

	State	Montenegro
General information	Status EU membership	Aspiring EU membership signatory of the Energy Community Treaty, day of accession 1 January 2007 ¹
	Population	621,306 (2020) ²
	Land area (km ²)	13,450 km ² (2020) ³
	Urban population (%)	67 % (2020) ⁴
Socio-economic situation	GDP (current US\$ billion)	4.77 (2020) ⁵
	GDP per capita (EURO)	6,740 (2020) ⁶
	Annual net earnings (Single person without children earning 100% of average earning (EURO))	3,960 (2019) ⁷
	Median hourly earnings (EURO)	Males: 3.39 (2014) Females: 3.45 (2014) ⁸
	World Bank economic classification (2021)	Upper-middle-income country ⁹
	Unemployment (% of total labor force)	15.9 % (2020) ¹⁰
Energy situation in general	Current energy sources	<ul style="list-style-type: none"> - Installed capacity of electricity generation facilities (2019): coal 21.9%, large hydropower 63.1%, small hydropower 3.4%, wind 11.5%, solar 0.2%¹¹ - Electricity Generation in 2020 consisted of¹²: <ul style="list-style-type: none"> o Non-renewable 1 615 GWh (48%) o Renewable 1 771 GWh (52%), of which: <ul style="list-style-type: none"> ▪ Hydro and marine 1 448 GWh (43%) ▪ Solar 8 GWh ▪ Wind 315 GWh (9%) - 50% of gross energy production is from hydropower¹³ - Two existing wind farms, Krnovo (72 MW) and Možura (46 MW)¹⁴ - Slow in developing solar, by end of 2019 only 2MW installed, launched a huge 262 MW solar project at Briska Gora near Ulcinj¹⁵ - Heating: most common forms for residential buildings are heated with wood, electricity and coal, no district heating systems; plans for biomass district heating development in several towns, such as Nikšić, Rožaje, Bijelo Polje, Kolašin and Žabljak¹⁶ - 100% import of oil and its derivatives + natural gas¹⁷ - In 2021 exploratory drilling for oil and gas in the Adriatic started¹¹ - No gas import network - Unsustainable exploitation of forest¹⁸
	Climate protection targets	<ul style="list-style-type: none"> - Has to achieve decarbonization by 2050 (for EU membership)¹⁹ - Signatory to the Green Agenda for the Western Balkans (November 2020)²⁰ - Nationally Determined Contributions submitted to the UNFCCC (06/2021), with a target of 35% GHG emission reduction by 2030 compared to 1990²¹

	<ul style="list-style-type: none"> - National Energy and Climate Plan (NECP) under development but no draft presented to the public as of March 2022²² - Has not set a coal or fossil fuel phase-out date, but Montenegro has joined the Powering Past Coal Alliance and committed to stop using coal by 2035 at the latest.²³ - Notion that commitments are not taken seriously²⁴
Renewable energy targets	<ul style="list-style-type: none"> - 35.9%²⁵ share of renewable energy in the total final energy consumption in Montenegro by 2020, met in 2018 & 2019²⁶ - In 2019, Montenegro registered a 37,37% share of renewable energy, exceeding its overall 2020 target²⁷ - The share of renewables in transport below 1 in 2020²⁸ - 44.8% of RES in end-consumption in 2030²⁹ - 10% of RES share in transport for 2030³⁰
Renewable energy potential	<ul style="list-style-type: none"> - Government announced in 2020 that it would ban small new hydropower plants and review all existing concession agreements.³¹ - Predominantly hydro and wind (85% and 15%, respectively, in renewable capacity in 2020), solar 1% in 2020.³² - 50 MW Mozura wind farm;³³ 72 MW Krnovo windpark³⁴ 100 MW Brajici wind farm to be built;³⁵ 262 MW Briska Gora PV plant to be built.³⁶ - In May 24- June 2, 2019, Montenegro for the first time produced enough energy from renewable sources to meet all its needs.³⁷ - A significant small hydropower plant lobby (from 2008) presented as a development chance for MNE and considered within the national targets for RE (Concessions = auctions system + energy permits later); investors gained numerous benefits such as RE subsidies (non-systematic and ad hoc).³⁸ - 70% of MNE territory covered in forests; no state entity undertakes actions of cutting, extracting and selling wood; concessions favor financially stronger investors over local producers.³⁹ - Montenegro's main seaport, the Port of Bar, has signed a memorandum of understanding with Singapore-based LNG Alliance on the construction of a liquefied natural gas (LNG) terminal and a 100 MW gas-fired power plant.⁴⁰
Renewable energy support regime	<ul style="list-style-type: none"> - As of Jan 1, 2020, the government started reducing feed-in tariff for renewable energy⁴¹ - A RES support scheme was part of the final electricity price until mid-2019. A RES fee is now paid by end-users for every kWh above 300kWh consumed monthly, the report underlines.⁴² - August 2021: The Investment and Development Fund (IDF) and Environmental Protection Fund (Eco Fund) of Montenegro launched a credit line for companies, entrepreneurs, and farmers for the installation of solar power units with a possibility of subsidizing the loans with grants. The documentation indicates grants available for rooftop solar power systems of at least 3 kW.⁴³ - Selected for the Cities mission EU climate-neutral and smart cities program⁴⁴ (funded by Horizon Europe). - CO2 taxation introduced in 2020 in line with the EU ETS rules.⁴⁵ - Renewable energy producers enjoy priority dispatching.⁴⁶

