

Pursuant to article 82 paragraph 1 clause 2 and article 91 paragraph 1 of the Constitution of Montenegro, the Parliament of Montenegro during its 24th electoral term, on the fifth sitting in the first regular parliamentary session in 2010, on the day of 22nd of April 2010, promulgated

## **LAW ON ENERGY EFFICIENCY**

### **I GENERAL PROVISIONS**

#### **Scope of Law**

##### **Article 1**

This Law shall govern the method for efficient use of energy, measures to improve energy efficiency and other issues important for energy efficiency.

This Law shall not apply to energy efficiency of the facilities for production, transmission and distribution of energy.

#### **Interpretation of Definitions**

##### **Article 2**

Definitions used in the present Law shall have the following meaning:

1. *"energy"* is commercially available electrical energy and energy-generating products, natural gas (including liquefied natural gas), liquefied petroleum gas, heating and cooling fuels (including district heating and cooling), coal, transportation fuels (excluding fuels for aviation and maritime vessels) and biomass;
2. *"energy efficiency"* is a ratio between the energy consumption and realized output from performance in services, goods or energy;
3. *"energy efficiency improvement"* is the increase in efficient use of energy in final consumption as a result of technological changes, changes in management or in behaviour of energy consumers;
4. *"energy savings"* is the reduction in energy consumption determined by measuring and estimating consumption before and after implementation of one or more measures for improving energy efficiency, whilst ensuring adjustment to external conditions that affect energy consumption;
5. *"energy management"* is monitoring and analysis of energy consumption, performing energy audits, energy certification of buildings, implementation of energy efficiency measures, establishment and management of the energy efficiency information system;
6. *"Energy Service Company (hereinafter referred to as: ESCO)"* is a legal person that delivers energy services with the purpose of improving energy efficiency in a user's facility or premises, and accepts some degree of financial risk, from the aspect of the payment of the services based on the achievement of energy efficiency improvements;
7. *"energy performance contract"* is a contractual agreement for provision of energy services between beneficiary and, usually, an ESCO, according to which the implementation of measures is paid relative to a contractually agreed level of energy efficiency improvement;
8. *"third party financing"* is a contractual arrangement involving a third party (ESCO or another legal entity) in addition to the energy supplier and the beneficiary of the energy efficiency improvement measures, that provides financial resources for implementation of measures and

charges the beneficiary a fee equivalent to a part of the energy savings achieved as a result of the energy efficiency improvement measures;

9. "*energy audit*" is a procedure to determine the status of the energy consumption of built structures, identify energy efficiency measures and their cost-effectiveness;

10. "*energy entity*" is an enterprise, legal entity or entrepreneur performing activities of production, transmission, distribution or supply of energy;

11. "*final consumer*" is a natural or legal entity, big consumer, institution of the public administration or local authority, as well as any other institution or organization, that purchases energy for its own end-use;

12. "*energy-generating product distributor*" is an energy entity performing the activity of distribution (trade and transport) of energy-generating products to final consumers and to facilities for distribution of energy-generating products;

13. "*heat distributor*" is an energy entity performing distribution of heat for district heating and/or cooling;

14. "*distribution system operator*" is an energy entity performing distribution of electricity or natural gas;

15. "*energy supplier*" is an energy entity that sells electricity, gas (liquefied natural gas and liquefied petroleum gas) or heating to the end users;

16. "*big energy consumer*" is a final energy consumer, whose overall annual energy consumption exceeds the prescribed limits of energy consumption values;

17. "*building*" is a structure consisting of construction, installations, built-in equipment and premises where energy is used in accordance with the purpose of the building;

18. "*air-conditioning system*" is a system that provides humidity, temperature and air-quality control, in order to create desirable indoor comfort in the building;

19. "*heating boiler*" is a device wherein water is warmed by the heat energy released in the process of combustion of the energy-generating products or by transformation of electricity into the heat energy;

20. "*household appliances distributor*" is an retail seller or another legal or natural person that sells, leases or displays for sale household appliances to end users;

21. "*household appliances supplier*" is a manufacturer, its authorised representative registered in Montenegro, importer or another legal or natural person that places household appliances on Montenegrin market;

22. "*eco-design*" is a collection of requirements that an energy-using product must fulfil in relation to environmental protection, within the lifetime of the product;

23. "*household appliances*" means refrigerators and freezers, washing machines, driers, ovens, dishwashers, air-conditioning appliances, network-supplied electrical light sources, water heaters, boilers, and the like.

