

New Energy Law should enable Serbia to reach the highest degree in the EU accession process within the energy sector so far.

By the adoption of this Law, all the measures from the EU Third Energy Package within the field of gas and electric power sector [were] fully applied, whereas renewable energy resources [were] encompassed by this package only indirectly due to the changes in the manner of functioning of the electric power sector, the Minister of Mining and Energy Aleksandar Antić said earlier.

The new Energy Law [brought] more precise and better-regulated administrative procedures, whereas the observed deficiencies concerning the issuance of energy licenses and the gaining of the status of privileged electricity producers [would] be eliminated simultaneously, Antić pointed out.

The adoption of the new Energy Law is in accordance with a series of activities that Serbia has been undertaking with the aim of adapting to and harmonizing with the EU acquis within the energy sector, it is stated in the explanation of this law.

The energy sector reform, as it is pointed out, has a direct and significant impact on the general economic development, the state and the possibilities of investment activity, the quality increase and the creation of a market economy fit to join the single market of the European Union.

The new Energy Law is adopted so as to solve the issue of undertaking the EU obligations and regulations, as well as of solving the problems found in practice in a comprehensive and efficient way, it is stated in the explanation of the draft law.

In this, as well as in the previous Energy Law, the category of the vulnerable electricity and gas consumer is envisaged, this buyer exercising his/her right to a certain amount of electricity, i.e. natural gas, for which his/her monthly payment obligation is reduced, in accordance with the enactment adopted by the Government and by which the criteria and the procedure for exercising this right are prescribed among other.

The suggested legal solutions, as it is emphasized, have a positive effect on the increase in the number of energy entities on the electricity and gas market which will lead to a higher competition and a more successful functioning of the market which will be opened as of 1st January 2015.

Thereby, the possibility is created for new energy entities, primarily suppliers, to appear on the market, which will stimulate the market competition, and enable buyers to choose a supplier freely, depending on the offered conditions.

According to the data of the Energy Agency, currently, there are more than 80 licensed electricity suppliers and 33 natural gas suppliers. Considering that the new law provides the basis for foreign legal entities to also be licensed for performing the activity of wholesale electricity supply, even more foreign energy companies are expected to appear, these companies being engaged in wholesale electricity supply on the Serbian market.

The buyers' right to choose a supplier freely will enable the buyer to choose a supplier offering the most favourable conditions i.e. a more favourable supply price.

By this Law, the objectives of the energy policy and the manner of its achievement are regulated, as well as the conditions for a reliable, secure and quality delivery of energy and energy products and the conditions for a secure buyer supply, the energy and energy products buyer protection, the conditions for and the manner of performing energy activities, the conditions for building new energy facilities, the status and scope of activity of the Energy Agency of Serbia, the use of renewable energy resources, the incentive measures...

The proposed solutions specify the administrative procedure to a large extent, thereby creating the conditions for investing in energy facilities using renewable energy resources. The proposed solution that is particularly significant is that the temporary status of a privileged supplier which can be gained by all investors, before gaining the status of a privileged electricity producer, thereby increasing the investment security.

By enabling physical entities to gain the status of a privileged electricity producer in the power plants with the installed capacity of up to 30 kilowatts, the conditions will be created for higher investments in these power plants and for opening a larger number of new workplaces.

Within the sphere of renewable energy resources, considering the obligation to reach the obligatory participation of renewable resources amounting to 27 percent in the gross final electricity consumption by 2020, from the today's 21.2 percent, certain improvements in the procedures for this sphere have been made by the new law, these improvements envisaging investor incentives.

In addition to the temporary status, the status of a privileged electricity producer, the status of a producer from renewable resources is also introduced, thereby creating the precondition for all electricity producers using renewable resources to obtain the guarantees of origin.

A single model of power purchase agreement with a suspensive condition has been introduced instead of the previous three agreements. The investor planning to use renewable energy resources for producing electricity will have all the conditions and incentive measures in the trial phase, and after gaining the status of a privileged producer, defined before the beginning of construction, it is said in the statement.

The privileged producer status, the temporary privileged producer status and the status of a producer from renewable resources may also be gained by a physical entity producing electricity from renewable resources for only one power plant of installed capacity up to 30 kilowatts.

The investors building power plants from renewable energy resources with the installed capacity up to 100 kilowatts are not obliged to provide a financial assurance instrument

when gaining the temporary status.

By this law, the standards for solving issues in practice are prescribed in more detail, such as the takeover of measuring and distribution cabinets and measuring devices, the quality monitoring of delivered electricity and gas, the issue of jeopardizing electric power facilities by constructing other works in the direct vicinity of electric power facilities, as well as the issue of unauthorized electricity consumption and the monitoring of oil derivatives flows and the suppression of the oil derivatives black market.

By the new draft energy law, the suppression of oil derivatives black market is continued by introducing the obligation to obtain the approval for supplying one's own transportation vehicles at one's own stations for supplying transportation vehicles, as well as for storing oil, oil derivatives and biofuels for one's own needs.

As it is pointed out, it is necessary that this law be adopted by emergency procedure, because Serbia has undertaken the obligation to implement the Third Energy Package directives into its legal system by 1st January 2015, as well as that the electricity and natural gas market should become fully opened so that all electricity and natural gas buyers, also including households, could have the right to choose a supplier freely as of 1st January 2015.

All the regulations necessary for the enforcement of this law will be adopted within one year after the date when this law came into force, which also refers to the change in the methodology for determining the electricity price for guaranteed supply.