

Montenegro

- (1) Plan to implement Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market
- (2) Plan to implement Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport

Plan to implement Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market

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1.	National indicative targets (Art. 3)			
a	Report on setting national indicative targets for future consumption of electricity produced from RES in terms of a percentage of electricity consumption for the next 10 years (Art. 3.2)	Contracting Parties	Not later than 1 July 2008 and every 5 years thereafter	Outline also the measures taken or planned, at national level, to achieve these national indicative targets; To set the targets, take account of the reference values in a way compatible with the Annex; Ensure compatibility of the targets with any national commitments referred to the Kyoto Protocol to the UNFCCC;
		Ministry for Economic Development	1 July 2008	According to Energy Law, Government of Montenegro shall, through the Ministry: promote the increased use of Renewable Energy Sources and alternative sources for Generation in the Internal Market, and manage funds contributed for the purpose of Energy conservation and Energy efficiency. Energy Development Strategy of Montenegro until 2025 is underway. Implementation of the Energy Development Strategy of Montenegro until 2025 will contribute to higher utilization of substantial energy potentials of Montenegro, respectively hydro-potentials of big and small waterflows, coal deposits, wind energy, solar energy, biomass, etc. Ministry of Economy, together with the other competent authorities, works intensively on creation of favourable conditions for the implementation of the projects for construction of small hydro power plants. For this purpose, Strategy for small hydro power plants development in Montenegro was adopted in April 2006, as well as the Action Plan for its implementation. Further, the Decree on the way and conditions how to grant

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				<p>concessions for research of waterflows and technical-economic utilization of water energy potentials for production of electricity in small HPPs was adopted in November 2006.</p> <p>Preparation of the following regulations is currently in finalization phase: Regulations on technical conditions for small PP's connection onto electro-distribution network, and Instructions for calculation of purchase price for electricity form small HPPs. The study on renewables (wind, sun and biomass) was adopted in April 2007, and its purpose is to create, as soon as possible, the conditions for utilization of those important resources and thus contribute to sustainable development of Montenegro and also reduce electric power deficit. Energy Policy of the Republic of Montenegro is defined in the context of sustainable energy development. The goal of Energy Policy, among others, is: creation of condition for higher utilisation of renewable energy resources, combined production of electric and heat energy (CHP) and utilization of fossil fuels through clean technology.</p> <p>Taking into account development of entire energy sector in the Republic of Montenegro, according to long term National Energy Strategy (its design is underway), it is assessed that the share of all renewables (without big HPPs) in 2010/2015 can be achieved in the range of 3-5% out of total energy needs. It is calculated that the small HPPs generation can reach the share in the national electric power balance of approximately 2.5% in 2015.</p> <p>EPCG has capacities for production of electric power of total installed capacity of 868 MW, out of which 76% in hydro-power plants and 24% in Thermal Power Plant "Pljevlja". Total projected annual production at the outlet of power plants amounts to approximately 3.000 GWh. Production facilities are: HPP "Perućica", nominal power 307 MW and projected production 932 GWh; this is an accumulation-derivation facility, the first aggregate of which was started in 1960 and the seventh one in 1978; HPP "Piva", nominal power 342 MW and projected production 860 GWh; this is accumulation-dam power plant which was started 1976; TPP "Pljevlja", nominal power 210 MW and</p>

