

Serbia

- (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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No	ACTION	RESPONSIBLE AUTHORITY	COMPLETION TIMEFRAME	REFERENCE DOCUMENTS, COMMENTS AND STATUS OF ACTION
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 of Mining and Energy of the Republic of Serbia (MoME) Government of Serbia	1 July 2008	Share of electricity produced from renewable energy sources in total electricity consumption is already above the target set in the Directive (mainly big hydro power plants). In order to further increase usage of RES in Serbia, MoME has initiated development of the Study "Analysis of Policies to Increase Renewable and Low Carbon Energy use" with financial assistance of WB. The Study will, among other things propose adequate incentive mechanisms and possible targets to be achieved. On the proposal of MoME, that might be supported with some additional analyses, both targets and incentive mechanisms will be set by the Government of Serbia. Some estimations of the possible new electricity production from RES are provided in the Energy Sector Development Strategy Implementation Programme 2007 - 2012 (OJ 17/07), however only upon analysis needed to set up the incentive mechanisms more precise estimates can be made. Law on ratification of Kyoto Protocol is in the Serbian Parliament. Serbia will ratify the Protocol as non-Annex 1 Country, meaning that it

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					<p>will not have any emission reduction and will be eligible for CDM projects.</p> <p>* Defining common methodology for Contracting Parties for setting baseline and indicative targets (taking in account all relevant factors including variations of climate and its influence to RES-E production from different RES) would be very useful.</p>
	b	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)	Contracting Parties	Not later than 1 July 2009 and thereafter every 2 years	<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>
			Ministry of Mining and Energy of the Republic of Serbia (MoME)	1 July 2009	<p>According to the Energy Law (OJ 84/04) MoME is in charge for preparation of National Energy Balance on the annual basis as well as to follow its implementation.</p> <p>MoME is currently preparing Energy Balance Regulation which will, among other things, precisely define procedures on data collection.</p> <p>Ministry is also working on the amendments of the Energy Law in terms of precisely defining obligations of energy entities (caring out one or more energy activities) and energy consumers to report on their energy production/consumption/transmission, etc.</p> <p>Statistical Office of Republic of Serbia is currently establishing a new system of statistics in accordance with EUROSTAT system.</p> <p>Both data from National Energy Balance and from Statistical Office will be used as basis for determination how successfully the targets are achieved.</p> <p>As previously explained, Serbia will have no emission reduction</p>

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					targets according to the Kyoto Protocol.
	c	Report on conclusions of assessment to what extent (Art. 3.4): <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	This report shall be based on the Contracting Parties' reports 1.a and 1.b; 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;
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; As explained above, the Study "Analysis of Policies to Increase Renewable and Low Carbon Energy use", financed by the WB, should, among other things, propose adequate incentive mechanisms for RES-E and possible targets to be achieved by their implementation. With the assistance of the Twining experts, MoME has analyzed incentives used in the EU, and so far it seems that Feed in tariff is the most adequate for Serbia, however for the final decision the results of
			Ministry of Mining and Energy of the Republic of Serbia (MoME)	1 July 2009	

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					<p>the mentioned Study will be taken into consideration. Possibly, some additional analysis will be performed in order to set the adequate level of incentives, taking into account the Serbian situation (RES potential, economical situation, benefits and cost for the society, etc).</p> <p>Upon selection of the incentive mechanisms, analysis on organizational and regulatory framework for its implementation will be performed.</p> <p>The Energy Law (OJ 84/04) already defines producers of RES-E as privileged power producers that shall be entitled to subsidies, tax relief, custom exemptions and other relief in line with laws and other regulations on taxes, customs and other duties, i.e. subsidies and other incentive measures. Amendments of the Energy Law currently in the preparation would set the clear responsibility and deadline for the introduction of these incentives.</p> <p>According to the Strategy of the Serbian economical development (approved by the Government), Energy Sector Development Strategy until 2015 and Programme for its implementation, establishment of National Energy Efficiency Fond (for promotion of wider use of RES and increase of energy efficiency) is foreseen. The Fund should be established through amendments of the Energy Law or through some other legislation.</p> <p>* Additional technical assistance could be needed in order to set up the incentive mechanisms.</p> <p>* For the future analyses and improvements of the RES-E incentive mechanisms and in general RES Policy, for Serbia, it is of crucial importance to establish Energy Institute and, among other things, build its capacity in the area of RES policy.</p>
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	<p>Evaluation of the application of mechanisms used in Contracting Parties under 2.a (Art. 4.1);</p> <p>The report shall assess the success, including cost-effectiveness, of</p>

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					<p>the support systems in promoting the consumption of electricity produced from RES in conformity with the national indicative targets;</p> <p>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;</p>
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	<p>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);</p> <p>Guarantees of origin should be mutually recognised by the Contracting Parties, exclusively as proof of the following elements (Art. 5.4):</p> <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; 	

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			Ministry of Mining and Energy of the Republic of Serbia (MoME)	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 Serbian 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 various RES technologies;
			Ministry of Mining and Energy of the Republic of Serbia (MoME) with other relevant Ministries	1 July 2009	Energy sector development strategy programme has already identified some of the barriers for the wider use of RES in Serbia. It also foresees further activities aiming to improve regulatory framework for RES. These activities should be conducted jointly by several Ministries. The Programme also foresees establishment of Governmental Coordination body. The explanation of procedures for obtaining approvals for exploitations of Geothermal waters is developed while analysis of procedures for construction of small hydro power plants and wind farms are under way. These activities are financial supported by GTZ. * 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 MoME, particularly in terms of number of employees working in the RES area.

