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Clean energy, essential factor for the low carbon
and circular economy development

- Climate change and energy are intricately linked, which impacts different issues:
 - From the global warming to the economic benefits
 - Not just the need, but the opportunity for innovations, economy growth and more employment
- Montenegro's commitment to a green transitions and decarbonization:
 - Legal framework (The Draft Law on Amendments to the Law on Energy envisages that long-term planning of energy development has to be done through integrated National energy and climate plan, which will also identify objectives and mechanisms on how to increase the share of renewable energies (as a main factor for decarbonisation) and to improve energy efficiency; adoption of the Law on Protection Against Adverse Impacts of Climate Change)
 - Market openness, competitive processes and incentive measures
 - Simplifying processes
 - Infrastructure mapping
 - Promoting energy efficiency
 - Introducing Carbon pricing design (National Regulation on GHG emission allowances)
 - Ecological reconstruction of the TPP Pljevlja
 - Switch to Clean Energy

Limit on emissions and its trade

- Reduction of greenhouse gas emissions
- Clear signal
 - for the existing operators
 - for the potential investors
- A step forward in harmonization with the EU ETS (EU Emission Trading System) - which aims to cut emissions by 43%, based on 2005 levels, in all sectors covered by this system in 2030
- Fair cost allocation
- Tool for fulfilling international obligations (Paris Agreement)

Principals:

- „Cap & trade“ system
 - The total amount of certain greenhouse gases that can be emitted by installations covered by the system, will gradually fall; within the cap, companies receive or buy emission allowances, which they can trade with one another as needed
 - Free allocation of CO₂ emissions will also gradually fall
 - „carbon leakage“ recognized in accordance with the EU principles
 - Auctioning as the default method for allocating allowances (Polluter pays principle)
 - A surplus of emission allowances creates the Market Stability Reserve
- Adapted for a small and illiquid market
 - Minimal price **24 €/t CO₂eq**
- Funds raised from emission credits can be used for:
 - Environmental protection and improvement
 - Incentives for the construction of renewable energy sources
 - Incentives for innovations in accordance with the Smart Specialization Strategy of Montenegro

OIE

WIND

- **Wind farm Brajići** with an installed capacity of 100.8 MW: cca. 101,3 mil.€ investment value
- **Wind farm Gvozd** with an installed capacity of 54,6 MW and estimated annual generation of about 150 GWh: cca. 60 mil. € investment value

SOLAR

- **Solar power plant Briska Gora** with an installed capacity of 250 MW: cca. 178 mil. € investment value

HYDRO

- **Hydro power plant Komarnica** with installed power of 168 MW and annual production of 232 GWh: cca. 183 mil. € investment value