

Based on the Article 63 premise 5 of the Energy Law („Official Gazette of Montenegro“, no. 28/10), the Ministry of Economy adopted

**RULEBOOK
ON CRITERIA FOR ISSUANCE OF ENERGY LICENCE, CONTENT OF A REQUEST AND
REGISTRY OF ENERGY LICENCES***

(“Official Gazette of Montenegro”, no. 49/10 and 38/13)

Subject

Article 1

This rulebook closely defines the criteria for issuance of an energy license, content of a request and registry for energy licenses.

Objects for Which the Energy License can be Issued

Article 2

An energy license can be issued for construction and reconstruction of facilities, in accordance with Article 61 premise 2 of the Energy Law (hereafter: the Law) as well as for the facilities for simultaneous generation of electrical energy and heat (co-generation) and oil pipelines and petroleum product pipelines.

Issuance of an Energy License Based on the Energy Potential of a Site

Article 3

An energy license for construction of facilities for generation of electrical energy from Article 61 premise 2 point 1 of the Law that uses government owned resource or government owned land taking into account the Strategy for Energy Development in Montenegro until 2025 (hereafter: the Strategy) can be issued only for sites that have gross energy potential less than 15 GWh.

Annual gross energy potential of the watercourse is determined by the flow its spring to the mouth”.

An energy license for construction of small hydro power plant with installed capacity up to 1 MW can be issued for watercourse that has a local importance in accordance with a law that regulates water.

Criteria for Issuance of Energy License

Article 4

An energy license for construction of facilities for energy generation from Article 61 premise 2 point 1 of the Law is issued if the conditions from criteria defined by the Article 62 premise 3 of the Law are fulfilled. These conditions are related to:

1. safe and uninterrupted operation of energy facilities system;
2. defining the location and use of the land;
3. environmental protection;
4. measures of protection of people’s health and safety of people and assets;
5. level of energy efficiency of the facility;
6. use of primary energy sources;
7. technical accomplishment and financial ability of the applicant to realize the construction of energy facility;
8. contribution to decrease of CO₂ emissions and
9. contribution to fulfilling the national target for use of RES.

An energy license for construction or reconstruction of facilities for storage of petroleum, storage space for oil products above 50 tons and oil pipelines and petroleum product pipelines is issued if the conditions from premise 1 point 2, 3, 4, and 7 of this article are satisfied.

An energy license for construction and reconstruction of facilities for transmission or distribution of natural gas, storage of natural gas or liquid natural gas is issued if the conditions from premise 1 point 1, 2, 3, 4, 6, and 7 of this article are satisfied.

An energy license for construction or reconstruction of facilities for heat generation used for heating and/or cooling or industrial use or distribution of heat for central heating and/or cooling or industrial use is issued if the conditions from premise 1 point 2, 3, 4, 5, 6, 7, and 8 of this article are satisfied, and in case that these facilities use RES as primary source in addition the condition from premise 1 point 9 of this article needs to be satisfied.

Safe and Uninterrupted Operation of Energy Facilities' System

Article 5

Technical and technological design has to account for application of standard and technical regulations that define the conditions and measures for safety of buildings, facilities and equipment in designing, construction and use of energy facilities.

Technical and technological design has to account for the ways to connect the facility from article 2 of this Regulation to the existent transmission, transporting, or distribution system in order to obtain functional interconnection of the system, in the case the facility is expected to connect to transmission, transporting or distribution system.

Technical design from premise 2 of this article has to be followed with an opinion from transmission or distribution system operator (depending on the voltage level and installed capacity of energy facility) on possibilities of connection of the planned facility to the electrical energy system.

Location of an Energy Facility

Article 6

Request for issuance of an energy license can be submitted only for a site that satisfies natural and other relevant conditions for construction of energy facility.

Along with the Request for issuance of an energy license for site from premise 1 of this article, an opinion from municipal authorities on imbedding of the potential energy facility in the concept of spatial use has to be submitted

Environmental Protection

Article 7

Technical and technological design has to include an analysis of impact on environment (climate, land, water, air, flora and fauna) and on cultural and historical goods with criteria for environmental protection, nature protection and protection of cultural and historical goods.

