Serbia's Energy Future
Secure, competitive and connected to Europe

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South East Europe Energy Outlook 2025/2026
1 October 2026, Belgrade

European Commission

Four questions for Serbia’s energy future

1. How much choice do we have when energy supply is disrupted?
2. What should Serbia build next?
3. How can households and industry use less energy?
4. What does closer European integration deliver?

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1. How much choice do we have when energy supply is disrupted?

- Very old TPPs, coal import, low river water levels, a long period without wind …
- One oil pipeline, one refinery, limited transport capacities on the Danube, railway and road, limited mandatory oil stocks …
- Three gas interconnectors, one gas storage, one dominant supplier, bottlenecks (Trupale – Pojate), …
- Ensuring **security of supply is not cheap**, but an insecure supply can be even more costly.
- Is energy security about producing everything ourselves, or having options when something goes wrong?

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2. What should Serbia build next?

- **ELECTRICITY:** The consequences of banning the further integration of renewable energy sources through government administrative measures pose a greater risk to future electricity supply (after 2030) than the potential risks associated with system balancing and connections.
- **GAS:** The most rational strategy is not the maximum construction of gas and/or hydrogen infrastructure, but a phased investment based on scenarios of demand, market flexibility and testing supply disruptions.
- **OIL:** The currently situation cannot last much longer, especially if the global energy supply crisis continues.
- **STRATEGY:** Serbia should compare scenarios of new nuclear capacity and CCGT capacity with new renewable sources, reversible power plants, batteries, demand response, interconnections and electrification of low-temperature industrial heat.

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3. How can households and industry use less energy?

- The Serbian NECP should be turned into an investment program with specific energy efficiency improvement projects, costs, funding sources and deadlines.
- All the analyses done so far suggest that the programs of mass renovation of buildings and reduction of consumption could be cheaper than a significant part of new production and network investments.
- A new sustainable financing model for the mass thermal renovation of buildings needs to be developed.

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4. What does closer European integration deliver?

- A single European electricity and gas market and better connectivity.
- Stronger security of supply and resilience.
- A much stronger investment environment.
- Cheaper money.
- Greater access to EU funds.
- The real risk for Serbia is not CBAM itself. The risk is a **late, reactive transition.**

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Thank you

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