

# LAW ON ENERGY EFFICIENCY AND RATIONAL USE OF ENERGY

## I BASIC PROVISIONS

### Subject matter

#### Article 1

This law establishes the terms and conditions of efficient use of energy and energy resources (hereinafter: energy); policy of efficient energy use; energy management system; energy efficiency policy measures: energy use in buildings, in energy activities and with final customers, for energy plants and energy services; energy labelling and requirements concerning eco-design; funding, incentives and other measures in this field; founding and jobs of the Directorate for financing and promoting energy efficiency (hereinafter: Directorate); as well as other issues of importance for the powers and obligations of natural and legal persons as regards efficient energy use.

### Target

#### Article 1

The purpose of this Law is creating conditions for an efficient energy use and improvement of energy efficiency, which contributes to:

- (1) energy savings;
- (2) energy supply security;
- (3) reduced environmental impact and climate change impact of the energy sector;
- (4) sustainable use of natural and other resources;
- (5) increased competitiveness of the economy;
- (6) improved conditions for economic development;
- (7) reduction of energy poverty.

### Definitions

#### Article 3

For the purposes of this Law, the following definitions shall apply:

(1) *aggregator* means a demand service provider namely natural or legal person for the purpose of combining multiple final consumer loads or prosumer and produced electricity by producers and prosumers, for sale, auction or share in any electricity market.

(2) *auction* is a bidding procedure within which the right to a market premium can be acquired;

(3) *high-efficiency cogeneration* means cogeneration whose production ensures primary energy savings in relation to the referent values for separate production of heat and electricity for a predetermined percentage, calculated in accordance with the Methodology for determining the efficiency of the cogeneration procedure, and production in small cogeneration and micro-cogeneration units;

(4) *periodical report on the achievement of energy saving targets* (hereinafter: Periodical report) means a report by a designated organisation of the energy management system to the ministry in charge of energy, on measures and activities implemented and the extent of achievement of targets defined in the energy efficiency plan and programme;

(5) *heat divider* means a device installed in all heaters in the building part, which serves to determine the share of each part of the building in the cost of supplied heat;

(6) *part of the building* is a unit within a building (wing, block, floor, apartment, business premises and similar) intended and adapted for separate use;

(7) *heat distribution* means transfer of heat through a district heating network, i.e. a hot water/warm water/steam district heating network and/or cooling fluid distribution network, from the billing metering point of the heat energy producer to the the billing metering point of the customer;

(8) *ecodesign* is inclusion of environmental aspects in the design and construction of energy-related products, for the purpose of improving the environmental performance of a product during its entire life cycle;

(9) *study on energy efficiency of power plants* means a study which, based on prescribed methods, gives documented calculations and estimates of the level of power plant energy efficiency;

(10) *energy efficiency* means the ratio of realised results in services, goods or energy and used energy;

(11) *energy label* means a graphic diagram, either in printed or electronic form, which includes the Latin letter scale from “A” to “G”, where each letter represents a class, and each class corresponds to energy savings, presented in seven different colours, from dark green to red for the purpose of informing the product customers on energy efficiency and energy consumption; it includes reclassified labels and labels with fewer classes in accordance with this law;

(12) *energy rehabilitation of a building* means execution of construction and other works on an existing building, as well as repair or replacement of devices, plants, equipment and installations of equal or lower capacity, without affecting the building stability and safety, or changing the construction elements, without affecting the safety of neighbouring buildings or traffic safety, without affecting the fire protection and environmental protection, but may change the exterior with required prior approval for the purpose of increasing the energy efficiency of the building, or reducing the demand of all types of energy by implementing technical measures and standards in the existing building elements, devices, facilities and equipment;

(13) *energy service* means a service providing financial or other benefits, or goods resulting from combining the use of energy efficient technologies or activities, which may include work, maintenance, required for providing the service, which is provided based on the contract and which under normal circumstances leads to verifiable, measurable, and estimable energy efficiency improvement or primary energy savings;

(14) *energy manager* means a natural person who has an energy manager licence, appointed by the designated organisation of the energy management system to monitor and record the methods of use and quantities of used energy, propose energy efficiency measures and perform other jobs laid down by this law;

(15) *energy audit* means a systematic procedure with the purpose of obtaining adequate data and knowledge on the existing level, manner and structure of energy consumption of a building, production process, private or public service, by means of which cost-effective energy efficiency measures are determined and quantified and an energy audit report is prepared;

(16) *energy auditor* means a natural person that has an energy auditor licence and conducts an energy audit in accordance with the provisions of this law and regulations adopted based on this law;

(17) *energy poverty* within the meaning of this Law is the result of combination of low household income, large expenditure of available income on energy and insufficient energy efficiency;

(18) *energy* means electricity, heat and energy products, including: coal, natural gas, oil, petroleum products (unleaded motor petrol, aviation petrol, jet fuels, gas fuels, fuel oils, liquefied petroleum gas etc.), oil shale, renewable and other energy sources;

(19) *efficient energy supply* in terms of this law means supply of heat and/or electricity by the energy service provider to the user of energy service based on the contract on efficient energy supply;

(20) *efficient energy use* means the use of energy for high quality implementation of appropriate activities and provision of services in such a manner as to achieve minimum energy consumption within the technical possibilities of modern plants, equipment and devices;

(21) *feed-in tariff* is a type of operative state support granted in the form of incentive redemption price guaranteed per kWh for electricity delivered to the electric power system during the incentive period;

(22) *guarantee of origin* means an electronic document which has an exclusive function to prove to the final customer that a certain quantity of electricity is produced in high-efficiency cogeneration;

(23) *agent* means a legal person or entrepreneur registered in the Republic of Serbia that has been authorised in writing by the producer to undertake actions on the producer’s behalf relating to the product placement on the Serbian market;

(24) *building, within the meaning of this Law*, is a structure with a floor, roof and outer walls, constructed as an independent unit, where energy is used for the purpose of reaching specific comfort requirements, and intended for housing, carrying out an activity, or for accommodation and keeping of animals, goods, equipment for various production and service activities etc.

(25) *central government buildings* means administrative buildings owned by the Republic of Serbia and used by authorities and organisations with competence on the entire territory of Serbia;

(26) *energy audit report* means a report prepared by an energy auditor after having conducted an energy audit, in accordance with this Law and regulations adopted on the basis of this Law;

(27) *EMIS (Energy Management Information System)* means an information system for monitoring and analysis of energy consumption and water consumption in public buildings, used for the purposes of the energy management system, and managed by the ministry in charge of operations related to energy;

(28) *product delivery to the market* means every action of making the energy-related products available on the Serbian market for the purpose of distribution, consumption or use, as a part of economic activity, with or without a fee;

(29) *product supplier* means a producer or the producer's agent or importer who places an energy-related product on the Serbian market;

(30) *public building* means a publicly owned building;

(31) *beneficiaries of public funds* means direct and indirect beneficiaries of budgetary funds, beneficiaries of funds of compulsory social insurance organisations and public enterprises founded by the Republic of Serbia or local authorities, legal persons founded by such public enterprises, legal persons founded where the Republic of Serbia or local authority directly or indirectly controls over 50% of equity or over 50% of votes in the Board of Directors, other legal persons where public funds make up over 50% of total income generated over the previous business year, and public agencies and organisations covered by regulations on public agencies;

(32) *cogeneration unit* means a unit that is able to operate in cogeneration mode;

(33) *combined production of heat and electricity (cogeneration)* is a process of simultaneous production of heat and electrical or mechanical energy, as a part of the same process;

(34) *boiler* means a device which consists of the burner and the boiler body, where fluids are heated by energy released in the combustion process;

(35) *final customer* means a natural or legal person who purchases energy for own end use;

(36) *product customer* means a natural or legal person or entrepreneur buying, renting or keeping a product for own use, whether or not acting within or outside their business activity, trade, craft or profession;

(37) *prosumer* is a legal or natural person or entrepreneur, final electricity customer that meets part of its own electricity needs from own electricity production and uses the distribution grid for selling the surplus of produced energy, and for taking over electricity from the grid when its own production is not sufficient for meeting its own needs;

(38) *data list* is a standard document containing information on a product, in printed or electronic form;

(39) *local energy community* means a legal entity based on voluntary and open participation and which is under effective control of the community members or shareholders which are natural persons, local authorities, including municipalities or small enterprises, whose basic activity is providing economic, ecological or social benefits for their members or local areas where they operate, and not achieving financial profit, and which may participate in electricity production, including electricity from renewable sources, in distribution, supply, consumption, aggregation, providing electricity storage services, energy efficiency or filling electrical vehicles or providing other services to their members or shareholders;

(40) *energy efficiency measures* are actions resulting in a verifiable and measurable or appraisable increase of energy efficiency, undertaken as a result of energy efficiency policy measures; energy efficiency measure also means electricity or heat production by using renewable energy sources, provided the produced electricity or heat is used at the point of production;

(41) *energy efficiency policy measures* are regulatory, financial, fiscal or informational instruments established by authorities and other bodies, as well as other public agencies, for the purpose of creating a support or incentive framework for market participants, providing and procuring energy services and implementing other energy efficiency measures;

(42) *MVP (monitoring and verification platform)* means an information system for monitoring and verification of final energy savings, managed by the ministry in charge of energy;

(43) *small cogeneration unit* means a power plant with maximum output above 50 kWe and below 500 kWe, which may have one or more cogeneration units and achieves primary energy savings in relation to the referent values for separate production of heat and electricity;

(44) *micro-cogeneration unit* means a cogeneration unit with maximum output below 50 kWe, whose production ensures primary energy savings in relation to the referent values for separate production of heat and electricity; a micro-cogeneration unit can have the legal status of prosumer as laid down by the law regulating renewable energy sources;

(45) *model* is a version of the product whose all units have identical technical characteristics relevant for the energy efficiency label and data list, and the same model identification;

(46) *smart metering system* means an electronic system for measuring energy flow that can provide measuring and registration of more consumption parameters than conventional metering devices, in the actual period of supply;

(47) *smart metering device* is an electronic system for measuring energy flow, that can provide measuring and registration of more energy consumption parameters than conventional metering devices, in the actual period of supply;

(48) *net final energy consumption* is total final energy supplied for energy purposes in industry, transport, households, public and commercial activities, agriculture, forestry and fishery, excluding own consumption of electricity and heat in the electricity and heat production sector and losses of electricity and heat in transmission and distribution;

(49) *facility* means a construction connected to the ground, resulting from appropriately connected construction products or construction works, which represents a physical, functional, technical-technological or biotechnical whole (buildings and engineering structures and similar), which can be underground or overground;

(50) *consumption response* means a change in the final consumer's electricity consumption as a response to market signals, including a change of the electricity price, or as a result of accepting the offer of the final consumer to sell a reduction or increase of electricity consumption at a market price;

(51) *energy efficiency plan* means a planning document with measures and activities with which the designated organisation of the system plans to implement an energy efficiency programme;

(52) *improvement of energy efficiency* means a reduction of energy consumption for the same volume and quality of undertaken production activities and provided services, or increase of volume and quality of undertaken production activities and provided services for the same energy consumption, which is realised by implementing measures for efficient energy use (technological changes, conduct of energy users and/or economic changes);

(53) *privileged electricity producer* means a legal person or entrepreneur who produces electricity based on high efficiency cogeneration and who is entitled to a feed-in tariff, or market premium in accordance with this law;

(54) *domestic hot water* means water from the water supply network heated by the heat from the district heating systems, intended for consumption by final customers;

(55) *primary energy consumption* is total energy consumption, excluding consumption for non-energy uses;

(56) *temporary privileged electricity producer* means a legal person or entrepreneur who has acquired the right to a market premium, or feed-in tariff and has other powers and obligations prescribed by this law;

(57) *seller* is a legal person or entrepreneur registered in the Republic of Serbia, who sells, rents, sells by lease purchase agreement or displays a product, or an installer who delivers the product to the final customer, with or without payment;

(58) *energy efficiency programme* is a planning document adopted by a self-government unit or another obligated party of the energy management system, on the planned method of achieving the planned energy savings target and the amount thereof, for a period of at least three years;

(59) *energy-related product (product) product* means goods or system whose use affects the consumption of energy, which is placed on the market or is commissioned, including parts affecting energy consumption during their use, which have been placed on the market or commissioned for the customer, and which are intended to be incorporated into the product;

(60) *producer* means a natural or legal person or entrepreneur who produces a product or for whom the product is designed or produced, and who places the product on the market under its own name or trademark;

(61) *energy service provider* means a natural or legal person or entrepreneur who delivers energy services or other energy efficiency improvement measures for the user of energy service;

(62) *commissioning* is the first use of a product in Serbia in accordance with its purpose;

(63) *rescaled label* means a label for a particular product group that has undergone rescaling and is distinguishable from labels before rescaling while preserving a visual and perceptible coherence of all labels;

(64) *reconstruction* means execution of construction works and other works on an existing structure, in terms of the size and volume of the structure, affecting the basic requirements for the building, changing the technological process; changing the outward appearance of the building or increasing the number of functional units, replacing devices, plants, equipment and installations, and increasing the capacity;

(65) *SEMIS* means an information system for monitoring of implementation of the energy management system, which is managed by the ministry in charge of energy;

(66) *energy management system* means an organised energy management system that encompasses the broadest set of regulatory, organisational, incentive, technical and other measures and activities, as well as organised monitoring and analysis of energy activities and energy consumption, which the obligated parties of the energy management system plan and implement within their powers;

(67) *district heating/cooling system* means a system for distribution of heat from the heat production point, through a heat distribution grid, into multiple buildings, for the purposes of heating or cooling of premises or technological processes;

(68) *efficient district heating/cooling system* means a district heating/cooling system using at least 50% of energy from renewable energy sources, 50% of waste heat, 75 % of heat produced in cogeneration or 50% of so combined energy production;

(69) *heating system* means a system of devices and equipment required for preparing air in a room, used to raise temperature;

(70) *air-conditioning system* means a system of devices and equipment required for preparing air in a room, such as regulation of air temperature;

(71) *incentive system* means a set of incentive measures related to high-efficiency cogeneration;

(72) *specific energy consumption* means the energy consumption quotient and quantity of products or services, or the area of the building etc.; specific energy consumption is one of the indicators used for assessment of the energy efficiency improvement;

(73) *placement on the market* is the first delivery of products to the Serbian market for the purpose of its distribution or use, for a fee or free of charge, regardless of the method of sale;

(74) *technical building system* means all technical equipment of the building for space heating, space cooling, ventilation, domestic hot water, built-in lighting, building automation and control, on-site electricity generation, or a combination thereof, including those systems using energy from renewable sources, of a building or building unit;

(75) *market premium* means a type of operative state support representing a markup on the market electricity price delivered to the market by the premium beneficiaries and which is set in eurocents per kWh in the auction procedure;

(76) *heat pump* means a device or technical system or installation that transfers heat from natural surroundings such as air, consumable water or ground to buildings or industrial applications by

reversing the natural flow of heat such that it flows from a lower to a higher temperature. For reversible heat pumps, it may also move heat from the building to the natural surroundings;

(77) *heat* is internal (thermal) energy of hot water, warm water or steam or cooling fluids, used for heating or cooling of premises, heating of domestic hot water or for technological processes;

(78) *total usable area* within the meaning of this Law means the net area of the building or part of the building where energy is used for achieving certain indoor climatic conditions;

(79) *total net area* within the meaning of this Law means the net area of a building or part of the building which, in addition to the total usable area, also includes the area of the parts of the building, where energy is not used for the purpose of achieving certain indoor climatic conditions;

(80) *energy saving* means the amount of saved energy determined by metering and / or estimating consumption before and after the implementation of measures to improve energy efficiency, with the normalisation of external conditions that affect energy consumption.

Other terms used in this law have the meaning laid down in the law regulating the field of energy.

## **II POLICY OF EFFICIENT ENERGY USE**

### **Public interest**

#### **Article 4**

Energy efficiency and rational use of energy is in public interest of the Republic of Serbia and is of special importance for the Republic of Serbia, except in the case of protected areas and ecological network areas.

### **Basic acts**

#### **Article 5**

The basic acts establishing the energy efficiency policy are:

- 1) Energy Sector Development Strategy of the Republic of Serbia adopted pursuant to the law regulating the field of energy (hereinafter: Strategy);
- 2) Programme determining the conditions, manner, timetable and measures for Strategy Implementation, adopted pursuant to the law regulating the field of energy;
- 3) Integrated National Energy and Climate Plan (hereinafter: INECP) adopted pursuant to the law regulating the field of energy;

Strategic and planning documents of the Republic authorities, which are not included in paragraph 1 of this Article, and which contribute to the implementation of the energy efficiency policy shall be adopted by approval of the ministry responsible for energy (hereinafter: Ministry) and the Ministry responsible for environmental protection, when the strategic and planning documents refer to the protected area and the ecological network area.

The energy efficiency targets shall be established by strategic and planning acts from paragraph 1 of this Article.

NECP includes, particularly in the part related to energy efficiency, the indicative energy efficiency target, cumulative energy savings target, measures for the achievement thereof, as well as the energy efficiency target for central government buildings.

### **Energy efficiency planning in the Autonomous Province and local government unit**

#### **Article 6**

The Autonomous Province and local government units include in their planning documents plans for activities in the field of energy efficiency in accordance with the Strategy, Strategy Implementation Programme determining the conditions, manner, timetable and measures for Strategy Implementation, NECP, this Law and Law regulating the planning system of the Republic of Serbia.

### **Energy efficiency targets**

#### **Article 7**

The energy efficiency targets are the indicative energy efficiency target, the cumulative energy savings target and other targets laid down in acts referred to in Article 5, paragraph 1 of this Law.

The indicative energy efficiency target of the Republic of Serbia, in a certain year, may be stated as follows:

- primary and/or final energy savings target or
- maximum allowed value of primary and/or final energy consumption or
- value of energy efficiency indicator or
- in another way in accordance with the confirmed international obligations.

The cumulative energy savings target of the Republic of Serbia means binding energy savings in the final consumption which shall be determined in accordance with the obligations of the Republic of Serbia assumed under confirmed international agreements and shall be calculated as a sum of annual achieved savings in a certain time period.

The minister responsible for energy (hereinafter: Minister) shall determine the Methodology for calculating the cumulative energy savings target from paragraph 3 of this Article.

