

RES FOUNDATION

SEERMAP KICK OFF MEETING, BELGRADE 22 SEPTEMBER 2016



Res Foundation
Partnerships
for Resilience

MESSAGE TO THE PARTNERS

- We, the founders of RES Foundation firmly believe that citizens in Serbia and in the region deserve and need more public goods and services, and better quality public goods and services. necessary to support lives, rights and property of the people.
- Standards of the European Union are one of the most important tools in quest for improved public goods and services production and delivery.
- Professionals, consumers, academia, parliaments, courts, corporations, civil society organizations, need to be empowered to step in and deliver public goods and services and to assure the quality of goods and services already taken care of by the government.
- RES Foundation is established to ensure that these stakeholders are empowered to do so.

BRIEF HISTORY

- Founded in January 2015. by the three public good professionals with significant experience in leading development projects.
- Secured basic preconditions for functioning till end 2017.
- Delivered important policy advice on climate change and energy policy in the first year of existence with partners from Heinrich Boll Stiftung and European Climate Foundation.
- Broadened its partnership network in the second year of operations.
- Activating personal professional and value networks and turning them into RES network of partnerships for resilience.

OUR POLICY-ENTREPRENEURS



Jasminka Young

Governance • Research •
Dialogue



Aleksandar Macura

Energy • Analytics • Access



Pavle Golicin

Poverty • Networks • Flavor

GOALS OF THE ENERGY COMMUNITY

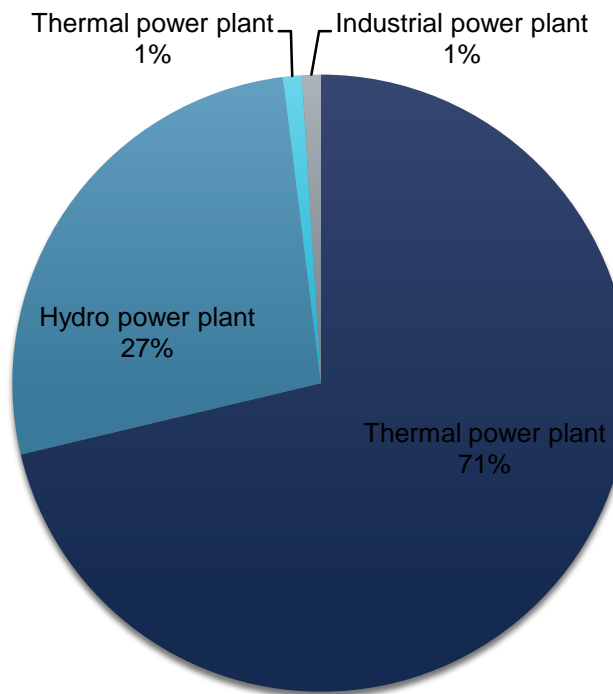
Stable
regulatory and
market
framework

Investements

Stable and
continuos
energy supply

Economic
development
and social
stability

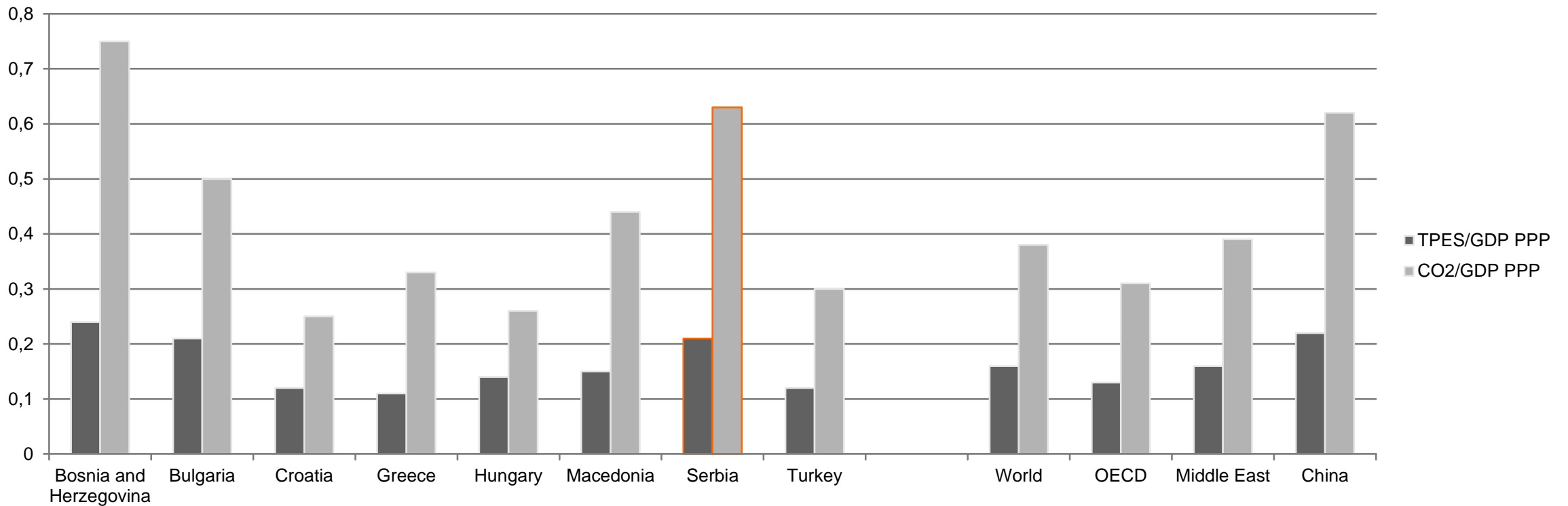
ELECTRICITY PRODUCTION IN SERBIA



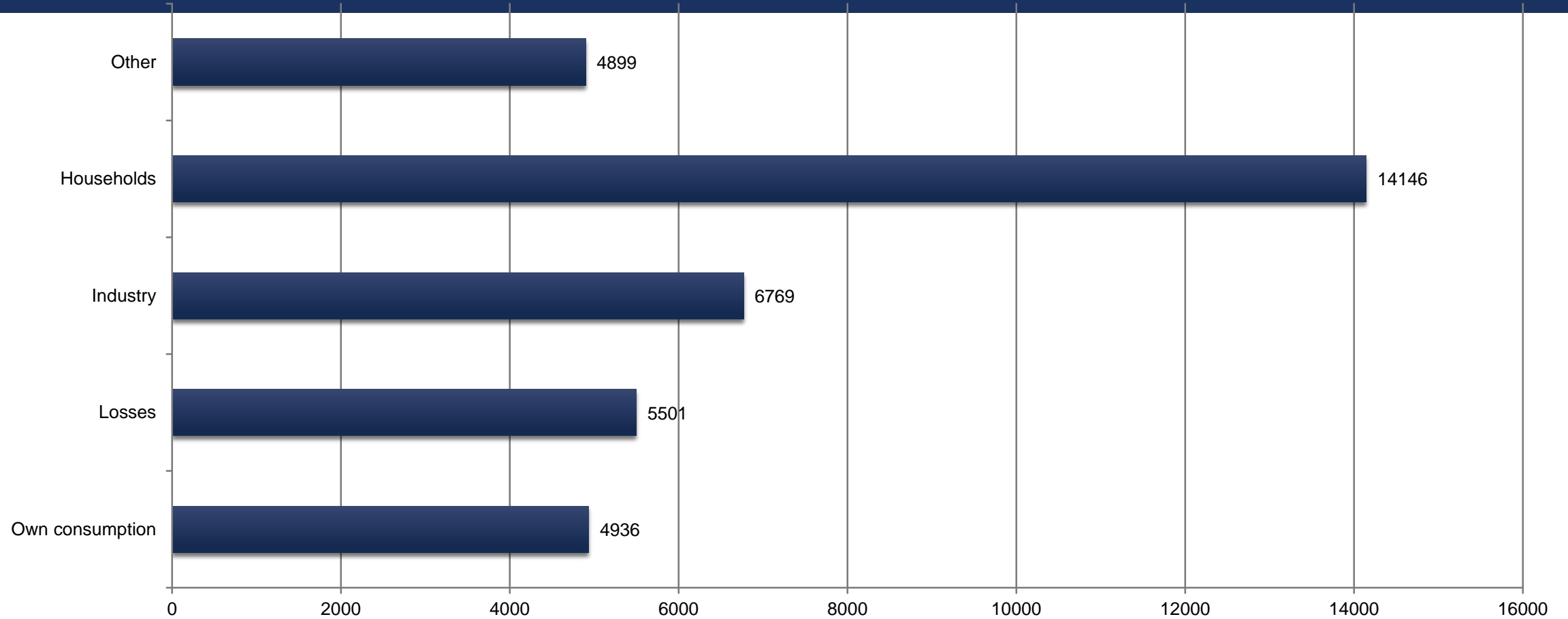
CHALLENGES

- Sustainability of coal(lignite) based electricity production (old and new)
- Poverty, energy poverty and energy efficiency
- Governance- government and corporate

ENERGY AND CARBON INTENSITY OF SELECTED EU MEMBER STATES AND ENERGY COMMUNITY PARTIES



CREATING GDP FROM ELECTRICITY ?