24. "*local self-government unit*" implies the Administrative Capital, the Historical Capital and municipalities;

25. "*small distribution system operator and small energy supplier*" shall signify a legal person that annually distributes or sells less than 75GWh or equivalent amount of energy, or employs fewer than 10 persons or with the annual revenues not greater than 2.000.000,00 EUR.

## **II ENERGY EFFICIENCY DOCUMENTS**

### **Documents**

#### **Article 3**

Energy efficiency documents shall include:

- Energy Efficiency Strategy;
- Energy Efficiency Action Plan;
- Annual operational plan for energy efficiency improvement in public administration institutions and
- Energy Efficiency Programmes and Plans of the Local Self-Government Units.

### **Energy Efficiency Strategy**

#### **Article 4**

Energy Efficiency Strategy (hereinafter referred to as: the Strategy) shall set forth the policy of energy efficiency, lay out activities on improving energy efficiency, particularly:

- An overall energy efficiency development concept;
- National indicative energy saving targets;
- Guidelines to achieve indicative targets and
- Institutions in charge and implementation timeframe of the specific activities.

The Government of Montenegro (hereinafter referred to as: the Government) shall adopt the Strategy for the period of 10 years.

### **Energy Efficiency Action Plan**

#### **Article 5**

The Strategy is implemented by means of Energy Efficiency Action Plan (hereinafter referred to as: Action Plan), which is adopted by the Government for the period of three years.

Action Plan shall comprise:

- national indicative energy savings target for the period of three years, pursuant to the indicative targets set forth in the Strategy;
- energy efficiency measures to achieve the indicative target and methodology of their implementation;
- timeframe dynamics for implementation of measures to achieve the indicative target;
- assessment of the progress made in achieving targets in the period prior to Action Plan and
- estimation of the resources needed for implementation of the Action plan, as well as the sources and methods for their securing.

Energy efficiency improvement measures, in terms of this law, shall signify concrete actions and activities that lead to a verifiable, measurable or estimable energy efficiency improvement.

Public administration institution, responsible for the field of energy efficiency (hereinafter referred to as: the Ministry) shall monitor the implementation of the Action Plan referred to in paragraph 1 of this Article, as well as submit the report on its implementation to the Government the latest on March 31 of the current year for the previous year.

## **Annual Operational Plan for Energy Efficiency Improvements in Public Administration Institutions**

### **Article 6**

Annual operational plan for energy efficiency improvements in public administration institutions shall set forth:

- measures to be implemented where the public administration institutions operate;
- dynamics and methodology of implementation of measures and
- resources required to implement the measures, as well as the sources and methods for their securing.

The Government shall adopt the operational plan referred to in paragraph 1 of this Article, in accordance with the Action Plan.

Sources required to implement the operational plan referred to in paragraph 1 of this Article shall be provided from the public budget of Montenegro.

## **Energy Efficiency Improvement Programme of Local Self-Government Unit**

### **Article 7**

Local self-government unit shall adopt the Energy Efficiency Improvement Programme in compliance with the Strategy and the Action Plan.

Programme referred to in paragraph 1 of this Article shall be adopted for the period of three years and shall comprise of:

1. proposal of the energy efficiency measures within the jurisdiction of the local self-government unit, especially including:
  - plans for refurbishment and maintenance of buildings, used by the local self-government units and authorities, public offices and public companies founded by the local self-governing authority, in order to improve energy efficiency;
  - plans for improvement of public utility services (public lighting, water supply, waste management and the like) and transportation, aimed at improving energy efficiency;
  - specific energy efficiency measures in buildings protected as cultural heritage and the like;
  - other energy efficiency measures to be implemented on the territory of that local self-government unit.
2. timeframe and methodology for implementation of the given measures and
3. resources needed for implementation of the Programme, as well as the sources and methods for their securing.

## **Compliance of the Energy Efficiency Improvement Programme with the Action Plan**

### **Article 8**

Local Self-government Unit shall submit the Energy Efficiency Improvement Programme, to the Ministry, with the purpose of assessing its compliance with the Action plan.

