

Pursuant to Article 56, Paragraph 9 of the Energy Law (“Official Gazette RS”, No. 57/11, 80/11 – corrigendum, 93/12 and 124/12) and Article 42, Paragraph 1 of the Government Law (“Official Gazette RS”, No. 55/05, 71/05 – corrigendum, 101/07, 65/08, 16/11, 68/12 and 72/12),

The Government of the Republic of Serbia passes a

## DECREE

### ON CONDITIONS AND PROCEDURE FOR ACQUIRING THE STATUS OF PRIVILEGED POWER PRODUCER

#### I THE DECREE SCOPE

##### Article 1

This Decree shall specify conditions and procedure for acquiring the status of privileged power producer, content of the request for acquiring the status of privileged power producer, evidence of eligibility for acquiring the status of privileged power producer, minimum primary energy efficiency level in co-generation power plants depending on type of primary fuel and installed power, maximum total installed power for wind and solar power plants which may acquire the status of privileged producer i.e. temporary status of privileged power producer, obligations of privileged power producers and methods of monitoring and control, as well as methods of keeping the Privileged Power Producers Registry.

##### Article 2

Certain terms used herein that have not been defined by the Energy Law have following meanings:

1) Renewable energy sources are energy sources that are found in nature and are renewable in whole or in part, such as water resources, wind, solar energy, biomass, biomass of animal origin, geothermal energy, biofuels, biogas, synthetic gas, landfill gas, gas from plants for treatment of sewage water and wastewater from food processing and wood-processing industries that do not contain hazardous materials;

2) Hydro power plants using existing infrastructure are hydro power plants using an existing dam or hydro power plants constructed on pipelines of plants for treatment of drinking water as well as existing hydro power plants which had been reconstructed;

3) Biomass power plants are power plants using biodegradable waste materials from agricultural production processes, forestry and households, including: plants and plant matter, plant remains from agricultural production (straw, corn stalks, branches, seeds, shells), manure from farms, by products of forest management activities (wood remains), biodegradable residues from food processing and wood industry which do not contain either hazardous substances or separated biodegradable fraction of municipal waste water;

4) Biogas power plants are power plants with one or more aggregator using gas from its facilities (reactors) formed by anaerobic process from biomass other than biomass of animal origin;

5) Power plants fired by biogas from waste of animal origin are power plants using gas from the plants for treatment of by-products of animal origin (materials of categories 2 and 3 – carcasses and parts of carcasses, products and food of animal origin not intended for human consumption), according to regulations on treatment of animal by-products and other regulations considering the field of veterinary medicine;

6) Landfill gas power plants are power plants using gas from public dumps;

7) Sewage gas power plants are power plants using gas formed by anaerobic processes in the plants for treatment of municipal waste water;

8) Roof-mounted solar radiation power plants are power plants using solar energy which are constructed on top of a building, where only one power plant can be constructed on one building;

9) Ground-mounted solar radiation power plants constructed on the ground are power plants using solar energy constructed on the ground;

10) Waste fired power plants are power plants using each type of substance or objects listed as a waste (Q List) that had been or were intended to be discarded by the owner or that the owner is obliged to discard according to regulations that define methods of use of waste for energy production and respecting waste management hierarchy;

11) Co-generation power plants (combined heat and power plants) are power plants which co-generate heat and power during their production process using fossil fuels (coal or natural gas), waste gas with organic fraction or fossil fuels combined with a renewable energy source, waste or waste gas with organic fraction;

12) Primary fuel is related to basic fuel and auxiliary fuel used in the electricity generation process or for combined generation;

13) The calorific value of consumed primary fuel is sum of products of consumed amounts of basic and auxiliary fuel and their average low calorific values.

14) Total efficiency level of a co-generation power plant is ratio between total net generated energy (heat and power) and calorific value of consumed primary fuel which is calculated by the following formula:

$$\eta = \frac{E_{kor}}{E_{pr}} * 100[\%]$$

where:

$\eta$  [%] –total efficiency level,

$E_{kor}$  [MJ] = 3600 \* E + T – total annual generated energy,

E [MWh] – total annual generated electricity,

T [MJ] – total annual generated heat,

$E_{pr}$  [MJ] – calorific value of consumed primary fuel.

## II CONDITIONS OF ACQUIRING STATUS OF PRIVILEGED POWER PRODUCER

### Article 3

Privileged power producer status may be acquired by legal entities or entrepreneurs which are engaged in activities of power production in following types of power plants:

- 1) hydro power plant with installed power up to 30 MW;
- 2) hydro power plant using existing infrastructure with installed power up to 30 MW;
- 3) biomass fired power plant;
- 4) biogas fired power plant;
- 5) power plant fired by biogas from waste of animal origin;
- 6) landfill and sewage gas power plant;
- 7) wind power plant;
- 8) solar power plant (solar radiation power plant);
- 9) geothermal power plant;
- 10) waste fired power plant;
- 11) coal fired co-generation power plant on condition that its total annual efficiency level exceeds adequate value given in Table 1.

