 old facilities in total, including the six mentioned above, which have to get the IPPC permit by 2020. Twenty years ago, more than a dozen factories were processing animal by-products. At the moment there are two factories left for hazardous ABP treatment, neither of two fulfilling even elementary environmental and safety standards. As a result of this situation the regulations on ABP treatment have been altered in February 2015.

Biomass enhances energy independence, adds savings

May 12

Guarantee Fund of Vojvodina, Serbia's northern province, organized an international conference named 'Promoting Renewable Energy Sources: Biomass in Agriculture' in partnership with **Heinrich Böll Foundation, German International Cooperation – GIZ, and European Affaires Fund of Vojvodina**, under patronage of the Provincial Secretariat for Energy and Mineral Resources, and with support from the Provincial Secretariat for Economy, Employment and Gender Equality. The aim of the event, **part of 82nd International Agricultural Fair**, was to show the significance of biomass potentials' sustainability and ways to increase the share of renewable energy sources usage, by presenting data on expenses and benefits of biomass utilization in Europe. Guarantee Fund of Vojvodina presented its credit lines which will be employed in cooperation with five banks in Serbia. Opening the conference, the provincial government's vice premier Miroslav Vasin stressed Vojvodina is a region rich in biomass, and added this is the energy source with the biggest potential, but that there are cases of people burning their fields, thus destroying vast resources.

Nenad Stanković, energy and mineral resources secretary, said Serbia should and has to follow the examples of developed countries in the field of renewable sources, them being an important energy factor in the world, in the environmental aspect as well as for savings from energy imports, considering Serbia was dependent on them for 50% of its needs.

Andreas Poltermann, Heinrich Böll Foundation's Belgrade office chief, said joining efforts i. e. cooperation in the renewable energy sources area is important for a sustainable future and expressed satisfaction at banks in Serbia being prepared to support projects in the sector.

Serbia is obliged, as a member of the Energy Community, to implement rules on renewable energy sources. Karolina Čegir, gas and biofuels expert from the Energy Community Secretariat, explained that in Serbia energy is produced from two kinds of renewable sources – wood for heating and hydropower, and that the state has to abolish administrative and regulatory barriers to accomplish goals concerning the increase of utilization and other renewables.

Thomas Mitschke from GIZ, German international cooperation agency, spoke of the organization's logistical support to altering the renewable sources sector in Serbia, and particularly stressed the area of biomass and the country's potentials for it in agriculture.

Hermann Wieser, CEO of **Austrian Agricultural Cluster**, presented numerous examples of biomass utilization's benefits and underscored that it is a sustainable product that does not pollute and is cheaper than fossil fuels. This association of companies active in foreign trade offers solutions through the whole food chain and it cooperates with the University for Agricultural Sciences Vienna (BOKU), University of Veterinary Medicine Vienna, with ministries (www.lebensministerium.at), the Austrian Chamber of Commerce and local European Union offices in Eastern and Southeastern Europe.

Vojislav Milijić, president of **Serbia, National Biomass Association of Serbia**, presented the project for establishing logistical wood biomass centres in Serbia, Croatia and Bulgaria, and stressed how increased biomass use means greater energy independence. Ecopanonia cluster, presented by József Kunos, aims to connect everyone who participates in projects for renewable energy sources utilization, with an emphasis on owners of small farms.

Basketball star's factory supplies EPS with smart meters

May 16



EWG's factory from the eastern Serbian town of Bor won the controversial tendering for the production of smart power meters for Electric Power Industry of Serbia (EPS), Belgrade newspaper Večernje novosti said on May 12. The company, which launched production in 2013, is owned by Dejan Bodiroga, International Basketball Federation (FIBA) official and retired Serbian international star athlete. "According to information we received, the production in EWG shall start soon and it is expected that **between 300 and 350 workers will be hired**", municipality head Živorad Petrović said. **EWG had asked EUR 26.66 million for the job**, while Ericsson was second on the list, with EUR 31.71 million.

On May 16, Serbian Blic newspaper's portal said Vojin Lazarević, representing another company that participated in the tendering process, sent a **complaint to a parliamentary board**. Four foreign companies applied for the procurement, out of which

three had domestic partners involved. EWG is the subcontractor for Atos, headquartered in Paris, while Lazarević's enterprise works with Siemens, the report said. Serbian media had published information on his alleged links to the company Meter&Control. The **EPS Metering and Distribution Project** is financed by loans from the European Bank for Reconstruction and Development and the European Investment Bank. The remaining two tenderers, whose offers were also published in April, are Landis&Gyr and Indra.

“ Four foreign companies applied for the procurement, out of which three had domestic subcontractors. ”

The Anti-Corruption Council of Serbia called on April 27 for an inquiry into why **EPS blocked domestic companies** in the tender for smart meters.

Fund of EUR 1 million open for local projects in Vojvodina

May 18

Capital Investment Administration of Autonomous Province of Vojvodina published a **public invitation to municipal authorities** for funds of RSD 120 million (EUR 1 million) to finance and co-finance their energy as well as energy efficiency projects.

The document lists possible projects: reconstruction, adaptation and rehabilitation of thermal envelopes, of thermo-technical installations and facilities for the production of heating energy at buildings in public property (RSD 85 million), but also the construction of facilities to use energy from renewable sources in public property and for projects of reconstruction and rehabilitation of public lighting (RSD 35 million), the public invitation says. Applications are received by May 28 at 16:00.

Gazivode hydro resource important for Serbia's EU chapters

May 20



The settlement of legal relations in connection to the hydropower plant Gazivode (Gazivodë) is an important moment for Serbia to start membership negotiations with the European Union, said Laszlo Varga, member of Serbian parliament from the Alliance of Vojvodina Hungarians and deputy chair of the Parliamentary Committee on EU Integration. He told Novi Sad-based Hungarian language daily Magyar Szó that it is impossible to determine the date when first chapters will be opened, Tanjug reported.

When it comes to chapter 35, covering "other issues", Varga believes it is a really difficult issue and that it concerns the hydropower plant and associated infrastructure, which he said accounted for a **significant part of Kosovo's power supply system**. It is about a facility most of which is located in central Serbia, and a **smaller part in the territory of Kosovo**. Kosovo demands the whole facility for itself and sees it as its property, he added. Serbia, of course, has a completely different approach to this issue given where the funds to build this hydropower plant came from decades ago – that is, considering that much of the facility lies in the territory of central Serbia, Varga said.

Gazivode is an artificial lake made in 1977, with a 35 MW hydroelectric plant. It is situated in a predominantly Serb-populated area. Kosovo's population depends on the lake for drinking water, and a thermal power plant needs the water for cooling. Kosovo Energy Distribution Services (**KEDS**) is **owned by Turkish companies Çalik and Limak** since 2013, but the power infrastructure at Gazivode is controlled by EPS (Electric Power Industry of Serbia). **Serbia's prime minister Aleksandar Vučić refuses to hand over complete control** of the resource to the system under the government in Priština (Prishtina), even if the opening of EU membership negotiations depends on it.

Energy production from biomass with USD 1.6 million from UNDP

May 18

Businessmen interested in investing in the facilities for **combined production of electric and thermal energy from biomass or biogas** can count on USD 1.6 million (EUR 1.46 million) provided by the United Nations Development Program (UNDP), officials at the Serbian Chamber of Commerce stated at a conference, Tanjug agency said.

“ Project for 'Reducing Barriers to Accelerate Development of Biomass Markets in Serbia' is worth USD 30.5 million. ”

An individual donation per project stands at 15% of the investment value of the project - maximum USD 266,000 on condition that the total investment value

of the project exceeds USD 1.2 million, as reported by InSerbia.info portal. A USD 30.5 million worth project for '**Reducing Barriers to Accelerate Development of Biomass Markets in Serbia**' is implemented by UNDP and the Serbian ministries of energy and agriculture and environmental protection. It is also partly funded by the Global Environment Facility (GEF).

The public invitation, which is open until October 15, was published by the Ministry of Mining and Energy on its website, in an effort to support the building of eight facilities for combined production of electric and thermal energy from biomass or biogas.

Very few of Vojvodina's 78 geothermal wells utilized

May 22



Pannonian Plain countries, excluding Hungary, do not use enough of their geothermal potentials due to high costs of research, drilling, introduction of new technologies, purification systems and protection, Marian Constantin Vasile, representative of the Assembly of European Regions, said at the **Geothermal Energy Days 2015**. This international institution organized the event in Novi Sad in cooperation with Serbia's Autonomous Province of Vojvodina. The international conference was held from May 21 to 23 and gathered more than a hundred experts. The simple point is that 1 MWh of heating energy produced from **gas costs EUR 72, while the same amount of energy from geothermal water is EUR 35**, Milivoj Vrebalov, Vojvodina's head of parliament, told RTV Panonija.

Provincial mining and energy secretary Nenad Stanković said 78 wells were dug in the area from 1969 through 2008 by Naftagas, subsidiary of NIS, oil industry of Serbia. He added not many of them are being utilized, while their overall potential is more than 70 MW. Energetskiportal.rs quoted him as saying **200 to 300 meters underground there are geothermal resources of 280 MW** which could be exploited through heat pumps, while the capacity within urban zones is 215 MW. Stanković said that his secretariat granted over RSD 40 million (EUR 331,000) for co-financing a geothermal atlas and studies for a rig in Bečej and for the utilization potentials in Vojvodina.