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					<p>projected production 1.150 GWh; it is condensational thermal power plant, started in 1982; Seven small hydro power plants, total nominal power 9,0 MW and production 21 GWh. The share of the existing small hydro power plants in the power of production units amounts to only 1,1%, while the share of small hydro power plants production in total average annual production of Montenegrin electric power system is 0,83%.</p>
	b	<p>Report on an analysis of success in meeting the national indicative targets, and which indicates to what extent the measures taken are consistent with the national climate change commitment (Art. 3.3)</p>	<p>Contracting Parties</p>	<p>Not later than 1 July 2009 and thereafter every 2 years</p>	<p>Take account, in particular, of climatic factors likely to affect the achievements of the targets;</p> <p>Contracting Parties or the competent bodies shall here also outline the measures taken to ensure the reliability of the guarantee system (Art. 5.5);</p>
			<p>MoED</p>	<p>1 July 2008</p>	<p>In order to contribute to reduction of global warming, being the consequence of human activities, Memorandum of Understanding between the Ministry for Environment and Territory of the Republic of Italy and the Ministry for Environmental Protection and Urban Planning of the Republic of Montenegro was signed in Kotor, in November 2004. This Memorandum defines the cooperation in the field of environmental protection and technical assistance to Montenegro for the purpose of signature and ratification of Kyoto Protocol, and for establishment of the system of Green Certificates for renewables, as well. Kyoto Protocol was ratified in March 2007.</p> <p>Within the scope of this cooperation, and in order to create conditions for greater utilisation of renewable resources, the study «Assessment of renewables potentials – wind, solar and biomass energy - in the Republic of Montenegro» was developed. This Study was designed by Italian company CETMA, with the support by the Ministry for Environment, Land and Sea of the Republic of Italy and competent institutions from Montenegro. Development of this study is one of essentially important projects realized within the cooperation between</p>

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					<p>the Republic of Montenegro and the Republic of Italy in the field of energy and environmental protection.</p> <p>It is planned to implement the following activities:</p> <ul style="list-style-type: none"> ▪ Development of a feasibility study for wind power plant project; ▪ Implementation of the best technologies for energy savings in two public buildings; ▪ Creation of database for the biomass potential available and ▪ Creation of conditions for realization of projects in the framework of Clean Development Mechanism of the Kyoto Protocol.
c	<p>Report on conclusions of assessment to what extent (Art. 3.4):</p> <ul style="list-style-type: none"> ▪ the Contracting Parties have made progress towards achieving their targets; and ▪ the national indicative targets are consistent with the global indicative target. 		European Commission	Not later than 1 July 2010 and thereafter every 2 years	<p>This report shall be based on the Contracting Parties' reports 1.a and 1.b;</p> <p>Global indicative target: 12% of gross national energy consumption by 2010 and 22.1% indicative share of electricity produced from RES in total (European) Community electricity consumption by 2010;</p>

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2.	Support schemes (Art. 4)			
	a Application of mechanisms according to which a producer of electricity, on the basis of regulations issued by the public authorities, receives direct or indirect support and which could have the effect of restricting trade (Art. 4.1)	Contracting Parties	Not later than 1 July 2009	List and description of the mechanisms;
		MoED	1 July 2009	Energy Law (Art. 27) giving priority to Generators using Renewables Energy Sources. The Decree on the way and conditions how to grant concessions for research of waterflows and technical-economic utilization of water energy potentials for production of electricity in small HPPs was adopted in November 2006.
	b Report on experience gained with the application and coexistence of the different mechanisms under 2.a (Art. 4.2)	European Commission	Not later than 1 July 2011	Evaluation of the application of mechanisms used in Contracting Parties under 2.a (Art. 4.1); The report shall assess the success, including cost-effectiveness, of the support systems in promoting the consumption of electricity produced from RES in conformity with the national indicative targets; The report shall, if necessary be accompanied by a proposal for a (European) Community framework with regard to support schemes for electricity produced from RES;