Table 1 – Minimal total annual efficiency level of coal fired co-generation power plant

Installed power (MWe)	Share of fossil fuel in calorific value of total consumed fuel (%)			
	(20-40)%	(40-60)%	(60-80)%	(80-100)%
up to 10	65%	70%	75%	80%

- 12) co-generation power plant using natural gas or waste gas with organic fraction on condition that its total annual efficiency level exceeds 85%.

### Article 4

In power plant under Article 3, Section 3) of this Decree, annual calorific value of primary fuel i.e. biomass must be at least 80% of total annual calorific value of consumed fuel.

In power plants under Article 3, Section 4), 5), 6), 9) and 10) of this Decree, calorific value of primary fuel i.e. used renewable energy source must be at least 90% of total annual calorific value of consumed fuel.

In power plants under Section 1) and 2) of this Article fossil fuel, waste gas with organic fraction or other renewable energy source can be used as an auxiliary fuel.

### Article 5

Maximum total installed power of the power plants under Article 3, Section 7) of this Decree which can acquire temporary status of privileged power producer is limited to 500 MW.

Maximum total installed power of the power plants under Article 3, Section 7) of this Decree which can acquire status of privileged power producer is limited to 300 MW until the end of 2015 and to 500 MW until the end of the year 2020.

#### Article 6

Maximum total installed power of the power plants under Article 3, Section 8) of this Decree which can acquire status of privileged power producer or temporary status of privileged power producer is limited to 10 MW as follows:

- 2 MW for roof-mounted solar radiation power plants with individual capacity of 30 kW;
- 2 MW for roof-mounted solar radiation power plants with individual capacity from 30 kW to 500 kW
- 6 MW for ground-mounted solar radiation power plants.

Due to dynamic changes of investment costs for solar power plants, maximum total installed power of the power plants under Paragraph 1 of this Article is re-established annually.

#### Article 7

Status of privileged power producer or temporary status of privileged power producer can be acquired for the power plants under Article 3, Section 7) and 8) of this Decree on condition that available capacity in terms of Article 56, Paragraph 2 of the Energy Law on the day of request submitting is higher or equal to the installed power of the power plant in the request.

If the condition under Paragraph 1 of this Article is not fulfilled, status of privileged power producer or temporary status of privileged power producer may be issued only for a part of the installed power that is equal to the available capacity.

#### Article 8

The producer which conducts the activities of power production in more than one power plant defined in Article 3 of this decree submits the request for acquiring status of privileged power producer for each of such power plants separately.

#### Article 9

The producer which conducts the activities of power production in a power plant which contains of more than one different production units may acquire status of privileged power producer only related to production units that meet the requirements prescribed by the Energy Law and this Decree.

At the point of connection of the production unit under Paragraph 1 of this Article to the Transmission or Distribution System special electricity metering devices must be installed in accordance with the Energy Law and Grid Code of Transmission or Distribution System.

Production unit described under Paragraph 1 of this Article must have installed metering devices and marked metering points for metering total produced heat, return flow heat and primary energy consumption.

### III REQUEST FOR ACQUIRING OF TEMPORARY STATUS OF PRIVILEGED POWER PRODUCER AND STATUS OF PRIVILEGED POWER PRODUCER

#### Article 10

Person who have obtained the construction permit for wind or solar power plant may acquire temporary status of privileged power producer provided that conditions determined by the Energy Law and this Decree are fulfilled.

Request for acquiring temporary status of privileged power producer should be submitted to the Ministry on the Form O-1- Request for issuance of a decision on acquiring temporary status of privileged power producer, which has been included in this Decree.

Along with the request under Paragraph 2 of this Article, the applicant should provide the following evidence:

- 1) valid construction permit;
- 2) technical documentation which is a part of the decision on construction permit which contains financial analyses of the project i.e. the investment value;
- 3) verification of deposit or a bank guarantee which amounts 2% of the investment value.

#### Article 11

Request for acquiring status of privileged power producer should be submitted to the Ministry on the Form O-2 - Request for issuance of a decision on acquiring status of privileged power producer which is included in this Decree.

Along with the request under Paragraph 2 of this Article, the applicant should provide the following evidence:

- 1) copy of energy licence if the capacity of the facility is equal or higher than 1 MW;
- 2) copy of power production agreement between the licence owner and the applicant if the applicant does not own a licence under Section 1) of this Paragraph;
- 3) use permit for the power plant which is the subject of the request;
- 4) copy of official act on connection to the Transmission or Distribution System with written confirmation from the designated operator that the metering point of the power plant which is the subject of the request is installed according to the conditions prescribed by the Energy Law and this Decree;
- 5) copy of heat purchase agreement or written statement of the applicant that the produced heat is for the applicant's internal needs if the subject of the request is a co-generation power plant,
- 6) copy of detailed design segment which contains calculation of efficiency level of the power plant if the subject of the request is a co-generation power plant,
- 7) data on the person in charge of the power plant (name, title, telephone number, fax number, e-mail address).