### **Monitoring the implementation of energy efficiency targets**

#### **Article 8**

The Ministry shall monitor the implementation of energy efficiency targets referred to in Article 7, paragraph 1 of this Law, by collecting data on implemented measures, achieved energy savings, and other required data, analyse, verify and assess the achieved results.

The Ministry shall report on the degree of implemented energy efficiency targets referred to in Article 7, paragraph 1 of this Law within the report on the implementation of acts referred to in Article 5, paragraph 1 of this Law.

State administration bodies, other authorities of the Republic of Serbia, authorities of the autonomous province, self-government units, including urban municipalities, public enterprises and other beneficiaries of public funds which, within their competence, implement and/or finance energy efficiency measures, shall submit to the Ministry data referred to in paragraph 1 of this Article.

Beneficiaries of public funds referred to in paragraph 3 of this Article are obliged, in the period laid down by the Minister, to keep the documentation based on which they have submitted data referred to in paragraph 3 of this Article, for verification.

The Minister shall prescribe the type of data submitted by the beneficiaries of public funds referred to in paragraph 3 of this Article, as well as the timeframes for submission of data referred to in paragraph 1 of this Article.

Beneficiaries of public funds referred to in paragraph 3 of this Article shall submit data referred to in paragraph 1 of this Article through the *MVP* information system or otherwise pursuant to the act referred to in paragraph 5 of this Article.

### **Methodologies and elements for the calculation of energy savings**

#### **Article 9**

The Minister shall prescribe the methodology for the calculation of energy savings resulting from the implemented energy efficiency measures.

The Minister shall prescribe conversion factors used for calculation of the conversion of final energy into primary energy, as well as carbon dioxide (CO<sub>2</sub>) emission factors.

The Minister shall prescribe the methodology for calculation of the number of heating and cooling degree days.

The Republic Hydrometeorological Service of Serbia and public enterprises and institutions, which measure outdoor air temperature for their own purposes, shall undertake to enter data on hourly temperature readings from their meteorological stations into the EMIS information system for the purposes of calculating the number of degree days, in accordance with the methodology referred to in paragraph 3 of this Article.

Energy entities shall submit to the Ministry, at the request thereof, data required for calculation of the conversion factors referred to in paragraph 2 of this Article.

### **III ENERGY MANAGEMENT SYSTEM AND ENERGY AUDIT**

#### **Entities of the energy management system**

##### **Article 10**

The entities of the energy management system are: the Government, Ministry, designated organisations of the energy management system, energy managers and energy auditors.

#### **Powers of the Government**

##### **Article 11**

The Government, as an entity of the energy management system, shall adopt legislation relating to energy efficiency and the rational use of energy, at the proposal of the Ministry, pursuant to the provisions of this Law.

#### **Powers of the Ministry**

##### **Article 12**

The Ministry shall regulate, organise, implement and monitor the functioning of the energy management system and realisation of its targets, as follows:

- 1) collect and analyse annual reports on the achievement of the energy savings targets of the designated organisations of the energy management system;
- 2) manage the SEMIS and ISEM information systems;
- 3) organise trainings and taking of exams for energy managers and energy auditors and issue pass certificates;
- 4) issue licences to energy managers and energy auditors;
- 5) keeps registers of licenced energy managers and licenced energy auditors containing the following data: first and last name, identification number, residential address, contact data including the e-mail address, licence number and date of issuance or revocation of license, where the first and last name, licence number, and contact data including e-mail address are publicly available;
- 6) publish the following data on licenced energy managers and licenced energy auditors on the website of the Ministry: first and last name, number and type of license, residential municipality and contact data, with prior written consent of the person in question;
- 7) carry out tasks relating to financing of efficient energy use and supervision of the operations of the Directorate;
- 8) adopt the Programme of raising awareness as regards energy efficiency;
- 9) implement promotional activities with a view to increasing energy efficiency;
- 10) carry out other duties prescribed in this Law.

#### **Designated organisations of the energy management system**

##### **Article 13**

Designated organisations of the energy management system (hereinafter: designated organisation of the system) are:

- (1) companies and public enterprises whose main activity is in the production sector, if their annual energy consumption exceeds the quantity prescribed by the Government;
- (2) companies and public enterprises whose main activity is in the trade and service sector, if they use more energy than the quantity prescribed by the Government;
- (3) local self-government units and urban municipalities with a population exceeding 20,000 according to the latest census;
- (4) state administration bodies, other authorities and organisations of the Republic of Serbia, authorities and organisations of the autonomous province, for compulsory social insurance;

Designated organisations referred to in paragraph 1, clauses 3) and 4) of this Article shall fulfill the obligations regarding the implementation of the energy management system for the institutions they have established.



By way of exception from the provisions of para. 1 and 2 of this Article, designated organisations of the system are also institutions established by the Republic of Serbia, autonomous province or local self-government unit in the field of education, science, culture, physical culture, health care, social protection, social care for children and other areas, as well as others, beneficiaries of public funds that are not included in paragraph 1 clauses 1) - 4) of this Article in the manner and under the conditions prescribed by the Government, and especially taking into account the area and purpose of the facilities they use.

In the case when maintenance and investment and technical works on the facilities of state administration bodies and other bodies of the Republic of Serbia, or autonomous province are entrusted to a special body or organisation of the Republic of Serbia, or autonomous province, that body or organisation shall become a Designated organisation instead of the body whose maintenance and investment and technical jobs are entrusted to him.

The government of the member shall further determine the criteria on the basis of which the designated organisations of the system referred to in paragraph 1, clauses 3) and 4) of this Article are determined, especially taking into account the area and / or type of facilities they use, and for which they bear the maintenance costs or energy costs.

### **Obligations of Designated organisation of the system**

#### **Article 14**

A designated organisation of the system shall:

- 1) (monitor and analyse all forms of their energy use, and keep regular and accurate records of that consumption;
- 2) Determine energy efficiency targets in the scope of their work and adopt and submit to the Ministry at the request thereof energy efficiency planning acts referred to in Articles 17 – 19 of this Law for achieving energy savings in accordance with the savings targets defined by the Government;
- 3) appoint the required number of energy managers;
- 4) notify the Ministry about the person appointed as energy manager and the person authorised by Ministry to sign the Periodical report, in addition to the energy managers;
- 5) adopt an internal act which will regulate the structure of the person in charge of and responsible for the realisation of energy management targets, and responsibilities, coordination and procedure for energy consumption management;
- 6) implement energy efficiency measures listed in the programme/plan referred to in clause 2) of this paragraph;
- 7) submit a Periodical report to the Ministry on the achievement of energy saving targets contained in the programme and plan referred to in clause 2) of this Article;
- 8) ensure the implementation of energy audits in timeframes prescribed by this law;
- 9) enter data into SEMIS;
- 10) ensure for the energy manager regular and timely access to data required for work;
- 11) undertake other activities and measures pursuant to the law.

Designated organisations of the system referred to in Article 13, para 1 clauses 3 and 4) and para 3) of this Law, are obliged to enter into ISEM regularly, at least monthly, data on energy and water consumption in public facilities within their competence, if not prescribed in Article 53, paragraph 7 of this Law that this should be done by other persons.

Designated organisations of the system referred to in Article 13, paragraph clauses 3) and 4) of this Law, are obliged to plan funds for the implementation of measures defined in the energy efficiency programme and plan.

The Government shall further regulate the manner of execution of obligations of designated organisations of the system referred to in paragraph 1 of this Article.

The Minister shall further prescribe the timeframes within which the Designated organisations of the system shall conduct an energy audit.

The Minister shall further prescribe types of access authorisation, the manner and rules of use of the SEMIS and EMIS information systems, methodology of collecting and processing of data entered into these information systems, as well as technical and other conditions for its use.

### **Energy saving targets and threshold**

#### **Article 15**

The Government, at the proposal of the Ministry, shall establish annual energy saving targets for Designated organisations of the system in accordance with acts referred to in Article 5, paragraph 1, clauses 1-3) of this Law and annual threshold on the basis of which it shall be established which companies and public enterprises are designated organisations of the system.

The Minister shall prescribe the calculation method of annual energy consumption referred to in paragraph 1 of this Article.

Companies and public enterprises referred to in Article 13, clauses (1) and (2) of this Law, are obliged to calculate annual energy consumption in the manner prescribed in paragraph 2 of this Article, and submit it to the Ministry at its request.

### **Submission of the periodical report**

#### **Article 16**

Designated organisations of the energy management system shall submit to the Ministry the Periodical report referred to in Article 14, paragraph 1, clause 7) of this Law, in the prescribed form, no later than by 31 March of the current year, for the preceding year.

The Minister shall prescribe the periodical report form and the manner of submission thereof.

### **Energy efficiency planning acts of the Designated organisations of the system**

#### ***1 Energy efficiency programme adopted by the local self-government unit***

#### **Article 17**

A local self-government unit, which is a designated organisation of the energy management system, shall adopt an energy efficiency programme with a view to meeting obligations of Designated organisations of the system, which, in addition to the elements prescribed by the law governing the planning system of the Republic of Serbia, shall in particular contain:

1) planned energy saving target, in accordance with the regulation adopted on the basis of Article 15, paragraph 1 of this Law;

2) review and assessment of annual energy needs of a local self-government unit, including institutions and public enterprises founded by them and buildings which they use, and assessment of the energy performance of buildings;

3) plan of activities for the purpose of implementation of energy efficiency measures which will ensure efficient energy use, as follows:

(1) plan of energy rehabilitation and maintenance of public buildings used by local self-government units, public services and public enterprises whose founder is a local self-government unit,

(2) plans for improvement of the energy system of utility services (district heating system, district cooling system, water supply system, public lighting system, waste management, public transport etc.), plans for the improvement of energy systems of utility services (district heating system, district cooling system, water supply, provision of public lighting, municipal waste management, urban and suburban passenger transport, etc.),

(3) planned energy efficiency measures;

4) carriers, timeframes and assessment of expected results of each of the energy efficiency measures, which are intended for achievement of a planned target;

5) report on results of implementation of previous energy efficiency programme of local self-government units;

6) funds required for the implementation of the programme, sources and manner of provision thereof.

The programme referred to in paragraph 1 of this Article shall be adopted with the previously obtained consent of the ministry responsible for environmental protection, if the programme covers a protected area.

Programme referred to in paragraph 1 of this Article shall be adopted for a period of three years.

The programme referred to in paragraph 1 of this Article may also be adopted as an integral part of another planning document of a local self-government unit, in which case it shall contain all elements listed in paragraph 1 of this Article.

## **2 Energy efficiency programme adopted by other Designated organisations of the system**

### **Article 18**

The energy efficiency programme adopted by other Designated organisations of the system shall include in particular:

1) annual planned energy savings targets, in accordance with the regulation adopted on the basis of Article 15 of this Law;

2) review and assessment of annual energy needs, including an assessment of the energy performance of the buildings;

3) proposed energy efficiency measures and activities for their implementation;

4) implementors and timeframes for the realisation of proposed measures;

5) timeframes and assessment of expected results of each of the energy efficiency measures, which are intended for the achievement of a planned target, thereby listing the sources of information which will be used for verification;

6) report on results of the implementation of the previous energy efficiency programme;

7) financial instruments (sources and method of providing funds) earmarked for the implementation of planned measures and activities.

The programme referred to in paragraph 1 of this Article shall be adopted with the previously obtained consent of the ministry responsible for environmental protection, if the programme covers a protected area. The energy efficiency programme referred to in paragraph 1 of this Article, shall be adopted by other Designated organisations of the system (except for the local self-government unit) for a period of three years.

## **3 Energy efficiency plan adopted by designated organisations of the energy management system**

### **Article 19**

The energy efficiency plan adopted by the Designated organisations of the system further elaborates energy efficiency policy measures and activities for their implementation from the programme referred to in Art. 17 and 18 of this Law, and shall contain in particular: energy efficiency measures and activities for the achievement of efficient energy use, implementors and timeframes for the implementation of planned activities, expected results for each of the measures or activities, financial instruments (sources and method of provision) earmarked for the implementation of planned measures, and a report on the results of the previous energy efficiency plan.

The energy efficiency plan referred to in paragraph 1 of this Article shall be adopted by the Designated organisations of the system for a period of one year.

## **Energy manager**

### **Article 20**

Energy manager is a natural person with an energy manager licence, issued in accordance with this Law, who has been appointed by a Designated organisation of the system.

An energy manager shall carry out the following duties for a Designated organisation of the system:

1) collect and analyse data on the manner of using energy;

2) organise and participate in preparing the energy efficiency programme and plan;

3) propose energy efficiency measures and participate in their realisation;

4) prepare a Periodical report;

5) undertake other energy efficiency activities and measures.

An energy manager of the Designated organisations of the system who are beneficiaries of public funds shall enter data set out in the Article 8, paragraph 1 of this Law on achieved savings in *MVP*.

### **Appointment of the energy manager**

#### **Article 21**

A Designated organisation of the system may appoint an energy manager by assigning a person from the ranks of employees of the Designated organisation of the system to the duties of energy manager or by hiring a person who is not employed by him, in accordance with the regulations governing employment.

Two or more Designated organisations of the system referred to in Article 13, clause 3) of this Law, for the purpose of cost-effectiveness and efficiency of performing tasks, may appoint the same person to the position of the energy manager and by agreement coordinate the performance of the tasks thereof.

The Minister shall prescribe further requirements for appointing energy managers according to the type of Designated organisations of the system and the type of energy manager licence.

### **Energy auditor**

#### **Article 22**

Energy auditor is a natural person who has an energy auditor licence.

Energy auditor referred to in paragraph 1 of this Article may carry out energy audits.

### **Energy audit**

#### **Article 23**

An energy audit shall in particular include: collection of data on the consumption and method of energy use, analysis of the existing level of energy efficiency, identification of measures for increasing energy efficiency, with an assessment of energy savings and their financial effects.

The Minister shall further prescribe minimum criteria for the implementation of an energy audit.

Categories of energy audits of the designated organisation of the system are as follows:

- 1) energy audit for the area of industrial energy,
- 2) energy audit for the area of energy performance of buildings, and
- 3) energy audit for the area of public sector energy.

Energy audits shall be conducted, pursuant to this Law, by designated organisations of the system and legal persons defined by the law regulating the field of accounting.

Legal persons referred to in paragraph 4 of this Article shall conduct an energy audit at least once in four years.

Energy audits for persons referred to in paragraph 4 of this Article shall be conducted by a legal person or entrepreneur that complies with the condition relating to the number and appropriate licence of energy auditors conducting the audit.

The Minister shall further prescribe the number and appropriate licence of energy auditors engaged by the legal person or entrepreneur referred to in paragraph 6 of this Article, depending on the category of energy audit.

A legal person or entrepreneur that has conducted an energy audit shall compile a report on the conducted energy audit, which shall be submitted to persons referred to in paragraph 4 of this Article, on whose behalf the audit was conducted, and an extract from such a report on the conducted energy audit, which shall be submitted to the Ministry.

Persons referred to in paragraph 4 of this Article and legal person or entrepreneur that has conducted an energy audit are obliged to keep the report on conducted energy audit permanently and submit it to the Ministry for inspection, at request.

The Minister shall further prescribe the volume and method of implementing each category of energy audit referred to in paragraph 3 of this Article, and the contents and method of submission of extracts from the report on conducted energy audit.

The Ministry shall, as a part of the SEMIS information system, collect and keep extracts on reports on energy audits conducted in accordance with this Law for persons referred to in paragraph 4 of this Article.

### **Report on conducted energy audit**

#### **Article 24**

An energy audit report shall contain in particular:

- 1) energy balance of the building, production processes and services which are subject to audit;
- 2) assessment of the existing level of energy efficiency of the building, production processes and services which are subject to audit;
- 3) proposed measures for increasing energy efficiency of the building, production processes and services which are subject to audit;
- 4) assessment of attainable energy savings and reduction of CO<sub>2</sub> emissions for each proposed measure, as well as an assessment of total attainable energy savings and the total reduction of CO<sub>2</sub> emissions in the case of simultaneous implementation of multiple measures of efficient energy use, including an economic and financial analysis of such measures;
- 5) final expert opinion which includes proposed measures for efficient energy use, which should be implemented;
- 6) other data relevant for energy efficiency assessment and proposed measures for efficient energy use.

The Minister shall further prescribe the contents of the report on conducted energy audit, according to the categories of energy audit referred to in Article 23, paragraph 3 of this Law.

### **Conflict of interest of energy auditor**

#### **Article 25**

An energy auditor may not conduct an energy audit if there is a conflict of interest between the energy auditor and entity where the energy audit is conducted.

There is a conflict of interest concerning the energy auditor if, according to the law which regulates companies, the auditor or person related to the auditor is:

- 1) an employee of the company which is the subject of the energy audit or a member of the Board of Directors or the Steering Committee of that company;
- 2) shareholder or shareowner in a company, besides public joint stock companies, who has ordered the referred audit, or the owner of the building which is the subject of the energy audit;
- 3) employee or shareholder or shareowner, member of the Board of Directors or the Steering Committee of the company who has compiled the technical documentation, or conducted technical control of the technical documentation, or was the Contractor of works on the building, or in the legal person where the energy audit is conducted.

With the energy audit report, the auditor must also submit a signed statement that the auditor is not in any of the situations defined by this law as a conflict of interest.

### **Training organisation**

#### **Article 26**

For conducting trainings for energy managers and energy auditors, the Minister shall authorise an organisation which meets the conditions relating to the aptitude of personnel, technical equipment and premises where trainings are conducted (hereinafter: Training Organisation).

Authorisation referred to in paragraph 1 of this Article shall be issued by a decision of the Minister for a period of four years, and may be renewed.

The Minister shall further prescribe conditions referred to in paragraph 1 of this Article, as well as conditions for renewing authorisations of the Training Organisation.

### **Training for energy managers and energy auditors**

#### **Article 27**

A Training Organisation shall conduct trainings for energy managers:

- 1) in the area of industrial energy,
- 2) in the area of energy performance of buildings, and
- 3) in the area of public sector energy.

A training organisation shall conduct trainings for energy auditors:

- 1) in the area of mechanical engineering,
- 2) in the area of electrical engineering, and
- 3) in the area of architecture.

The Training Organisation shall issue a certificate of completed trainings referred to in paragraphs 1 and 2 of this Article.

The Minister shall prescribe the manner of implementation and contents of a theoretical and practical training programme referred to in paragraphs 1 and 2.

Approval of the amount of costs of the training referred to in paragraphs 1 and 2 of this Article, at the proposal of the Training Organisation, shall be granted by the Ministry.