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3.	Guarantee of origin of electricity produced from RES (Art. 5)			
	a Designation of one or more competent bodies, independent of generation and distribution activities, to supervise the issue of guarantees of origin (Art. 5.2)	Contracting Parties	Not later than 1 July 2009	Ensure that the origin of electricity produced from RES can be guaranteed as such according to criteria laid down by each Contracting Party (Art. 5.1); Guarantees of origin should be mutually recognised by the Contracting Parties, exclusively as proof of the following elements (Art. 5.4): <ul style="list-style-type: none"> ▪ A guarantee of origin shall (Art. 5.3) specify the energy source from which the electricity was produced, specifying the dates and places of production, and in the case of hydroelectric installations, indicate the capacity; and ▪ A guarantee of origin shall (Art. 5.3) serve to enable producers of electricity from RES to demonstrate that the electricity they sell is produced from RES;
		MoED	1 July 2009	No detailed analysis on the introduction of Guarantee of Origin has been conducted so far. Models introduced by other countries will be analysed and adjusted to Montenegrin situation.
4.	Administrative procedures (Art. 6)			
	a Evaluate the existing legislative and regulatory framework with regard to authorisation procedures (Art. 6.1)	Contracting Parties or the competent bodies appointed by Contracting Parties	Not later than 1 July 2009	Evaluation is to be done with a view to: <ul style="list-style-type: none"> ▪ Reducing the regulatory and non-regulatory barriers; ▪ Streamlining and expediting procedures; and ▪ Ensuring that the rules are objective, transparent and non-discriminatory, and take fully into account particularities of the

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				various RES technologies;
		MoED EPCG	1 July 2009	Some of the barriers for the faster implementation of these and other activities in respect to wider use of RES are the low capacity of Ministry for Economic Development, particularly in terms of number of employees working in the RES area. Proposal for new systematization envisages forming Unit for Renewable Energy Resources.
b	Report on the evaluation of the existing legislative and regulatory framework (under 4.a) indicating where appropriate the actions taken (Art. 6.2)	Contracting Parties	Not later than 1 July 2009	The purpose of this report (Art. 6.2) is to provide and indication of the stage reached specifically in a) coordination between the different administration bodies as regards deadlines, reception and treatment of applications for authorisation; b) drawing up possible guidelines for the activities and the feasibility of a fast-track planning procedure for producers of electricity from RES; c) the designation of authorities to act as mediators in disputes between authorities responsible for issuing authorisations and applicants for authorisations; In this report on the evaluation of the existing legislative and regulatory framework (under 4.b), consider also the measures to be taken to facilitate access to the grid system of electricity produced from RES (Art. 7.7)

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5.	Grid system issues (Art. 7)			
a	Take necessary measures to ensure that TSOs and DSOs in their territory guarantee the transmission and distribution of electricity produced from RES (Art. 7.1)	Contracting Parties	Not later than 1 July 2009	<p>Without prejudice to the maintenance of the reliability and safety of the grid;</p> <p>Provision for priority access to the grid system of electricity produced from RES is possible;</p> <p>When dispatching generating installations, TSOs shall give priority to generating installations using RES insofar as the operation of the national electricity system permits;</p>
		MoED EPCG ERA	1 July 2009	<p>Energy Law (Art 32): Generation of electricity obtaining electricity from small HPPs or power plants on alternative sources shall be entitled to access to the transmission and distribution networks on non-discriminatory basis pursuant to the requirement of Article 25. The Agency shall define simplified procedures for exercise for such entitlements, provided, however, that all such plants are required to adhere to the acquirments of applicable grid and distribution codes, market and other rules and legal requirements pursuant to this and other Law.</p> <p>Regulations on technical conditions for small PP's connection onto electro-distribution network are currently in finalization phase.</p>
b	Put in place a legal framework or require TSOs and DSOs to set up and publish their standard rules relating to the bearing of costs of the technical adaptations, such as grid connections and grid reinforcements (Art. 7.2)	Contracting Parties	Not later than 1 July 2009	<p>Technical adaptations, such as grid connections and grid reinforcements, that are necessary in order to integrate new producers feeding electricity produced from RES into the interconnected grid;</p> <p>These rules shall be based on criteria taking particular account of all the costs and benefits associated with the connection of these producers to the grid;</p>