### **Financing Energy Efficiency Projects of Local Self-Governing Units**

#### **Article 9**

Energy efficiency stimulus for the local self-government unit may be provided out of the public budget of Montenegro, only if based on the Energy Efficiency Programme, which is in compliance with Action Plan.

The local self-government unit may, out of its own resources, finance certain energy efficiency projects even if they have not been defined by the Energy Efficiency Programmes provided that they are not contrary to the Action Plan.

### **Energy Efficiency Improvement Plan of Local Self-governing Unit**

#### **Article 10**

The local self-government unit shall implement Energy Efficiency Programme referred to in Article 7 of this law with the annual Energy Efficiency Improvement Plan.

The Energy Efficiency Improvement Plan referred to in paragraph 1 of this Article shall contain:

- implementation measures that are planned;
- timeframe and methodology for implementation of the defined measures and
- resources needed for implementation of measures, as well as the sources and methods for their securing.

The Energy Efficiency Improvement Plan referred to in paragraph 1 of this Article shall constitute an integral part of the Budget of local self-government unit.

### **Report on Implementation of the Energy Efficiency Improvement Plan**

#### **Article 11**

The local self-government unit shall submit to the Ministry the Report on Implementation of the Energy Efficiency Improvement Plan.

The Report on Implementation of the Energy Efficiency Improvement Plan referred to in paragraph 1 of this Article shall be submitted the latest on the March 1<sup>st</sup> of the current year, for the previous year.

Detailed content of the Report referred to in paragraph 1 of this Article shall be determined in the legal act enacted by the Ministry.

## **III INDICATIVE ENERGY SAVINGS TARGET**

### **Indicative Energy Savings Target**

#### **Article 12**

National indicative energy savings target shall mean planned savings in the final energy consumption in Montenegro, expressed as an absolute amount in GWh or in an equivalent unit, as well as the percentage of the final average energy consumption.

Indicative energy savings target referred to in paragraph 1 of this Article shall be calculated on the basis of available data for the last five years.

The Government shall determine the national indicative energy savings target referred to paragraph 1 of this Article.

Methodology for calculating indicative energy savings target shall be in the legal act enacted by the Ministry.

## **IV COMPETENCE FOR IMPLEMENTATION OF THE ENERGY EFFICIENCY POLICY**

### **Competence of the Ministry**

#### **Article 13**

The Ministry shall, in terms of implementation of this law:

- monitor implementation of the Strategy and the Action Plan and submit to the Government the Annual Report on implementation of the Action Plan;
- cooperate with international institutions with respect to implementation of the energy efficiency programmes;
- provide expertise to local self-government units for development of energy efficiency improvement programmes so as to harmonize them with the Action Plan;
- establish and manage information system for monitoring of energy consumption in Montenegro;
- collect data on the consumption of all forms of energy as well as on factors affecting the given consumption;
- issue authorisations for performing energy audits and certification of buildings;
- keep the record of persons authorised to perform energy audits and certification of buildings;
- promote implementation of energy efficiency measures and publish information with the purpose of informing and raising awareness of consumers regarding significance and effects of energy efficiency;
- organise training programmes with the purpose of implementation of energy efficiency measures and
- carry out other activities in accordance with this law.

### **Competences of Local Self-government Unit**

#### **Article 14**

A local self - government unit shall:

- perform energy management of buildings, or of built structures, used by the local self-governing unit, public offices and public companies founded by the local authority;
- inform citizens on the possibilities for improving energy efficiency and benefits and effects of the implementation of the energy efficiency measures;
- determine simulative measures for improving energy efficiency within its jurisdiction and
- establish and manage information system for monitoring of the energy consumption within its own premises in accordance with item 1 of this Article.

## **Cooperation between Distribution System Operator, Energy Supplier and Energy-generating Product Distributor and Ministry**

### **Article 15**

Distribution system operator, energy supplier and energy-generating product distributor is required to submit data on energy and energy-generating product consumption at least once a year to the Ministry.