### **Terms for taking certification examinations for energy managers**

#### **Article 28**

A certification examination for energy managers may be taken by a person with:

- 1) acquired higher education in the field of technical and technological sciences at the undergraduate level to the extent of at least 180 ECTS or an equivalent level established by other special regulations, and a certificate of completed theoretical and practical training for energy managers or
- 2) acquired higher education at the master academic studies or vocational studies to the extent of at least 60 ECTS, if the extent of 240 ECTS has been achieved at first degree academic studies, or if at least 120 ECTS, if the extent of 180 ECTS has been achieved at first degree academic studies, in the scientific fields of mechanical engineering, electrical engineering or technological engineering and a certificate of completed practical training for energy managers.

In addition to persons referred to in paragraph 1 of this Article, a certification examination for energy managers in the field of public sector energy may also be taken by a person with acquired higher education at the master academic studies or vocational studies to the extent of at least 300 ECTS or an equivalent level established by other special regulations in the scientific field of economy or security and a certificate of completed theoretical and practical training for energy managers.

### **Terms for taking certification examinations for energy auditors**

#### **Article 29**

A certification examination for energy auditor in the area of mechanical engineering may be taken by a person who has:

- 1) acquired higher education at the master academic studies and vocational studies to the extent of at least 60 ECTS, if the extent of 240 ECTS has been achieved at first degree academic studies, or at least 120 ECTS if the extent of 180 ECTS has been achieved at the first degree academic studies in the narrow field of mechanical engineering;
- 2) passed the examination for energy manager in the area of industrial energy or energy performance of buildings;
- 3) a licence for engineer in the field of mechanical engineering, specialisation in thermodynamics, thermoenergetics and process technology, issued in accordance with the law regulating the area of planning and construction and by-laws adopted on the basis of that law and
- 4) a certificate on completed trainings for energy auditor for mechanical engineering.

A certification examination for energy auditor in the area of electrical engineering may be taken by a person who has:

- 1) acquired higher education at the master academic studies and vocational studies to the extent of at least 60 ECTS, if the extent of 240 ECTS has been achieved at first degree academic studies, or at least 120 ECTS if the extent of 180 ECTS has been achieved at the first degree academic studies in the field of science and electrical engineering;
- 2) passed examination for energy manager in the area of industrial energy or energy performance of public buildings;

3) a licence for engineer in the field of electrical engineering, specialisation in the field of electrical installations and electromotive drives, issued in accordance with the law regulating planning and construction and by-laws adopted on the basis of that law, and

4) a certificate on completed training for energy auditor in the area of electrical engineering.

A certification examination for energy auditor in the area of architecture may be taken by a person who has:

1) acquired higher education at the master academic studies or vocational studies to the extent of at least 60 ECTS, if the extent of 240 ECTS has been achieved at first degree academic studies, or at least 120 ECTS if the extent of 180 ECTS has been achieved at the first degree academic studies in the field of science and architecture;

2) passed the examination for energy managers in the area of energy performance of buildings;

3) a licence for architecture in the area of energy efficiency of buildings, issued in accordance with the law regulating planning and construction and by-laws adopted on the basis of that law, and

4) a certificate on completed training for energy auditor in the field of architecture.

### **Certification examination for energy managers and energy auditors**

#### **Article 30**

A certification examination for energy managers and energy auditors are taken before a commission established by the Minister.

A certification examination for energy managers shall be taken for the area of industrial energy, energy performance of buildings and public sector energy.

A certification examination for energy auditors shall be taken for the field of mechanical engineering, electrical engineering and architecture.

The Training Organisation shall organise examinations referred to in paragraph 1 of this Article.

The Ministry shall issue a examination pass certificate referred to in paragraph 1 of this Article, at the request of a person who has passed the examination.

For the issuance of the certificate referred to in paragraph 5 of this Article, the Republic administrative fee shall be paid.

The Minister shall further prescribe the terms and method of taking an examination referred to in paragraph 1 of this Article.

Approval of the amount of costs of taking examinations referred to in paragraph 1 of this Article shall be issued by the Ministry at the request of the Training Organisation.

### **Energy manager licence**

#### **Article 31**

The Minister shall issue an energy manager licence for the area of industrial energy, energy performance of buildings and public sector energy, to a person who has:

1) passed a certification examination for energy managers;

2) three years of work experience in positions requiring the appropriate professional qualifications referred to in Article 28 of this Law;

3) submitted an application to the Ministry and paid the Republic administrative fee.

An energy manager licence shall be issued by a decision adopted within 30 days from the date of application submission.

The decision of the Ministry issuing an energy manager licence is final.

### **Licence revocation**

#### **Article 32**

An issued licence referred to in Article 31 of this Law may be revoked by decision of the Minister, at the proposal of the legal or natural person or at the Minister's own initiative, after inspection of appropriate evidence, if subsequently determined that the licence had been issued on the basis of inaccurate data, and if the energy manager is convicted by final judgement for a criminal offence in performing tasks for which the licence has been issued.

The decision referred to in paragraph 1 of this Article is final.

On the basis of a final decision referred to in paragraph 1 of this Article revoking the licence, the energy manager shall be deleted from the Register of Energy Managers.

### **Energy auditor licence**

#### **Article 33**

The Minister shall issue an energy auditor licence to a natural person who has:

1) passed a certification examination for energy auditors;  
2) three years of work experience in positions requiring the appropriate licence referred to in Article 29 of this Law, and

3) submitted an application to the Ministry and paid the Republic administrative fee.

An energy auditor licence shall be issued by a decision within 30 days from the date of application submission.

The decision of the Ministry on licencing shall be final.

### **Licence revocation**

#### **Article 34**

An issued licence referred to in Article 33 of this Law may be revoked by a decision of the Minister, at the proposal of a legal or natural person or at the Minister's own initiative, after inspection of appropriate evidence, due to acting in bad faith in performing tasks for which the licence has been issued, as follows:

1) if it is determined that the licence has been issued on the basis of inaccurate data;  
2) if a person to whom the licence has been issued is sentenced, by final judgement, for breach of provisions on conflict of interest or other provisions of this law regarding conducted energy audit;  
3) if a person to whom the licence has been issued is sentenced, by final judgement, to imprisonment of at least six months for a criminal offence of breach of confidentiality or commits a crime of greed, or offence with regard to performing tasks for which the licence has been issued.

The decision referred to in paragraph 1 of this Article is final.

On the basis of a final decision referred to in paragraph 1 of this Article revoking the licence, the energy auditor shall be deleted from the Register of Energy Auditors.

## **IV ENERGY EFFICIENCY OF BUILDINGS**

### **Energy efficiency of buildings**

#### **Article 35**

Publicly owned buildings or separate parts of buildings with a total net area of 250 m<sup>2</sup> which are used by public administration authorities and other authorities and organisations of the Republic of Serbia, authorities and organisations of the autonomous province, authorities of local self-government units as well as public institutions and other public agencies, must have an Energy Performance Certificate for the building, or separate part of the building, in accordance with the legislation regulating construction of buildings and energy certification of buildings.

Energy Performance Certificate referred to in paragraph 1 of this Article shall be issued in the manner prescribed in legislation regulating the construction and energy certification of buildings.

The first page of the Energy Performance Certificate which contains an energy grade of the building must be displayed in a noticeable and clearly publicly visible place on buildings referred to in paragraph 1 of this Article.

### **Energy rehabilitation of central government buildings**

#### **Article 36**

Energy efficiency measures on central government buildings with individual total net area exceeding 250 m<sup>2</sup> shall be implemented in such a manner that energy rehabilitation shall be carried out on a defined percentage of the aggregate net area of all such buildings every year, where rehabilitated



buildings must reach energy performances which cannot be lower than the minimum requirements for energy performances of buildings, as prescribed by the legislation regulating construction of building and energy certification of buildings.

If the energy rehabilitation is implemented in a percentage exceeding the defined percentage of the total useful area of the central government building foreseen for rehabilitation as referred to in paragraph 1 of this Article during a specific year, the surplus shall be included in the annual rate of achieved energy rehabilitation of any of the preceding or following three years.

Buildings referred to in paragraph 1 of this Article, which have undergone energy rehabilitation, shall include new buildings which fulfill the prescribed minimum energy efficiency requirements for buildings in accordance with the legislation regulating construction of buildings and energy certification of buildings and have been obtained by the Republic of Serbia and are used as a replacement for central government buildings which were demolished during either of the previous two years, or central government buildings which were sold, demolished or have stopped being used during the previous two years due to more intensive use of other buildings.

The Government shall, at the proposal of the Ministry, define a list of central government buildings subject to energy rehabilitation referred to in paragraph 1 of this Article, which shall be updated as appropriate.

The Government may exclude from the list of buildings referred to in paragraph 1 of this Article, buildings whose energy rehabilitation would not be economically justified due to their life cycle, or which would not be technically feasible, as the buildings are within the area of protected natural value or are considered to be protected cultural goods, buildings used for the defence of the country, or buildings whose purpose does not allow the execution of works for energy rehabilitation.

At the proposal of the Ministry, the Government shall adopt a plan for an energy rehabilitation of central government buildings, which shall in particular define the percentage referred to in paragraph 1 of this Law.

While drafting the plan referred to in paragraph 6 of this Law, buildings with poorer energy performances may have priority, if it is cost-effective and technically feasible.

### **Obligations of the Investor of the new building and building on which detailed energy rehabilitation is done**

#### **Article 37**

The Investor is obliged to furnish the heat installation of each new building or building on which detailed rehabilitation is done, with the following:

- 1) regulating devices and devices for metering supplied heat to the buildings, and for metering supplied domestic hot water, if any.
- 2) devices for measuring the supplied heat for each part of the building, and for domestic hot water if any;
- 3) devices regulating the supplied heat for each heat-generating device.

In case the building should undergo detailed energy rehabilitation the investor shall furnish it with devices referred to in paragraph 1 of this Article, if it is cost-effective and technically feasible.

The build shall undergo detailed energy rehabilitation if the total estimated value of works on energy rehabilitation exceed 25 % of the building value, excluding the value of land on which the building lies.

The Minister shall prescribe the methodological framework of determining the technical feasibility and cost-effectiveness of activities referred to in paragraph 2 of this Article.

## **V CONTROL OF THE HEATING/AIR-CONDITIONING SYSTEM IN THE BUILDING**

### **Systems for automatic regulation and control**

#### **Article 38**

Technical systems of non-residential buildings, with an effective nominal power for heating/air-conditioning systems exceeding 290 kW, should be furnished with systems for automatic regulation and control, if this is technically feasible and cost-effective.

Systems for automatic regulation and control of buildings referred to in paragraph 1 of this Article which allow:

- 1) continuous monitoring, recording, analysis and enabling of energy use adjustment;
- 2) evaluating energy efficiency of the building, detecting reduced efficiency of technical systems and notifying the person responsible for the building or technical management of the building about the possibilities of increasing energy efficiency, and
- 3) communication with the related technical systems of the building and other devices in the building, as well as interoperability with the technical system of the building using different types of technologies, devices and manufacturers.

The Minister shall prescribe the methodological framework for determining the technical feasibility and cost-effectiveness referred to in paragraph 1 of this Article.

### **Obligation to control the operation of the heating system of the building**

#### **Article 39**

The owner or user, by other legal basis, of the heating system of the building which may consist of a boiler, circulation pumps and a system for automatic management and regulation, with installed heat capacity of 70 kW and more, is obliged to ensure regular control of that system.

The heating systems that comply to the requirements referred to in Article 38, paragraph 1 of this Law, and district heating systems shall not be subject to control referred to paragraph 1 of this Article.

The heating systems of the building whose elements may be a boiler, circulation pump and a system for automatic control and regulation with installed heat capacity of 70 kW and more, shall not be subject to control referred to in paragraph 1 of this Article, provided they are subject to an energy performance contract which is equal to the implementation of this control.

Control of the operation of the heating system referred to in paragraph 1 of this Article shall be carried out by the authorised legal person or entrepreneur, who meets the requirements in terms of professional education and work experience and other prescribed conditions.

The authorised person referred to in paragraph 4 of this Article shall submit a report on conducted control of the heating system of the building to the designated organisation of the control referred to in paragraph 1 of this Article and to the Ministry.

The Ministry shall keep a register of reports referred to in paragraph 5 of this Article in electronic form, which shall contain in particular: the name of the person for whom the control was performed, the name of the person who performed the control, the identification of the facility and the date of control.

The Minister shall further prescribe:

- 1) the contents, method and timeframes for conducting control of the heating system of the building;
- 2) conditions to be met by a legal person or entrepreneur in order to get an authorisation for conducting control of the heating system of the building;
- 3) form and contents of reports on the conducted control and the manner of submitting reports;
- 4) method of conducting control of the report on conducted control of the operation of heating system of the building;

### **Obligation to control the operation of the air-conditioning system of the building**

#### **Article 40**

The owner or user of the air-conditioning system of the building, of the nominal cooling capacity of 70 kW and more, is obliged to ensure regular control of that system.

The air-conditioning systems that comply with the requirements referred to in Article 38, paragraph 1 of this Law, and district heating systems shall not be subject to control referred to paragraph 1 of this Article.

Air-conditioning systems of the building of the nominal cooling capacity of 70 kW and more, shall not be subject to control referred to in paragraph 1 of this Article, provided that they are subject to energy performance contract which is equal to implementation of this control.

Control of the system referred to in paragraph 1 of this Article shall be carried out by the authorised legal person or entrepreneur, who meets the requirements in terms of professional education and work experience and other prescribed conditions.

The authorised person referred to in paragraph 4 of this Article shall submit a report on conducted control of the air-conditioning system of the building to the designated organisation of the control referred to in paragraph 1 of this Article and to the Ministry.

The Ministry shall keep the register of reports referred to in paragraph 5 of this Article in electronic form, which shall contain in particular: the name of the person for whom the control was performed, the name of the person who performed the control, the identification of the facility and the date of control.

The Minister shall further prescribe:

- 1) the contents, method and timeframes for conducting control of the air-conditioning system of the building;
- 2) 2) conditions to be met by a legal person or entrepreneur in order to conduct control of the air-conditioning system of the building;
- 3) form and contents of reports on conducted control and the manner of submitting reports;
- 4) method of conducting control of the report on conducted control of the operation of air-conditioning system of the building;

### **Authorisation for conducting control of the heating of air-conditioning system of the building**

#### **Article 41**

The Minister shall issue a decision granting authorisation for conducting control of the heating or air-conditioning system of the building in accordance with the legislation referred to in Article 39, paragraph 7, and Article 40, paragraph 7 of this Law.

The decision referred to in paragraph 1 of this Article shall be adopted by the Minister within 30 days from the date of the submission of application for authorisation, if conditions prescribed in this Law and by-law referred to in Article 39, paragraph 7 or Article 40, paragraph 7 of this Law are met.

The authorisation referred to in paragraph 1 of this Article shall be issued for a period of four years and may be extended for the same period, if the authorised person has submitted an application and meets the requirements for extending the authorisation.

The authorised person shall notify the Ministry without delay on any changes or cessation of fulfilment of conditions on the basis of which the person has been granted authorisation for control of the heating or air-conditioning system of the building.

If one or more conditions on the basis of which the authorisation for control of the heating/air-conditioning system has been granted no longer exists, the Ministry shall adopt a decision on the revocation of authorisation.

A person who does not notify the Ministry that they no longer fulfill the conditions for being granted authorisation for controlling the heating or air conditioning system of the building, cannot submit a new application for authorisation within two years from the date of validity of the decision revoking the authorisation.

The Ministry shall keep a public register of persons authorised for conducting control of the heating or air-conditioning system of the building, which in particular contains: the business name of the authorised person; and the number and date of the decision on the basis of which the authorisation was issued.

### **Timeframes for submitting reports**

#### **Article 42**

Reports referred to in Article 39, paragraph 5 and Article 40 of this Law shall be submitted by authorised persons to the designated organisation of the control referred to in Article 39, paragraph 5 and Article 40, paragraph 5 of this Law within 15 days from the date of conducted control. контроле.

Reports referred to in paragraph 1 of this Article shall be submitted by authorised persons to the Ministry within 30 days from the date of conducted control.

## **VI ENERGY SERVICES**

### **Energy service contract**

#### **Article 43**

An energy service contract shall be concluded in writing between the energy service provider (ESCO) and the user of energy service.

An energy service contract may be: energy performance contract, efficient energy supply contract (heat and/or electricity), or another contract the subject of which is increase of energy efficiency or achievement of primary energy or water savings.

An energy service may also include an energy audit, design, construction, reconstruction, energy rehabilitation of buildings, maintenance of buildings and industrial facilities, control and supervision of energy use, and other activities.

The Directorate shall also undertake activities for promotion of the development of energy services on the market of the Republic of Serbia.

### **Public register of energy service providers**

#### **Article 44**

The Chamber of Commerce and Industry of Serbia shall keep a public register of energy service providers by type of energy service (hereinafter: Public register) in electronic form where providers of energy services can be registered at their own request.

The public register shall contain:

- 1) business name of the energy service provider,
- 2) contact data of the energy service provider,
- 3) data on projects of the energy service providers that have undergone the implementation stage, and the area of implementation (industrial energy, energy performance of buildings or public sector energy);

Applications for entry into the Public register shall be filed in electronic form.

When submitting the application for entry into the Public register, the energy service provider shall submit, together with an application for entry into the Public register, the evidence of an energy service project for which the implementation stage has been completed pursuant to paragraph 2, clause 3) of this Article, in the form of a statement by a user of an energy service, written on a memorandum and signed by an authorised person, containing the following elements: location where the project was implemented, type of energy service, area of implementation and, if available, the value of investment and other elements in accordance with the general act of the Chamber of Commerce and Industry of Serbia.

An energy service provider is entitled to, without undue delay, submit a request to the Chamber of Commerce and Industry of Serbia for any change of data entered into the Public register.

After entry into the Public register, the applicant referred to in paragraph 1 of this Article may also submit new evidence on new projects referred to in paragraph 4 of this Article to the Chamber of Commerce and Industry of Serbia for the purpose of their registration.

The Chamber of Commerce and Industry of Serbia will eliminate the provider of energy services from the register of energy service providers if such a person:

- 1) has requested to be eliminated from the register;
- 2) has stopped being an energy service provider;
- 3) has been deleted from the Business Entities Register;

The Chamber of Commerce and Industry of Serbia is entitled to a fee for keeping the Public register, which is paid by the energy service provider when submitting an application for entry into the Public register and submitting evidence on new projects and change of data entered into the Public register.