Technical and technological design must be in full compliance with the requirements of environmental protection issued by the competent authority

Measures of Protection of Health of People and Security of People and Property

Article 8

Technical and technological design of energy facility has to account for:

1. ways to avoid damaging effects of energy facility on people's health;
2. measures of fire protection;
3. measures of protection from explosions, breakdowns and similar accidents that are used for protection of people and property.

Level of Energy Efficiency of the Facility

Article 9

Technical and technological design of energy facility has to account for the optimal level of energy efficiency of the equipment needed for the operation of energy facility, as well as for the optimal level of energy efficiency of the whole energy facility.

Use of Primary Energy Sources

Article 10

Technical and technological design of energy facility has to account for conditions and ways of rational use of primary energy sources (by type and used amount) during the exploitation of energy facility.

The proposed technical and technological design contains an analysis of energy production and analysis of economic viability.

The proposed technical and technological design for the construction of hydro power plants, in addition to elements from paragraphs 1 and 2 of this Article shall contain:

- 1) an overview of all relevant data for the design of facilities (hydrological, geodetic, geotechnical, etc.);
- 2) layout for the optimization of operating performances of the hydro power plant
- 3) development of construction, mechanical and electro-mechanical parts of the project.

Technical and Financial Capability of the Requester

Article 11

Technical capability of the requester is evaluated based on submitted proves of ownership of technical equipment, specifically the equipment that will be used for construction of energy facility for which the request is being submitted, as well as on experience in designing and/or operation of energy facilities.

Financial capability of the requester is evaluated based on submitted proves of means of acquiring financial assets needed for construction or reconstruction of energy facility (bank statement proving that they will finance the construction of the energy facility, own finances, credit or similar).

Requester for an energy license for energy generation facility of installed capacity up to 1 MW, and which is registered with Central register of the Trade Court, can prove their technical capacity from premise 1 of this article by submitting specification of the equipment that will be used for construction of the energy facility for which the request is submitted.

Contribution to Decrease of CO₂ Emissions

Article 12

Technical-technologic design of an energy facility includes the calculation for decrease or increase of CO₂ emissions by the construction of the planned energy facility.

Contribution to Fulfillment of National Target for Use of RES

Article 13

An energy license is issued for construction or reconstruction of an energy facility that uses renewable energy sources and that contributes to the fulfillment of the national target for RES.

Request for Issuance of an Energy License

Article 14

Request for issuance of an energy license is submitted on the following forms:

1. Form 0-1A – Request for issuance of an energy license for construction of an energy facility for generation of electrical energy of installed capacity up to 1 MW;
2. Form 0-2A – Request for issuance of an energy license for construction of energy facility used for storage of petroleum and storage space for oil products above 50 tons in weight;
3. Form 0-2B – Request for issuance of an energy license for construction of oil pipelines and petroleum product pipelines;
4. Form 0-3A – Request for issuance of an energy license for construction of facilities for transmission and distribution of natural gas;
5. Form 0-3B – Request for issuance of an energy license for construction of facilities use for storage of natural gas or storage of natural liquid gas;
6. Form 0-4A – Request for issuance of an energy license for construction of facilities for generation of heat for central heating and/or cooling or industrial use;
7. Form 0-4B – Request for issuance of an energy license for construction of facilities for distribution of heat for central heating and/or cooling or industrial use.

Forms from premise 1 of this article are printed along with this rulebook and are its integral part.

Documentation Needed for Facilities for Generation of Electricity

Article 15

Along with the request for the issuance of an energy license for construction or reconstruction of a facility for generation of electricity, depending on the type and the purpose of the facility, including facilities for simultaneous generation of electricity and heat (cogeneration), the requester shall submit:

- 1) conceptual design (technical and technological design) for the construction or reconstruction of the energy generation facility in accordance with the law;
- 2) the report of a legal person on measurements and research of renewable energy potentials for the facility that uses renewable energy source;
- 3) information about a site where the energy facility should be constructed and excerpt from the real estate cadastre;
- 4) an opinion of TSO or DSO (depending on the voltage levels and installed capacity of an energy facility) about the possibilities and conditions for connecting the planned facility to the power system;
- 5) an opinion of the competent municipal authorities about imbedding or the possibility of imbedding of the energy facility into the concept of spatial use (allocation of land);
- 6) an excerpt from the strategic assessment of the environmental impact of a local spatial plan, or other relevant act;
- 6a) environmental protection requirements issued by the competent administrative authority
- 7) a statement from the bank expressing its willingness to support the applicant in financing the construction of energy facility, which include the name and the type of energy facility for which the statement is given, location/site of an energy facility, planned installed capacity of the facility and the amount of investment required to build an energy facility, or evidence of secured/procured funds from its own resources;
- 8) proof that the requester meets the requirements of Article 11 of this Regulation.