Data from paragraph 1 of this Article shall contain:

- an overview of the energy and energy-generating product consumption, according to the structure, buyer categories and types of consumption;
- geographical location of buyers;
- evaluation of the energy efficiency state;
- proposals for energy efficiency improvement measures and
- other data relevant to the energy efficiency;

Further content of the data referred to in paragraph 2 of this Article, as well as the submission method shall be determined by the legal act enacted by the Ministry.

## **Obligations of the Distribution System Operator and Energy Supplier**

### **Article 16**

A distribution system operator or a supplier of electrical or heating energy, or of natural gas, are required to provide the final consumer with the individual energy consumption metering devices, so as to determine data on actual energy consumption and the actual time of use.

Billing on the basis of actual energy consumption shall be performed in accordance with the contract on energy delivery.

The supplier of electrical or heating energy, or of natural gas, from paragraph 1 of this Article, is required to display in the bill to the final consumer the data on:

- the current costs for consumed energy;
- the price and the actual energy consumption;
- the comparison of energy consumption for which the account has been issued with the energy consumption in a same period previous year, if possible in graphic form;
- the comparison of energy consumption with the average energy consumption values of the consumer from the same consumer group and

- ways to obtain information on available energy efficiency measures, as well as specifications of equipment and devices used to acquire a greater level of energy efficiency.

## **V ENERGY EFFICIENCY MEASURES**

### **Obligations of a Public Sector**

#### **Article 17**

Public administration bodies, organizations, regulatory bodies, agencies, local self – governing units and public companies are required to perform energy management at the premises in which they operate.

Energy efficiency measures of persons referred to in paragraph 1 of this Article, aside from the activities to improve energy efficiency measures, shall encompass introduction of the employees to the energy efficiency measures and of their implementation, as well as all establishing and implementing energy efficiency criteria in relation to procurement of goods and services.

The Ministry shall determine the list of energy efficiency measures referred to in paragraph 2 of this Article, as well as guidelines for their implementation.

### **Public Procurement of Goods and Services**

#### **Article 18**

Upon deciding on the choice of supplier within the procedure of public procurement, energy efficiency of goods and services shall be evaluated and priority shall be given, under equal conditions, to the procurement of the equipment and services, allowing for a greater level of energy efficiency.

The energy efficiency level shall be evaluated based on the analysis of the costs of total energy consumption and maintenance within the usual usage lifetime.

The evaluation of energy efficiency from paragraph 1 and 2 of this Article shall be performed based on methodology for the determination of the level of energy efficiency, which, based on types of goods and equipment, shall be determined by the Ministry.

### **Purchase or Lease of Buildings**

#### **Article 19**

Upon purchase or lease of buildings, built structures or parts of the building for persons referred to in Article 17 paragraph 1 of this law, the priority must be given, under equal conditions, to buildings with higher level of energy efficiency level.

### **Obligations of Big Energy Consumer**

#### **Article 20**

Big energy consumer is required to adopt and submit to the Ministry an annual plan for energy efficiency improvement the latest on December 15<sup>th</sup> of the current year, for the following year, to implement energy efficiency measures, and specifically to:



- establish an adequate organization structure for energy management and appoint a person responsible for energy management;
- provide regular performance of energy audits and implement cost-effective energy efficiency measures determined and
- provide monitoring records of energy consumption, that is, establish an adequate information system within premises.

The Ministry shall enact the legal act determining limits for energy consumption to define a big consumer.

Big energy consumer shall submit to the Ministry the annual report on implementation of the plan referred to in paragraph 1 of this Article, not later than March 1st of the current year for the previous year.

Detailed content of the annual plan referred to in paragraph 1 of this Article and of the annual report referred to in paragraph 2 of this Article shall be determined in the legal act enacted by the Ministry.

## **Energy Efficiency of Buildings**

### **Article 21**

Each new building or building that undergoes major renovation, depending on the type and purpose, must be designed, built or renovated and maintained in such a way that during the usage it possesses designated energy performance.

Energy performance of a building referred to in paragraph 1 of this Article is actual or estimated amount of energy which is consumed to meet the different needs of the building depending on the type and purpose of the building, and it includes heating, hot water preparation, cooling, ventilation and lighting.

The amount of energy referred to in paragraph 2 of this Article shall be expressed through indicators, which are calculated by taking into account thermal insulation, performance of technical systems of a building, design and location of the building, climate conditions, influence of adjacent structures, its own energy production, and all other factors influencing the energy consumption.