Igor Korać from NIS said the company owns 75 wells, from which 12 are still used. He named examples of spas of Kanjiža and Junaković (Apatin) and the Mladost sports center in Bečej, which use geothermal water for heating.

“ Seibt: Once a well is drilled, a stable energy price is secured for the next two decades. ”

Okan Tüysüz, professor at Istanbul Technical University, said **Turkey introduced a law in 2007** that enabled using geothermal heat for generating electricity and district heating, which marked the start of massive private investments.

Peter Seibt, general manager of German company GTN, said geothermal energy is the purest and most sustainable, though expensive in the early stage, and added this source's share in his country's energy system is 5% and rising. “Once you drill a well, we can freely say that a stable energy price is secured for the next two decades, because there shall be no alteration of commodity price in energy generation,” Seibt underscored. He stated Serbia can be compared to Germany by reserves and availability of the energy source.

Sečanj municipality seeks bids for public lighting system

May 27

Sečanj municipality started a public procurement process aiming to hire a private partner to provide services of public lighting overhaul, to install, maintain and manage a wireless-controlled LED system.

“We offered a model of paying the private partner monthly from our budget during the 12 years of the contract duration,” Novak Zubac, head of the local public construction, road management and housing company, told Balkan Green Energy News. Unfortunately, he added, there is no possibility for help from public funds, neither from the central government nor the provincial authority of Vojvodina, as specialized lines as well as mainstream projects have become scarce, while Sečanj is reluctant to take bank loans. Sečanj is situated in Serbia's northeast.

“The project covers entire municipality's territory and we decided to introduce a private-public partnership in order to achieve savings and we believe they will be significant for our small community, which has a modest funding capacity,” Zubac said. He underscored long-term savings on power expenses, equipment and maintenance should be 70%. This is the local authority's first energy efficiency project, he said.

Birds, bats and wind power: understanding risks

May 27

"The biggest thing we get from a cumulative impact assessment is for developers to share data, and this is a major win for the environmental community, because usually most are shy to do so," Lori Anna Conzo, International Finance Corporation's environmental specialist, told Balkan Green Energy News. She participated in a regional workshop entitled **"Windfarms and the environment: impact on birds and bats"**, organized in Belgrade by International Finance Corporation in cooperation with the Institute for Nature Conservation of Serbia and Serbian Chamber of Commerce. One of the topics was the effect on biodiversity that several planned wind parks in the south of Banat region in Serbia may have combined, concerning they are to be located near the special nature reserve of Deliblato Sands (Deliblatska peščara). Cumulative impact assessment is a prediction on a large scale, defining the areas of the highest risk for birds, in addition to the environmental and social impact assessment, she added. "We try to work with developers as a whole rather than one at a time. My first goal is to work with them and gain their trust to share data. Then we look at the cumulative impact and target measures," Conzo said.

IFC's Environment, Social and Governance Department looks at a wind farm and recommends mitigation measures that are effective for the particular site, making sure that the developer invests in something that will really work, she explained. "However, beyond mitigation, the most important thing that we advocate is the avoidance of impact. Most developers jump to the mitigation topic, but with the right assessment one can avoid high risk, because adding mitigation measures is expensive," the expert said. For bats, acoustic deterrence is an option, but an expensive one, because a device needs to be installed on every turbine. "More effectively, we should understand the activity of bats in the area and limit turbine use at times in order to avoid impact entirely", Conzo explained. In her words, mitigation can also be achieved by changing the turbine's cut-in or starting speed to a safer level whenever bats are active.

“ Lori Anna Conzo: Most developers jump to the mitigation topic, but with the right assessment one can avoid high risk, because adding mitigation measures is expensive. ”

The event was organized with the aim to reconcile interests and expectations from different levels: local legislation, financial institutions and the project developers, said Nebojša Arsenijević, IFC's renewable energy program manager for Europe, Middle East

and Africa. "The simplest and cheapest way is to define all the demands at the very beginning, so that later we don't have to do the same things several times over," he added. IFC has a unique opportunity to promote the best international standards and stimulate cooperation between all relevant factors in the country and the region in order to incite a faster and, from an environmental aspect, more acceptable implementation of renewable energy projects, Arsenijević said. He also stressed it is important to prepare the non-governmental sector for a constructive role in the process concerning the construction of wind parks, to avoid having any organizations act with malice and obstruct it.

IFC's wind power portfolio in the emerging markets exceeds 2.6 GW, said Milica Sredanović, finance officer from the institution's Infrastructure and Natural Resources Department. The International Finance Corporation, World Bank Group's development investment arm, participates in **one third of capacity in wind projects in Croatia (Šibenik, Rudine, Jelinak)**, she added. It is also active in **wind park development in Serbia** and may extend operations to Bosnia and Herzegovina and other markets in the region, Sredanović stated at the workshop.

The offers in Serbian language are received until June 29 at noon. The lowest bid price is the main criterion for the concession, and the deadline for the completion of works is 60 days, the ad says. The invitation to submit bids is **available for download in English** on the municipality's website.

Consultant to be hired for Kostolac wind park project

May 27

EPS (Electric Power Industry of Serbia), state-owned utility, is completing the bidding process for a consultant on a **feasibility study and concept design** for the wind park construction project in Kostolac, a municipality east of capital Belgrade. The area has a thermal power plant of the same name as well as coal reserves.

In December last year, EPS chief executive officer Aleksandar Obradović said the power monopoly was in talks with German KfW Development Bank about funding wind and solar electricity generation projects around the town of Kostolac.

The invitation **had been published on April 22** and in the meantime the deadline for submission was extended on two occasions, to June 1.

KOSOVO*

Parliament ignoring petition against power price hike

May 15



Civil Society Consortium for Sustainable Development (Kosid) **demanded from the parliament of Kosovo to envisage all the points** of the petition against the increase of the price of power supply, Independent Balkans News Agency's portal reported.

Through this petition, last September the organizers and 33 thousand signatories demanded from the parliament to abrogate the decision of the energy watchdog for the increase of price by 5,18%. The petition also demanded the amendment of the value-added tax, where the 16% rate on electricity would be removed.

On May 8, minister of finance Avdullah Hoti declared in parliament that this institution would soon receive the bill which would reduce VAT on electricity to 8%. Kushtrim Puka from Kosid said at a press conference that the petition must be envisaged with all of its points.

“*Minister of finance Avdullah Hoti announced the VAT on electricity shall be halved to 8%.*”

During the parliamentary session, prime minister Isa Mustafa said that **this year the price of electricity will not increase**. “I believe that all structures must look at the structure of price, what is the producer's price and what must be the price for those who consume electricity,” he stated. Naser Osmani, head of the parliamentary Committee for Budget and Finance, said the request to control the price of electricity is against the constitution and the free market. According to him, the free market means that prices of electricity are not only affected by local production, but also by imports. Electricity is a product like any other and it must be treated as such, he said.

MONTENEGRO

HEP, EPS eye acquisitions abroad, EPCG possible target

April 27

Croatian state-owned power utility HEP and its Serbian peer EPS are eyeing acquisitions abroad and Montenegrin energy firm EPCG is seen as a possible target, Zagreb-based news daily Večernji list said, as reported by [SeeNews](#) portal.

The Montenegrin government is the majority owner of EPCG with a 57% stake while Italian company A2A owns 41.75%. According to the Večernji list report, the **Italian partner is looking to exit EPCG**. Earlier that month, the Montenegrin government and A2A reached an interim agreement that will allow the Italian partner to continue managing EPCG in the following three months.

In 2009, A2A signed a deal to acquire a minority stake in EPCG while taking on a significant role in its management. HEP has not started any acquisition negotiations but has interests in this respect in general, Večernji list reported, quoting an unnamed government official familiar with the matter. According to the news daily, HEP is also interested in investing in hydro power in Bosnia as well as in several companies in Serbia, Slovenia and Bosnia that would allow it to enter power distribution. The daily quoted Serbian prime minister Aleksandar Vučić as saying that the government would not want to privatize EPS but to “broaden impact” and that talks have been held in Montenegro and Bosnia.

In March, the Croatian economy ministry told SeeNews that the government will consider an option for an IPO of up to 25% of HEP, subject to market conditions, and that the proceeds from the IPO would be used to strengthen HEP's position on the local as well as on foreign markets, especially in the region.

KfW willing to support hydro projects and energy efficiency

May 6

Prime Minister Milo Đukanović met in Berlin with senior officials of KfW Development Bank Christoph Tiskens and Kirk Mildner, Government of Montenegro said on its website. **One of Germany's leading banks is willing to strongly support Montenegro's development**, the KfW's representatives said. In that context, the meeting addressed future cooperation mechanisms and assistance to build infrastructure in line with the requirements of Montenegro as an elite tourist

destination. The meeting also discussed cooperation in terms of energy and valorisation of significant hydro potential of Montenegro. Representatives of the KfW also stressed Montenegro's leading position in the field of energy efficiency.

"Montenegro's cooperation with Germany and its development organizations is of major importance for the country's socio-economic development. Fifteen-years long cooperation and more than three hundred million invested in projects in the fields of communal infrastructure, energy and transport testify to Germany's partnership and commitment to boosting Montenegro's development," Đukanović underlined.

KfW's senior officials concluded that the successful cooperation in the previous period is the best recommendation for providing further support to Montenegro's economic development through the partnership in implementing projects in the sectors of tourism, infrastructure and energy.

Dynamic development of Montenegro and its successful integration form a good basis for continuing mutual cooperation, KfW's director for Southeast Europe and Turkey Christoph Tiskens noted.