The fee referred to in Article paragraph 8 of this Article shall be determined by a special act of the Chamber of Commerce and Industry of Serbia, with prior approval by the Ministry.

The Public register shall be displayed on the web page of the Chamber of Commerce and Industry of Serbia.

Activities from paragraphs 1 - 3 and 9 of this Article shall be performed as entrusted.

### **Energy performance contracting**

#### **Article 45**

Energy performance contracting obliges an energy service provider to use their own funds, partially or fully, to implement energy efficiency measures with a view to achieving energy savings and/or water savings in relation to reference consumption, and the energy service user undertakes to pay a fee to the energy service provider from funds accrued from energy savings and/or water savings which have resulted from measures undertaken by the energy service provider.

An energy performance contract shall in particular contain provisions on the following:

- 1) energy service provider;
- 2) energy service user;
- 3) contractual facility or facilities;
- 4) reference period for which energy savings are calculated;
- 5) reference energy consumption;
- 6) measures for improvement of energy efficiency;
- 7) guaranteed energy savings and procedures for determining energy savings;
- 8) financing method;
- 9) method of determining and paying a fee for providing an energy service;
- 10) time of conclusion of the contract and main periods within that time;
- 11) other rights and obligations of contractual parties.

### **Energy Supply Contracting**

#### **Article 46**

Energy Supply Contracting obliges an energy service provider to conduct activities ensuring efficient energy supply partly or fully from own resources with a reduction of primary energy consumption and/or reduction of CO<sub>2</sub> emissions in relation to the referent value, exercising thereby a right to a contractual fee.

Energy Supply Contracting shall in particular contain provisions on:

- 1) energy service provider;
- 2) energy service user;
- 3) contractual facility or facilities;
- 4) conditions relating to the supply of heat;
- 5) reference energy consumption;
- 6) procedure for checking the fulfilment of contractual parameters of the supply of heat and increase of energy efficiency and/or reduction of CO<sub>2</sub> emissions;
- 7) financing method;
- 8) method of determining and paying a fee for providing an energy service;
- 9) time of conclusion of the contract and main periods within that time;
- 10) other rights and obligations of contractual parties.

### **Energy service contract as a public contract**

#### **Article 47**

In case where an energy service referred to in Article 43, paragraph 2 of this Law is financed by the budget funds of the Republic of Serbia, or where the beneficiaries of energy service are the beneficiaries of public funds, the energy service contract is considered a public contract, and thus the rights and obligations of contracting parties and validity period of the contract must be in accordance with this Law and the law governing public procurement and/or public private partnership..

The Minister shall further prescribe mandatory elements, form and structure of the contract for certain types of energy services referred to in Article 43, paragraph 2 of this Article.

The Minister shall further prescribe the conditions, in terms of energy efficiency of the building to which the public service contract refers and other conditions under which the supply of heat may be contracted for users of public funds.

Energy service users referred to in paragraph 1 of this Article are obliged to report to the Ministry on achieved savings in accordance with Article 8, paragraph 6 of this Law.

## **VII ENERGY EFFICIENCY OF ENERGY ACTIVITIES AND FINAL CUSTOMERS**

### **Reduction of energy losses in transmission, transport, distribution system and closed distribution system**

#### **Article 48**

When determining the price of access to the electricity and natural gas transmission and/or transport and distribution system, in accordance with the law governing energy, only justified losses of electricity/natural gas may be recognised.

If energy losses referred to in paragraph 1 of this Article exceed justified losses, system operators are obliged to submit to the Energy Agency of the Republic of Serbia (hereinafter: Agency), together with the application for approval of the prices of system access, a plan for reduction of energy losses, which the Agency will take into consideration while granting approval for prices of system access, in accordance with the law regulating the energy sector.

System operators referred to in paragraph 1 of this Article, heat distributors, are obliged to undertake individual energy efficiency measures for reduction of energy losses.

### **Devices for measuring electricity or natural gas**

#### **Article 49**

Transmission, distribution and closed distribution system operators for electricity, or transport and distribution system for natural gas are obliged, while replacing measuring devices and installing new measuring devices in all energy delivery points at all new and reconstructed connections and other delivery points, to the extent to which it is technically possible and cost-effective and proportional to potential energy savings, to install for the final customers a device for measuring the supplied amount of energy, which would provide data on the actual supplied amount of energy in real time, in accordance with the law regulating the energy, or the law regulating pipeline transport and distribution of hydrocarbon.

System operators referred to in paragraph 1 of this Article, are obliged when defining the minimum functional requirements for advanced metering devices and systems, to take into account the targets of energy efficiency improvement, benefits for final customers from the installation of advanced metering devices and obligations of the players on the market.

System operators referred to in paragraph 1 of this Article, are obliged when installing the advanced metering device, to provide to the final customer complete information regarding the possibility of managing the reading of measured data and monitoring own energy consumption, and submit at the request of the final customer data on consumption in the manner prescribed by the law regulating the energy sector.

The distribution system operator and closed distribution system of electricity is obliged, at the request of the final customer who produces electricity, to install a measuring device that provides data on the actual amount of energy supplied in real time supply of electricity in both directions.

If the final customer requests installation of a device for measuring the supplied quantity of electricity or natural gas that provides data on the actually supplied quantity of energy in the real time period of electricity supply or natural gas, the system operator referred to in paragraph 1 of the Article shall provide and install the required metering device at the expense of the applicant.

System operators referred to in paragraph 1 of this Article are obliged, where there are technical conditions, to collect data on the measured energy supply from the delivery point to the final customers who have had an advanced measuring device installed, with a collection period of no more than  $\pm$  one hour for electricity and a collection period of no more than 24 hours for natural gas.

System operators referred to in paragraph 1 of this Article are obliged to ensure the security of advanced metering devices, protection of final customer data and communication of data, in accordance with the law, and to ensure access to information on own consumption, if that is technically feasible, to a final customer who has had an advanced metering device installed.

### **Elements for calculating the delivered amount of electricity**

#### **Article 50**

The Agency will introduce, in the methodologies for access pricing of the transmission and/or distribution of electricity transmission and/or distribution system, adopted in accordance with the law governing the energy sector, elements which will allow access prices of the electricity transmission and distribution system, set by electricity transmission and distribution system operators, to reflect savings achieved by:

- 1) reducing system costs by undertaking energy efficiency measures relating to consumption,
- 2) electricity generation of power plants connected to the distribution and closed distribution system and
- 3) investing in these systems and their optimal operation.

The methodologies referred to in paragraph 1 of this Article cannot prevent transmission, distribution and closed electricity distribution system operators or electricity suppliers from enabling all users of the system, including 'service response' providers and aggregators, to participate equally in the balancing market and in providing ancillary services in a non-discriminatory manner, respecting their technical capabilities and limitations, in accordance with the law governing the field of energy and in compliance with the principles of secrecy and data protection.

### **Devices for metering of heat**

#### **Article 51**

A heat distributor is obliged to:

1) on the occasion of connecting the building to a district heating system, define all conditions and data for the compilation of technical dossier for design, installation and reconstruction of thermo-technical installations, in particular installation of devices:

- (1) for regulation of heat supply and devices for metering of heat supply, and domestic hot water, if any, to the building,
- (2) for metering of the supplied heat, and domestic hot water, if any, in every part of the building,
- (3) for controlled regulation of the heat supply for every individual heat-generating body;

2) when installing a new connection for connecting an existing building to the district heating system:

(1) on the part of the installation of the distribution system, and directly in front of the point of connection with the internal heating installations of the building, installation,

- devices for metering of the supplied heat in the building, and domestic hot water, if any,
- devices for automatic regulation of heat supply to the building;

(2) carry out control of the accuracy of all already installed metering devices for metering the supplied heat to the building, and devices for metering domestic hot water in the building;

3) for buildings already connected to the district heating systems which are supplied by heat a heating sub-station immediately in front of the point of connection with interior heating installations of the building:

- (1) install devices for metering the supplied heat to the building, and devices for metering the domestic hot water, if any,
- (2) install devices for automatic regulation of the supplied heat to the building,

(3) carry out regular control of the accuracy of installed metering devices for metering the supplied heat to the building, and devices for metering domestic hot water in the building, if any, and keep records thereof;

4) for buildings already connected to the district heating system, for each part of the building they install a device for metering the supplied heat or heat dividers on each radiator, provided that it is technically feasible and cost-effective.

Costs of purchase and installation of devices referred to in paragraph 1, clauses 2) and 4) of this Article, shall be borne by the final customer.

Devices for metering and regulating the supply of heat for space heating, and where there are devices for metering the supplied heat for heating domestic hot water referred to in paragraph 1 of this Article in buildings, shall be installed at the point of handover and acceptance of supplied heat by heat distributors.

Devices for metering of supplied heat, and, if any, also devices for metering the supplied heat for heating domestic hot water, in buildings that are connected to the district heating system for the first time, should have the function of remote data reading, provided that it is technically feasible and cost-effective.

Devices for metering of supplied heat in the buildings referred to in paragraph 1 of this Article, as well as heat distributors, which do not have a remote reading function, and where there are devices for metering the supplied heat for domestic hot water heating, should be adapted to allow remote reading or replaced by devices that enable remote reading of data, provided that it is technically feasible and cost-effective.

The Minister shall prescribe the methodological framework for determining the technical feasibility and cost-effectiveness referred to in para. 1 - 4 and 5 of this Article.

### **Elements for billing the supplied heat**

#### **Article 52**

The supplier of heat is obliged, in accordance with the methodology for pricing of supplied heat to the final customer, adopted in accordance with the law governing the energy sector, to set the prices of heat supply to the final customers.

The supplier referred to in paragraph 1 of this Article shall set the prices of the supply of heat supply to final customers with the approval of the competent body of the local self-government unit.

The supplier referred to in paragraph 1 of this Article shall, when determining the monthly bill for the supplied heat to the final customer, take into account the metered supplied heat to the building, which is distributed on the basis of registered consumption of metering devices to each the part of the building or heat exchangers on each radiator or based on the surface of a part of the building.

The distribution of costs referred to in paragraph 3 of this Article shall be determined by legislation of the local self-government unit which further regulates the manner of distribution of costs from the common metering point in the heating substation adopted in accordance with the law governing energy.

### **Notifying final customers on their consumption**

#### **Article 53**

Supplier supplying final consumers with electricity and natural gas according to a full supply contract are obliged to provide the following information to the final customer, with or on the account for supplied energy for each account period, other than data which are a mandatory part of the bill for collection of fees for the supplied electricity or natural gas, in accordance with the law governing energy and the corresponding by-laws for each metering point of the end customer that they supply individually, on : total amount of energy delivered to the final consumer in that account period and monthly consumption of energy over the previous 12 months; prices by elements for calculation; average price of energy for that customer in that billing period and in the same calendar billing period of the previous year; ratio of the supplied amount of energy in the billing period and in the corresponding billing period of the previous calendar year; ratio of the amount of energy supplied to the final customer and the average amount of energy supplied to final customers of the same category;



contact data and e-mail where the final customer or the organisation for protection of consumers may receive information on available measures for an increase of energy efficiency and list of measures that can be undertaken for the purpose of energy saving; as well as other data which may be relevant for efficient energy use (e.g. indicator of specific energy consumption).

The operator of the transmission, distribution and closed distribution system of electricity, transport and distribution system of natural gas, are obliged to provide final customers with contracts for the supply of predetermined quantities of energy, with or on the bill for access to the system, for each billing period mandatory content of the bill for access to the system in accordance with the provisions of the law governing the field of energy and relevant bylaws, the final customer to whom they supply energy, provide information on: the total amount of energy supplied in that billing period and monthly energy consumption during the previous 12 months for each metering point of the final customer individually; the ratio of the supplied amount of energy in the billing period and in the calendar same billing period of the previous year for each metering point of the final customer individually; the ratio of the amount of energy supplied for each metering point of the final customer individually and the average amount of energy supplied in the same period to users of the same category.

Suppliers supplying final customers with heat are obliged to provide the final customer once a month, with or on the bill for supplied energy, with the following information: total amount of energy supplied to the final customer in the billing period and monthly consumption of energy over the previous 12 months; ratio of the supplied amount of energy in the billing period and in the corresponding billing period of the previous calendar year; average price of energy for that customer in that billing period, prices by elements for the billing of consumed energy, ratio of the amount of energy supplied to the final customer and the average amount of energy supplied to final customers of the same category; used mix of fuel and, in this regard, annual greenhouse gas emissions (for systems with a total installed heat capacity exceeding 20 MW); applied taxes; possibility of lodging a legal remedy for the billing; contact data and e-mail where the final customer or the organisation for protection of consumers may receive information on available measures for an increase of energy efficiency and list of measures that can be undertaken for the purpose of energy saving; as well as other data which may be relevant for efficient energy use (e.g. indicator of specific energy consumption).

The provision of paragraph 3 of this Article shall accordingly be applied when submitting an invoice for water, and, if any, for domestic hot water.

Persons from para. 1-4 of this Article, which issue invoices, are obliged, at the request of the final customer, to submit invoices for the supplied energy, and if any, also domestic hot water and / or water and in electronic form, without additional costs, with all final customer data protection measures.

The contents of the electronic bill referred to in paragraph 5 of this Article must be in the format allowing download and processing of data, and this option should be stated in the bill and must be identical to the contents of the printed bill which is to be submitted.

Persons referred to in this Article who issue invoices, are obliged to enter data on metering, consumption and costs for supplied electricity, heat, natural gas and / or water in public buildings, i.e. in public lighting, once a month in ISEM.

## **VIII ENERGY EFFICIENCY OF ENERGY FACILITIES**

### **Minimum energy efficiency requirements for energy facilities**

#### **Article 54**

New and reconstructed energy facilities must fulfill the minimum requirements in terms of energy efficiency depending on the type and/or power or size of the system (minimum level of usefulness etc.), in accordance with this Law and the law governing integrated prevention and control of environmental pollution.

Energy facilities referred to in paragraph 1 of this Article are facilities for production of electricity, heat, combined heat and electricity production with an installed capacity of 1 MW or more,

using fossil fuels and/or biomass as fuel and used for carrying out energy activity or in industry, as well as systems or parts of the systems for electricity transmission and distribution, or for heat distribution.

The Government, at the proposal of the Ministry, shall further prescribe minimum energy efficiency requirements which must be met by new and reconstructed energy facilities referred to in paragraph 1 of this Article.

### **Study on the energy efficiency of energy facilities**

#### **Article 55**

Applicant for an energy licence is obliged, in accordance with the law governing energy, to submit, with the application, a study on the energy efficiency of energy facilities for the energy facilities for which the licence is issued.

If no energy licence is issued for the energy facility, the applicant is obliged to submit, with the application for a construction permit or decision approving construction works, a study on the energy efficiency of energy facility, in accordance with the law governing the construction of buildings.

In case of reconstruction of energy facilities, the applicant is obliged to submit, with the application for a construction permit or decision approving construction works, a study on the energy efficiency of energy facility referred to in para. 1 and 2 of this Article, in accordance with the law governing the construction of buildings.

The study referred in paragraphs 1-3 of this Article proves that the planned level of usefulness of energy facilities will be equal or higher than the value prescribed by the act of the Government referred to in Article 54, paragraph 3 of this Law.

For an energy building for production of heat or electricity with an installed capacity of 5 MW or more, the study referred to in para. 1-3 of this Article must also contain a techno-economic analysis in case of combined heat and electricity production in an energy facility.

The Minister shall further prescribe the contents of the study referred to in para. 1-3 of this Article, as well as techno-economic analysis referred to in paragraph 5 of this Article.

### **Preparation of a study on the energy efficiency of an energy facility**

#### **Article 56**

The study referred to in Article 55 paragraph 4 of this Law shall be compiled by a legal person or entrepreneur that compiles the technical dossier for the construction/reconstruction of the energy facility referred to in Article 55, paragraph 1 of this Law.

### **Report on thermotechnical testing**

#### **Article 57**

The investor is obliged, in accordance with the law governing the construction of facilities, during the trial operation to perform heat technical test of the energy facility which determines whether the energy facility in the derived state meets the requirement of prescribed minimum energy efficiency specified in the study referred to in Article 55. st. 1-3. of this Law, i.e. that the degree of utility of the plant is equal to or greater than the value for new or reconstructed energy facilities:

- 1) for production of electricity or heat with the installed capacity of 5 MW or higher, which use fossil fuels and/or biomass as fuel, and
- 2) for combined production of electricity and heat with an installed capacity of 5 MW or higher, which use fossil fuels and/or biomass as fuel.

The report on thermotechnical testing referred to in paragraph 1 of this Article shall be submitted with the application for use permit, and drafted by the body in charge of assessing the conformity assessment, accredited in accordance with the law governing accreditation, for thermotechnical testing referred to in paragraph 1 of this Article.

The Minister shall prescribe the type of testing for determining the degree of utility from the report on thermotechnical testing for new or reconstructed plants referred to in paragraph 1 of this Article.

### **Reduced environmental impact and climate change impact**

## **Art 58**

In order to reduce the negative environmental impact, i.e. to limit greenhouse gas emissions, it is forbidden to burn tyres, plastics, waste, as well as fuels obtained from waste for heating or business activities, in households, residential buildings and business facilities, except in cases and in the manner prescribed by laws in the field of environmental protection.

## **IX OBLIGATIONS OF BENEFICIARIES OF PUBLIC FUNDS**

### **General obligation to apply energy efficiency measures**

#### **Article 59**

All beneficiaries of public funds are obliged to take individual energy efficiency measures in the facilities they use, or within the scope of performing their competencies and activities, implementing primarily economically justified energy efficiency measures that create the greatest energy savings in the shortest period of time.

Energy efficiency measures for beneficiaries of public funds referred to in paragraph 1 of this Article, in addition to activities aimed at increasing energy efficiency, also include notifying the employees on energy efficiency measures and methods for their application and establishing and applying energy efficiency criteria in the procurement of goods and services.

### **Requirements in the procedure of public procurement of goods and services**

#### **Article 60**

Contracting entities determined by the law governing the public procurement procedure are obliged to apply energy efficiency requirements in the preparation of technical specifications, criteria for awarding contracts or conditions for performance of contracts, in the procedure of public procurement of goods or services, as well as in awarding contracts to the extent that it is cost-effective, economically justified, sustainable in a broader sense, technically feasible and that it provides sufficient competitiveness.