Permitted values of the annual specific energy consumption according to the type and purpose of the building, characteristics of the building envelope from the thermal insulation aspect, energy consumption for the preparation of hot water and other minimum requirements regarding energy efficiency, as well as the methodology for calculating energy performance of buildings, shall be determined by the Ministry, with the approval from the Ministry responsible for the building sector.

## **Energy Audits**

### **Article 22**

Person referred to in Article 17 paragraph 1 of this law is required to allow the energy audits of buildings to be performed within the premises they make use of, and whose useful floor area is more than 1000 m<sup>2</sup>.

Energy audits of buildings or built structures must be also performed for buildings or built structures, which according to the type and the purpose shall be determined by the Ministry.

Methodology and deadlines of performing of energy audits from paragraph 1 and 2 of this Article shall be determined by the legal act enacted by the Ministry.

## **Method of Performing of Energy Audit**

### **Article 23**

Energy audit of buildings or built structures may be performed by an enterprise, entrepreneur or legal entity authorized for energy audit (hereinafter referred to as: the authorized person).

Energy audit of buildings or built structures shall consist of data gathering, measuring premises' final energy consumption of the structure or building, estimation of energy efficiency, and identifying measures which need to be undertaken for energy saving.

Commissioner of the energy audit is required to make accessible to the authorized person referred to in paragraph 1 available data for energy audit, technical documentation of the building or built structure for the energy audit and environment for the unobstructed energy audit of the structure.

After energy audit referred to in paragraph 1 of this Article is performed, the authorized person that performed the energy audit shall prepare the audit report, which shall particularly contain:

- data on energy consumption with the indicators of consumption of the building or built structure;
- data on harmonization of performance of the building or built structure, with technical regulations on energy performance of buildings and other energy efficiency regulations;
- estimation of energy efficiency with indicators based on which the assessment was made;
- proposal of measures for reducing energy consumption and improving energy efficiency with estimation of energy savings and methods for defining the savings;
- estimation of cost effectiveness of implementation of energy efficiency improvement measures, and
- proposal of energy management with the purpose of improving energy efficiency.

The authorized person of this Article shall submit to the Ministry a copy of the report referred to in paragraph 4 of this Article, within 30 days from the date of performing of the audit.

## **Energy Audit of Boilers**

### **Article 24**

The owner of a building or a special part of the building with a heating system fired by gas, liquid or solid fuels of nominal capacity of 20 kW or more is required to organize implementation of regular energy audits of boilers.

## **Energy Audit Air-conditioning Systems**

### **Article 25**

The owner of a building or a special part of the building in which an air-conditioning system of nominal capacity of 12 kW and more has been installed, is required to organize implementation of regular energy audits of air-conditioning systems.

Method and deadline to perform the energy audit of a boiler referred to in Article 24 of this law and an air conditioning system from paragraph 1 of this Article shall be determined in the legal act enacted by the Ministry.

## **Certification for Buildings**

### **Article 26**

Based on the report on performed energy audit of the building, the authorized person issues a certificate on energy performance of the building.

Certificate referred to in paragraph 1 of this Article shall contain in particular:

- reference values of a specific energy consumption according to the type and purpose of the building, in accordance with the technical regulation;
- values of a specific energy consumption of a building and
- proposal of energy efficiency improvement measures.

The certificate from paragraph 1 of this Article shall be issued on the period of 10 years.

The Ministry shall keep records of issued energy certificates.

The authorized person, who performed the audit, is required to submit the copy of the issued certificate to the Ministry, within 8 days from the date of issuance.

The Ministry shall, by enactment of a legal act, more closely determine the methodology of certification of buildings, method of determination of the energy class of the building, form and content of the table on basic energy performance of the building referred to in Article 29 of this law, content of certificate and registry of issued certificates of energy performance of the building.

## **Obligations of the Building Owner**

### **Article 27**

Before the change in the ownership or lease of the building or its part, the building owner is required to hand over the certificate on the energy performance of the building to a buyer, that is, shall make it available to a lessee.

## **Obligations of the Investor**

### **Article 28**

Besides the request for issuance of the usage permit, the investor is required to submit certificate on energy performance of the building.