Formal launch of works on Krnovo wind power plant

May 8

Montenegro's Krnovo Green Energy has marked the official start of construction works on the 72 MW Krnovo wind power plant with estimated investment value of EUR 120 million, [SeeNews](#) portal cited local media reports.

The consortium of France's Akuo and Austria's Ivicom has been awarded a permit to build the wind park.

Krnovo Green Energy is a special purpose vehicle established for the sole purpose of construction and operation of the project, which is expected to be Montenegro's first utility-scale wind farm.

According to the land lease contract, the works should last for 18 months. In December, the European Bank for Reconstruction and Development said it was considering providing a [senior loan of up to 47.5 million euro](#) to Krnovo Green Energy. Krnovo is located 28 kilometres northeast of the town of Nikšić.

Prime minister's son applies for hydro plant construction

May 20

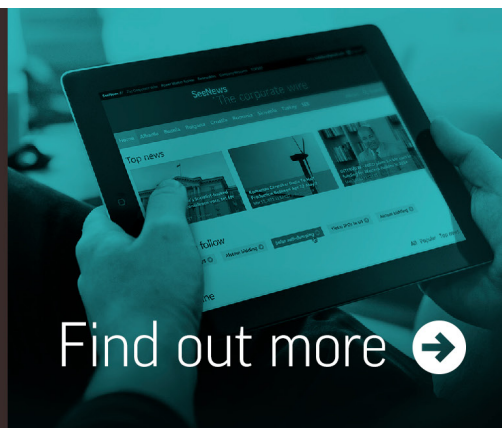
Blažo Đukanović submitted an application to the Ministry of Sustainable Development, in the name of his company BB Hidro, to build a mini hydropower plant on the Raštak river in Kolašin area in northern Montenegro, Vijesti newspaper from Podgorica reported.

The document, signed by Slaven Burzanović, authorized representative, was submitted on May 15, the report said. Blažo's father is Milo Đukanović, the country's prime minister.

The company asks the ministry for urbanistic-technical conditions as the first paper in the procedure to get a building permit for the facility on the locality of Raštak/Mioska in Kolašin municipality. BB Hidro, with Blažo Đukanović as executive director, is registered for power generation. Blažo Đukanović [founded an electric installations enterprise in the summer of 2011](#) with Ivan Burzanović, the report said. Vijesti published a list of people, allegedly close to Đukanović family, who have entered the business in the last two years.

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CROATIA

Spatial plan passed for potential EUR 1.1 billion investment

April 24

After six months of controversy and even an announcement of a referendum, that was then given up on, Novi Vinodolski Municipality Council members raised hands for wind generators, Rijeka-based Novi list newspaper's portal reported. Key were three councillors from the Croatian People's Party – Liberal Democrats (HNS) who at the previous session were opposed to the spatial plan paving the way to build wind parks, and get investments of up to EUR 1.1 billion in energy from renewable sources. **The investor had threatened to pull out, the paper said.**

The location of Zebar is planned for a EUR 40 million wind facility, and Kavrana for EUR 50 million. Solar power plants of Lučac and Mahavica (pictured) are worth EUR 40 million in all. Greatest investment in the pipeline is for a reversible hydropower plant – EUR 987 million, Novi list said.

The turnaround occurred just before the session, as the local self-government accepted HNS's proposition to use the first income from the wind power plants for six projects the party marked as having great significance for the municipality. Namely, the plan is now to build three children's playgrounds, to consider buying a former factory complex, reconstruct a town's center, build a sports centre, introduce a LED public lighting system on the whole territory and pave neglected roads.

Municipality head Ivica Crnić said the wind projects still needed an environmental impact study before a concession bid can be started.

Contract signed for small biomass plant in Sisak

May 11

Kristina Ikić Baniček, mayor of Sisak, signed a contract with Zagreb-based EPI Consulting, which is working in cooperation with foreign partners to construct a series of small biogas power plants in Croatia, starting with the town of just under 50,000 people, 50 kilometers southeast of the capital, national broadcaster HRT reported.

The plant will **employ 15 people and provide 0.3 MW of electricity** to the Croatian grid and will be built at a cost of EUR 2.5 million. Construction time

is expected to be about nine months. The facility will utilize biological waste, leftover food from restaurants and green biomass from the city and the surrounding area. Fifteen-year contracts are currently been drawn up with shopping malls and restaurants to provide the fuel, the report said. EPI representatives said there is technically no incineration and that energy is generated from fermentation, without any impact on the environment.

Croatian electricity company HEP signed a deal in April for the construction of two **wood-fueled combined heat and power (CHP) plants in Sisak and Osijek** with companies HoSt and Đuro Đaković. The contract for the Sisak facility is worth EUR 18.95 million.

Consultant sought for housing energy efficiency credit lines

May 18

European Bank for Reconstruction and Development published an invitation for expressions of interest for consultancy services in scaling up its operations of Sustainable Energy Financing Facilities (SEFF) in Croatia.

Households are the largest energy user, consuming more than 30% of the total final energy consumption, the notice said. Households are also the largest consumer of electricity. Almost 50% of all occupied residential buildings were built before 1970, before the introduction of the first thermal regulations for new buildings and consume on average 250 kWh/m² for space heating (EU-27 average is around 130 kWh/m²), the invitation said.

In order to strengthen energy efficiency in this market, the EBRD started discussions with Croatian banks to investigate their interest in launching dedicated residential energy efficiency credit products for individuals who want to renovate their dwellings. In line with its classic SEFF model, **the EBRD intends to establish a EUR 60 million Croatia Residential Sustainable Energy Financing Facility** which will take the form of credit lines extended to participating financial intermediaries for on-lending to eligible sub-borrowers (individual homeowners and vendors, manufacturers, suppliers and installers of eligible equipment and materials).

SLOVENIA

DEM seeks bids for rehabilitation of Melje hydro facility

May 18



Hydro operator Dravske Elektrarne Maribor d. o. o. (DEM) published an invitation for bids to supply a transformer and other equipment for rehabilitation of the 2.26 MW Melje hydroelectric project on Slovenia's Drava river, HydroWorld portal said. Bids are due June 1.

DEM operates eight hydro projects on the Drava as well as three thermal and four photovoltaic power plants in Slovenia. It **took bids in 2008** for supply of pump-turbines and motor-generators for the 400 MW Kozjak pumped-storage project. Last year, Slovenia hydro utility Savske Elektrarne Ljubljana d. o. o. took bids to rehabilitate the **21 MW Moste hydroelectric project** on Sava river.

“Work is to include supply of electrical equipment and materials, medium-voltage transformer and hydraulic controller and cooling system, rehabilitation of hydro-mechanical equipment and corrosion protection, and construction work.”

DEM now seeks bids for five lots for the two-unit Melje, a minimum flow plant built at Melje dam near the 126 MW Zlatoličje hydro project. Work is to include supply of electrical equipment and materials, medium-voltage transformer and hydraulic controller and cooling system, rehabilitation of hydro-mechanical equipment and corrosion protection, and construction work. The various lots are expected to require from 45 days to five months to complete. **Bid documents** may be obtained from DEM's website.

Energy intensive businesses pay smaller renewables fees?

May 18

The government prepares a new decree about incentives for energy from renewable sources, which will be the base for the new support scheme, Delo newspaper's portal reported. According to the new rules, the energy intensive industry shall pay EUR 10 million less for the support for renewables, while **households and other businesses would contribute EUR 30 million more.**

European Union's guidelines allow for fees for energy intensive industries, which tend to move production out of the trade bloc due to lack of competitiveness, to be dropped by 85% while the Slovenian infrastructure ministry proposes a cut down to a 70% discount, the report said. The new scheme includes a 27% hike for households, on the other hand, meaning an average fee would rise from EUR 4.12 to 5.23 per bill on average, and the current mean power bill of EUR 53 shall rise by 2.5%. Slovenia is following the steps of Germany's government, which set the renewables fee to 14% of the household bill, the report said.

“An average fee would rise from EUR 4.12 to 5.23 per household bill.”

Total electricity **production within the support system increased by 4%** in the first quarter compared to the same period **last year**, Slovenia's electricity market operator Borzen published in a report. Support payments rose by 10% to EUR 35,58 million, value-added tax excluded.

The average support price in first quarter is always a little bit under average because of the seasonal component of photovoltaic facilities, the most expensive source in the scheme (renewables and high-efficiency combined heat and power) in the country on average, with underproduction in winter months.

At the end of March, the Slovenian feed-in support system included 3,837 power plants with a combined installed capacity of 420 MW. The total electricity production within the support system increased to 273 GWh. In the period from January to March a total of 125 power plants entered the system. This includes both new entrants and facilities with a change in ownership or support type. There were 85 new entrants, with a combined installed capacity of 8.4 MW.

BOSNIA AND HERZEGOVINA

Tender for Podveležje windmill in the pipeline

April 22

After the Government of the Federation of Bosnia and Herzegovina gave approval to the Federal Ministry of Energy, Mining and Industry to issue an energy permit for the building of the Podveležje windmill with **48 MW of installed power and planned annual electricity production of 10 GWh**, the Parliament is on the move, Sarajevo Times reported, quoting Ekapija.ba portal.

Amil Kamenica, head of capital investments in Elektroprivreda BiH utility, said a lot of paperwork and permits are needed for the project to be completed. Preparation of the tender documentation is in progress, he added. Financing is provided and everything runs by its course," Kamenica said, emphasizing that he expects all arrangements for the Podveležje windmill to be finished this year, in order for it to be built in 2016.