The Minister shall prescribe requirements regarding energy efficiency referred to in paragraph 1 of this Article.

### **Requirements for the purchase or lease of facilities**

#### **Article 61**

Beneficiaries of public funds are obliged, when purchasing or leasing buildings or parts of buildings, to determine the requirements for the selection of the offer in such a way that the performance of these immovables meets a high degree of energy efficiency properties as long as it is cost-effective, economically justified, sustainable in a broader sense, technically feasible. and ensures sufficient competitiveness, and in accordance with the legislation governing the minimum requirements for energy performance of buildings in accordance with the legislation governing the construction of buildings and energy certification of buildings and conditions, content and manner of issuing certificates of energy performance of buildings.

Beneficiaries of public funds in the process of purchase or lease of buildings or parts of buildings do not have to meet the conditions referred to in paragraph 1 of this Article, if the purpose of purchase or lease is:

- 1) rehabilitation of a building or part of a building or demolition of a building;
- 2) resale of the building or part of the building, and not its use for the needs of the user;
- 3) preservation of the building as protected cultural goods.

## **X ENERGY SAVINGS IN ROAD TRANSPORT**

### **Monitoring of energy savings in road transport**

#### **Article 62**

The Ministry shall establish and monitor energy savings in road transport, on the basis of energy consumption indicators.

The Minister shall prescribe the calculation methodology of energy consumption indicators referred to in paragraph 1 of this Article.

The ministry in charge of internal affairs, within a central information system which is provided by the Road Traffic Safety Agency, in accordance with the regulation on road traffic safety, shall allow the Ministry access to data for calculation of the indicators referred to in paragraph 1 of this Article.

The Minister shall, with the approval of the minister in charge of internal affairs, prescribe the type of data referred to in paragraph 3 of this Article, and the method that the Ministry shall use to access these data.

## **XI ENERGY LABELLING AND ECODESIGN REQUIREMENTS**

### **Energy labelling of products**

#### **Article 63**

Products affecting energy consumption which are the subject of requirements as regards energy labelling, may be placed on the market and/or commissioned only if they have the energy efficiency label, and if they meet other requirements prescribed by this Law and technical and other regulations.

The Government shall further regulate obligations of product suppliers and sellers as regards energy labelling of products, which refer to the following: contents of the energy label, its proper placement and accuracy of data on the label, use of reclassified energy efficiency labels and other conditions ensuring the application of energy labelling requirements for products referred to in paragraph 1 of this Article.

The Ministry shall adopt technical regulations which prescribe requirements as regards energy labelling of products, further specify obligations of suppliers of products and sellers, define the type of products to which the requirements refer, define measurement methods, the procedure of conformity checks of products with the energy labelling requirements for the purpose of market surveillance, the procedure of determining the energy efficiency class, appearance, design and format of the energy label, data list, contents of the technical dossier, information which needs to be provided for visual advertisements in technical and promotional materials during distance selling and telemarketing, information that needs to be provided in the case of online distance selling, and other requirements relating to energy labelling of certain types of products.

The product supplier may not market products designed in such a manner that characteristics of the model are automatically changed during testing with a view to achieving a more favourable level of any of the parameters listed in the relevant technical regulation or included in any of the documents submitted with the product.

### **Incentives for certain energy-labelled products**

#### **Article 64**

The Government, at the proposal of the Minister, may define incentives for products which belong to two top classes of energy efficiency of products which are most represented on the market or belong to higher energy efficiency classes for products referred to in Article 63, paragraph 3 of this Law.

### **Energy labelling of tyres**

## **Article 65**

Tyres of class “C1”, “C2” and “C3” (hereinafter: tyres), which are the subject of requirements as regards energy labelling, may be placed on the market only if they have the energy efficiency label, and if they meet other requirements prescribed by this Law and technical and other regulations.

The Minister shall adopt a technical regulation that prescribes requirements as regards energy labelling of tyres, further specifying the obligations of suppliers and sellers of tyres, obligations of suppliers and sellers of motor vehicles, defining metering methods, the procedure of conformity checks of tyres with the energy labelling requirements for the purpose of market surveillance, the procedure of determining the energy efficiency class of tyres, appearance, design and format of the energy label, data list, contents of the technical dossier, information which need to be provided for visual advertisements in technical and promotional materials during distance selling and telemarketing, information that needs to be provided in the case of online distance selling, procedure of coordination of laboratories for measuring the rolling resistance, and other requirements relating to energy labelling of certain types of tyres.

The tyre supplier must not market tyres which have other labels, symbols or inscriptions which are inconsistent with the regulation referred to in paragraph 2 of this Article, and which are likely to mislead or confuse buyers.

## **Ecodesign**

### **Article 66**

Products which affect the energy consumption for which general and/or specific requirements as regards ecodesign have been prescribed may be marketed and/or commissioned only if they meet the prescribed requirements.

The Government shall further define obligations of producers, their agents, and/or importers as regards ecodesign, conformity assessment procedures as regards ecodesign requirements, assumption of conformity, declaration of conformity, marking of conformity and other requirements which ensure the application of ecodesign requirements for products referred to in paragraph 1 of this Article.

The Minister shall adopt technical regulations (implementing measures) which prescribe general and/or specific ecodesign requirements, the type of product subject to the requirements, manner of conformity assessment, and procedure of product conformity verification as regards ecodesign requirements for the purpose of market surveillance, for certain types of products.

## **Harmonised standards used in regulations on energy labelling of products and ecodesign**

### **Article 67**

The Minister shall compile a list of Serbian standards or technical specifications for products referred to in Art. 63, 65 and 66 of this Law.

The List referred to in paragraph 1 of this Article shall be published in the *Official Gazette of the Republic of Serbia*.

## **XII FINANCING, INCENTIVES AND OTHER MEASURES FOR EFFICIENT ENERGY USE**

### **1 Financing efficient energy use**

#### **Subject of financing**

##### **Article 68**

The subject of financing of efficient energy use is the implementation of efficient energy use measures, as well as operations relating to efficient energy use which are financed or co-financed in accordance with this Law.

Operations referred to in paragraph 1 of this Article are operations relating to the implementation of activities, in particular for to:

- 1) implementation of measures for the purpose of efficient energy use in sectors of energy production, transmission, distribution and consumption;
- 2) promoting development of the energy management system;
- 3) promotion and implementation of energy audits of facilities/buildings, production processes and services;
- 4) promoting the use of micro-cogeneration units, if on the basis of the same micro-cogeneration units no other incentives have been realised in accordance with this Law;
- 5) promoting the development of energy services at the market of the Republic of Serbia;
- 6) promoting the production of electricity and heat from renewable sources for own needs;
- 7) raising awareness of the importance and impact of implementation of energy efficiency measures;
- 8) other activities aimed at efficient energy use.

### **Funds for financing**

#### **Article 69**

Funds for funding operations referred to in Article 68 of this Law shall be provided from:

- 1) the budget of the Republic of Serbia;
- 2) budgets of the autonomous province and local self-government units;
- 3) European Union funds, multilateral and other funds for combating climate change (Global Fund for Environmental Protection, Green Climate Fund, etc.) and other international funds;
- 4) donations, gifts, contributions, aid etc.;
- 5) loans, international financial institutions;
- 6) other sources in accordance with the Law.

### **Financing at the level of the autonomous province and local self-government units**

#### **Article 70**

The competent authority of the autonomous province or local self-government unit may define, by own act, special financial and other incentives, establishment of budgetary funds and use of resources from the existing own funds for the execution of projects and other activities for efficient energy use on their own territory, in accordance with the law and regulations governing activities of such authorities.

The competent authority of the autonomous province and local self-government unit is obliged to inform the Ministry on implemented activities within the meaning of paragraph 1 of this Article.

### **Tax, customs and other types of relief**

#### **Article 71**

For legal and natural persons applying technologies, products and marketing products which contribute to more efficient energy use, tax, customs and other types of relief may be determined, under the conditions and in accordance with the law and other regulations governing taxes, customs and other charges.

## **2 Directorate for financing and promoting energy efficiency**

### **Establishment**

#### **Article 72**

For carrying out executive and expert operations relating to the financing of operations of efficient energy use in accordance with this Law and by-laws adopted on the basis of this Law and implementation of energy efficiency measures, Directorate shall be established, as an administrative body within the Ministry, and its competence shall be defined.

The Directorate shall be seated in Belgrade.

The Directorate shall have legal personality.

The Directorate shall be managed by the director, who shall be appointed by the Government for a period of five years, at the proposal of the minister, in accordance with the law, governing the status of civil servants and employees.

### **Tasks**

#### **Article 73**

The Directorate shall carry out the following tasks:

- 1) prepare the proposed annual programme for financing activities and measures with a view to improving energy efficiency, in accordance with underlying energy efficiency policy acts and other acts and regulations referred to in Article 4, paragraph 1 of this Law (hereinafter: Programme), submitted by the Ministry to the Government in order to be adopted;
- 2) prepare project proposals and implement energy efficiency projects financed by funds of the European Union, other international funds and bilateral donations;
- 3) participate in the preparation of international agreements in the field of energy efficiency;
- 4) implement all activities as regards the allocation of financial incentives for implementing energy efficiency measures and other activities for the purpose of promoting energy efficiency, and in particular: prepare and organise the implementation of public calls, inspection of applications, determination of basis for the implementation of allocation of resources, identification of beneficiaries to whom resources are allocated, etc.;
- 5) monitor the implementation of achieved energy savings and reduction of CO<sub>2</sub> emissions achieved by implementing activities which it had promoted, as well as the effects of the incentives, and notify the Government thereof;
- 6) notify the Government, through the Ministry, on the execution of the annual programme for financing energy efficiency policy measures and for co-financing projects for improving energy efficiency in the public and residential sector;
- 7) participate in the preparation of the NECP and regulations concerning energy efficiency, prepared by the Ministry, and the ministry in charge of construction;
- 8) conclude contracts with beneficiaries of funds and other contracts within its competence;
- 9) participate in the preparation of expert opinions concerning energy efficiency;
- 10) participate in the adoption of an Awareness-Raising Programme concerning energy efficiency referred to in Article 12 of this Law;
- 11) organise the implementation of awareness raising activities, training on energy efficiency, and support other Contractors carrying out such activities;
- 12) provide information on possibilities of financial support for the implementation of energy efficiency measures;
- 13) organise provision of information and advice on the possibilities of the implementation of energy efficiency measures, method of implementation of energy services, and the importance and possibilities of conducting energy reviews;
- 14) prepare specific programmes for the implementation of energy efficiency measures with vulnerable energy customers and other customers with a view to reducing energy poverty;
- 15) in cooperation with the ministry responsible for environmental protection, shall prepare plans, programmes and projects that promote the replacement of coal-fired boilers and fuel oil-fired boilers, by boilers burning gas and wood biomass - pellets, replacement of low-efficiency furnaces burning coal and other solid fuels by high-efficiency wood biomass furnaces, installation of solar roof collectors for the production of heat, installation of solar panels for the production of electricity for own needs, as well as installation of heat pumps;
- 16) carry out tasks concerning the register of designated organisations, calculation and payment of fee for the improvement of energy efficiency in accordance with the law governing fees for using public goods, and acts adopted on the basis of this law;
- 17) carry out other tasks prescribed in this Law.

### **Operating Funds**

#### **Article 74**

Funds for conducting the business activities of the Directorate are provided: in the budget of the Republic of Serbia.

Upon the proposal of the Ministry, the Government adopts the annual program referred to in Article 72, paragraph 1, clause 1) of this Law, which shall be implemented by the Directorate pursuant to this Law and the bylaws adopted pursuant to this Law.

The amount of the appropriation limit referred to in paragraph 1, clause 1) of this Article for the following year is determined in the amount of paid fees for energy efficiency improvement in the current year, pursuant to the law governing the area of fees for the use of public goods.

### **Allocation of Funds**

#### **Article 75**

The Directorate allocates the funds available for the implementation of energy efficiency measures to the beneficiaries based on public calls that it publishes.

Beneficiaries of funds referred to in paragraph 1 of this Article are:

- 1) legal and natural persons with a seat or residence on the territory of the Republic of Serbia and
- 2) local self-government units and/or city municipalities, which meet the conditions for the allocation of funds based on a public invitation or in another way pursuant to regulations.

Pursuant to the law governing the construction of facilities, an energy audit report, or for buildings an energy audit report on the existing conditions and energy efficiency study on the new conditions, shall be attached to the request to the Directorate for funds for financing investment projects to improve the energy efficiency of existing energy facilities, the technological and production processes or services.

Within 12 months after the completion of the project for which the funds of the Directorate referred to in paragraph 3 of this Article have been approved, the beneficiaries shall conduct an energy audit of facilities, technological and production processes, services or buildings and submit an energy audit report to the Directorate pursuant to this law, registering the achieved energy savings and reduction of GHG emissions.

The Minister shall prescribe more detailed conditions for the distribution and use of funds referred to in paragraph 1 of this Article, the manner of distribution of those funds, the manner of monitoring the intended use of funds and the agreed rights and obligations, as well as the criteria under which users may be exempted from the obligations from par. 3 and 4 of this Article.

### **Use of Funds**

#### **Article 76**

The use of funds available to the Directorate shall be carried out in accordance with the Annual Program referred to in Article 73, paragraph 1, item 1) of this Law.

The Beneficiary of funds referred to in paragraph 1 of this Article shall be responsible for the misuse of funds in accordance with the Agreement on the use of funds and the law.

### **Cooperation with other Domestic and International Bodies**

#### **Article 77**

Pursuant to the law and ratified international agreements, the Directorate cooperates with relevant bodies of other states, as well as with other international bodies and organisations in order to:

- 1) obtain funds for the implementation of energy efficiency measures;
- 2) promote of energy services;
- 3) ensure the exchange of best international practices in the field of energy efficiency;
- 4) improve its work in accordance with positive international experiences and standards.

## **XIII INCENTIVES FOR HIGHLY EFFICIENT COGENERATION AND INDIVIDUAL PARTICIPANTS IN THE ENERGY MARKET**

### **1 General Provisions on Incentives**



## **Basic Types of Incentives**

### **Article 78**

Incentives for the electricity market participants using energy efficient technologies can be:

- 1) non-financial incentives and
- 2) financial incentives.

## **Non-financial Incentives**

### **Article 79**

Non-financial incentives referred to in Article 78 of this Law are:

- 1) the right to guarantees of origin for electricity;
- 2) the right to connect to the power distribution and closed electricity distribution system and to the heat distribution system, in a simplified procedure, pursuant to the law governing the field of energy and acts adopted pursuant to this law;
- 3) the right to priority access to the electricity transmission, distribution, closed distribution system and the system for heat distribution, except in the case when the operational security of energy systems or security of supply is endangered;
- 4) regulation of balance responsibility pursuant to this Law, the law governing the field of energy and the agreement on the feed-in tariff, i.e. the agreement on the market premium;
- 5) the right to access any electricity market, taking into account the technical possibilities and limitations of market participants, pursuant to the law governing the field of energy.

## **Financial Incentives**

### **Article 80**

The financial incentives referred to in Article 78 of this Law are:

- 1) incentives through the system of market premiums: market premium agreement and market premium;
- 2) incentives through the feed-in tariff system: contract on feed-in tariff and feed-in tariff,
- 3) incentives granted by the Directorate.

## **The Right to Incentives**

### **Article 81**

The following are entitled to incentives under this law:

- 1) producers of electricity in highly efficient cogeneration facility with an installed capacity of 500 kWe and more, up to 10 MWe;
- 2) producers of electricity in small cogeneration facility;
- 3) electricity producers in a micro-cogeneration unit;
- 4) service providers "consumption response";
- 5) aggregators and
- 6) local energy community.

The Minister prescribes the Methodology for determining the efficiency of cogeneration.

## **2 Non-financial Incentives**

### **Access to the system for high-efficiency cogeneration and some participants in the energy market**

#### **Article 82**

The operator of the electricity transmission, distribution and closed distribution system shall take over the electricity produced in highly efficient cogeneration, pursuant to the provisions of the law governing the field of energy, in order to ensure continuity in heat supply with production with appropriate energy efficiency.

The operator of the electricity transmission, distribution and closed electricity distribution system shall enable all system users, including service response providers, aggregators and local energy

communities, to participate equally in the balancing market and in the provision of ancillary services in a non-discriminatory manner, respecting their technical possibilities and limitations and pursuant to the law governing the field of energy.

### **Conditions for connection of high-efficiency cogeneration**

#### **Article 83**

The operator of the electricity transmission, distribution and closed distribution system, i.e. natural gas transport and distribution system, in their rules on the operation of the system, determine the technical conditions for the connection of high efficiency cogeneration to the energy systems they manage.

The operator of the electricity transmission, distribution and closed distribution system, i.e. natural gas transport and distribution system, provides for each investor with high efficiency cogeneration comprehensive necessary information on possible ways of connection to the system and costs related to connection, pursuant to the law governing energy and its bylaws.

The operator of the electricity distribution and closed distribution system shall provide standardised and simplified procedures for the connection of high efficiency cogeneration.

The final buyer of electricity has the right to connect a micro-cogeneration unit to internal electrical installations of its facility, for production to meet its own consumption, where the installed capacity of the power plant cannot exceed the approved capacity of the final customer's facility.

The heat distributor shall issue conditions in accordance with technical and other regulations and allow the connection of high efficiency cogeneration to the heat energy distribution system pursuant to these conditions.

### **Guarantees of origin for high efficiency cogeneration**

#### **Article 84**

The producer of electricity in high efficiency cogeneration has the right to guarantees of origin for the produced electricity, unless it has an active status of a privileged producer of electricity and if it is an active beneficiary of other forms of incentives granted by the Directorate.

The transmission system operator shall issue a Guarantee of Origin for electricity produced in high efficiency cogeneration. The government, at the proposal of the ministry, prescribes in more detail the content of the Guarantee of Origin for electricity produced in high efficiency cogeneration.

The minister shall prescribe in more detail the general principles for the calculation of electricity produced in cogeneration.

### **Procedure for issuing a guarantee of origin**

#### **Article 85**

The transmission system operator shall issue a guarantee of origin to the electricity producer in high efficiency cogeneration at the request thereof and shall be responsible for its accuracy, reliability and protection against misuse.

The operator of the electricity distribution and closed distribution system shall submit to the transmission system operator data on the produced electricity for which a guarantee of origin is issued.