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				<p>These rules may provide for different types of connection;</p> <p>Where appropriate, TSOs and DSOs may be required to bear, in full or in part, the costs referred in Art. 7.2 (Art. 7.3);</p> <p>Require TSOs and DSOs to provide any new producer wishing to be connected with a comprehensive and detailed estimate of the costs associated with the connection (Art. 7.4)</p>
	<p>c Put into place a legal framework or require TSOs and DSOs to set up and publish their standard rules relating to the sharing of costs of system installations, such as grid connections and reinforcements, between all producers benefiting from them (Art. 7.5)</p>	<p>Contracting Parties</p>	<p>Not later than 1 July 2009</p>	<p>The sharing shall be enforced by a mechanism based on criteria taking into account the benefits which initially and subsequently connected producers as well as TSOs and DSOs derive from the connections;</p>
		<p>MoED EPCG</p>	<p>1 July 2009</p>	<p>Methodology for network connection is defined by the Distribution Code. Energy Law.</p>
	<p>d Ensure that the charging of transmission and distribution fees does not discriminate against electricity from RES (Art. 7.6)</p>	<p>Contracting Parties</p>	<p>Not later than 1 July 2009</p>	<p>Including in particular electricity from RES produced in peripheral regions, such as island regions and regions of low population;</p> <p>Where appropriate, put in place a legal framework or require TSOs and DSOs to ensure that fees charged for the transmission and distribution of electricity from plants using RES reflect realisable cost benefits resulting from the plant's connection to the network (Art. 7.6)</p>

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				<p>Producer does not pay any taxes for electricity.</p> <p>All fees are paid by consumers through tariffs.</p>
6.	Summary report (Art. 8)			
a	Summary report on the implementation of the Directive 2001/77/EC (Art. 8)	European Commission	Not later than 1 July 2011 and thereafter every five years	<p>On the basis of the report on analysis of success (under 1.b) and the report on the existing legislative and regulatory framework (under 4.b);</p> <p>After consulted the Contracting Parties, the European Commission shall in this report also consider the form and methods that Contracting Parties could follow in order to guarantee the origin of electricity produced from RES (Art. 5.6);</p> <p>The European Commission shall in this report and on the basis of the Contracting Parties' reports on the evaluation (under 4.b) also assess best practices with a view to achieving the objectives referred to in Art. 6.1 (Art. 6.3);</p> <p>If appropriate, the Commission shall submit with the summary report further proposals;</p>

Plan to implement Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport

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1.	National indicative targets (Art. 3)			
a	Set national indicative target and ensure that a minimum proportion of biofuels and other renewable fuels is placed on the market (Art. 3.1.a)	Contracting Parties	Not later than 1 July 2008	<p>A reference value for these targets shall be 2%, calculated on the basis of energy content, of all petrol and diesel for transport purposes placed on the market by 31 December 2005 (Art. 3.1.b.i);</p> <p>A reference value for these targets shall be 5.75%, calculated on the basis of energy content, of all petrol and diesel for transport purposes placed on the market by 31 December 2010 (Art. 3.1.b.ii);</p>
		Ministry for Economic Development	1 July 2008	<p>Ministry for Economic Development will set indicative targets after analysing possibilities for use of biofuels in the transport sector in Montenegro.</p> <p>EU standards EN.14214 and EN.1413 have been transposed to Montenegrin system of Standards (EN.14214.JUS and EN.1413.JUS) and Regulation on technical and other requirement of liquid biofuels (OJ Serbia and Montenegro 23/2006).</p> <p>*Technical assistance in this area would be useful.</p>
b	Monitor the effect of the use of biofuels in diesel blends above 5% by non-adapted vehicles (Art. 3.3)	Contracting Parties	Not later than 1 July 2008	<p>Where appropriate, take measures to ensure compliance with the relevant (European) Community legislation on emission standards (Art. 3.3);</p> <p>In the measures, consider the overall climate and environmental balance of the various types of biofuels and other renewable fuels (Art. 3.4);</p>