- A **netting scheme** for self-consumption is indicated in the supply contract, obliging suppliers to purchase the surplus of electricity produced after the annual settlement at the price of energy. It resulted in nine self-consumers by September 2021.⁴⁷
- „**Privileged Producer**“ to sign a contract with the Montenegrin Energy Market Operator (COTEE) in order to receive a fixed price per kWh for the supplied electricity⁴⁸
- **April 2022:** Montenegro's new government sees green energy as main economic driver.⁴⁹

Relevant laws, policies, and plans

- Energy policies are in limbo
- **2016 Law on Energy** (2017 and 2020 amendments)⁵⁰
- **2020 Energy Strategy** – retention of big hydropower and thermal plants – to lower energy dependence to 25% in 2030⁵¹
- A cap-and-trade scheme introduced for major CO² emitters in February 2020⁵²
- **National action plan for the use of renewable energy** until 2020 – target of 33% share of renewable energy by 2020
- Tariff System Decree
- No RE law per se

Regulatory framework for citizen energy

- The power supplier, national energy giant EPCG, is obligated to purchase surplus electricity from owners of photovoltaic units.⁵³
- **The Law on Energy**, allows all consumers to install units of a maximum of 50 kW and send excess power into the grid.⁵⁴
- in (June) 2020 the government made changes to the Law on Energy, among other, with the aim of making it easier for prosumers to connect to the grid.^{55;56}
- The Ministry of Economy in 2020 has provided funds in the budget for subsidies for loans for installing PV systems; citizens shall be able to receive interest-free loans from private banks.⁵⁷
- The procedure for connecting to the grid has been shortened from 7 to 3 steps.⁵⁸

Evaluation of the legal framework

- Overall seen as good in transposing EU directives but not good in implementing them⁵⁹;
- In 2020 top-scoring country in the Energy Community's implementation report and considered among the more progressive countries in the region concerning energy⁶⁰
- Decentralization aspect of energy transition has been largely neglected, except for highly controversial small hydropower plants.⁶¹
- State institutions are not adequately prepared for managing the transition process.⁶²

*Energy Community provides an updated assessment of implementation performance and key energy sector data, including in the field of renewable energy and energy efficiency⁶³

Legal and political framework for citizen energy

Existing citizen energy projects and/or research

Citizen energy projects

Solari 3000+ and Solari 500+ (11/2021-ongoing), EPCG and Eco fund funding

As of Nov 1, 2020, EPCG, MNE energy utility and ECO fund (1/5 of funds) issued a call for **Solari 3000+** (citizens, 3,5,7 or 10kW integrated for individual objects and 30kw for citizens and companies) and **Solari 500+** (companies) projects. It was a public call for subsidies (20%) in installing solar panels on individual households.⁶⁴ Consultations, technical and logistics support are envisioned for the project users.⁶⁵