## IV OBLIGATIONS OF PRIVILEGED POWER PRODUCER AND THE METHODS OF MONITORING AND CONTROL

### Article 12

Privileged power producer which conducts the activities of power production in a power plant defined under Article 3, Section 3), 4), 5), 6), 9), 10), 11) or 12) of this decree is obliged to keep a record of the primary fuel consumption (basic and auxiliary fuel) that contains data on amount and on average lower calorific value of consumed fuel.

### Article 13

Accuracy of records defined under Article 12 of this Decree shall be proved by:

1. copies of invoices for the purchased fuel along with a documentation which regularly comes with fuel, except in case that the power plant uses fuel from a fuel production facility owned by the same person, when it shall be proved by values of consumed amounts of each fuel registered by the installed and sealed metering devices for continuous monitoring of consumption of each type of fuel that had not been purchased;
2. results of analysing lower calorific value of the representative sample for each fuel purchase performed by the accredited institutions, except in case that the power plant uses fuel from a fuel production facility owned by the same person, when it shall be proved by results of analysing representative samples of each fuel type performed every third month.

In case of using forest biomass as a basic or auxiliary fuel, evidence defined under Paragraph 1 of this Article shall be considered valid only if they prove that the purchased forest biomass origins from forests managed in accordance with forestry regulations i.e. that it is not a product of illegal felling.

### Article 14

Privileged power producer is obliged to notify the Ministry in writing in case of any changes of data submitted on the Form O-2 Section 2. "General data on the power plant which is used for power production by the privileged producer", as well as of any planned changes in technology process, type of primary fuel or any other power plant characteristics related to acquiring status of privileged power producer according to the Energy Law and this Decree, at least 30 days prior to beginning of works on the facility.

### Article 15

The Ministry controls the accuracy of the data submitted in the Requests for acquiring status of privileged power producer, accuracy of records defined under Article 12 of this Decree and monitor the maintenance of conditions given in Decision on acquiring status of privileged power producer through the designated inspection authorities.

The designated inspection authorities of other ministries shall monitor the operation of power plants under their jurisdiction and inform the Ministry of the monitoring results.

In case the record defined under Article 12 of this decree is inaccurate or incomplete, the designated inspector may request additional records and elimination of defects within adequate period of time.

If the designated inspector under Paragraph 3 of this article finds that the information submitted within the Request for acquiring status of privileged power producer are inaccurate or the conditions defined in the Decision on acquiring status of privileged power producer had not been fulfilled during plant operation, the designated inspector is obliged to submit a substantiated recommendation of termination of decision on acquiring status of privileged power producer to the Ministry, unless the privileged producer provides the evidence defined under Article 12 of this Decree i.e. unless the noted defects are eliminated within the specified period of time.

## V PRIVILEGED POWER PRODUCERS REGISTRY

### ARTICLE 16

The Ministry keeps a Register of privileged power producers which include the following records:

1. ID number, name, address and the category of a privileged producer (legal entity or an entrepreneur);
2. General data on the power plant which is used for power production by the privileged producer:
  - 2.1 Name and location of the power plant;
  - 2.2 General technical data:
    - 2.2.1 Type of power plant;
    - 2.2.2 Basic and auxiliary fuel;
    - 2.2.3 Number of production units with installed capacities (separately entered) and total installed power of the power plant (in case of co-generation power plant it is also necessary to provide data on total installed heat capacity);
    - 2.2.4 Date of connection to the Network;
    - 2.2.5 Year of expected end of power plant's life time;
    - 2.2.6 Rated voltage of the Network to which the power plant is connected;
    - 2.2.7 Expected annual power production;
    - 2.2.8 For co-generation power plants: envisaged share of biomass in primary energy and total envisaged efficiency level
  - 2.3 The person in charge of power plant operation;
  - 2.4 Number, date of issuance and date of cessation of validity of Decision on acquiring status of privileged power producer including Decision on acquiring temporary status of privileged power producer if it had been issued.

The Register of privileged power producers also contains records on persons which had acquired status of privileged power producer as well as on privileged power producers which had been deprived of the status according to Article 61 of the Energy Law and this Decree.

#### Article 17

Records contained in the Register of the privileged power producers are public.

The Ministry is obliged to make the Register of the privileged power producers available to the public on the web site of the Ministry, at least six months from entering into force of this Decree.

The Ministry is obliged to update the records in the Registry defined under Paragraph 2 of this Article at least once in three months and to make date of the last update available to the public.

The Ministry is obliged to provide each interested person the access to the Register of the privileged power producers and to issue an excerpt from the Register of the privileged power producers within eight days from the day of submitting the request.

Costs of issuance of the excerpt from the Register of the privileged power producers shall be charged in accordance with the law that regulates republic administrative fees.

### VI TRANSITORY AND FINAL PROVISIONS

#### Article 18

By entering into force of this Decree the Decree on conditions for acquiring the status of privileged power producer and criteria for eligibility assessment (“RS Official Gazette”, No. 72/09) ceases to be valid.

#### Article 19

This Decree shall enter into force on the eighth day after the day of publication in the “Official Gazette of the Republic of Serbia”.

05 Number:  
In Belgrade,

GOVERNMENT

PRESIDENT