The request for a guarantee of origin referred to in paragraph 1 of this Article may be submitted no later than six months from the last day of the electricity production period for which the Guarantee of Origin is issued, and no later than March 15 of the current year.

The guarantee of origin is issued only once for a net quantity unit of 1 MWh of produced electricity measured at the place of delivery to the transmission, distribution or closed distribution system.

The period of production of electricity for which a guarantee of origin is issued may not exceed one year.

The guarantee of origin shall be valid for one year from the last day of the production period for which it is issued.

The guarantee of origin shall cease to be valid after its use, withdrawal or the expiration of a period of one year from the last day of the period of production of electricity for which it was issued.

The guarantee of origin is transferable.

The procedure for issuing, transferring, using and terminating a guarantee of origin is based on the principles of objectivity, transparency and non-discrimination.

### **Guarantees of origin issued in other countries**

#### **Article 86**

The guarantee of origin issued in other countries is also valid in the Republic of Serbia under the conditions of reciprocity.

The transmission system operator shall decide on the recognition of guarantees of origin referred to in paragraph 1 of this Article.

If the transmission system operator is a member of the European Association of Guarantees of Origin, the guarantee of origin issued in other countries shall be valid in accordance with the rules of that association.

### **Transferability of the guarantee of origin**

#### **Article 87**

Guarantees of origin may be transferred independently of the produced electricity to which they relate.

To ensure that electricity produced from high-efficiency cogeneration is presented only once to the customer as consumed, double counting and double presenting must be avoided.

### **Register of guarantees of origin**

#### **Article 88**

The transmission system operator shall keep a register of guarantees of origin in electronic form and publish the data from the register on its website,

The Government shall prescribe in detail the manner of keeping the register of guarantees of origin referred to in paragraph 1 of this Article.

The register shall also contain guarantees of origin issued pursuant to Article 86 of this Law and with an indication that they were issued in a foreign country.

The transmission system operator shall be entitled to a fee for the issuance, transfer and use of a guarantee of origin pursuant to the act determining the amount of the fee approved by the Agency.

The act referred to in paragraph 4 of this Article shall be published on the website of the transmission system operator and the Agency.

## **3 Financial incentives**

### **The right to financial incentives**

#### **Article 89**

The electricity producers in: micro-cogeneration unit, small cogeneration and highly efficient cogeneration with an installed capacity of 500 kWe and more, up to 10 MWe are eligible for financial incentives under this law.

Pursuant to this law, electricity producers in the micro-cogeneration unit and small cogeneration who meet the requirements prescribed by this law and acts adopted under this law and have the status of a temporary privileged power producer or privileged power producers, are eligible for financial incentives through the feed-in tariff system.

Pursuant to this law, electricity producers in highly efficient cogeneration with installed capacity of 500 kWe to 10 MWe who meet the requirements prescribed by this law and acts adopted under this law and have the status of temporarily privileged producer or privileged electricity producers, are eligible for financial incentives through the system of market premiums.

Electricity producers in the micro-cogeneration unit are eligible for financial incentives granted by the Directorate.

#### **a) Feed-in tariff system**

## **The right to a feed-in tariff**

### **Article 90**

The producers of electricity in small cogeneration and the producers of electricity in the micro-cogeneration unit, who acquire the status of a privileged electricity producer are eligible for feed-in tariff pursuant to this law and regulations adopted based on this Law.

Before acquiring the status of a privileged power producer, an investor in small cogeneration and an investor in a micro-cogeneration unit may acquire the status of a temporary privileged electricity producer, if it meets the conditions established by this Law and regulations adopted based on this Law.

The feed-in tariff is calculated and paid monthly, based on the feed-in tariff agreement concluded with the guaranteed electricity buyer (hereinafter: the Guaranteed supplier).

## **Methodology for determining**

### **Article 91**

The methodology for determining the feed-in tariff is prescribed by the Agency in cooperation with the Commission for State Aid Control.

The Government, upon the proposal of the Ministry and with the previously obtained opinion of the Agency, the Commission for State Aid Control, and based on the methodology referred to in paragraph 1 of this Article, determines the feed-in tariff and quota for capacities for micro cogeneration unit and small cogeneration and other elements of importance for determining the amount of the feed-in tariff.

The Government shall prescribe the quotas referred to in paragraph 2 of this Article based on available data on existing capacities, planned needs and other data relevant for determining quotas determined pursuant to the NECP.

The methodology referred to in paragraph 1 of this Article shall be published in the "Official Gazette of the Republic of Serbia".

## **Conditions for acquiring the status of temporary privileged electricity producer**

### **Article 92**

An investor of a micro-cogeneration unit and small cogeneration may acquire the status of a temporary privileged electricity producer if it meets the conditions specified in the act referred to in Article 110 of this Law, which relate to the characteristics of small cogeneration and micro-cogeneration units.

## **Conditions for acquiring the status of a privileged electricity producer**

### **Article 93**

An energy producer in a micro-cogeneration unit and small cogeneration may acquire the status of a privileged electricity producer, if it meets the conditions specified in the act referred to in Article 110 of this Law, and in particular:

- 1) that the micro-cogeneration unit or small cogeneration is permanently connected to the distribution or closed electricity distribution system with an approved power that is less than or equal to the installed capacity for which the power plant has acquired the status of a temporary privileged producer;
- 2) that special measurement is provided for small cogeneration:
  - (1) supplied electricity to the distribution or closed distribution system of electricity,
  - (2) transferred heat,
  - (3) primary energy consumed;
- 3) that the micro-cogeneration unit and small cogeneration is newly built, i.e. reconstructed with built-in unused equipment.

## **Feed-in tariff agreement**

### **Article 94**

The Feed-in tariff agreement is concluded between a temporary privileged power producer who is an investor in a micro-cogeneration unit or small cogeneration and a guaranteed supplier.

If the person referred to in paragraph 1 has not acquired the status of a temporary privileged producer, but was immediately granted the status of a privileged electricity producer, in that case the privileged electricity producer shall conclude a Feed-in tariff agreement.

The privileged electricity producer, which exercises the right to the feed-in tariff, also exercises the right to the incentive period and the transfer of balance responsibility to the guaranteed supplier by concluding a Feed-in tariff agreement with the guaranteed supplier.

The Feed-in tariff agreement referred to in paragraph 1 of this Article shall contain in particular: data on the contracting parties and their rights and obligations, subject to the Agreement, type and installed capacity of the privileged producer, place of energy supply to the system, place and method of metering, electricity price and manner and conditions of price change, manner and dynamics of calculation, invoicing and payment, interest in case of delay in payment, payment security instruments, obligations of the guaranteed supplier regarding taking over balance responsibility and obligations of the privileged producer regarding planning of power plant operation, conditions during trial period and condition that the Agreement enters into force after acquiring the status of a privileged producer, if the Agreement is concluded by a temporary privileged producer, incentive period and deadline for concluding the Agreement, reasons for termination of the Agreement, manner of resolving disputes and other elements relevant to the content and purpose of the Agreement.

The temporary privileged power producer shall submit a request for concluding a Feed-in tariff agreement to the guaranteed supplier, within 15 days from the day of acquiring the status of a temporary privileged producer, under the threat of losing the right to the feed-in tariff due to omission.

The temporary privileged producer shall inform the Ministry of the submitted request from paragraph 5 of this Article.

The Government, at the proposal of the Ministry, prescribes the model of the Feed-in tariff agreement in more detail.

### **Obligations of the guaranteed supplier**

#### **Article 95**

The guaranteed supplier shall:

- 1) conclude a Feed-in tariff agreement within 30 days from the day the temporary privileged producer has submitted the request;
- 2) assume the rights and obligations of the previous guaranteed supplier within the deadline, in the manner and under the conditions determined by the public tender for the selection of the guaranteed supplier pursuant to the law governing energy,
- 3) keep a register of feed-in tariff agreements and publish them on its website;
- 4) assume balance responsibility for privileged producers with whom it has concluded the Agreement;
- 5) keep a special account for transactions related to incentive measures pursuant to this Law;
- 6) submit to the Ministry the data necessary for determining the fee for the incentive of privileged electricity producers pursuant to the bylaw referred to in Article 110 of this Law;
- 7) fulfil other obligations determined by this Law and regulations adopted on the basis thereof.

The Government, at the proposal of the Ministry, prescribes in more detail the obligations of the guaranteed supplier

### **b) Market premium system**

#### **The right to a market premium**

##### **Article 96**

The right to the market premium belongs to electricity producers in high efficiency cogeneration with an installed capacity of 500 kWe and more, up to 10 MWe, who acquire the status of a privileged electricity producer pursuant to this law and regulations adopted based on this Law.

Prior to acquiring the status of a privileged electricity producer, an investor of high efficiency cogeneration with an installed capacity of 500 kWe and more, up to 10 MWe may acquire the status of a temporary privileged electricity producer, if it meets the conditions established by this Law and regulations adopted pursuant to this Law.

The market premium is paid on a monthly basis, based on a market premium contract concluded with an authorised contracting party.

### **Calculation, acquisition and determination of market premium**

#### **Article 97**

Market premium is calculated and paid on a monthly basis.

Market premium can be obtained for all or part of the power plant capacity.

In case the right to the market premium is acquired for a part of the power plant capacity, the electricity for which the market premium is paid is obtained by multiplying the percentage of the power plant capacity entered by the quota with the electricity delivered to the electricity system during the billing period.

The market premium is paid on a monthly basis for the electricity that the power plant supplies to the electricity system.

The Ministry grants rights to the market premium in the auction procedure.

The Government, at the proposal of the Ministry, regulates in more detail the type, manner and conditions of acquiring, exercising and terminating the right to a market premium, type and manner of determining the market premium, rights and obligations related to market premium, content of public call, conditions, deadline and manner of applying for bidding, initiation and evidence of fulfilment of conditions, content and form of the bid, manner of protection of the bid content until its opening, manner and deadline for submission and time of bid opening, notification, delivery and exchange of documents in the bidding procedure, publication and form of decisions in the bidding procedure, as well as the manner of filling the quota in case the installed capacity of the power plant from the offer exceeds the remaining quota or partially fills the quota.

Beneficiaries of the market premium sell the electricity referred to in paragraph 1 of this Article on the electricity market.

### **Methodology for determining market premiums**

#### **Article 98**

For the purposes of auctions, in which the participants compete to offer the lowest market premium, the initial amount of the market premium is determined in advance, the amount of which the bidding participants cannot exceed with their bids.

The methodology for determining the annual correction of market premiums, the initial amount of the market premium and other elements of importance for determining the amount of the market premium is prescribed by the Agency in cooperation with the Commission for State Aid Control.

Based on the methodology referred to in paragraph 2 of this Article, the Government, at the proposal of the Ministry, publishes on its website the initial amount of market premium and reference market price for auctions, no later than the end of December this year for the next year.

The methodology referred to in paragraph 2 of this Article shall be published in the "Official Gazette of the Republic of Serbia".

### **Auctions**

#### **Article 99**

The investor in a power plant or part of a power plant for high efficiency cogeneration with an installed capacity of 500 kWe and more, up to 10 MWe, acquires the right to a market premium in the bidding procedure.

The Ministry conducts auctions based on available quotas for high-efficiency cogeneration capacities with an installed capacity of 500 kWe and more, up to 10 MWe, prescribed by the Government.

The Government shall prescribe the quotas referred to in paragraph 2 of this Article based on available data on existing capacities, planned needs and other data relevant for determining quotas determined pursuant to the NECP.

### **Initiation of an auction procedure**

#### **Article 100**

The auction procedure for market premiums is initiated and conducted based on a public call.

The Ministry shall issue a public call referred to in paragraph 1 of this Article, based on this Law and the bylaw referred to in Article 97, paragraph 6 of this Law.

The public call referred to in paragraph 1 of this Article shall contain in particular the following:

- 1) who is eligible to submit an application for participation in the bidding;
- 2) available quotas pursuant to the regulation referred to in Article 99, paragraph 3 of this Law;
- 3) the maximum amount of the market premium, i.e. the amount of the maximum incentive purchase price;
- 4) manner and form of registering to an auction;
- 5) list of documents to be submitted with the application for participation in an auction;
- 6) conditions for qualification and bidding at the auction pursuant to this Law and regulations adopted on the basis thereof;
- 7) deadlines in the auction procedure;
- 8) information on the amount of the deposit to be paid for participation in the auction;
- 9) deadline for project implementation;
- 10) data on legal remedies in the auction and
- 11) other elements.

The Ministry announces a public call based on this Law and bylaws adopted based on this law.

The Ministry shall publish on the web platform, i.e. on its website, the forms submitted by auction participants in connection with the public call in the auction procedure, as well as information on the auctions held, including the degree of implementation of projects from auctions.

Until the decision on the best bids is made, the procedure is carried out by a commission formed by a decision of the Minister (hereinafter: the Commission).

The Commission shall prepare a report on the actions taken in conducting the procedure and submit it to the Minister.

### **Auction procedure**

#### **Article 101**

Initiation, delivery and exchange of documents, notification, publication and form of decisions shall be carried out pursuant to the bylaw referred to in Article 97, paragraph 3 of this Law, in electronic or paper form determined by public call.

The submission of administrative acts in the bidding procedure is done by public delivery through the publication of letters on the web platform, website and bulletin board of the Ministry.

The auction procedure consists of three phases: qualification, bidding and selection of the best bids.

In order to conduct the bidding procedure, the Government, at the proposal of the Ministry, prescribes at least the following elements:

- 1) other elements that must be contained in the public call,
- 2) conditions, deadline and manner of applying for auctions, evidence of fulfilment of conditions from the public invitation;
- 3) as well as the conditions for establishing the Commission;
- 4) initiation, delivery and exchange of documents, notification, content and form of the bids,
- 5) the manner of protection of the content of the bid until its opening,
- 6) time of bid opening,
- 7) publication and form of decisions;
- 8) conditions for application in the qualification phase,

- 9) content, amount and other elements of the financial security instrument for the seriousness of the bid,
- 10) conditions and manner of collection of the financial security instrument for the seriousness of the offer.

### **Qualifications** **Article 102**

Qualification is the elimination phase of the auction procedure in which the selection of registered participants is based on the fulfilment of conditions in terms of:

- 1) planning base for the construction of the power plant;
- 2) installed capacity of the power plant;
- 3) if the auction participant has obtained:
  - (1) a final energy permit for the power plant,
  - (2) location conditions,
  - (3) a financial security instrument for the seriousness of the bid,
- 4) energy efficiency of high-efficiency cogeneration calculated in accordance with the methodology referred to in Article 81, paragraph 2;
- 5) fulfilment of conditions regarding environmental protection;
- 6) and other conditions specified in the act referred to in Article 97, paragraph 6 of this Law.

The Ministry shall publish the list of participants in the auction who have passed the qualification phase and whose bids are entering the bidding phase, in the manner prescribed by Article 101 of this Law.

### **Bidding** **Article 103**

Bidding is a phase of the auction procedure in which the bids of participants who have passed the qualification phase compete with each other according to the criterion that the bid contains a lower market premium.

Bids that exceed the initial amount of the market premium are not considered.

### **Ranklist and filling the quota** **Article 104**

Bids that have passed the qualification phase in the auction and bidding process are ranked from the lowest to the highest amount of market premium and fill the quota in that order.

The bid referred to in paragraph 1 of this Article may refer to all or part of the power plant capacity.

When the sum of installed power plants for electricity production, for the ranked bids referred to in paragraph 1 of this Article, reaches the level of the prescribed quota, the quota is filled.

In the event that two or more participants in the auction procedure with the same market premium apply for the available quota, the remaining quota shall be distributed proportionally to those participants.

When the participants from paragraph 4 of this Article do not start signing the market premium agreement after the decision on recognising the right to the market premium, that quota remains unallocated.

In the case referred to in paragraph 4 of this Article, the unallocated quota may be distributed in the next organised auction.

Based on the rules prescribed by Art. 1 - 4, the Commission shall compile a proposal for the ranklist, which together with the report and the proposed decision shall be submitted to the Minister.

### **Selection of the best bids** **Article 105**

Based on the ranklist, report and proposal of the Commission's decision, the Minister makes a decision on the best bids.



Based on the decision referred to in paragraph 1 of this Article, the Minister shall issue a decision on granting the right to market premium, i.e. a decision on rejecting the right to market premium to the participants in the auction procedure.

The decision referred to in paragraph 2 of this Article is final and an administrative dispute may be initiated against it.

An auction participant may initiate an administrative dispute only against a decision deciding on its right.

The right of auction participants who have been granted the right to a market premium in the auction procedure will remain unchanged and in force regardless of the outcome of the administrative dispute initiated by another participant in the auction against its decision.

The Ministry will grant the right to an appropriate market premium outside a bidding quota, if the outcome of the final resolved administrative dispute is such that the participant in the auction is entitled to a market premium.

### **Conditions for acquiring the status of a privileged electricity producer in an auction system**

#### **Article 106**

Participants in the auction procedure whose bids at the auction are covered by the decision on granting the right to market premium, shall acquire the status of temporary privileged electricity producer on the day of the decision.

### **Conditions for acquiring the status of a privileged electricity producer**

#### **Article 107**

The producer of electricity in high efficiency cogeneration with an installed capacity of 500 kWe and more, up to 10 MWe, may acquire the status of a privileged electricity producer, if it meets the conditions specified in the act referred to in Article 110 of this Law, in particular:

- 1) that it has acquired a licence to perform energy activities of combined production of electricity and heat, if a licence is provided for the installed capacity for which it has acquired the status of a temporary privileged producer, pursuant to the law governing energy;
- 2) that high-efficiency cogeneration with an installed capacity of 500 kWe and more, up to 10 MWe is permanently connected to the system transmission, distribution or closed distribution electricity with an approved capacity that is less than or equal to the installed capacity for which the power plant has acquired the status of a temporary privileged producer;
- 3) that it has provided separate metering separately from metering in other technological processes:
  - (1) supplied electricity to the electricity transmission, distribution or closed distribution system,
  - (2) electricity taken over from the transmission, distribution or closed distribution system, for the needs of the power plant operation,
  - (3) supplied heat for own consumption and/or for the consumption of other users,
  - (4) taken over, i.e. produced heat for the needs of the power plant operation and energy sources preparation,
  - (5) primary energy consumed;
- 4) that high-efficiency cogeneration with an installed capacity of 500 kWe and more is newly built, i.e. reconstructed with unused equipment installed;
- 5) that the usage permit has been granted pursuant to the law governing the construction of facilities;
- 6) that it has concluded a contract on market premium pursuant to this Law and bylaws adopted on the basis thereof;
- 7) that an act of the environmental protection inspector has been issued for high-efficiency cogeneration with an installed capacity of 500 kWe and more, up to 10 MWe, that the conditions for the operation of the power plant and the performance of activities pursuant to the law governing environmental protection have been met.