He announced the construction of Elektroprivreda BiH's Vranduk hydropower plant should start as well. The primary goal is the contribution to reducing emissions of CO₂ and other pollutants, improvement of the total ratio of the energy produced in hydro and thermal power plants of Elektroprivreda BiH, and the contribution to the economic development of the Federation of BiH, Kamenica said and added the company plans to construct new hydro and thermal capacities.

Tendering process open for hydro plant Bočac 2 construction

May 12

Company Hidroelektrane na Vrbasu (HEV) a. d. Mrkonjić Grad, hydropower plant operator from the west of Republic of Srpska entity, published a tender for the construction of Bočac 2 facility on Vrbas river. The estimated value of the construction works project is BAM 17 million (EUR 8.7 million), while the overall expenses, according to earlier announcements, are BAM 40 million. The power plant should be operational by the end of next year and it is supposed to be built on the compensation lake, 7.3 kilometers downstream from the original plant. Its projected capacity is 10 MW which makes it a mini power plant, HEV's press release said. Bočac 1 was built from 1976 to 1981. It has an installed capacity of 110 MW.

ROMANIA

EBRD may lend EUR 152 million to ČEZ Distribučie

April 30

A senior loan of RON 675 million (EUR 152 million) to Romania's ČEZ Distribučie is being considered by the European Bank for Reconstruction and Development. The electricity distribution company is incorporated in Romania and operating in the country's southwestern region. ČEZ Distribučie is owned by ČEZ Group from the Czech Republic. The proceeds of the loan will be used to cover the company's 2015–16 investment programme in the distribution network aiming at reducing losses, improving efficiency and installing smart meters, and the restructuring of ČEZ Distribučie's balance sheet in order to optimise its capital structure with the tariff methodology in place in Romania, the project summary note said. The investment will allow the company to **reduce its technical and commercial losses** while improving its saidi and saifi operational quality indicators, it said.

“The proceeds will be used to cover the company's 2015–16 investment programme in the distribution network.”

The bank said this was a way to support the implementation of smart metering in Romania together with new communication equipment. ČEZ Distribučie will be one of the country's electricity distribution companies to roll out the programme to replace 50% of the meters by 2020. In addition the investment programme will contribute to setting new standards for business conduct in Romania since it will primarily aim at reducing technical and commercial losses, leading to CO₂ emission savings of up to 285,000 tons per year.

The loan needs a board approval, and the target date is June 10.

Poor predictability makes RES unattractive to investors

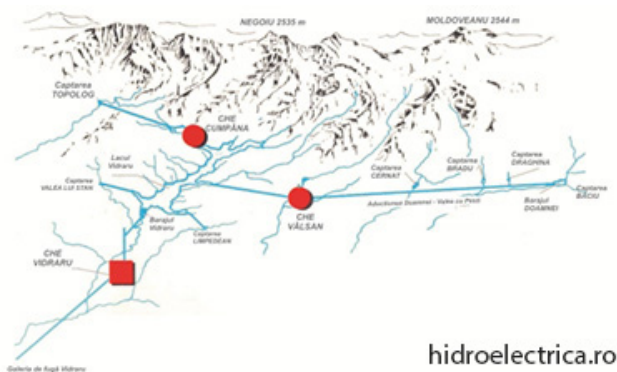
May 6

The Romanian renewable energy sources (RES) sector is unattractive to investors, said representatives of the Renewable Energy Producers Organization in

George Niculescu, executive director, believes that the biggest concern are the frequent legislative changes that occur suddenly without any consultation with the producers in this field, the magazine's portal quoted. According to the investors, the legislative changes will result in the **insolvency of about a third of the producers** of energy from renewable sources.

Romanian electricity output rose 4.5% on the year to 17 TWh in the first quarter, fuelled by higher production in the renewable energy sector, Ziarul Financiar newspaper's English portal reported.

May 7



About EUR 450 million are for the ongoing projects in Racovița, Bretea, Răstolița, Siriu-Surduc, Dumitra-Bumbești. Hidroelectrica will also invest EUR 350 million to refurbish four high capacity hydro-power plants, namely Stejaru, Vidraru, Râul Mare – Retezat and Mărișelu. For the refurbishment of the Dimitrie Leonida – Stejaru hydroelectric plant, Hidroelectrica has launched an auction in December last year, which the joint venture of Romelectro SA – Litostroj Power DOO won. The contract is worth EUR 75 million (without VAT). The project will run for 7 years and involves the refurbishment of six hydropower units.

May 8

The law also allows the adjustment, based on a decision of ANRE, of the possible negative differences between the number of received green certificates and the number of due green certificates, according to the individual decision of the European Commission.

The normative act introduces a new article according to which the documentation necessary for the individual notification of the support measure to the European Commission will be drafted only by the operators who develop plants producing electricity from renewable sources with the installed capacity exceeding 250 MW.

“The law allows adjustment, based on a decision of ANRE, of the possible negative differences between the number of received green certificates and of due green certificates.”

A new aspect introduced at the request of the European Commission, refers to the opening of the support scheme for electricity from renewable energy sources to imports from other member states. Also, at the request of the European Commission the promotion system through green certificates won't apply to electricity produced from renewable sources sold at negative prices.

Enel's subsidiary posts EUR 64 million profit in Q1

May 9



Enel's ebitda in Romania fell by 1.5% in the first quarter, from EUR 65 million a year ago to EUR 64 million, according to data released by the Italian group and quoted by Mediafax. The company has obtained earnings before interest and taxes (EBIT) down by 26% from EUR 50 million a year ago to EUR 37 million. Revenues decreased by 3.6% from EUR 275 million in the first quarter of 2014 to EUR 265 million, Business-review.eu portal reported.

Enel owns in Romania, through Enel Green Power, a net installed, renewable capacity of 534 MW. Out of it, the net installed capacity from wind is 498 MW and 36 MW from other sources. The level of production obtained from renewable sources is 428 MW. Of this total, 421 MW represent wind energy production and 7 MW from other renewable energy sources.

Ebitda obtained by Enel in Eastern Europe, region which includes also Russia, Slovakia and other regions, fell by 17.4% in the first quarter, from EUR 282 million to EUR 233 million. Enel has 2.6 million clients in Romania.

State lacks strategy, aims for mix of renewables and nuclear

May 19

Energy minister Andrei Gerea said at a Mediafax conference that it is true that Romania does not yet have an energy strategy, but that at the European Union's level there is also no common direction in this area, Business Review reported.

According to Gerea, as quoted by Mediafax, energy is the future and is an element of security, and if some countries use energy as a weapon, then "weapons are a necessary evil." "We must build a flexible strategy to adapt to new challenges. It would have been great if we had a strategy of reindustrialization which we

can rely on. For this reason we cannot link the two strategies, but we can build the pillars on which to develop it," Gerea added.

In his view, the most important thing is for Romania to have enough energy sources and production capacities, and in this context he listed some projects which the Government deems them essential. They include a EUR 6 billion investment in two new nuclear reactors at Cernavodă, the completion of the hydroelectric plant Tarnița in Cluj county, and building a thermal power station of 500–600 MW in Oltenia.

A week earlier Gerea had presented Romania's energy policy in European context and the national objectives in the field of energy and environment. "Our main concern is to ensure energy security in this part of Europe. We want Romania to ensure a **balanced, competitive and technologically neutral** energy mix where renewable energy sources and nuclear energy could contribute to achieving energy and climate targets set at European and national level," he said. Romania has two nuclear power reactors in Cernavodă operated by NuclearElectrica.

Following the nuclear disaster in Fukushima in 2011, Germany announced that it would close all of its nuclear power plants. Eight of the seventeen operating reactors in Germany were permanently shut down. "As the first big industrialized nation, we can achieve such a transformation toward efficient and renewable energies, with all the opportunities that brings for exports, developing new technologies and jobs," chancellor Angela Merkel had said.

ČEZ overcomes green certificate allocation suspension

May 13

Czech energy group ČEZ' **operating profit in Romania stagnated** in the first quarter of 2015 at EUR 29.2 million, compared to the same period last year, EnergyWorld magazine reported. The increase in energy production has offset the negative effect of suspending green certificate allocation for the **Cogealac wind farm**.

ČEZ owns the Fântânele wind park, with an installed capacity of 347,5 MW, the Cogealac park (252,5 MW) and a series of micro hydropower plants with a total capacity of 18 MW.

The Czech group posted a profit of EUR 7.3 million in Romania in the first quarter, calculated before interest, taxes, depreciation and amortization (ebitda). It was similar to the result from the first three month of last year.

BULGARIA

Nord Pool Spot to run national electric power exchange

April 22



State-owned Independent Bulgarian Energy Exchange (IBEX) said on April 22 it signed a cooperation agreement with Europe's leading power market Nord Pool Spot aimed at setting up and running Bulgaria's **first day-ahead power exchange**, Novinite.com reported. The exchange is planned to start operations by the end of the year, with plans for an intraday market at a later stage, the news agency added.

IBEX CEO Konstantin Konstantinov is quoted as saying his entity hoped to create "a reliable, liquid and non-discriminatory market together with Nord Pool Spot." Capital daily quotes **Ivan Ivanov, head of energy watchdog KEVR**, telling Bulgarian News Agency that the agreement will ensure that the power exchange will function in line with European Union rules. In his words, the deal has already received the nod of the European Commission.