Relevant actors and stakeholders	Research and capacity building activities	Solar Adria (10/2020-09/2022), EUKI funding <ul style="list-style-type: none"> - Lead: Energy institute Hrvoje Požar, Kroatien - fosters the participatory planning of solar energy utilization - provides local decision makers with a “How To” guide and with access to a SOLAR ADRIA platform - workshops in Croatia and Slovenia, a seminar in Montenegro, and a regional final conference⁶⁶
	NGOs	<ul style="list-style-type: none"> - Eco Team⁶⁷ - The Nature Conservancy (TNC), Bankwatch - Think – thank LEAN
	Governmental bodies	Ministry of Ecology, Spatial Planning and Urbanism <ul style="list-style-type: none"> - Running an Eco Fund for energy efficiency measures⁶⁸ Ministry of capital investments <ul style="list-style-type: none"> - wants to play a role in RES⁶⁹ State-owned power utility Elektroprivreda Crne Gore (EPCG)⁷⁰
	Local governments	Podgorica <ul style="list-style-type: none"> - on the way to completely cover public lighting with LED technology - The local authority is preparing energy efficiency measures for several buildings in cooperation with international partners⁷¹
	Private actors	KOD Podgorica <ul style="list-style-type: none"> - Research papers on natural goods, small hydropower plants, woods, and biomass - Alliance from Podgorica (the status of a ‘privileged producer of energy’ in the next 12 years⁷² - Elektroprivreda Crne Gore (EPCG)⁷³ - Green Home Podgorica - Youth Network of Montenegro
	International/ supra-national actors	-
	Academia	Faculty of Mechanical Engineering
	Others	Vice President of the Parliament of Montenegro

Summarizing evaluation

Fields of Action	<ul style="list-style-type: none"> - Raise awareness on the importance of RES, CE and Energy Cooperatives for individual households / buildings / public institutions - Promote public dialogue about energy transition and in particular the role of citizen energy and opportunities for energy savings.⁷⁴ - Government needs to show greater willingness to drive this transition, NGOs and independent experts can play a strong role in ensuring this happens, communicating with the public and building partnerships.⁷⁵ - Give particular emphasis to energy efficiency (e.g. reducing distribution losses, insulating houses, installing heat pumps instead of old-style electric heating) and consider links to energy poverty.⁷⁶
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- **Build capacity** of non-state actors expressing interest or already involved in CE, designate clear roles to actors, promote **and enable networking**, expertise/knowledge/practices sharing
 - Promote a more decentralized, bottom-up, diverse and inclusive approach to CE
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¹ <https://www.energy-community.org/implementation/report/Montenegro.html>

² <https://data.worldbank.org/indicator/SP.POP.TOTL?view=chart&locations=ME>

³ <https://data.worldbank.org/indicator/AG.LND.TOTL.K2?view=chart>

⁴ <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?view=chart>

⁵ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?view=chart>

⁶ https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10_pc&lang=en

⁷ <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

⁸ https://ec.europa.eu/eurostat/databrowser/view/earn_ses_pub2s/default/table?lang=en

⁹ <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-group>

¹⁰ <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS>

¹¹ Ibid.

