

In pursuance of Article 81 paragraph 4 of the Law on Energy ("Official Gazette of Montenegro", No. 28/10 and 6/13), the Government of Montenegro adopted

## **DECREE ON ACQUIRING THE STATUS AND ACCOMPLISHING ENTITLEMENTS OF THE PRIVILEGED PRODUCERS OF ELECTRICITY**

("Official Gazette of Montenegro", No. 37/11 and 28/14)

### **Article 1**

The purpose of this Decree is to regulate the method and procedure necessary for acquiring the status and accomplishing entitlements of the privileged producer of electricity.

### **The status of a privileged producer**

#### **Article 2**

A legal entity that meets conditions prescribed under Article 78 paragraph 1 of the Law on Energy (hereinafter referred to as: Law) may acquire the status of the privileged producer for the plants that:

- not older than three years or which have been reconstructed to produce additional electricity in the quantity of minimum 10% of the average annual electricity production during the past five years prior to the plant reconstruction;
- are classified under Group O.1., except plants defined under sub-group O.1.4. subsection O.1.4.2.; Group O.2., except plants defined under sub-group O.2.4.; wind farms defined under Group O.3.; Group K.1. and Group K.2. in compliance with regulation prescribing types and classification of plants for electricity production from renewable energy sources and high efficiency cogeneration.

The status of the privileged producers for plants defined under paragraph 1 of this Article for solid biomass, solid waste, waste gas, as well as biogas, can be acquired by the energy entity using resources from the territory of Montenegro, as measures for protection of nature and environment prescribed under Article 78 paragraph 1 subsection 2 of the Law.

The status of the privileged electricity producer is acquired per plant.

### **Electricity measurement**

#### **Article 3**

The energy entity holding the status of the privileged electricity producer for the high-efficiency cogeneration plant is obligated to measure the total electricity produced at the plant, the total heat produced, the heat produced outside the plant, the reversible heat and consumption of primary energy at the plant.

## **The procedure for acquiring the status of privileged producer**

### **Article 4**

The procedure for acquiring the status of the privileged producer of electricity is initiated upon submission of the application.

The application defined under paragraph 1 of this Article shall particularly contain the following:

- 1) name and seat, that is name and address of the applicant (tax identification number PIB and single identification number);
- 2) data regarding type and classification of the plants;
- 3) information regarding the site (cadastral parcels and cadastral municipality) and
- 4) description of technical-technological characteristics of the plant and terms for plant utilization.

The following documents are attached to the application defined under paragraph 1 of this Article:

- 1) energy licence or contract on concession, or lease of the land;
- 2) use permit for energy plant;
- 3) contract on connection of the plant with the distribution or transmission system;
- 4) scheme of gauging places with the data on installed measurement devices and measurement method used and
- 5) electricity production plan at the annual level with the monthly production dynamics at the plant for use of renewable energy sources, that is annual electricity and useful heat production plan with the monthly dynamics for the high-efficiency cogeneration plants, at the average meteorological conditions.

## **Decision on acquiring the status of privileged producer**

### **Article 5**

The status of the privileged electricity producer is acquired following fulfillment of stipulated criteria on grounds of the decisions issued by the Energy Regulatory Agency (hereinafter referred to as: Agency).

### **Submission of decision**

#### **Article 6**

A copy of decision referred to in Article 5 of this Decree is submitted to the state administration body authorized for energy-related affairs (hereinafter referred to as: Ministry), the market operator, transmission system operator and distribution system operator within 15 days following enactment of decisions.

## **The responsibilities of the privileged producer**

### Article 7

The annual report referred to in Article 80 paragraph 1 subsection 1 of the Law on Privileged Producers is submitted to the Agency at latest until 15 February of the current year for the previous year.

The privileged producer shall submit the annual production plan referred to in Article 80 paragraph 1 subsection 2 of the Law to the system operator and market operator until at latest 15 November of the current for the next year.

The privileged producer shall submit the monthly production plan referred to in Article 80 paragraph 1 subsection 2 of the Law to the system operator and market operator until at latest 20<sup>th</sup> day of the current month for the next month.

## **Energy sale at the market**

### Article 8

The privileged producer is entitled to incentive price referred to in Article 79 paragraph 1 subsection 1 of the Law.

The privileged producer who is selling the produced electricity at the market is obligated to initiate sale on the first, and end it of the last day of the month during which the sale of electricity is taking place.

During the period of the electricity sale at the market referred to in paragraph 2 of this Article, the privileged producer is not entitled to incentive electricity price and hence is obligated to pay systematic services to the system operator under terms and conditions prescribed for other producers.

The time of sale of electricity at the market referred to in paragraph 2 of this Article is calculated in the period of validity of the status of privileged producer.

## **Notification regarding sale of electricity at the market**

### Article 9

The privileged producer is obligated to notify the system operator, the market operator, the Agency and the Ministry about the beginning, and end of electricity sale at the market referred to in Article 8 of this Decree 30 days prior to commencement, that is completion of the electricity sale at latest.

## **Concluding provisions**

### Article 10

This Decree shall enter into force on the eight day following its publication in the "Official Gazette of Montenegro".