The Bulgarian day-ahead market is planned to become **operational by the end of Q4**, Nord Pool Spot said.

Electricity, heating power price hike inevitable as of July

May 5

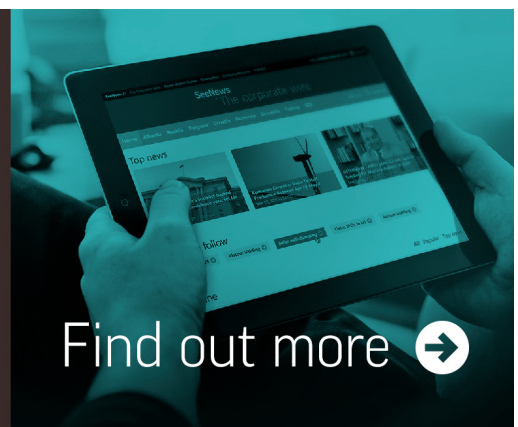
Bulgarian Energy Forum chairman Ivan Hinovski told radio Focus that the rise of electric power and heating prices of July 1 is inevitable, Energy World magazine's portal reported. He added that the hike is reasonable as there are accumulated disproportions in the price of various products in the energy sector. **"Heating power subsidizing is crosswise through the electricity price**, which these thermal power plants generate, and it is natural process to put in place each of these products – i. e. heating power to get its real price for production, and electricity to restore its levels," the expert said.


Deputy prime minister Tomislav Donchev, on the other hand, said earlier there is no reason for an increase in electricity prices or heating rates, Novinite agency reported. In an interview for the Bulgarian National Radio, he explained that his prediction was based on the condition of the system and the price of energy carriers.

Donchev said that the Commission for Energy and Water Regulation (KEVR), an independent entity, would determine whether the demands for price hikes were reasonable. KEVR had published **requests of energy companies for double-digit increases** in prices of electricity, heating, and hot water in the new regulatory period starting in July, according to reports of Investor.bg. KEVR chairman Ivan Ivanov, however, suggested that electricity prices would not increase from July 1 and that the body is to rule on the demands within two months.

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FYR MACEDONIA

Minister confirms delay in electricity market liberalization

April 29



Macedonian economy minister Bekim Neziri

The government remains on the decision to delay the electricity market liberalization, economy minister Bekim Neziri said, as quoted by MINA agency's Macedoniaonline.eu portal.

"Full liberalization of the electricity market in Macedonia would lead to an increase in the household electricity price. **Even the current prices are high for citizens,** and therefore we remain on the decision over delay of the electricity market liberalization by 18 months. The ministry is analyzing the effects of the delay and we believe the decision is also supported by citizens," he told reporters at the sidelines of the Macedonian-Bulgarian Chamber of Commerce assembly.

According to him, the government had already responded to the communication from the European Energy Community (EC), which urges for continuation of the electricity market liberalization in Macedonia within two months. Neziri stressed that Macedonia currently has the most liberalized electricity market in the region. "Forty percent of the Macedonian electricity market is liberalized. No other Balkan country has liberalized more than ten percent of its market, some are not liberalized at all," the minister underlined.

“Neziri: We remain on the decision over delay of the electricity market liberalization by 18 months.”

Two days earlier, the Energy Community Secretariat submitted a reasoned opinion as the next step in

the dispute settlement case against the former Yugoslav republic. "Prohibiting consumers to choose their supplier is another manifestation of the current government's deliberate policy of systematically refusing to accept the country's obligations under the Energy Community Treaty and, consequently, EU law. This trend has recently become more and more visible and manifests itself in several open breaches of Energy Community law, including among others also the non-acceptance of a binding target for renewable energy and the failure to respect Second and Third Energy Package rules in the gas sector when cooperating with Russian partners," its press release said. The current problems in the energy sector mirror other problems of the country, which is sinking into isolation, the statement said.

Agreements for construction of 19 small hydro facilities

May 8



Nurhan Izairi, minister of environment and spacial planning

After the completion of the sixth round of concession granting procedure, the Ministry of Environment and Spatial Planning signed agreements with 12 investors for the construction of 19 small hydropower plants, Republika.mk said. **One-time concession fee is MKD 150 million (EUR 2.44 million).** The contract expires after 23 years, including three years for the construction, the magazine's report said. Minister Nurhan Izairi stated that the plants shall add 20 MW to the country's power production capacity. In the procedure for 80 small hydro plants, the government had selected best offers for 33 locations, while these concessionaires are those who managed to obtain necessary permits in time, he added. Predrag Čemerikić from Hydrogen Energy Group said its plan is to invest EUR 5 million in four small systems and start generating electricity in a year.

German company scanning energy projects to invest in

May 13

AEG Industrial Engineering AG perceives Macedonia as being the main energy center in the region, said Heinrich Otterpohl, CEO of the German company, part of a delegation visiting Macedonia, the former Yugoslav republic's government said on its website.

In a meeting with deputy prime minister for economic affairs Vladimir Peševski, Otterpohl praised Macedonia's investment opportunities, saying his company was examining the conditions to invest in energy projects in the country. The meeting took place after AEG Industrial Engineering had decided three weeks before to **enter Macedonia's market and open its offices** in the country, deputy prime minister's cabinet stated in a press release.

At the meeting with AEG officials, Peševski, deputy economy minister Hristijan Delev, and CEO of ELEM (Macedonian Power Plants) CEO Dejan Boškovski presented the reforms implemented with regard to business climate and tax policy as well as the country's strategic energy and investment projects. AEG Industrial Engineering specializes in the production of power sources, power components and control and distribution of electricity. The company is part of AEG Group (Allgemeine Elektrizitäts-Gesellschaft), which began operations in 1887 in Berlin. This group was incorporated in Electrolux Group in 2004.

Pressure mounts on EBRD to quit Mavrovo dams project

May 14

The Macedonian government has plans to make Mavrovo the home for two large and around 20 small hydro power plants, one with financial support from the EBRD, even though this is the largest and **richest national park in the country** and home to the critically endangered Balkan Lynx, CEE Bankwatch Network said.

Boshkov most, one of the large hydropower plants, involves a 33 metre accumulation dam and a power plant with total capacity of 68 MW. The project is being financially supported by the EBRD with an initial EUR 65 million, the article said. Total project cost had initially been assessed at EUR 85 million, but soon after project preparations began the project sponsor and the bank realised that the project costs were set to almost double, Bankwatch reports. Another large accumulation project, **Lukovo pole**, is under consideration for financial support by the World Bank. Council of Europe's Standing Committee of the Bern Convention decided to open a case file regarding the ongoing construction plans for hydropower plants

within the territory of the Mavrovo national park. An on-the-spot appraisal in late June will collect additional information in order to prepare draft recommendations that are to be submitted to the standing committee at its next meeting, the report said.

Biogas-powered generator registered by energy regulator

May 19



Private utility **Pelagonija Enerdži DOOEL**, headquartered in Bitola, had its biogas-fuelled electric power plant registered in the national list of electricity-generating facilities that run on renewable sources, Build.mk portal reported.

The generator has an installed capacity of 2 MW and it is the second of the type in Macedonia, as a thermal power plant on biogas operated by Elektro Šarri DOOEL was registered in February by the **Energy Regulatory Commission**. The Pelagonija Enerdži plant is one of three planned for the cow farms operated by agricultural coop ZK Pelagonija JSC Bitola.

According to regulator's data, the former Yugoslav republic has 96 photovoltaic facilities, 44 small hydro plants and one wind power unit. The listed power plants, including ones on biogas, have a yearly capacity of 287.8 GWh, the report said.

GREECE

Juncker plan contributes to winning energy battle of Crete

April 24

A project to interconnect the island of Crete to the mainland's electricity system that was proposed over 20 years ago could now be implemented using private investments to utilise the European Fund for Strategic Investment (EFSI), said Anastassios Kallitsantis, the vice chairman of the Hellenic Federation of Enterprises (SEV), Neurop.eu portal reports.

"This project has been in the drawers of Admie (Independent Power Transmission Operator) for the last 20 years, but it has not been a priority – while for us it should be a first priority," Kallitsantis, who is also the chairman of Ellaktor, told New Europe. He was speaking on the sidelines of an investment conference in Athens on occasion of the visit of European Commission's vice president Jyrki Katainen to Greece.

Kallitsantis added that "the conditions are ideal" for the Greek project given that Energy Union and interconnectors are on the top of the European Commission's priorities. Moreover, the Investment Plan for Europe or Juncker Plan supports investments with the participation of the private sector in high-risk countries like Greece "unfortunately is today," he said. Kallitsantis presented the 'Interconnection of Crete to the Mainland's Electricity System' project at the conference. He highlighted the operation glut during tourist season and the **high cost of operation, at least three times higher** than that of mainland Greece, the report said.

He said the interconnection of Crete project has a good economic performance, requiring an investment of EUR 850 million with a return investment of 20%. A preliminary study by Admie updated in 2014 proposes the connection of Crete with two 380-kilometre 500 MW cables.

Power generation permit for mini hydro plant switches hands

April 30

Regulatory Authority for Energy (RAE) gave the go-ahead for the power generation permit for 625kW hydro plant in the municipality of Naousa to change hands, Energypress.gr portal reported. The hydropower facility in Anthemia, owned by Varvaressos S. A. – European Spinning Mills, and the **new permit holder is Olganos S. A. Akineton**, owned by National Bank

of Greece (33.6%), Piraeus Bank (32.27%), Alpha Bank (30.44%) and Attica Bank (3.69%).

