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**SERBIA: ENERGY**

**DECREE ON FEED-IN TARIFFS**

*(Uredba o merama podsticaja za proizvodnju električne energije korišćenjem obnovljivih izvora energije i kombinovanom proizvodnjom električne i toplotne energije, Službeni glasnik RS br. 99/09)*

The Government of Serbia has adopted a decree on feed-in tariffs effectively permitting subsidies to producers of energy from renewable sources and combined plants.

Tariffs guaranteed by the Decree are as follows:

- 7.8 to 9.7 eurocents per kWh for small hydro power plants,
- 11.4 to 13.6 eurocents per kWh for biomass plants,
- 12 to 16 eurocents per kWh for biogas plants,
- 9.5 eurocents per kWh for wind farms
- 6.7 eurocents per kWh for waste and landfill gas power plants
- 7.5 eurocents per kWh for geothermal power plants
- 7.6 to 10.4 eurocents for co-generation power plants
- 8.5 to 9.2 eurocents per kWh for waste-fired power plants
- 23 eurocents per kWh for solar energy power plants.

The Decree comes into force on 1 January 2010 and will remain applicable for a period of three years, i.e. until 31 December 2012. Eligible energy will be purchased by the state-owned power company EPS, who will be reimbursed by the state for the difference between the average price of energy invoiced by EPS in accordance with the methodology for calculation of tariff elements as determined by the Energy Regulatory Agency, and the tariffs guaranteed by the Decree. Power purchase agreements to be concluded between eligible producers and EPS will be for a period of 12 years. Therefore, there is a discrepancy between the period of the validity of the Decree setting forth guaranteed tariffs prices and the duration of the PPA. The standard form PPA, which is supposed to be prepared by EPS within two months from the date of coming into force of the Decree, may clarify the period during which EPS will guarantee tariffs set forth in the Decree.

The Decree limits the maximum installed capacity power of hydro, biomass, combined (electric + thermal energy) and communal waste power plants which may qualify for subsidies to 10MW. Solar power plants are eligible for subsidized tariffs only up to 5MW, whereas for wind farms this threshold is set at 450MW but may be increased for an amount equal to 10% of the total newly installed capacity by EPS during the period of the validity of the Decree.

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