Solar incentives serbia

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Building Solar Plants in Serbia: Costs, Duration, and Legal Insights

At a time of growing global awareness of clean energy, Serbia is on the threshold of energy transformation. In 2023, the development of several solar power plants has been initiated, and the first factory for the production of photovoltaic panels was established. Also, the construction of solar power plants is supported by a state subsidy, and the international organization The Nature Conservancy (TNC) published a map of the 100 best locations for solar power plants in Serbia.

According to experts, the trend of growing interest in investments in solar power plants in the Republic of Serbia will continue in 2024. In this text, we investigate costs, duration, and legal insights for building solar plants in Serbia.

In the middle of 2023, the construction of the solar power plant “Saoaroci” in Smederevo was initiated. This solar power plant will have a power capacity of 9.95 megawatts, and the electricity is intended for the domestic market and will supply about 2,500 households. It is an investment by the German company AVR Solar Park, and it is realized by the Chinese company PowerChina.

Also, in mid-December, the company Domi Eko Solar started production of solar panels in its plant in central Serbia. It is the first factory for the production of photovoltaic panels in the country. However, although a total of 157 solar power plants with a capacity of 23.3 megawatts have been built by the middle of 2023, the current capacities are far below the potential. How much does it cost and what are the key steps in choosing a location and obtaining permits for building solar plants in Serbia?

The first important decision when building solar plants in Serbia is the choice of location, where we distinguish between two cases. The first, when the investor already has a plot on which he wants to set up a power plant, but he is not sure if it is possible. In that case and assuming that the power plant is connected to the distribution system, the investor should contact the local branch of "Elektrodistribucija" (Distribution System Operator).

The competent authority will provide an expert opinion on the connection requirements.

If the investor has several potential locations, consulting firms can conduct an analysis of the current state of the network at each individual location. Then, the consulting firm gives a recommendation which location shall prove as the most efficient for building a power plant. It can also be in the form of a study with a detailed network connection plan.

Depending on the capacity of the power plant, an expert is hired to a justification study with the appropriate

design and conceptual design. It is important, first of all, to check whether an energy permit is required for the construction of the power plant at the selected location.

In accordance with energy regulations, an energy permit is required for a solar power plant of one megawatt (MW) or greater capacity. The request is submitted to the Ministry of Energy and is valid for up to three years. During that period, the investor is obliged to complete the construction and commissioning of the power plant.

The next step is to assess the impact of the power plant on the environment. After the competent authority approves the request for checking the need to conduct the study, the investor submits EIA Envirnonmental Impact Assessment study. It is stipulated that the assessment must be carried out for solar power plants with a capacity of 50 MW or above. An assessment is not mandatory for a solar power plant with a capacity of less than one MW, except in the case when it is located in a protected area or in an area that represents a cultural asset.

The investor can hire an expert for the preparation of the conceptual design, as well as for all technical documentation. After obtaining a legally binding construction permit, the investor applies for works and commences construction. The investor has a period of three years from the moment the building permit becomes legally valid to apply for commencement of works.