If the request is submitted for a hydroelectric power plant, the applicant shall, in addition to the documentation referred to in paragraph 1 of this Article, submit a report on gross energy potential of the watercourse where the construction of hydro power plants is planned, made or verified by a government body in charge of monitoring and measurement of hydrological parameters

Documentation Needed for Other Facilities

Article 16

Along with the request for issuance of an energy license for facilities in Article 61 premise 2 points 2,3 and 4 of the Law and for oil pipelines and petroleum product pipelines, depending on the type and use, a requester submits the report on construction of energy facility for which the request is being submitted and that includes:

1. information about location/site where the energy facility shall be constructed;
2. information on type, capacity and energy efficiency of energy facility;
3. information on energy sources the energy facility shall use;
4. technical and technological design and means of use of facility;
5. information on planned funds for construction of energy facility and means of acquiring those funds;
6. planned deadline for finishing the construction and lifetime of energy facility;
7. analysis of possible effects on environment during the construction and exploitation of the energy object with suggested ways of environmental protection;
8. analysis of the market – means of acquiring, accepting and sell of energy resource or means of generation and sell of energy, depending on the type of energy facility;
9. information on conditions related to the break in the operation of energy facility.

Along with the report the following documentation needs to be submitted as well:

1. an opinion of TSO or DSO (depending on the voltage levels and installed capacity of an energy facility) about the possibilities and conditions for connecting the planned facility to the power system;
2. an opinion of the competent municipal authorities about imbedding or the possibility of imbedding of the energy facility into the concept of spatial use (allocation of land);
3. an excerpt from the strategic assessment of the environmental impact of a local spatial plan, or other relevant act;
4. a statement from the bank expressing its willingness to support the applicant in financing the construction of energy facility, which include the name and the type of energy facility for which the statement is given, location/site of an energy facility, planned installed capacity of the facility and the amount of investment required to build an energy facility, or evidence of secured/procured funds from its own resources;
5. proof that the requester meets the requirements of Article 11 of this Regulation.

Consortium Contract

Article 17

Along with the request for issuance of an energy permit, a consortium, as a requester, shall submit Consortium contract that closely defines:

1. solidary responsibility of all members of consortium for construction or reconstruction of an energy facility for that the request is submitted;
2. obligations of all members of consortium, as well as
3. specify a member of consortium which is authorized to accept obligations and be the carrier of the project for construction or reconstruction of the energy object in the name of consortium.

Publishing the Request

Article 18

Request for issuance of an energy license shall be published on the official website of ministry responsible for energy (hereafter: the Ministry) or relevant municipal authority at the latest 15 days from the day the complete request was submitted.

The website publication from premise 1 of this Article shall specify the means and place where suggestions and propositions related to the published request can be sent.

Deadline for the acceptance of suggestions and proposals from premise 2 of this Article can not be less than 15 days from the day when the request was published on the website.

Tender proposal

Article 18a

If two or more requests for issuing an energy license for construction of small hydro power plant with installed capacity up to 1 MW are to meet the criteria from Article 10 of this Rulebook, it shall be proposed to conduct a public tender in accordance with the law regulating concessions

The Registry of Energy Licenses

Article 19

Issued energy licenses are entered in the registry of energy license.

The registry from premise 1 of this Article shall include:

1. name and the main office, or name and address of the person to whom the energy license is issued, (tax identification number PIB and personal number);
2. number and date of issuance of an energy license or the date of its extension;
3. number and date of accepting the request for issuance of the energy license;
4. information about location of the energy facility (cadastral parcele number and cadastral municipality);
5. technical characteristics of the facility and
6. date of expiration of the energy license.

Article 20

This Rulebook becomes official on the eighth day from the publication in the “Official Gazette of Montenegro”.

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