Hellenic Wind Energy Association joins GWEC

May 5

Global Wind Energy Council (GWEC) welcomed the Hellenic Wind Energy Association (HWEA) as a new member of its circle of members promoting wind energy. HWEA, **known in Greek as Eletaen**, was founded in 1990 by 50 wind energy pioneers including Arthouros Zervos, Dimitris Lalas and Ioannis Tsipouridis.

Today, HWEA's membership boasts over 400 wind energy professionals and companies including engineers, scientists, lawyers, financiers and producers, developers, resource assessment companies, and contractors, the report said. HWEA said it does advocacy work with the Greek authorities, takes active part in the social dialogue, organises events and communicates the benefits of wind power via multiple channels. The Greek government has set an ambitious target of reaching 7.500 GW of wind power by 2020.

Alterenergy board and steering committee meeting

May 6

Eight partnership meetings were already held within the Alterenergy strategic project. The last project management board and steering committee met in **Ioannina on May 4 and 5**, Alter-energy.eu website reported.

Alterenergy has been launched in September 2011 to promote sustainability in 60 selected small Adriatic communities with less than 10.000 inhabitants. The Alterenergy partners have implemented immaterial investments combining social, cultural, tourism, educational, commercial and technological aspects.

Additionally, starting from feasibility studies in all communities, material investments in the renewable energy sources (RES) and efficiency sector were implemented. Specifically, two pilot infrastructural interventions in Puglia and Albania, six demonstrative actions in Croatia, Bosnia Herzegovina and Greece, and an additional investment in Slovenia concerning sustainable transport in five pilot municipalities are being finalized.

There were awareness raising activities on the issues of renewables and energy saving for citizens, didactic theatre and environmental paths for stimulating young students, workshops of skills transfer for actors, training opportunities and territorial promotion for the involved target communities, capacity-building activities for public administrations responsible for the local energy policies and economic operators. Business and investments support among small and medium enterprises in the RES and energy efficiency solutions are being implemented, too.

SunRise PV Systems wins second round tender in Jordan

May 18

Project developers eager to set up solar photovoltaic power projects in Jordan took a shot at the **lowest-ever tariff** in the second round tender under the country's solar power program, and SunRise PV Systems of Greece came out on top, Cleantechica.com portal reports.

Jordan **allocated** 200 MW of projects in the second round auction, after a total of 33 companies had submitted technical proposals. However, only 24 eventually submitted financial bids. Four developers submitting the lowest bids are selected to develop 50 MW capacity each. The lowest tariff bid, 6.13 U. S. dollar cents (5.57 euro cents) per kWh, has been submitted by SunRise PV Systems. Its project is located near Al Mafrq, about 90 kilometers north of Amman.

Sunrise Photovoltaic Systems, founded in 2006, has been active in the Greek solar power market developing a number of projects, but not yet as large as 50 MW. According to the company's website, **the largest it has developed so far has a 3 MW** installed capacity.

The other three bids were placed by construction company Saudi Oger, Spanish developer Fotowatio Solar Renewable, and a subsidiary of the Chinese project developer Hareon Solar. Hareon Swiss Holding placed a bid of 7.97 U. S. dollar cents per kWh.

Hopes on Australian solar technology for shifting from oil

May 7



Australian scientists have designed and installed solar energy technology in Cyprus to help the island nation shift away from fossil fuels and also tackle its chronic water shortages, The Guardian's portal said.

A team from the Csiro, Australia's national science agency, took five weeks to construct a solar thermal field containing 50 heliostats – large mirrors that reflect the power of the sun – at Pentakomo, located in the south of the country. The Csiro won an international tender to provide its technology to Cyprus for a trial that **could lead to broad solar take-up in the country and elsewhere**. "The question about solar is always about storage at night-time," said Wes Stein, solar research leader at Csiro. "This liquid is cheaper and more efficient than batteries, such as those made by Elon Musk. We can generate steam for electricity on a cloudy day." The project provided USD 500,000 (EUR 439,000) for the Csiro but Stein said the **returns could be in the "tens of millions"** if other countries licensed the technology for larger scale developments. Stein added that Australia could theoretically provide all of its electricity via solar energy in this way, requiring a site measuring 50 by 50 kilometers, a third of it taken up by mirrors.

Heat generated by the field could bring a **two litre kettle to the boil in less than five seconds**, Csiro's website said. The hot fluid is subsequently used to drive a turbine for generating electricity and, in research, **powering a desalination plant**. This is a suitable size for the Cyprus Institute to conduct research, with expansion planned.

All clients getting power metering devices by early 2016

April 27

Electricity distribution operator Oshee has invested in the sector of power consumption's measurement for the **acquisition of 50,000 metering devices**, and plans to equip all its customers by early next year, Albanian Telegraphic Agency said, as quoted by Albreporter.info portal.

Sources from the Ministry of Energy and Industry announce they are working to ensure a World Bank funding to complete consumer equipment with energy meters. Deutsche Telekom began to produce 9,300 smart meters to be installed in the most problematic areas of Albania.

The energy meters not only affect the reduction in consumption, but exclude any possibility of theft of electricity, over-invoicing and imprecise assessment on the part of Oshee's employees, the report said. The new system of intelligent metering can be controlled directly in a portal online by the customer, in order to know the amount of consumed energy and better economize its costs.

Energy Community welcomes adoption of Third Package law

May 4



Deputy director of the Energy Community Secretariat. Dirk Buschle

Energy Community Secretariat said it sincerely welcomes the Albanian Parliament's adoption of a Third Energy Package compliant electricity law on 30 April. The law consolidates the reforms taken so far in this sector which have been neglected in the past, the press release said. Albania is the **second country among the Energy Community Contracting Parties** to have transposed the requirements of the package in the electricity sector.

Dirk Buschle, deputy director of the Energy Community Secretariat, welcomed the adoption of the law: "The importance of the law goes far beyond formal compliance with EU legislation. It constitutes a decisive step forward on the long path of energy reforms in Albania for which it lays a solid foundation. We have worked very closely together with the Albanian authorities on this law from the very first draft. I am particularly grateful for having cooperated with capable and responsible partners in the government and the parliament, and congratulate them on their leadership."

Albania awards two electricity trading licences

May 5

National energy regulator said it has awarded an electricity trading licence to local companies **Green Energy Trading Albania** and **GAEA-Energjia Alternative e Gjellbër**, SeeNews portal reported.

The licence allows the company to operate as electricity trader in Albania for a five-year period, the energy regulator said in a statement posted on its website. The decision entered into force immediately.

KESH to clear debts to hydro plant operators by end-June

May 11

Albanian Power Corporation (KESH), state-owned power utility, will clear its debts to private hydropower plants within the first half of this year, according to the Ministry of Energy and Industry (MEI), Albanian Telegraphic Agency reported. The remaining total arrears of less than ALL 2 billion (EUR 14.2 million) will be settled by the corporation's finance sector without seeking bank loans or financing from the state budget, according to the report on Albreporter.info portal.

“Last month's payments enabled repayment of arrears accumulated until September of 2014.”

Increased liquidity and energy sector reforms will address the financial woes of the country's energy sector, while the power utility is settling the electricity bills within contractual deadlines with the private hydro plants. In 2014, the accumulated **debt to privately-owned power utilities totalled over ALL 6.5 billion** and the last month's payments enabled repayment of

arrears accumulated until September of 2014. According to Energy Minister Damian Gjijnuri, the energy system reform is entering a new intensive stage after the adoption of the new law on the energy sector, with increased liquidity and reforms creating more opportunities to address the sector's financial problems.

Medium voltage transmission network procurement

May 19



Electricity distribution operator Oshee received procurement procedure applications for the construction of the 20 kV network Paskuqan – Babrru No. 2, Investment.albaniaenergy.org portal reported. The procurement came after the open notice released on April 8 for the construction of 20kV Paskuqan – Babru network No. 5, with April 30 as deadline for prequalification submission, and the open notice for network No. 3 with deadline on May 8. The procurement's limit fund is established at ALL 222.15 million (EUR 1.59 million) plus value-added tax and with the incomes from operating expenses. The deadline for completion of works is five months.

IFC investment in ABank for SMEs' energy efficiency

April 27

IFC, a member of the World Bank Group, announced a **USD 97 million (EUR 85.17 million) financing package** to ABank, to increase lending to energy efficiency and renewable energy projects in order to boost sustainable energy investment in Turkey and support micro, small, and medium enterprises, which are essential for economic development and job creation. IFC will directly lend USD 50 million of this loan from its own resources. The remaining is raised through its Managed Co-Lending Portfolio Program, a new syndications platform that offers institutional investors the ability to passively participate in IFC's future senior loan portfolio, the press release said.

European Fund for Southeast Europe (EFSE) is the parallel lender in the project providing EUR 20 million. IFC said energy efficiency and renewable energy has been in its focus in Turkey. SMEs make up nearly 90% of Turkey's economy and supporting SMEs to become more energy efficient generates significant social and economic benefits, such as decreasing carbon emissions and installation of environmentally friendly production processes, the press release said. As of 2013, IFC has provided USD 564 million financing for such investments.

New Generation Power International announces joint venture

April 28

Global independent power producer New Generation Power International (NGPI), headquartered in the United States, announced a joint venture with Yilsan Holding, Mineks International and DCM Energy to develop, own and operate a **100 MW geothermal project** in Turkey.