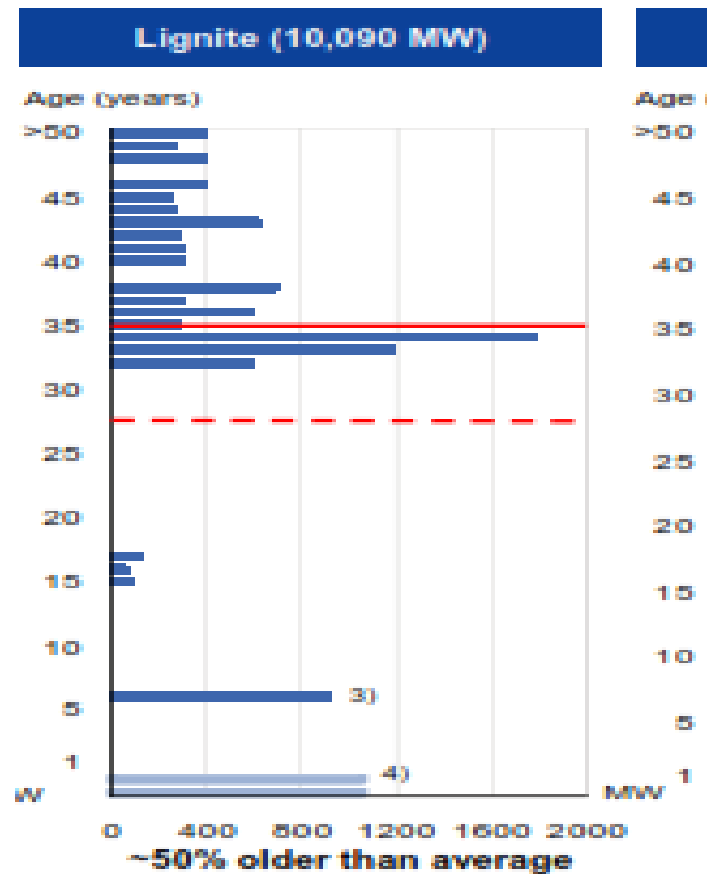
HOPES OR REALITY, YET TO BE SEEN

- **Commodities** | Thu Oct 9, 2014 12:30pm BST

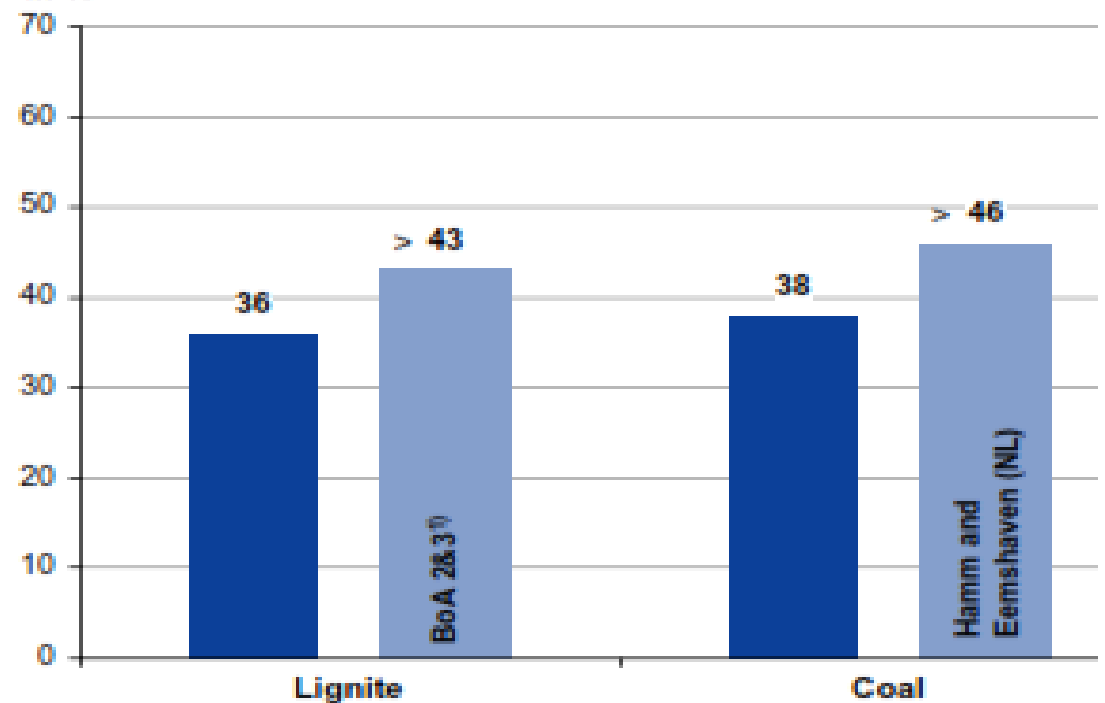
CEZ considers plant upgrade with Bulgaria's BEH