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		<p>Ministry for Economic Development</p> <p>Ministry Maritime Affairs, Transportation and Telecomm.</p> <p>Ministry of Tourism and Environmental Protection</p>	1 July 2008	<p>In March 2001, the Government of Montenegro adopted document entitled "The Developmental Directions of Montenegro as an Ecological State". For air management, the strategy identifies a number of objectives intended to prevent air pollution, improve the legal and regulatory framework and align it with EU requirements and establish an air monitoring.</p> <p>The 1996 Law on the Environment has a direct impact on air management since it prohibits any release of polluting substances into the air in excess of prescribed limits.</p> <p>The Law on Air Protection called for the continuous measuring of air quality.</p> <p>Maximum allowable concentration of specified substances in the air is regulated by the Air Quality Standards Regulations.</p> <p>Emission level values will be set after adoption of the Rulebook on ELV's, measurement and data acquisition. These emission level values will be harmonised with EU directives.</p> <p>New Law on Ambient Air Quality in line with the requirements of the Directive 96/62/ EC on the assessment and management of ambient air quality will be adopted in 2007. The limit values for ambient air quality (Council Directive 1999/30/EC) will be prescribed by the Ministry of Environment in consent with the Ministry of Health in a separate ordinance approved by the Government of Montenegro.</p> <p>Air quality control will be defined in the Regulation on ILV, methods for imission measurements, criteria for setting measurements points and data recording.</p> <p>Ministry of Tourism and Environmental Protection is responsible for environmental monitoring (monitoring of the ambient environmental quality, monitoring of local air quality in large urban areas, surface water, underground water, drinking water quality, noise, radioactivity</p>

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					<p>and biodiversity.</p> <p>In November 2000, Montenegro published its first report on the State of Environment. This report is now published yearly.</p>
	c	Ensure that information is given to the public on the availability of biofuels and other renewable fuels (Art. 3.5):	Contracting Parties	Not later than 1 July 2008	For percentages of biofuels, blended in mineral oil derivatives, exceeding the limit value of 5% of fatty acid methyl ester (FAME) or of 5% of bioethanol, a specific labelling at the sales points shall be imposed (Art. 3.5);
			MoED	1 July 2008.	<p>It is left to the Ministry to organize public hearings for major projects and define the procedures for these hearings.</p> <p>Ministry shall give information to the public on the availability of biofuels and other renewable fuels. A specific labelling at the sales points shall be imposed within proposed timeframe.</p>
2.	Reporting requirements (Art. 4)				
	a	<p>Report on (Art. 4.1):</p> <ul style="list-style-type: none"> ▪ The measures taken to promote the use of biofuels or other renewable fuels to replace diesel or petrol for transport purposes; ▪ The national resources allocated to the production of biomass for energy uses other than transport; and ▪ The total sales of transport fuel and the share of biofuels, pure or blended, and other renewable fuels placed on the market for the preceding 	Contracting Parties	Not later than 1 July 2008 and each year thereafter	<p>In the reports:</p> <ul style="list-style-type: none"> ▪ indicate the level of the national indicative targets as per phases; ▪ motivate differentiation of the national targets as compared to the reference values referred to in Art. 3.1.b.
			MoED	1 July 2008	Preparation for implementation of this directive is in early phase. All indicative targets will be set after adoption of Regulations. The first report is expected on 1 July 2008.

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		year.			
	b	Report on the progress made in the use of biofuels and other renewable fuels in the Contracting Parties (Art. 4.2)	European Commission	Not later than 1 July 2010 and every 2 years thereafter	<p>The report shall cover at least the items noted in Art. 4.2;</p> <p>On the basis of the report, where appropriate, the Commission shall submit proposals on the adaptation of the system of targets (Art. 4.2);</p> <p>If this report concludes that the indicative targets are not likely to be achieved for reasons that are unjustified and/or do not relate to new scientific evidence, these proposals shall address national targets, including possible mandatory targets, in the appropriate form;</p>