## **Data on Energy Performance of Buildings**

### **Article 29**

Persons referred to in Article 17 paragraph 1 of this law is required to place the table containing basic information from the certificate on the energy performance of the building in clearly visible location at the premises it makes use of.

Certain types of buildings, which in accordance to their purpose do not have to fulfil requirements on minimum energy performance and do not have to be certified, shall by determined by a legal act enacted by the Ministry.

## **Requirements to Obtain Authorization to Perform Energy Audit**

### **Article 30**

Enterprise, entrepreneur or legal entity may obtain authorization to perform energy audit that:

- is registered in the Central Registry of the Commercial Court for: design, supervision of construction, maintenance of buildings, energy management and provision of energy services;
- has one person permanently employed with a degree in technical sciences, with at least five years of working experience in fields of design, supervision of construction, maintenance, examining energy facilities and installations, performing of energy audits, and who was trained under the Training Programme for Acquiring Authorization for Energy Audit.

The Ministry shall determine the fulfilment of requirements referred to in paragraph 1 of this Article, as well as shall issue the authorization to perform energy audit.

The authorization referred to paragraph 2 of this Article shall be issued for the period three years

The authorization referred to paragraph 2 of this Article may be extended upon the request submitted two months before the expiration of the validity period referred to in paragraph 3 of this Article.

Training Programme referred to paragraph 1 item 2 of this Article shall be determined and provided for by the Ministry.

## **Issuing Method of Authorization**

### **Article 31**

Authorization referred to in Article 30 of this law shall be issued based on the request, containing evidence to prove fulfilment of given requirements.

Records of the authorized persons for energy audit shall be kept by the Ministry in electronic form.

Detailed content of the request referred to in paragraph 1 of this Article, as well as documentation submitted with the request, as well as the content of the registry of authorized persons shall be determined by the legal act enacted by the Ministry.

## **Revoking the Authorization**

## **Article 32**

The Ministry shall revoke the authorization to perform energy audit in case:

- the authorized person performs energy audit contrary to the provisions of this Law,
- the authorized person ceases to fulfil requirements defined by the provisions of this Law,

## **Obligations of the Authorized Person**

### **Article 33**

The authorized person shall perform energy audit in accordance with this Law, technical regulations and the rules of vocation.

The authorized person is required to keep records on performed energy audits and keep documentation on performed energy audits for at least 10 years.

The authorized person shall submit to the Ministry an annual report on performed energy audits not later than March 1<sup>st</sup> of the current year, for the previous year.

## **Prohibition to Perform Energy Audit for a Legal Person**

### **Article 34**

The authorized person may not perform energy audit in case the client is a legal person:

- in which the authorized person participates in the ownership;
- for which the authorized person participated in design of the project, project monitoring, professional supervision of construction, construction or maintenance of the building for which the energy audit is performed;
- in which the authorized person is a member of a steering committee, member of the management, representative or employee and
- in which a spouse, a linear relative by blood, or a collateral relative by blood to the fourth level of kinship, is a member of a steering committee, a member of management, a representative or an employee.

## **Prohibition to Perform Energy Audit for a Natural Person**

### **Article 35**

The authorized person may not perform energy audit in case the client is a natural person:

- for whom the authorized person participated in design of the project, project monitoring, professional supervision of construction, construction or maintenance of the building for which the energy audit is performed and
- who is their spouse, a linear relative by blood, or a collateral relative by blood to the fourth level of kinship.

## **Eco-design of Energy using Products**

### **Article 36**

Energy using products may be placed on the market only if they fulfil eco-design requirements prescribed by technical regulation for products, if their compliance is determined in the prescribed procedure and if they are marked in accordance with the regulation related to the given group of products.

Technical regulations for implementing measures of eco-design shall be adopted by the Ministry in cooperation with the public administration body responsible for environmental protection.

## **Obligations of Suppliers and Distributors of Household Appliances**

### **Article 37**

Suppliers of household appliances that use energy for their operation are required to provide technical documentation of household appliances in the language officially used in Montenegro, in which the amount of energy consumed by using the appliance in the prescribed working conditions is stated.

Suppliers or distributors of household appliances are required to place on the market only those appliances which have an energy efficiency label and corresponding information sheet.