- **ČEZ confirms planned closure of coal-burning plant in Varna**
- 13-12-2014 14:02

EFFICIENCY



Weighted degree of efficiency
in %



■ German average²⁾

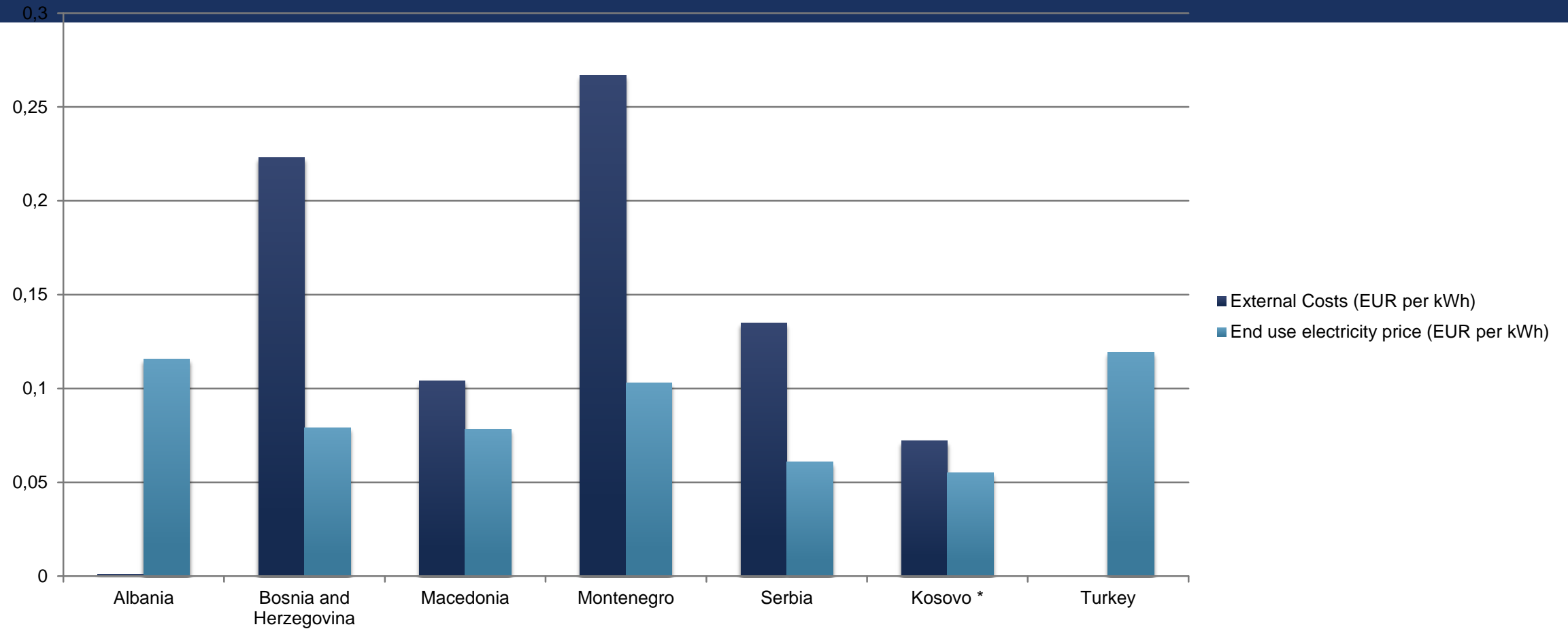
■ Highest thermal efficiency of RWE's power plant projects

Average lignite plant efficiency in the region is around 30%

NEW PROJECTS EFFICIENCY

- Kostolac B3
- Stanari
- Pljevlja
- Designed net efficiency way below Best Available Technology.

