

Elektroprivreda Srbije and Elektromreža Srbije, with the support of the Energy Agency, pointed out to the Ministry of Mining and Energy the negative consequences of the integration of producers of electricity from renewable sources into the electricity system and requested a change in policy.

EPS, EMS and AERS, in the letters sent to the ministry, along with the change of the Law on Renewable Energy Sources (RES), ask for the postponement of the implementation and adoption of all bylaws which give incentive measures for electricity producers and RES. Therefore, their representatives will not participate in working groups for drafting bylaws until the Ministry of Energy proposes amendments to the Law on the Use of RES. For EPS, EMS and AERS, the provisions of the Law on RES are disputable, which are the cost of balance responsibility on EPS, as well as the right of RES producers to priority access to the electricity system.

The address of the two state companies came after a large number of submitted requests for the expressed strength of RES production facilities for connection to the network, the letter states. The companies estimate that in total they exceed the current real possibilities of the transmission system (EMS) and the production mix (EPS), in order to ensure the quality work of the entire electric power system, especially the balanced one from coal.

They state that the increased number of requests was significantly influenced by state incentive measures for the integration of RES.

They believe that huge problems with the increased involvement of RES will arise in providing a regulatory reserve for balancing the system.

They add that this leads to an enormous uneconomical increase in the price of investments in the infrastructure of the entire electricity system, ie in an enormous increase in the price of electricity for consumers and the economy.

It is estimated that such opportunities can seriously affect the liquidity of EPS, EMS and Distribution System Operator (DSO).

Suspend and change

EPS and EMS request that consideration be given to introducing a mandatory reserve for balancing systems at the expense of RES with supply interruptions, to suspend work on drafting and adopting a new Regulation on Balancing Responsibility, and to postpone the implementation and further adoption of all bylaws measures for RES producers.

They also suggest, as a temporary measure, that all further activities from or in connection with the issuance of conditions and methods of connection through the Connection Study be suspended until the adoption of these changes to the Law on the Use of RES.

As an example, they state that in order to balance the system in which 3,500 megawatts of RES are included, it is necessary to keep 700-1,000 megawatts in reserve, while the current regulatory reserve approved by AERS in the system is 380 megawatts. They add that the integration of 8,800 megawatts from RES requires a reserve of 2,000 MNJ, and they

conclude that the missing reserve is between 500 and 800 megawatts. EPS and EMS state that the regulatory reserve provided from thermal power plants increases the costs of their work, because all regulatory reserve must be available every second for balancing purposes. It is added that this means that EPS reduces its production capacity for domestic supply and exports by the same amount, while the company must compensate the imbalance from imports at market prices. According to the presented calculation, and based on the prices from the beginning of 2021, the balancing cost for 8,100 megawatts of installed RES is estimated at between 150 and 340 million euros a year. It is pointed out that the current annual balancing cost is 48 million euros per year.

According to the current regulations, the increase in the risk of frequent “black-outs”, ie total breakdowns of the system itself, is also mentioned as a problem of including greater RES power in the Serbian power system, Dnevnik reports.