## **Energy Efficiency Label on Household Appliances**

### **Article 38**

The energy efficiency label is an indicator of energy efficiency class which is placed on the household appliance as a label and is visibly displayed at the sale location.

The layout and content of the energy efficiency label shall be defined according to the type, category, performance and minimum requirements for energy efficiency of the household appliance by the regulation of the Ministry.

## **Renewable Energy Sources**

### **Article 39**

The use of renewable energy sources for the production of electrical or heat energy shall be regarded as a measure of energy efficiency, in terms of this law:

- if produced electricity is used partially or completely for satisfying the needs of the built structure in which installation (plant) is located and
- if a specific renewable energy source is not already covered by some of stimulating measures or if the electricity produced from a specific renewable energy source is not intended for sale.

## **Stimulation Measures**

### **Article 40**

Natural and legal persons, which use the renewable energy sources in accordance with the Article 39 of this law, may use stimulation measures intended for energy efficiency projects.

## **Information System of Energy Consumption**

### **Article 41**

Persons referred to in Article 17 of this law and big consumers are required to establish an information system in view of monitoring energy consumption in the premises they use.

Information system from paragraph 1 of this Article shall contain the following:

- database on buildings and building structures, which shall contain: location and lifetime of the structure, constructive performance of the building, energy performance of the building, as well as data on current costs for energy, maintenance and on investments;
- interface for energy consumption data entering and processing and
- interface for simple report generating.

Detailed content and functional performance of the information system shall be prescribed by the Ministry.

## **Submission of Data on Annual Energy Consumption**

### **Article 42**

Persons referred to in Article 17 paragraph 1 of this law and big consumers shall submit to the Ministry the data on annual energy consumption in the buildings and building structures they use and on factors influencing that consumption, not later than March 1<sup>st</sup> of the current year, for the previous year.

Data from paragraph 1 of this Article shall particularly refer to the following:

- total energy consumption per energy-generating products;
- total energy consumption per specific building type within the public sector (administration, health care system, education, culture, other);
- useful floor area of the building;
- number of employees and
- total costs for energy, per energy-generating products and per building types.

Ministry shall enter the data referred to in paragraph 1 and 2 of this Article in the information system referred to in Article 13 item 4 of this law.

Detailed content of data and the manner of data submission referred to in paragraph 1 and 2 of this Article shall be prescribed by the Ministry.

## **Economic Stimulation**

### **Article 43**

For entrepreneurs and legal entities, using and implementing technologies, produce and trade in products that promote energy efficiency, may be supported with customs and tax policy measures and exemptions, pursuant to terms and conditions determined by a special regulation.

## **Provision of the Energy Service**

### **Article 44**

Energy service is a service which shall provide a measurable and verifiable method of increase in energy efficiency or energy savings, as well as realization of material benefits by implementation of energy efficient technology and/or methods which have as a result energy savings and other accompanying positive effects.

Energy services shall be performed by an ESCO or other service provider on the basis of energy performance contract or other appropriate contractual arrangement, during energy audit, design, construction, supervision of the construction reconstruction, maintenance of the building as well as management and supervision of the energy consumption.

## **Energy Performance Contract**

### **Article 45**

Energy performance contract must be in a written form, and shall particularly contain data on:

- contracting parties;
- basic energy consumption of the building;
- estimation of energy efficiency;
- guaranteed energy savings and procedures for defining the savings;
- method of financing investments in measures of improvement of energy efficiency;
- paying method for compensation for energy service and
- other rights and obligations of contracting parties.

Fee amount and payment method for energy service in total or partially shall be based on the achieved energy efficiency improvements, as well as fulfilment or other agreed requirements related to the achieved improvements.

Energy efficiency improvement measures may be provided by a third party financing.

ESCO in provision of services shall undertake financial, technical and commercial risk of implementation energy efficiency measures.

## **Obligations of the Distribution System Operator and Energy Supplier in Provision of Energy Services**

### **Article 46**

Distribution system operator and energy supplier, except for small distribution system operator and small energy supplier, with the purpose of promoting implementation of energy efficiency measures, is required to organize offer of energy services to their final energy customers at competitive prices.