## **Market premium agreement**

### **Article 108**

Temporary privileged power producer who is entitled to a market premium, is also entitled to an incentive period and transfer of balance responsibility to the guaranteed supplier until the establishment of an organised intraday electricity market, by concluding a market premium agreement with an authorised contracting party.

The guaranteed supplier shall perform the rights and duties of the authorised contracting party.

The Government may appoint another person to perform the rights and duties of an authorised contracting party, who has the appropriate economic strength and financial capacity, as well as the necessary expertise and resources to perform this role.

The premium contract contains in particular: data on the contracting parties and their rights and obligations, subject of the contract, amount and other data on the market premium, type and installed capacity of the power plant, incentive period and deadline for concluding the contract, reasons for termination, dispute resolution, condition that the contract enters into force after acquiring the status of a privileged electricity producer and other elements relevant to the content and purpose of the contract pursuant to this Law.

The market premium is determined in the Market Premium Agreement in accordance with the offer of the investor of high efficiency cogeneration with installed capacity of 500 kWe and more, up to 10 MWe who were granted the right to market premium after the auction and pursuant to the bylaw from Article 99 of this Law.

The temporary privileged producer shall submit to the guaranteed supplier a request for concluding a Market Premium Agreement within 15 days from the day of receiving the decision of the Minister on granting the right to a market premium.

In case of non-submission of the request within the deadline referred to in paragraph 6 of this Article for the purpose of concluding the Market Premium Agreement, the temporary privileged producer shall lose the right to the market premium due to omission.

The temporary privileged producer shall inform the Ministry about the submission of the request referred to in paragraph 6 of this Article, within 5 working days from the day of submitting the request.

The Government, at the proposal of the Ministry, prescribes the model of the Market Premium Agreement in more detail.

## **Obligations of the authorised contracting party**

### **Article 109**

The authorised contracting party shall:

- 1) at the request of the temporary privileged producer, conclude a Market Premium Agreement within 30 days from the day of submitting the request;
- 2) keep a special account for transactions related to incentive measures pursuant to this Law;
- 3) keep a register of Market Premium Agreements and publish them on its website;
- 4) assume balancing responsibility for privileged producers that produce electricity in high efficiency cogeneration with an installed capacity of 500 kWe and more, up to 10 MWe, until the establishment of an organised intraday electricity market, pursuant to this law, the law governing energy and regulations adopted on the basis these laws;
- 5) fulfil other obligations determined by this Law and regulations adopted on the basis thereof.

The Government, at the proposal of the Ministry, shall prescribe in detail the obligations of the Authorised Contracting Party.

## **c) Acquisition of the status of a temporary privileged electricity producer and a privileged electricity producer**

### **Bylaw**

### **Article 110**

The Government, upon the proposal of the Ministry, shall prescribe in detail for the temporary privileged electricity producer and the privileged electricity producer:

- 1) conditions and manner of acquiring the status, content of the request and evidence of meeting the conditions for acquiring the status;
  - 2) obligations of temporary privileged electricity producer and the privileged electricity producer;
  - 3) payment security instruments;
  - 4) the manner of extension and the manner of revoking the status of temporary privileged power producer and the privileged power producer;
  - 5) the content of the decision determining, revoking or extending the status of temporary privileged power producer and the privileged power producer;
  - 6) the content of the register of temporary privileged electricity power producer and the privileged electricity producer;
  - 7) as well as other elements related to their status and realization of rights and obligations from that status.
- 1) high efficiency cogeneration can be entitled to only one type of incentive, whether those incentives are established by this law or any other law.

### **Procedure for acquiring the temporary status of a privileged electricity producer and status of a privileged electricity producer**

#### **Article 111**

The status of a temporary privileged electricity producer and the status of a privileged electricity producer are issued by the Ministry.

The Ministry decides on the request for acquiring the status of a temporary privileged electricity producer or a privileged electricity producer in an administrative procedure within 15 days from the day of submitting the request.

The Ministry shall, within ten days from the day of submitting the request, decide on the request for the extension of the status of a temporary privileged electricity producer.

The decision from para. 2 and 3 of this Article is final and an administrative dispute may be initiated against it.

If the Ministry does not decide on the request for extension of the status of temporary privileged electricity producer within the deadline referred to in paragraph 3 of this Article, it shall be considered that the request has been adopted and the status of temporary privileged electricity shall be extended for one year.

### **Duration of the status of a temporary privileged electricity producer, and the incentive period and status of a privileged electricity producer**

#### **Article 112**

The status of a temporary privileged producer lasts for three years from the day of the finality of the decision on acquiring this status.

At the request of the holder of the status of a temporary privileged electricity producer, this status may be extended for a maximum of one year.

The incentive period is a certain period of time in which the status of a privileged electricity producer is achieved and in which the market producer is paid a market premium.

The status of a privileged electricity producer and the incentive period last for a maximum of 15 years from the day of the first payment of the feed-in tariff or market premium.

### **Revoking of the temporary status of a privileged electricity producer and status of a privileged electricity producer**

#### **Article 113**

The status of a temporary privileged producer shall be revoked and especially if:

- 1) the decision on acquiring the status of a temporary privileged electricity producer was based on false data;
- 2) the temporary privileged producer fails to fulfil the obligations determined by this law;
- 3) the acts based on which it acquired the status of a temporary privileged electricity producer have been legally revoked, annulled or repealed.

The status of a privileged producer shall be revoked if:

- 1) the decision on acquiring the status of a privileged electricity producer was made based on false data;
- 2) it ceases to meet the conditions for acquiring the status of a privileged producer determined by this Law;
- 3) it fails to fulfil the obligations determined by this Law;
- 4) the privileged producer produces electricity and heat contrary to the regulations governing the field of energy;
- 5) the acts based on which the temporary privileged electricity producer has acquired the status of a privileged producer have been legally revoked, annulled or repealed.

### **Register of temporary privileged electricity producers and privileged electricity producers**

#### **Article 114**

The Ministry maintains a public electronic register containing data on:

- 1) producers who have the status of a privileged electricity producer and producers of energy to whom this status has ceased to be valid,
- 2) producers who have the status of a temporary privileged electricity producer and producers of energy to whom this status has ceased to be valid.

### **d) Financing incentives**

#### **Sources of funding incentives**

##### **Article 115**

Feed-in tariffs and market premiums are financed from funds collected based on the Government act on the manner of calculation, payment and collection of funds based on compensation for incentive measures for privileged electricity producers, adopted based on the law governing renewable energy sources.

### **e) Legal certainty**

#### **Stabilisation clause**

##### **Article 116**

Energy entities use incentive measures according to the regulations under which they acquired the right to use incentive measures and the conditions under which they acquired incentive measures cannot be subsequently changed in a way that reduces or limits their acquired rights and/or endangers the economic viability of their power plants incentives.

## **4 Analysis of the potential for the application of incentives**

### **Potential analysis for high efficiency cogeneration and the possibility of using efficient district heating**

#### **Article 117**

The Ministry will prepare an analysis of the potential for highly efficient cogeneration and the possibility of using efficient district heating/cooling and submit and update it pursuant to the obligations of the Republic of Serbia undertaken by ratified international agreements.

The local self-government unit shall provide support to the Ministry in preparing the analysis referred to in paragraph 1 of this Article.

## **XIV IMPLEMENTATION OF AUCTION PROCEDURES AND PROCEDURES RELATING TO THE STATUS OF THE TEMPORARY PRIVILEGED ELECTRICITY PRODUCER AND THE STATUS OF THE PRIVILEGED ELECTRICITY PRODUCER**

### **Actions of the Ministry Article 118**

During the auction procedure and procedures related to the status of temporary privileged electricity producer and the status of privileged electricity producer, the competent authority shall exclusively verify the fulfillment of formal conditions and shall not engage in the evaluation of technical documentation, nor examine the authenticity of documents obtained in these procedures.

In accordance with paragraph 1 of this Article, the Ministry shall verify exclusively the fulfillment of the following formal conditions:

- 1) competence to act upon the request,
- 2) whether the applicant is a person who, in accordance with this Law, may be the applicant,
- 3) whether the request contains all prescribed data,
- 4) whether the request is accompanied by all documentation prescribed by this Law and bylaws issued on the basis of this Law,
- 5) whether the request is accompanied by proof of payment of the prescribed fee,
- 6) whether the conditions prescribed by this Law and bylaws issued on the basis of this Law for the adoption of the request are met.

The competent authority shall provide data from official records, which are necessary for the implementation of the procedures referred to in paragraph 1 of this Article, ex officio, or through the service highway of the authority, in accordance with the regulations governing electronic administration, without paying a fee.

The data obtained in the manner referred to in paragraph 3 of this Article shall be considered reliable and shall have the same probative value as certified extracts from those records.

State administration bodies, special organisations and holders of public authorisations are obliged to submit to the Ministry, upon request, within three days from the day of submitting the request, all data kept by official records that are important for conducting the procedures referred to in paragraph 1 of this Article.

The procedures referred to in paragraph 1 of this Article shall be carried out in the procedure of direct decision-making within the meaning of the law which regulates the general administrative procedure.

### **Acting on request Article 119**

Upon the request for issuance, or amendment of the administrative act, the Ministry shall issue a decision in the form of an electronic document within the deadlines prescribed by this Law.

If the Ministry determines that the formal conditions referred to in Article 118, paragraph 2 of this Law have not been met, it shall reject the request by a decision stating all deficiencies, namely reasons for rejection, after which it will be able to act in accordance with the request.

If the applicant within 30 days from the date of publication of the decision referred to in paragraph 2 of this Article, submits a new request and acts in accordance with the decision referred to in paragraph 2 of this Article, the rejected request referred to in paragraph 2 of this Article shall be considered as lawful.

If the applicant within 30 days from the date of publication of the decision referred to in paragraph 2 of this Article, submits a new request with reference to the number of the decision rejecting the previous request and eliminates all identified deficiencies, he shall not resubmit the documentation that did not have deficiencies and shall pay half the amount of the administrative fee.

### **Manner of submission Article 120**

Briefs and documents shall be submitted electronically, in accordance with the law governing e-government.

Notwithstanding paragraph 1 of this Article, the party shall submit the appeal and other legal remedies, evidence attached to them, as well as documents and briefs containing classified information and marked with the degree of secrecy in accordance with the regulations governing data confidentiality of the paper document.

The Ministry in charge of energy shall regulate in more detail the manner of exchange of briefs and documents referred to in paragraph 1 of this Article.

### **Form of documents to be submitted**

#### **Article 121**

Documents submitted electronically in accordance with Article 123 of this Law shall be submitted in the form of an electronic document drawn up in accordance with the law governing the electronic document.

Notwithstanding paragraph 1 of this Article, if the payment of the fee has not been made electronically, proof of payment of the fee may also be submitted in electronic format, which is not signed by a qualified electronic signature.

### **Delivery of solutions**

#### **Article 122**

The decision of the Ministry is delivered to the applicant in the form of an electronic document, via a single electronic mailbox, in accordance with the law governing electronic administration, if the delivery is made through the e-government portal.

Notwithstanding paragraph 1 of this Article, to a person who does not have a single electronic mailbox, the decision shall be delivered in the form of a printed copy of an electronic document, certified in accordance with the law governing electronic business, by registered mail through the postal operator.

On the day of dispatch of the decision in accordance with para. 1 and 2 of this Article, the Ministry shall also publish the decision on its website.

If delivery by registered mail referred to in paragraph 2 of this Article could not be made because the party was unavailable at the specified address at the time of delivery, the deliverer shall make a note and leave a notice to the party at the place where the letter was to be delivered. personal name of the recipient, data by which he identifies himself in writing, as well as the date when the notice was left, with an invitation to the party to pick up the shipment at the exact address of the deliverer or postal operator, within 15 days from the day of delivery attempt.

The notification to the party referred to in paragraph 4 of this Article shall also contain information on the day of publishing the decision on the Ministry's website, legal instruction to the party that in case of failure to pick up the shipment within the set deadline, the decision will be considered delivered within 30 days.

In the case referred to in paragraph 4 of this Article, if the party does not pick up the consignment within the set deadline, the deliverer shall return it together with a note on the reasons for non-delivery.

Delivery to the party will be considered completed:

1) on the day of receipt of the decision in the manner prescribed by paragraph 1, or paragraph 2 of this Article,

2) upon the expiration of the period of 30 days from the day of announcing the decision on the website of the Ministry if the delivery has not been made in accordance with the provisions of para. 1, 2 and 4 of this Article.

If the address of residence, or dwelling, or seat of the party is unknown, delivery to that party shall be considered made on the day of expiration of the period of 30 days from the day of publishing the decision on the website of the Ministry.

At the request of the party, the Ministry shall issue a copy of the decision to that party without delay, at the premises of the Ministry provided that such delivery has no effect on the calculation of deadlines related to delivery.

### **Delivery confirmation**

#### **Article 123**

When the decision is delivered electronically, proper delivery is proven by an electronic confirmation of receipt of the document (delivery note).

### **Electronic notice board of the Ministry**

#### **Article 124**

The Ministry is obliged to establish and maintain a notice board on its website, which serves the needs of public communication, or publishing decisions in accordance with Article 122 of this Law, as well as other acts adopted by the Ministry.

### **Similar application of regulations**

#### **Article 125**

The law governing the general administrative procedure shall apply to issues related to the auction procedure and procedures related to the status of a temporary privileged producer of electricity and the status of a privileged producer of electricity, which are not specifically regulated by this Law.

## **XV SUPERVISION**

### **1 Supervision of the application of the Law**

#### **Article 126**

Supervision over the application of this Law and regulations adopted based on this Law shall be conducted by the Ministry, unless otherwise prescribed by this Law.

### **2 Inspection supervision**

#### **Article 127**

Inspection supervision is performed by the Ministry through the electric power inspector, energy inspector and pressure equipment inspector (hereinafter: inspector) within the scope determined by law.

The Autonomous Province shall be entrusted with the conducting of inspection supervision referred to in paragraph 1 of this Article on the territory of the Autonomous Province.

#### **Article 128**

The provisions of the law and other regulations governing inspection supervision shall apply to the content, type, form, procedure and implementation of inspection supervision, authorisations and obligations of participants in inspection supervision and other issues of importance for inspection supervision that are not regulated by this Law.

#### **Article 129**

In performing inspection supervision, the inspector has the right and duty to check:

- 1) whether the Designated organisation to the System has appointed an Energy Manager, whether he has prepared and submitted to the Ministry an annual report on the achievement of energy saving goals and adopted an energy efficiency program and plan pursuant to this Law;
- 2) whether the person performing the duties of the Energy Manager has an appropriate licence;
- 3) whether the Designated organisation to the System has performed an energy audit within the prescribed period;
- 4) whether the energy audit was conducted by a legal entity that, pursuant to this Law, may conduct an energy audit;

- 5) whether the report on the conducted energy audit is archived and stored in the prescribed manner;
- 6) whether an energy efficiency study has been prepared for plants and systems referred to in Article 55 of this Law proving that the minimum energy efficiency requirements have been met
- 7) whether a report on thermo-technical testing for plants referred to in Article 57 of this Law has been prepared, which proves that the minimum energy efficiency requirements have been met;
- 8) whether the operator of the electricity transmission, distribution and closed distribution system, i.e. the transport and distribution system of natural gas, has installed devices for metering electricity or natural gas pursuant to Article 49 of this Law;
- 9) whether the heat distributor has installed devices for measuring thermal energy pursuant to Article 51 of this Law;
- 10) whether the operator of the electricity transmission, distribution and closed distribution system, primarily takes over the electricity produced in high efficiency cogeneration;
- 11) whether the transmission system operator issues a Guarantee of Origin for electricity produced in high efficiency cogeneration;

In performing inspection supervision, the inspector has the right and duty to perform other tasks determined by law or a regulation issued based on law.

### **3 Powers of inspectors**

#### **Article 130**

In performing inspection supervision, the inspector is authorised to:

- 1) order that the established illegalities be eliminated within the time limit determined;
- 2) issue a decision and impose an administrative measure if the supervised entity does not eliminate the illegality within the set deadline, except when, due to the necessity of taking urgent measures, it issues a decision without delay;
- 3) order the implementation of the energy audit;
- 4) submit a criminal report, a report for an economic crime or a request for initiating a misdemeanour procedure to the competent judicial body, i.e. take other actions and measures to which he is authorised by law or other regulation;
- 5) order the prescribed obligations to be carried out within a certain period of time and to temporarily prohibit work if the order is not executed within the set deadline.

#### **Article 131**

The inspector may not prepare or participate in the preparation of technical documentation and control of technical documentation for energy efficiency improvement projects over which he performs inspection supervision and perform expert supervision in the implementation of energy efficiency increase projects over which he performs inspection supervision.

The inspector may not prepare or participate in the development of energy efficiency programmes and plans, as well as reports of Energy Managers of the Designated organisation to Energy Management System over which he performs inspection supervision.

The inspector may not perform economic or other activities and activities for himself or another employer in the area in which he performs inspection supervision, participates in the work of expert working groups or bodies of supervised entities, or persons subject to inspection supervision or if he performs other services, jobs and procedures which are contrary to the position and role of the inspector and damage to his independence in the performance of his duties.

#### **Article 132**

An appeal against the decision of the inspector may be lodged with the Minister, within 15 days from the day of receipt of the decision.

The appeal postpones the execution of the decision, except in the case when it is about taking urgent measures prescribed by Article 39, paragraph 2 of the Law on Inspection Supervision (Official Gazette of RS, No. 36/15, 44/18 – other law and 95/18).



In the event that the first-instance decision of the inspector has already been annulled once, the second-instance body cannot annul it again and refer the case to the inspection for a new procedure, but will resolve this administrative matter itself.

## **4 Market Surveillance**

### **Article 133**

Supervision over the implementation of the provisions of this Law related to energy labelling and eco-design of products that affect energy consumption shall be performed by the ministry responsible for trade through market inspectors, i.e. bodies responsible for supervising the implementation of regulations related to technical requirements for products, pursuant to the law governing market surveillance, this law and bylaws adopted based on this law.