EXTERNALITIES AND ELECTRICITY PRICE

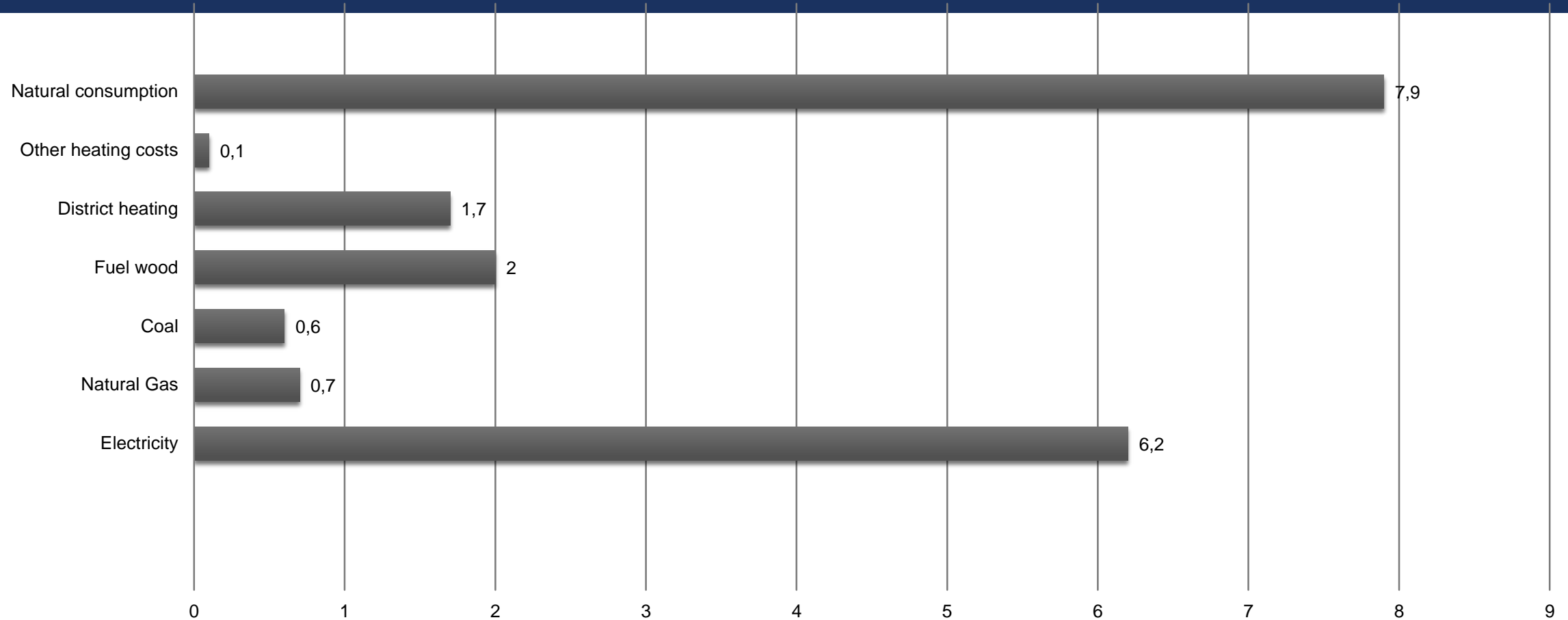


TOTAL REQUIRED INVESTMENTS IN COMPLIANCE WITH LCPD/IED

	Total Investments needed (mil EUR)
Albania	-
Bosnia and Herzegovina	337-947
Macedonia	229-1,366
Montenegro	42-370
Serbia	640-2,776
Kosovo *	78-545
Turkey	N/A

Analyzed alternatives reduce plant efficiency and availability. Fuel switch has not been analyzed.