The distribution system operator from paragraph 1 of this Article, which is within the system of vertically or horizontally integrated energy entity, may organize an activity of energy services within the integrated entity or within their own organization, with condition of separation of an accounting system for the given activity or by hiring of other providers of energy services.



Offer of energy services from paragraph 1 of this Article shall at least include information on: energy efficiency indicators, energy efficiency measures, providers of energy services, prices, financing mechanisms.

Offer from paragraph 1 of this Article shall be published on website.

## **Financing**

### **Article 47**

Financing of the energy efficiency projects and measures may be provided from: public budget of Montenegro, local self-governing units' budgets, donations, loans and other financial sources, in accordance with the law.

## **VII MONITORING**

### **Monitoring of Law Implementation**

#### **Article 48**

Monitoring of the implementation of this Law shall be performed by the Ministry.

## **Inspection**

### **Article 49**

Inspection shall be performed by the Ministry.

In the process of inspection, performance of obligations defined by this Law shall be controlled, particularly:

- the behaviour of the authorized persons providing energy audits including certification of buildings;
- results of energy audit and energy certification of building, in case there is a doubt in accuracy of data and
- timely and harmonized planning and implementation of energy efficiency measures.

## **VIII PENALTY PROVISIONS**

### **Penalty Provisions for Energy Entities**

#### **Article 50**

A cash fine ranging from fifty times to three hundred times the minimum wage in Montenegro shall be imposed on an enterprise, entrepreneur or other legal person for offence, if:

- fails to submit to the Ministry data on consumption within prescribed deadlines (Article 15 paragraph 1);
- fails to provide to the final consumers adequate devices for measuring of energy consumption, pursuant to Article 16 paragraph 1 of this law and
- fails to submit to the final consumer with the bill the information containing data stipulated in Article 16 paragraph 3 of this law.

For an offence referred to in paragraph 1 hereof, the person in charge in the enterprise or other legal person shall also be fined with a cash fine ranging from three to twenty times the minimum wage in Montenegro.

### **Penalty Provisions for Institutions, Enterprise, Entrepreneur or Other Legal Person**

#### **Article 51**

A cash fine ranging from fifty times to three hundred times the minimum wage in Montenegro shall be imposed on an institution, enterprise, entrepreneur or other legal person, if:

- fails to submit to the Ministry data on annual energy consumption, or fails to do so within the prescribed timeframe (Article 42 paragraph 1 and 2);
- fails to plan and implement energy efficiency measures (Article 20);
- fails to provide the authorized person with data and environment to perform without obstruction the energy audit (Article 23 paragraph 3);
- fails to submit to the Ministry the energy audit report or fails to do so in a prescribed timeframe (Article 23, paragraph 4 and 5);
- fails to allow the energy audit to be performed for the boiler or air-conditioning system (art. 24 and 25);
- fails to keep record on performed energy audits or fails to keep the documentation on performed energy audits in the prescribed timeframe (Article 33 paragraph 2);
- fails to submit to the Ministry the report on the performed energy audits in a prescribed timeframe (Article 33 paragraph 3);
- performs energy audit contrary to provisions from art. 34 and 35 of this law;
- place on the market household appliances that use energy contrary to provisions set out in Article 37 of this law;
- fails to organize offer of energy services to final customers pursuant to Article 46 paragraph 1.

For an offence referred to in paragraph 1 hereof, a cash fine ranging from three times to twenty times the minimum wage in Montenegro, shall be imposed to person responsible in the institution, enterprise, entrepreneur or other legal person, as well as natural person.

## **IX TRANSITIONAL AND FINAL PROVISIONS**

### **Bylaws**

#### **Article 52**

Bylaws for implementation of this law shall be adopted a year from the date of its entry into force.

### **Programme and Plans for Energy Efficiency Improvements**

#### **Article 53**

Programme referred to in Article 7 of this law shall be adopted within one year as of the date of entry into force of this Law.

Big consumers are required to develop and adopt the plan for energy efficiency improvement referred to in Article 20 of this law within one year as of the date of entry into force of this Law.

#### **Article 54**

This Law shall enter into force on the eight day from the date of its publishing in the “Official Gazette of Montenegro“, and shall be implemented from May 1<sup>st</sup>, 2011.