The bodies referred to in paragraph 1 of this Article shall act in accordance with the general requirements and the market surveillance program and shall take the necessary market surveillance measures.

### **Article 134**

If it is determined that the product referred to in Article 63 of this Law and which is used in accordance with the purpose, does not meet the prescribed requirements for energy labelling, the supplier or seller has the obligation to comply with these requirements.

If the market inspector has reason to believe that the energy-labelled product referred to in Art. 63 and 65 of this law represents a risk from the aspect of protection of the public interest concerning environmental protection and/or consumer protection, he shall conduct a product evaluation procedure covering all energy labelling requirements which are relevant for the risk and prescribed by bylaws from Article 63, para. 2 and 3 and Article 65, paragraph 2 of this Law, and the supplier of the product and/or the seller shall cooperate with the market inspector for the purpose of assessment, if he deems it necessary.

If the market inspector during the evaluation of the product referred to in para 2 of this Article finds that the product does not comply with the requirements of bylaws referred to in Article 63, paragraphs 2 and 3 and Article 65, paragraph 2 of this Law, he shall without delay request from the supplier or seller to take all appropriate corrective measures to bring the product into compliance with these requirements, withdraw the product from the market if necessary or recall it within a reasonable period of time, proportionate to the nature of the risk.

If the supplier of the product or, if necessary, the seller does not take appropriate corrective measures in the period referred to in paragraph 3 of this Article, the market inspector shall take all appropriate measures to prohibit or limit the availability of the product, withdraw the product or recall it.

The decision referred to in paragraph 4 of this Article must be reasoned and immediately communicated to the party to which it refers, with notification of the legal remedy available to the party, pursuant to the law governing market surveillance.

The exchange of information and notifications on the measures referred to in paragraph 4 of this Article shall be performed pursuant to the law governing market surveillance.

### **Article 135**

If it is determined that the product that has the mark of conformity referred to in Article 66, paragraph 2 of this Law and which is used in accordance with the purpose, does not meet the prescribed requirements of eco-design, the manufacturer or his representative shall comply with these requirements.

If the non-compliance is not eliminated in the manner described in paragraph 1 of this Article, the body referred to in Article 133, paragraph 1 of this Law shall issue a decision restricting or prohibiting the placing on the market and/or use of the product, or otherwise ensure that the product is withdrawn from the market.

The decision referred to in paragraph 2 of this Article must be reasoned and immediately communicated to the party to which it refers, with notification of the legal remedy available to the party, pursuant to the law governing market surveillance.

The exchange of information and notifications on the measures referred to in paragraph 2 of this Article shall be carried out pursuant to the law governing market surveillance.

## **XVI PENAL PROVISIONS**

### **Article 136**

The responsible person in the body of the Republic of Serbia, body of the autonomous province or local self-government unit, shall be fined for a breach with RSD 5,000 to 15,000, if he does not act pursuant to Article 8 of this Law.

Public companies and other users of public funds - a legal entity, shall be fined for a breach with RSD 50,000 to 150,000 for the breach referred to in paragraph 1 of this Article.

The responsible person in the legal entity referred to in paragraph 2 of this Article shall be fined for a breach with RSD 5,000 to 15,000.

### **Article 137**

The responsible person in the Republic Hydrometeorological Institute shall be fined for a breach with RSD 5,000 to 15,000, if he does not act pursuant to Article 9 of this Law.

A public company and institutions - legal entity, shall be fined for a breach with RSD 50,000 to 150,000 for the breach referred to in paragraph 1 of this Article.

Energy entity - legal entity, shall be fined for a breach with RSD 50,000 to 150,000 for the breach referred to in paragraph 1 of this Article.

Energy entity - entrepreneur, shall be fined for a breach with RSD 10,000 to 25,000 for the breach referred to in paragraph 1 of this Article.

### **Article 138**

The designated organisation of the energy management system - a legal entity shall be fined for a breach with a fine in the range of RSD 50,000 to 1,000,000 if it does not act pursuant to one or more obligations referred to in Article 14 of this Law.

The responsible person in in the designated organisation of the energy management system shall be fined for a breach with a fine of RSD 5,000 to 100,000, if it does not act pursuant to Article 14 of this Law.

The designated organisation of the energy management system - the entrepreneur shall be fined for a breach with a fine in the range of RSD 10,000 to 250,000 if it does not act pursuant to the obligation from Article 14 of this Law.

### **Article 139**

Companies and public companies referred to in Article 13, items 1) and 2) of this Law - a legal entity shall be fined for a breach with a fine in the range of RSD 50,000 to 300,000 if it does not act pursuant to the obligation referred to in Article 15 of this Law.

The responsible person in the company and public company referred to in Article 13, items 1) and 2) of this Law shall be fined for a breach with RSD 10,000 to 50,000, if it does not act pursuant to Article 15 of this Law.

### **Article 140**

The Designated organisation of the energy management system - a legal entity shall be fined for a breach with a fine in the range of RSD 50,000 to 150,000 if it does not act pursuant to Article 16 of this Law.

The responsible person in the Designated organisation of the energy management system shall be fined for a breach with a fine of RSD 5,000 to 15,000, if it does not act pursuant to Article 16 of this Law.

The Designated organisation of the system - the entrepreneur will be liable for the violation with a fine in the range of RSD 10,000 to 30,000 if it does not act pursuant to the obligation from Article 16 of this Law.

#### **Article 141**

The responsible person in the Designated organisation of the energy management system shall be fined for a breach with a fine of RSD 50,000 - 150,000 if they do not bring the programs and/or plans prescribed by Art. 17-19. of this law.

The Designated organisation of the energy management system - a legal entity shall be fined for a breach referred to in paragraph 1 of this Article with a fine of RSD 150,000 - 1,000,000.

#### **Article 142**

The Energy Manager of the Designated organisation of the energy management system - a natural person shall be fined for a breach with RSD 5,000 - 25,000 if they do not act pursuant to Article 20, paragraph 3 of this Law.

#### **Article 143**

A large enterprise - legal entity shall be fined for a breach with RSD 150,000 - 1,000,000 if it does not act pursuant to the obligation referred to in Article 23, paragraph 5 of this Law.

The responsible person in the legal entity shall be liable for the breach referred to in paragraph 2 of this Article with a fine of RSD 15,000 to 100,000.

#### **Article 144**

A legal entity or entrepreneur shall be fined for a breach with RSD 50,000 to 500,000, if it does not prepare a report or submit it to the competent authority pursuant to the prescribed obligation referred to in Article 23, paragraph 8 of this Law.

The responsible person in the legal entity shall be fined for a breach referred to in paragraph 1 of this Article with a fine of RSD 5,000 to 100,000.

For the misdemeanour referred to in paragraph 1 of this Article, the entrepreneur shall be fined for a breach with RSD 10,000 to 150,000.

#### **Article 145**

The energy auditor - a natural person shall be fined for a breach with RSD 50,000 - 150,000 for the violation of the provisions of Article 25, paragraph 1 of this Law

#### **Article 146**

The investor - legal entity shall be fined for a breach with RSD 150,000 to 800,000 if it does not act pursuant to the obligation prescribed by Article 37, paragraph 1 of this Law.

#### **Article 147**

The owner, or the user of the heating system of the building - legal entity shall be fined for a breach with a fine in the range of RSD 50,000 to 300,000 if it does not provide regular control pursuant to Article 39, paragraph 1 and Article 40, paragraph 1 of this Law.

The owner, or the user of the heating system of the building - a natural person shall be fined for a breach with a fine in the range of RSD 5,000 to 50,000 for the breach referred to in paragraph 1 of this Article.

#### **Article 148**

Heat supplier - a legal entity shall be fined in the amount of RSD 50,000 to 250,000 if it fails to comply with the obligation referred to in Article 52, paragraph 1 of this Law.

#### **Article 149**

Legal entities referred to in Article 53, para. 1-4 of this Law shall be fined for a breach with RSD 50,000 to 150,000 if they do not act pursuant to Article 53 of this Law.

Entrepreneurs from Article 53 para. 1 - 4 of this Law shall be fined for a breach with RSD 50,000 to 150,000 for the misdemeanour referred to in paragraph 1 of this Article.

#### **Article 150**

Legal entity referred to in Article 59 paragraph 1 of this Law shall be fined for a breach with RSD 50,000 to 150,000 if they do not act pursuant to Article 60, paragraph 1 of this Law.

The responsible person in the Designated organisation of the energy management system shall be fined for a breach with RSD 5,000 to 15,000, if it does not act pursuant to Article 60, paragraph 1 of this Law.

#### **Article 151**

Product supplier and seller referred to in Article 63, paragraph 2 and Article 65, paragraph 2 of this Law shall be fined for a breach with RSD 50,000 - 150,000 if it places on the market products that affect energy consumption that do not have an energy label, or do not meet other prescribed requirements regarding energy labelling (Articles 63 paragraph 1 and article 65, paragraph 1 of this Law).

Producer, his agent, or importer referred to in Article 66, paragraph 2 of this Law shall be fined for a breach with RSD 50,000 - 150,000, if it places on the market products that affect energy consumption that do not meet the eco-design requirements prescribed for that type of product (Article 66, paragraph 1 of this Law).

The responsible person in the legal entity shall be fined for a breach with RSD 5,000 to 15,000.

### **XVII TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 152**

Proceedings initiated before the day this law enters into force shall continue pursuant to the regulations under which they were initiated.

#### **Article 153**

The status of a temporary privileged electricity producer and a privileged producer of electricity from high-efficiency combined heat and power production, acquired based on a request submitted before the entry into force of this Law shall continue to be valid pursuant to the regulations under which that status was acquired.

The Ministry quarterly, in the middle of the month for the current month and for the next two months, determines and publishes on its website the coefficient of correction of G gas price, which represents the unit price of gas for consumers in reserve supply and is expressed in euros per thousand cubic meters (EUR/1000 m<sup>3</sup>), calculated at the middle exchange rate of the National Bank of Serbia valid for the 15th day of the current month or for the first following working day, if the 15th day of the current month is a non-working day.

#### **Article 154**

Temporary privileged producers of electricity from high-efficiency combined heat and power production who have acquired this status based on a request submitted before the entry into force of this Law, acquire the status of a privileged electricity producer pursuant to the Energy Law (Official Gazette of RS, nos. 145/14 and 95/18 – and another law) and regulations adopted on the basis thereof.

Temporary privileged electricity producers referred to in paragraph 1 of this Article who acquire the status of a privileged electricity producer shall be entitled to incentive measures by concluding an electricity purchase agreement pursuant to the Regulation on Electricity Purchase Agreement (Official Gazette of RS, nos. 56/16 and 61/17 and 106/20).

## Article 155

Temporary privileged producers of electricity from high-efficiency combined heat and power production who have acquired this status based on a request submitted before the entry into force of this Law are entitled to incentive measures that were valid on the day of submitting the request for acquiring the status of temporary privileged electricity producer.

Temporary privileged producers of electricity from high-efficiency combined heat and power production who have acquired this status based on a request submitted after 31 December 2019, and before the entry into force of this Law, are entitled to incentive measures that were valid on 31 December 2019.

1) incentive period lasting 12 years, starting from the day of the first reading of electricity in the power plant, or part of the power plant, after the day of acquiring the status of privileged electricity producer, unless the duration of the incentive period is otherwise determined by the electricity purchase agreement;

2) incentive purchase price at which the privileged and temporary privileged producers sell to the guaranteed supplier the appropriate amount of produced electricity during or before the incentive period,

3) taking over the balance responsibility for the places of handover of electricity by the eligible electricity producer during the incentive period, by the guaranteed supplier;

4) taking over the costs of balancing the privileged electricity producer during the incentive period by the guaranteed supplier;

5) free access to the electricity transmission or distribution system.

The incentive purchase price referred to in paragraph 2 clause 2) of this Article shall be determined as follows:

$$C3 = C2 * 0.33 + C0 * 0.67 * G / 312.58$$

wherein:

C3 - adjusted incentive purchase price for power plants with high-efficiency combined production of electricity and heat, expressed in eurocents per kilowatt hour (c €/ kWh),

C2 - adjusted incentive purchase price due to inflation in the euro area published on the website by the guaranteed supplier and applied from 1 March 2020, shall be adjusted annually in accordance with the regulation referred to in Article 154, paragraph 2 of this Law and shall express in eurocents per kilowatt hour (c €/ kWh),

C0 - incentive purchase price, expressed in eurocents per kilowatt hour (c €/ kWh), which is determined according to the installed power (P) as follows:

- For an installed capacity of less than 0.5 MW, it is 8.20

- For an installed capacity of 0.5 - 2 MW, it is  $8.447 - 0.493 * P$

- For an installed capacity of more than 2 MW and less than 10 MW, it is 7.46

$$C3 = C2 * 0,33 + C0 * 0.67 * G / 312,58$$

G - coefficient of correction of gas price change, which is determined in accordance with Article 153, paragraph 2 of this Law.

Temporarily privileged producers, or privileged producers of electricity high-efficiency combined production of electricity and heat referred to in paragraph 2 of this Article shall conclude a contract on purchase of electricity in accordance with the regulation referred to in Article 154, paragraph 2 of this Law. The status of temporary privileged producer of electricity from high-efficiency combined production of electricity and heat acquired on the basis of a request submitted before the entry into force of this Law shall continue to be valid and extended in accordance with the regulations under which that status was acquired.

The status of temporary privileged producer referred to in paragraph 4 of this Article may be extended for a maximum of three years on the basis of this Law in the case of:

1) the prevention of a temporary privileged producer due to a pandemic of COVID-19 disease caused by the SARS-CoV-2 virus to acquire the status of a privileged producer within

2) introduction of new energy more efficient technology of electricity production in relation to the technological solution in the construction permit on the basis of which they were valid on December 31, 2019 and acquired the status of a temporary privileged producer.

In the case referred to in paragraph 5 of this Article, the request for extension of the status of temporary privileged producer shall be submitted no later than 30 days before its expiration.

In case the status of a temporary privileged producer is extended on the basis of this Law in accordance with paragraph 5 of this Article, the incentive period lasts eight years.

#### **Article 156**

Bylaws and technical regulations adopted based on the Law on Efficient Use of Energy ("Official Gazette of RS" Number 25/13), shall be enacted after the entry into force of this Law if they are not in conflict with the provisions of this Law.

Regulations for the implementation of this Law from Art. 7-9, Art. 15 - 16, Article 21, Art. 23-24, Art. 26-27, Article 30, Article 36, Art. 37-40, Article 47, Article 51, Art. 54-55. Article 57, Article 60, Art. 62-63, Art. 65-67, Article 74, Article 81, Article 84, Article 91, Art. 94-95, Art. 97-99, Article 101, and Art. 108-110 of this Law shall be adopted within 18 months from the day this Law enters into force, except for the bylaws referred to in paragraph 1 of this Article.

Technical regulations referred to in Article 63 and Art. 65-66 of this law shall be enacted within 24 months from the date of entry into force of this Law.

The regulation for the implementation of this Law referred to in Article 75, paragraph 5 of this Law shall be adopted within six months from the day of the beginning of work of the Directorate.

#### **Article 157**

City municipalities will adopt energy efficiency programmes within one year from the day this law enters into force.

#### **Article 158**

From the day this law enters into force, it is considered that persons who have acquired the licence of energy manager in the field of municipal energy have a license in the field of public sector energy.

#### **Article 159**

Privileged producers who have acquired this status on the basis of a request submitted before the entry into force of this Law, are required to meet the obligations set by the Energy Law, regulations adopted on the basis thereof, as well as the following obligations determined by this Law:

- 1) that the power plant during operation shall not exceed the value of the approved power determined by the competent system operator;
- 2) shall use reactive energy in accordance with the law governing the field of energy, rules on the operation of the transmission, distribution, or closed distribution system;
- 3) shall comply with all regulations in the field of environment

#### **Article 160**

The Agency shall adopt the Methodology referred to in Article 91, paragraph 1 of this Law within six months from the day this Law enters into force.

The Agency shall adopt the Methodology referred to in Article 98, paragraph 2 of this Law within six months from the day this Law enters into force.

The Ministry shall publish on its website the maximum amount of market premium, or the maximum feed-in tariff no later than one month from the day of adoption of the Methodology referred to in Article 91, paragraph 1 and Article 98, paragraph 2 of this Law.

#### **Article 161**

The Chamber of Commerce and Industry of Serbia shall develop and publish on its website an electronic platform for keeping the Public register and acts referred to in Article 44 of this Law within 9 months from the day this Law enters into force.

#### **Article 162**

Article 9, paragraph 4, Article 14, paragraph 2 and Article 53, paragraph 7 of this Law shall apply after the expiration of six months from the date of entry into force of the bylaw referred to in Article 14, paragraph 6 of this Law.

Article 35, paragraph 1 of this Law shall apply from 1 January 2025.

Article 38 of this Law shall apply from January 1, 2025.

The obligation to install metering devices for connections of final customers to the electricity network of voltage up to 1 kV and for connections of final customers to the natural gas network with a maximum capacity of 10 m<sup>3</sup>/h and less, referred to in Article 49, paragraph 1 of this Law, shall apply from January 1, 2023.

Article 51, paragraph 5 of this Law shall apply from January 1, 2027.

Article 61 of this Law shall apply after the expiration of six months from the day this Law enters into force.

#### **Article 163**

The analysis of potentials referred to in Article 117 of this Law shall be made no later than 24 months from the day this Law enters into force.

#### **Article 164**

The Directorate will start working within 12 months from the date of entry into force of this law.

The activities of the Ministry on the implementation of contracts financed by the Budget Fund shall be taken over by the Administration on the day of its establishment.

#### **Article 165**

Provisions that contain the term "market of the Republic of Serbia", after the accession of the Republic of Serbia to the European Union, will be interpreted as containing the term "market of the European Union".

#### **Article 166**

The provisions of Art. 118 - 125 of this Law shall apply from the day of development of the software solution that supports this system.

#### **Article 167**

On the day of entry into force, the Law on Efficient Use of Energy ("Official Gazette of RS" Number 25/13) shall cease to have effect, except for:

- 1) the provision of Art. 7-9 relating to the Energy Efficiency Action Plan of the Republic of Serbia which will have effect until December 31, 2021;
- 2) the provisions of Art. 59 - 62, which refer to the Budget Fund for the Improvement of Energy Efficiency valid until the beginning of the Directorate's work.

#### **Article 168**

This Law shall enter into force on the eighth day from the day of its publication in the "Official Gazette of the Republic of Serbia".