Turkey has previously stated its goal to **source 30% of its power needs from renewable energy**, including 1 GW of geothermal, **by 2023**. "NGPI's goal is to be a leader in global renewable energy generation, and Turkey is one of several countries of importance to us," said Chirinjeev Kathuria, founder and chairman of NGPI. The project will be built in the northwest region of Turkey, and will be constructed in three phases – the initial 10 MW is to be completed by this year's end, while an additional 40 MW is intended to be operational by the end of 2016. The remaining 50 MW is planned to be launched by the end of 2017.

Once completed, the geothermal plants aim to generate electricity for at least 20 years. Total project investment is estimated to be around USD 400 million.

Japanese CIS modules to power five solar power plants

April 29

Solar Frontier Europe, a subsidiary of the world's largest CIS solutions provider, has signed a **23 MW module supply agreement** with Konar Energy of Turkey at Solarex 2015 in Istanbul. The parent company said it will be supplying its proprietary CIS thin-film modules, manufactured in Japan, for five upcoming solar power plants in Turkey.

Module shipments for two projects, a 5.9 MW installation in Konya and a 4.7 MW installation in Burdur, will commence shortly, the press release said. The three remaining projects, which are all located in the south of Turkey, are set to follow by late 2016.

"The ability of Solar Frontier's CIS modules to yield more electricity than crystalline silicon modules, especially in challenging conditions such as the high temperatures of Turkey, combined with the company's high-quality manufacturing process and its reputation for continuous support, were all deciding factors for us," said Tolga Özdemir, CEO of Konar Energy.

Solar Frontier's CIS modules generate more electricity (kilowatt-hours per kilowatt-peak) compared to crystalline silicon modules in real-world environments, the company said.

Government supports 28 large PV projects this year

May 5

Turkey's economy ministry has decided to support solar energy investment incentives, following promises made by the governing Justice and Development Party (AKP), TRT World portal reported. The government gave 28 incentive certificates for solar energy, out of **35 overall energy production projects this year**, according to its regular data release in February.

The country has an advantageous location from which to produce solar energy compared with other countries in Europe, with Turkey's existing conditions for solar power generation being strong and solar radiation values high. The incentives policy gives primacy to domestic and renewable energy sources, and the distribution of certificates in its February data release signifies **favouring solar energy over any other sector**, the report said.

Turkey's economic ministry will support 28 solar energy power plants, 3 wind farms plants, 1 geothermal, 1 coal power facility, 1 hydroelectric power and 1 biomass plant with investment incentives. 11 solar plants in Nevşehir, 8 in Konya, and 4 in Isparta will be built under the programme, plus one for Kayseri, Antalya, Muğla, Burdur and Eskişehir, each.

Government aims 30 percent renewable energy usage by 2023

May 7

Turkey's Energy Market Regulatory Authority has received 14 times more pre-license applications than its allocated capacity for wind power plants, Mustafa Yılmaz, head of the authority, revealed on May 6, Anadolu Agency reported.

At the 21st International Energy and Environment Fair and Conference (ICCI 2015) in Istanbul, he said the allocated capacity for wind power plants was 3 GW, but the authority received a total of 42.27 GW pre-license applications the previous week. The applications were accepted between April 24 and 30 and were to be sent to the General Directorate of Renewable Energy for technical evaluations.

"Turkey has a great potential for wind power and I strongly believe that Turkey will reach its 20,000 MW installed capacity **goal by 2023**," Yılmaz said. He added that the number of applications and capacities rose rapidly after the regulation of unlicensed electricity production went into force; **majority of such applications were for solar power**.

Investment in hydro plant operator vehicle planned by EBRD

May 8

European Bank for Reconstruction and Development said it is considering an equity investment of up to USD 35 million (EUR 30.73 million) to acquire up to a 20% stake in holding company HoldCo, a vehicle to be established as a 100% owner of five operating run-of-the-river hydro power plants currently owned by Rönesans Enerji and partners. The **five plants have an installed capacity of 114 MW** and are located in the northern part of Turkey. EBRD said it will be making the investment alongside energy companies Edison SpA and Rönesans Enerji.

The project will increase competition and foreign direct investments in Turkey by bringing an experienced European energy company into the market, the project summary document said. The target board date is June 10. The participation of Edison, which is considering the investment in parallel, would lead to an increase in competitive pressure and induce further

efficiencies in the way the power market operates and its participants behave, the announcement said.

The project will also set standards for corporate governance and business conduct as the bank, jointly with Edison, will review the management systems and permitting procedures inclusive of the existing stakeholder engagement plans and through the implementation of an environmental and social action plan (ESAP) introduce best practice in running of the hydro facilities, EBRD said.

IFC invests in Finans Leasing to help energy efficiency

May 14

IFC, a member of the World Bank Group, said it is providing a USD 60 million (EUR 52.62 million) loan to Finans Leasing, a leading Turkish leasing company, to boost lending to small and medium enterprises (SMEs) for sustainable energy efficiency projects that will cut costs and help protect the environment.

IFC will lend USD 40 million from its own resources, and **mobilize the remaining USD 20 million** from its new Managed Co-Lending Portfolio Program, which offers institutional investors the ability to passively participate in IFC's future senior loan portfolio. Finans Leasing is the fourth largest leasing company in Turkey with wide geographical coverage across the country, the press release said.

“With a USD 4.3 billion outstanding, Turkey is the third-largest country in IFC's global portfolio.”

Edward Strawderman, IFC Regional Head for Financial Institutions Group for Europe, Middle East, and North Africa, said, “There is still a big gap in Turkey between the substantial potential of sustainable energy projects and their realization. Our partnership with Finans Leasing aims to address this and help small and medium enterprises use Turkey's rich renewable energy resources to mitigate climate change.”

IFC said it has been supporting private sector development in Turkey for the last 50 years. With a USD 4.3 billion outstanding, Turkey is the third-largest country in its global portfolio, the press release said. In line with the World Bank Group Turkey Country Partnership Strategy for fiscal years 2012 to 2016, IFC has so far invested approximately USD 2.8 billion in private sector projects in Turkey over the last three years.

JinkoSolar to supply 50 MW of solar panels to Tegnatia

May 18

Photovoltaic industry supplier JinkoSolar Holding Co., Ltd. (NYSE: JKS) announced it would supply panels of 50 MW overall capacity to Turkey's renewable energy developer Tegnatia.

According to the agreements signed by both parties at the beginning of 2015, the equipment will be delivered in **several shipments bound for projects across Turkey**. Tegnatia is a joint venture between Turkey's T Dinamik and Greece's Egnatia Group. Egnatia has over 300 MW of power in solar installations in Greece, Romania, Bulgaria and UK, the press release said.

“JinkoSolar is very proud to have been chosen as a partner by Tegnatia, one of Turkey's leading and most professional quality-focused renewable energy developers,” commented Frank Niendorf, JinkoSolar's European sales director. “This deal makes JinkoSolar the Turkey's leading module supplier. We look forward to identifying and engaging similarly strategic opportunities in Turkey in the coming months to continuously increase our market share.”

Belectric wins 77.4 MW in Turkey's first solar licensing

May 18

Joint venture partner of Germany's Belectric Solarkraftwerke GmbH has tendered successfully the **single largest ground-mounted solar power project** in Turkey with an AC connection capacity of 45 MW. Including this one, three projects developed by Belectric Kuloğlu Güneş Elektrik Santralleri Teknolojisi A. Ş. won recent tenders with a combined AC connection capacity of 77.4 MW, 14% of the total tendered capacity (545 MW), thus ranking the venture the number one winner of the first licensing round in the country, the German company said.

Cenap Kuloğlu, co-founder and managing director of Belectric Kuloğlu, said the company and its partners committed a contribution fee of USD 325.000 per MW less than committed in overall average by the other top 5-ranked participants.

“We are looking forward to implement our latest solar power plant products with grid stabilizing technology in Turkey within the system integration works for these projects... The next potential step in this direction is the application of Belectric's Energy Buffer Units (EBU), providing the most important ancillary service for grid operation: primary frequency response,” said Bernhard Beck, executive chairman of Belectric.

Security cooperation initiative for Southeastern Europe

April 29



Transmission system operators of Serbia, Bosnia Herzegovina and Montenegro have set up Southeastern Europe's first regional security cooperation initiative (RSCI), European Network of Transmission System Operators for Electricity (Entso-E) said on its website. On April 21 the general managers of PE EMS (Belgrade) and NOS BiH (Sarajevo), Nikola Petrović and Josip Dolić respectively, and the president of the CGES' (Podgorica) Board of Directors Dragan Laketić signed the contract for the establishment of the Security Coordination Center Ltd. Belgrade (SCC).

SCC is established as a company with the objective to develop necessary services defined by Entso-E's policy paper 'Core strategy for TSO Coordination' and 'Future TSO Coordination for Europe' in order to fulfill operational planning standards.

Infringement against five states for missing deadlines

April 29

The European Commission launched infringement procedures (reasoned opinion) against Romania, Austria, Croatia, Ireland and Latvia, as these countries failed to ensure the full transposition of the Energy Efficiency Directive, Business-review.eu reported.

The directive had to be transposed into national law by June 5, 2014. If the member states do not comply with this obligation within two months, the European Commission may decide to refer them to the Court of Justice of the European Union and ask for financial penalties, the Romanian magazine's portal said.