CERTAIN COMPONENTS OF INDIVIDUAL CONSUMPTION OF HOUSEHOLDS IN SERBIA



COMPETITIVENESS & GOVERNANCE

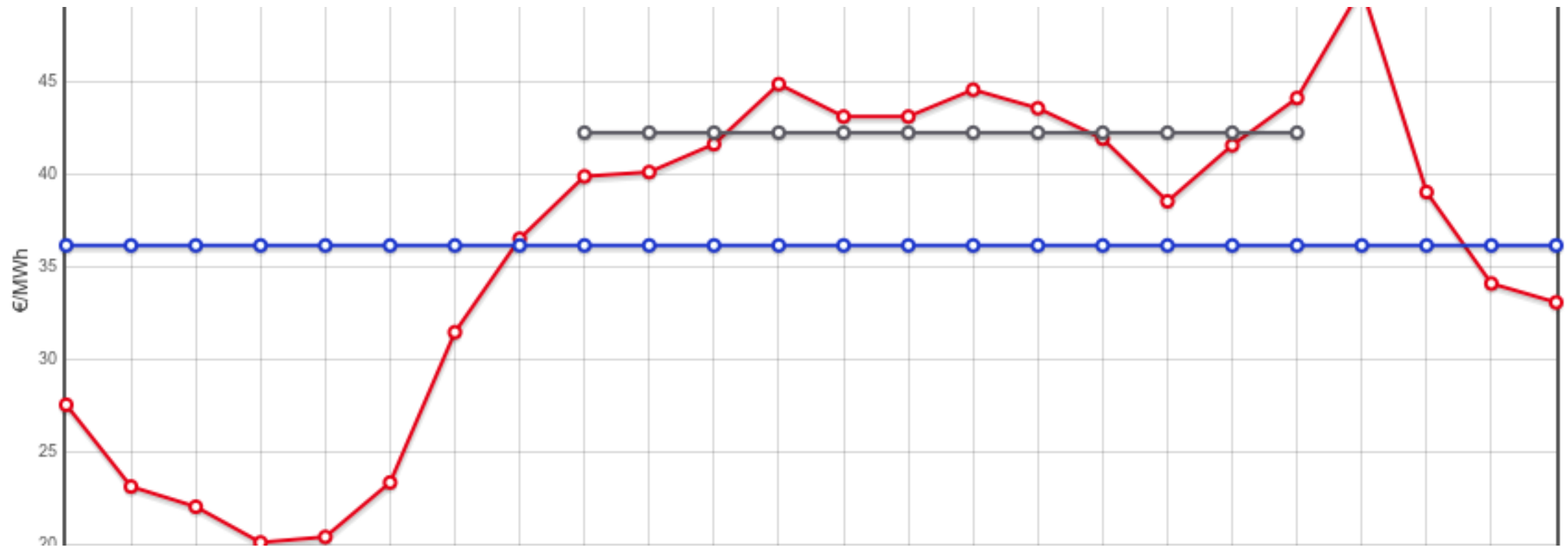
Source: World
Competitiveness
Report. Rank out of
148 surveyed
countries.

	Serbia
Property rights	127
Diversion of public funds	99
Judicial independence	118
Favoritism in decisions of government officials	120
Wastefulness of government spending	132
Efficiency of legal framework in settling disputes	128
Efficiency of legal framework in challenging regs	129
Transparency of government policymaking	108

AS FRESH AS IT CAN BE

- While notable progress was achieved in wholesale market opening, further efforts are needed to develop competition in the retail market. The country is in the vanguard in regional spot market development. At the same time, it is the only country in the Western Balkans where the transmission system operator does not participate in regional capacity allocation as required by the acquis. Its transmission system operator also continues to obstruct the unconditional integration of Kosovo's KOSTT in ENTSO-E, with negative knock-on effects on regional integration. Lacking unbundling of EMS and persistence of regulated electricity prices for households and small customers remain obstacles to effective market opening. It remains to be seen whether the regulator will be able to translate into real term success the progress made on wholesale level with the establishment of SEEPEX by setting measures to boost liquidity.
- On institutional level both the energy regulator and Commission for State Aid Control have to develop a more active and independent profile to design and shape the energy market of Serbia. While performing well on a technical level, the energy regulatory authority has to become more active and facilitate the further opening of the market and tackle major issues of European and national rules not complied with, in particular by the state-owned incumbents. This inertia also calls into question its independence from political influence and/or the interests of the state-owned energy incumbents.

SEEEPEX- TRADING ON THE LARGEST VOLUME DAY



MAPPING OUR PARTNERSHIP'S JOURNEY AHEAD