¹² https://www.irena.org/-/media/Files/IRENA/Agency/Statistics/Statistical_Profiles/Europe/Montenegro_Europe_RE_SP.pdf

¹³ <https://www.pobjeda.me/clanak/vusanovic-crnoj-gori-potrebni-projekti-oie-da-odgovori-na-energetsku-krizu>

¹⁴ <http://library.fes.de/pdf-files/bueros/sarajevo/18313.pdf>

¹⁵ <http://balkangreenenergynews.com/montenegro-expands-pv-plant-briska-gora-to-262-mw-in-spatial-plan/>

¹⁶ <http://library.fes.de/pdf-files/bueros/sarajevo/18313.pdf>

¹⁷ <https://www.pobjeda.me/clanak/vusanovic-crnoj-gori-potrebni-projekti-oie-da-odgovori-na-energetsku-krizu>

¹⁸ KOD report. Nature in the service of citizens, Podgorica 2021 <https://rs.boell.org/sr/2022/01/26/prirodna-dobra-u-sluzbi-gradana>

¹⁹ <http://library.fes.de/pdf-files/bueros/sarajevo/18313.pdf>

²⁰ Ibid.

²¹ Ibid.

²² <https://www.energy-community.org/implementation/report/Montenegro.html>

²³ <https://balkangreenenergynews.com/barometer-of-sustainable-energy-transition-how-prepared-is-montenegro/>

²⁴ <https://www.energy-community.org/implementation/report/Montenegro.html>

²⁵ <http://library.fes.de/pdf-files/bueros/sarajevo/18313.pdf>

²⁶ https://www.irena.org/IRENADocuments/Statistical_Profiles/Europe/Montenegro_Europe_RE_SP.pdf

²⁷ <https://balkangreenenergynews.com/montenegro-to-abolish-incentives-for-renewable-energy-projects/>

²⁸ <https://www.energy-community.org/implementation/report/Montenegro.html>

²⁹ Ibid.

³⁰ http://cedis.me/wp-content/uploads/2017/06/strategija_razvoja_energetike_cg_do_2030._godine_0_0.pdf

³¹ Ibid.

³² <https://balkangreenenergynews.com/montenegro-stops-licensing-new-small-hydropower-plants/>

³³ https://www.irena.org/IRENADocuments/Statistical_Profiles/Europe/Montenegro_Europe_RE_SP.pdf

³⁴ <https://ceelegalmatters.com/montenegro/14407-overview-of-montenegro-s-energy-sector>

³⁵ <https://www.ecoportale.me/crna-gora-prije-dva-dana-bila-prva-u-evropi-po-proizvodnji-energije-iz-vjetra/>

³⁶ <https://www.power-technology.com/marketdata/brajici-wind-farm-montenegro/>

³⁷ <https://balkangreenenergynews.com/montenegro-expands-pv-plant-briska-gora-to-262-mw-in-spatial-plan/>

³⁸ <https://www.ecoportale.me/crna-gora-prije-dva-dana-bila-prva-u-evropi-po-proizvodnji-energije-iz-vjetra/>

³⁹ WWF Policy brief Montenegro, "Small hydro power plant projects", 2019.

⁴⁰ <https://rs.boell.org/sr/2022/01/26/prirodna-dobra-u-sluzbi-gradana>

⁴¹ <https://balkangreenenergynews.com/port-of-bar-preparing-to-build-lng-terminal-gas-fired-power-plant/>

⁴² <https://www.enercee.net/countries/montenegro/support-schemes>

⁴³ <https://balkangreenenergynews.com/electricity-prices-in-western-balkans-highest-in-albania-montenegro-lowest-in-kosovo/>

⁴⁴ Loans are between EUR 3,000 and EUR 400,000, with a 3% annual interest rate. The repayment period can last up to 10 years including a grace period of as much as one year. (...) If they qualify for a subsidy, the beneficiaries can also get a co-

financing grant for up to 40% of eligible expenses or a maximum of EUR 25,000. The total amount is EUR 100,000.

<https://balkangreenenergynews.com/montenegro-issues-calls-for-energy-efficiency-in-households-solar-power-for-firms/>

⁴⁴ <https://balkangreenenergynews.com/sarajevo-selected-for-eus-100-climate-neutral-and-smart-cities-program/>

⁴⁵ <https://balkangreenenergynews.com/which-western-balkan-countries-intend-to-introduce-carbon-tax/>

⁴⁶ <https://www.energy-community.org/implementation/report/Montenegro.html>

⁴⁷ Ibid.