In the course of the second semester of 2014, the European Commission launched infringement

procedures for non-transposition of the Energy Efficiency Directive against 27 EU member states (all except Malta). In November it sent a reasoned opinion to Bulgaria and Hungary. In February reasoned opinions were sent to Greece and Portugal. In March, the European Commission decided to refer Hungary to court with financial penalties, as not a single transposition measure was adopted.

Coordination meeting focuses on renewables uptake

April 29

The two-day event 'Progress in the Promotion of Renewable Energy in the European Community' took stock of the state of play of implementing the Renewable Energy Directive in the Energy Community Contracting Parties and assessed how existing barriers to the uptake of renewables could be overcome, the Energy Community said on its website. One of the underlying messages was that renewables are a necessity not just in terms of mitigating climate change and ensuring sustainable growth, but also diversifying the energy mix and contributing to the security of energy supply by reducing dependence on external energy sources. "It is high time to bring back the focus on renewables and regain the momentum lost," meeting participants heard.

“Renewables are a necessity not just in terms of mitigating climate change and ensuring sustainable growth, but also diversifying the energy mix and contributing to the security of energy supply.”

The contracting parties are in general late in the implementation of the directive requirements and also in terms of meeting the trajectories to reach their binding national renewables targets by 2020. Implementing the 10% biofuels in transport target is severely lagging behind, the press release said. As rules on the sustainability criteria for biofuels have not been adopted, even the existing very small biofuels consumption cannot count towards a country's target. The first drafts of the necessary sustainability mechanisms are now under preparation by several contracting parties, following targeted assistance by the Energy Community Secretariat. Speakers underlined the need to improve the accuracy of statistical information on renewables in order to precisely track the implementation of the national targets.

International remedies for foreign investors in renewables

April 30



International investors who have suffered losses in the renewable energy sectors in Greece, Romania and Bulgaria, among others, may be entitled to compensation for their losses under the Energy Charter Treaty (ECT) and relevant bilateral investment treaties (BITs), lawyers recommended. Headed by Baiju S. Vasani, the team from global law firm Jones Day published an analysis on RenewableEnergyWorld.com portal in which they claim **companies now recognize investor-state arbitration as “simply another dispute resolution mechanism** – albeit one with more teeth – which does not preclude a continuing relationship with the respondent state.”

As governments rolled back feed-in tariffs and failed to honour governmental guarantees, investors in the renewable energy sector have seen their investments decimated, or substantially reduced, the article said. Many have already turned to investor-state arbitration in an attempt to recoup their investments – 23% of known investor-state arbitrations in 2013 arose as a result of renewable energy measures adopted by Spain and the Czech Republic.

Greece also rushed to support renewable growth through generous and ultimately unsustainable feed-in tariffs programs, accumulating substantial deficits in the process. In 2013, a round of tariffs cuts, which saw a 25-30% retrospective tax on solar revenues, resulted in an immediate reduction in photovoltaic installations across the country.

“**Governments rolled back feed-in tariffs and failed to honour guarantees.**”

The 2008 Renewable Energy Law provided renewable energy plants with green certificate subsidies and preferential buying terms. Romania’s government later judged that this was too generous, and delivered the first statutory hit to renewables in April 2013. The government halved the support awarded to existing hydro, wind and solar power generation under the country’s green certificate scheme, and postponed

some green certificates that were due to be allocated to producers. It then cut the level of subsidies for all new projects coming online after January 1, 2014. In September of that year, a group of Czech solar investors filed a notice of dispute against Romania under the ECT. More are expected to follow, Jones Day’s lawyers claim.

In Bulgaria, the incentives were generous power purchase agreements – 25 years for solar power and 12 years for wind and hydro power. Rapid growth in the sector put significant financial strain on the government, who passed the cost of the feed-in tariffs onto electricity providers. In 2012, the government reduced them by 50% for solar and by 22% for wind power producers. Some of the most radical changes have included a moratorium on grid interconnection for new plants, the introduction of fees to access the grid and the introduction of fees for the generation of renewable energy, the analysis said. Austrian energy group EVN filed a claim against Bulgaria at the International Centre for Settlement of Investment Disputes in July 2013, related to the country’s electricity pricing and renewable energy regimes while it continues to have local operations.

First round of infrastructure projects receives EU funding

May 7

Innovation and Networks Executive Agency (INEA) has signed **15 grant agreements** for priority energy infrastructure projects, the first of 34 to receive a total of EUR 647 million under the European Union’s Connecting Europe Facility 2014 call for proposals, Investment.albaniaenergy.org portal said.

The presentation of Albanian Centre for Energy Regulation and Conservation – Acerc, reported these are some of **248 projects of common interest** selected by the European Commission, which **aim to upgrade existing energy infrastructure and develop new energy transmission infrastructure** of crucial importance to Europe’s energy security. They will also support the deployment of large-scale renewable energy.

The projects include design, implementation and environmental studies for a planned 1,518 kilometers long Israel–Cyprus–Greece 400 kV **EuroAsia Interconnector** of 2 k (pictured here). Also included in financing are hydro-pumped storages in Bulgaria in Greece, a part of interconnector between the two national grids, and several internal lines in Bulgaria. The next grants to be allocated to energy projects under the CEF will be selected under the latest call for proposals which closed on 29 April 2015.

Three countries fail to fulfil Energy Community obligations

May 13

Energy Community Secretariat said it submitted three reasoned requests on May 12 to the Ministerial Council as the next step in the dispute settlement cases against **Albania, Bosnia and Herzegovina and the Former Yugoslav Republic of Macedonia**. The secretariat seeks a decision establishing that the contracting parties concerned failed to fulfil their obligations stemming from Energy Community law by failing to adopt national renewable energy action plans. The decision will be taken at the Ministerial Council on October 16 in Tirana, the press release said.

Before the Ministerial Council will take its decision, the Energy Community Presidency and Vice-Presidency shall ask an advisory committee for its opinion on the Reasoned Request. The Ministerial Council is not bound by the opinion.

According to the rules of procedure for dispute settlement, parties with a legitimate interest in the case are granted access to the case file.

Bulgaria reluctant to join regional auction platform

May 14

Plans to create a single European cross-border capacity auction platform is holding back the Bulgarian transmission system operator from joining the regional platform. This is despite the fact a joint **European auction platform might only be operational by 2019**, petrochemical market information provider ICIS reported.

At a recent industry event, Victoria Popovska, head of the electricity market department at Bulgarian grid operator ESO, said it was not planning to join the recently established coordinated auction office SEE CAO, but instead waiting for the new joint EU auction office JAO.

Miloš Mladenović, corporate director for international and regulatory affairs at Serbian grid operator EMS, said that the company had started discussions with SEE CAO. EMS could use the auction platform for some of its borders before it joins JAO.

SEE CAO had faced numerous delays before it launched in the end of last year. The grid operators of Croatia, Bosnia and Herzegovina, Kosovo, Greece, Turkey, Montenegro and Albania are shareholders, but it currently only holds daily and monthly auctions for the borders between Croatia, Bosnia and Herzegovina, Albania and Montenegro.

The participation of the Bulgarian and Serbian operators was considered crucial and they together with Macedonia were potentially facing dispute procedures if they failed to comply. In the end of March a representative of the Energy Community told ICIS that the organisation expects Serbia to participate in the 2016 coordinated yearly capacity auctions for the Southeast European markets.

Floods highlight renewable energy market opportunities

May 19

As Croatia, Bosnia and Herzegovina and Serbia continue to rebuild after the devastating floods of 2014, renewable energy development opportunities are popping up left and right, RenewableEnergyWorld.com portal's contributor Ilias Tsagas wrote in an analysis. The Balkan region has enormous renewable energy potential but to date **progress has been hindered by financing, weak legislation and poor grid infrastructure**, the article said.

Croatia, the only European Union member state, had to comply with the bloc's binding renewable energy targets. A national energy standard adopted by parliament in 2009 set a target of 1.2 GW of wind power and 52 MW of solar PV by 2020. However, energy market operator Hrote announced in that it would not provide feed-in tariff contracts to new wind and solar PV projects in 2015.

“Bosnia and Herzegovina lacks a national renewable energy target and the existing framework for the promotion of energy from renewable sources is non-compliant.”

Serbia's new energy law from late 2014 was, on the contrary, generating hope, bringing the country in line with EU's energy policy of liberalization of the electricity sector. The government hopes the law will both entice investment and bring it closer to EU membership.

Bosnia and Herzegovina lacks a national renewable energy target and the existing framework for the promotion of energy from renewable sources is non-compliant. That said, there are an increasing number of wind power projects. However, the country's high wind potential, around 900 MW, is constrained by "limited grid capacity" and "legal caps", the article said.

UPCOMING EVENTS

June 16, 2015

6th Turkey Wind & Solar Energy Forum

Istanbul, Turkey

June 15-19, 2015

European Sustainable Energy Week

Brussels, Belgium

September 17, 2015

CROENERGY 2015 – Sustainable Energy Finance and Investment Summit

Zagreb, Croatia

September 17-18, 2015

EII 2015 – Energy & Infrastructure Investment Conference

Zagreb, Croatia

October 14-15, 2015

All energy Turkey

Istanbul, Turkey

November 4-5, 2015

RENEXPO BIH

Sarajevo, Bosnia and Herzegovina

November 17-18, 2015

Balkan Energy and Infrastructure Supply Chain and Procurement Forum

Belgrade, Serbia

November 18-20, 2015

RENEXPO SOUTH-EAST EUROPE

Bucharest, Romania

December 1-3, 2015

GeoPower Global Congress

Istanbul, Turkey

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