⁴⁸ <http://www.res-legal.eu/search-by-country/montenegro/tools-list/c/montenegro/s/res-e/t/promotion/sum/481/lpid/482/>

⁴⁹ <https://balkangreenenergynews.com/montenegros-new-government-sees-green-energy-as-main-economic-driver/>

⁵⁰ <https://www.katalogpropisa.me/propisi-crne-gore/zakon-o-energetici-3/>

⁵¹ http://cedis.me/wp-content/uploads/2017/06/strategija_razvoja_energetike_cg_do_2030._godine_0_0.pdf

⁵² <https://caneurope.org/montenegro-s-cap-and-trade-system-could-signal-end-of-free-emissions-in-western-balkans-but-cap-needs-tightening/>

⁵³ <https://balkangreenenergynews.com/montenegro-to-boost-support-for-solar-prosumers-home-energy-efficiency/>

⁵⁴ <https://balkangreenenergynews.com/montenegro-to-boost-support-for-solar-prosumers-home-energy-efficiency/>

⁵⁵ <http://library.fes.de/pdf-files/bueros/sarajevo/18313.pdf>

⁵⁶ with the new rules consumers will be able to install PV systems and produce electricity for their own needs and to deliver the surplus to the grid

<https://balkangreenenergynews.com/montenegrin-government-proposes-law-on-energy-eases-rules-for-prosumers/>

⁵⁷ <https://balkangreenenergynews.com/montenegrin-government-proposes-law-on-energy-eases-rules-for-prosumers/>

⁵⁸ <https://balkangreenenergynews.com/montenegrin-government-proposes-law-on-energy-eases-rules-for-prosumers/>

⁵⁹ <http://library.fes.de/pdf-files/bueros/sarajevo/18313.pdf>

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² <https://balkangreenenergynews.com/barometer-of-sustainable-energy-transition-how-prepared-is-montenegro/>

⁶³ <https://www.energy-community.org/implementation/report/Montenegro.html>

⁶⁴ <https://investitor.me/2021/11/03/veliko-interesovanje-za-ugradnju-solarnih-panela-za-dva-dana-250-prijava/>

⁶⁵ 30 mil euros of project worth with the aim to lower the electricity bills, enable energy independence, lower GHG emissions and protect the environment. Eligible: buyers who regularly pay electricity bills and regularly pay debts; owners of objects.

<https://investitor.me/2021/11/01/krenuo-solari-epcg-objavio-poziv-za-gradjane-i-privrednike-koji-zele-da-ugrade-solarne-panele-na-svojim-objektima/>

⁶⁶ <https://www.euki.de/en/euki-projects/solar-adria/>

⁶⁷ <https://www.energetskiportal.rs/en/eco-team-montenegro/>

⁶⁸ <https://www.energy-community.org/implementation/Montenegro/CLIM.html>

⁶⁹ <https://www.energetskiportal.rs/crna-gora-u-planu-povecanje-udela-solarnih-i-vetroelektrana-u-energetskom-miksu/>

⁷⁰ Owns all of the country's largest electricity generation capacities – the Piva and Perućica hydropower plants and the Pljevlja coal plant, as well as several old small hydropower plants <http://library.fes.de/pdf-files/bueros/sarajevo/18313.pdf>

⁷¹ <https://balkangreenenergynews.com/montenegro-to-boost-support-for-solar-prosumers-home-energy-efficiency/>

⁷² <https://investitor.me/2020/07/27/solarna-elektrana-u-podgorici-dobila-status-povlascenog-proizvodjaca/>

⁷³ Montenegro's state-owned power utility **Elektroprivreda Crne Gore (EPCG)** launched a tender in July 2022 for a study on the hydropower potential of the Piva river downstream from the Piva hydropower plant to examine the possibility to build hydropower plant Kruševo <https://balkangreenenergynews.com/montenegros-epcg-revamps-kruisevo-hydropower-plant-project/>

⁷⁴ <http://library.fes.de/pdf-files/bueros/sarajevo/18313.pdf>

⁷⁵ Ibid.

⁷⁶ Ibid.