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					* Establishment of Energy Institute with a department specialised for RES and RES policy would relieve burden from the MoME and reduce need for outsourcing technical assistance.
	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	<p>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;</p> <p>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)</p>
			Ministry of Mining and Energy of the Republic of Serbia (MoME)	1 July 2009	The thorough analysis on the issues specified will be done in the foreseen period (see explanations above).
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>

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					<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>
			<p>Ministry of Mining and Energy of the Republic of Serbia (MoME)</p> <p>Energy Agency (AERS)</p> <p>Serbian TSMO Elektromreza Srbija (EMS)</p> <p>DSOs (EPS)</p>	<p>1 July 2009</p>	<p>The Article 34 of the Energy Law (2004) sets obligations to TSO and DSO to allow access of third parties to the grid on the principles of transparency and non-discrimination in conformity with technical possibilities and depending on the load level of the transmission and distribution. Prices for transmission and distribution systems are regulated and publicly available.</p> <p>For any priorities in transmission and dispatching the provisions must be made through changes of the Energy Law.</p> <p>The Market Rules, Transmission Grid Code and Distribution Grid Code, are being developed. Transmission and Distribution Grid Codes will be approved by the Energy Agency by the 1st of July 2007.</p>
	b	<p>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)</p>	<p>Contracting Parties</p>	<p>Not later than 1 July 2009</p>	<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> <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</p>

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				associated with the connection (Art. 7.4)
		Ministry of Mining and Energy of the Republic of Serbia (MoME), Energy Agency DSOs, TSO	1 July 2009	<p>Passing cost reflective Third Party Access tariffs is determined as an obligation in the Energy Law (2004). TPA, both to transmission and to distribution grid are included in the new tariff systems that will be fully operational as of 1 April 2007.</p> <p>By the Decision of the Energy Agency from 01 February 2007 the methodology for calculation of the costs for connection to distribution/transmission system is defined. Based on that methodology TSO and Distribution system operator calculate connection costs in accordance with technical approval for connection. All connection applicants shall be allowed to see the documents used for the calculation of the costs. For the power producers so called "shallow approach", which excludes costs for the greed reinforcement (except for the connection of the large installed capacities) is foreseen according to the methodology. Thus, methodologies facilitate RES-E producers implicitly.</p> <p>For any further cost relieves for connection and access to the grid of RES-E producers provisions must be made through Energy Law (amendments) and later reflected by methodologies set by Energy Agency.</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)	Contracting Parties	Not later than 1 July 2009	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;
		Ministry of Mining and Energy of the Republic of	1 July 2009	See the explanations above.

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			Serbia (MoME) Energy Agency		
	d	Ensure that the charging of transmission and distribution fees does not discriminate against electricity from RES (Art. 7.6)	Contracting Parties	Not later than 1 July 2009	Including in particular electricity from RES produced in peripheral regions, such as island regions and regions of low population; 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)
			Ministry of Mining and Energy of the Republic of Serbia (MoME) Energy Agency	1 July 2009	See the explanations above.
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	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); 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); 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);

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					<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>
		<p>Ministry of Mining and Energy of the Republic of Serbia (MoME)</p> <p>Government of Serbia</p>	1 July 2008	<p>Ministry of Mining and Energy has initiated the analysis on possibilities for use of biofuels in the transport sector in Serbia upon which the indicative targets will be set as well as the most adequate support mechanisms.</p> <p>Most likely, the step-by-step approach will be used for biofuels introduction at the market as in other countries (gradual increase of bio-component in fuels as in other countries, upon the period of regulatory and technical preparations).</p> <p>So far, EU standards EN.14214 and EN.14213 have been transposed to Serbian system of Standards (EN.14214.JUS and EN.14213.JUS) and Regulation on technical and other requirements of liquid biofuels (OJ Serbia and Montenegro 23/2006).</p> <p>* Technical assistance in this area would be useful to create National programme for implementation of biofuel into Serbian market</p>

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	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>
			Ministry in charge of environmental protection		<p>Current emission level values are set in the <i>Rulebook on ELVs, measurement and data acquisition</i> (O.J. 30/97 and 35/97). The rulebook defines ELVs for the pollutants at the sources of emissions, classification of pollutants in five classes, the way of emission measurements. Among other, transport vehicles with inside combustion engine are defend as installations producing air pollution. Unfortunately, these ELVs are not harmonized with the relevant EU directives. Emission measurements can be measured by the institutions authorised by the Ministry. Self monitoring by polluters is almost non-existent.</p> <p>Air quality control is defined in the <i>Regulation on ILV, methods for imission measurements, criteria for setting measurement points and data recording</i> (O.J. 54/92, 30/99 and 19/2006).</p> <p>Environmental monitoring is responsibility of several institutions such as:</p> <ul style="list-style-type: none"> ▪ The Institute for Nature Protection, ▪ The Hydro-Meteorological Institute (monitoring of the ambient environmental quality), ▪ The Public Health Institutes (monitoring of local air quality in large urban areas, surface water, drinking water quality and noise). <p>Unfortunately, regulation in the area of air quality and control is not harmonized with the relevant EU directives. In order to improve</p>

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					<p>situation in this area Ministry of science and environmental protection has drafted the <i>Law on air quality</i> however due to the political changes it is expected to be passed in 2009. Alignment of Serbian emission standards with EU is expected by 2012.</p>
2.	c	<p>Ensure that information is given to the public on the availability of biofuels and other renewable fuels (Art. 3.5):</p>	Contracting Parties	Not later than 1 July 2008	<p>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);</p>
			Ministry of Mining and Energy of the Republic of Serbia (MoME)	1 July 2008	<p>Within proposed timeframe (by the 1 July 2008) MoME can provide information to the public on the national targets for utilisation of biofuels and strategy for their fulfilment, however information on biofuels availability can be provided to the public only upon the start of implementation of the strategy. Most likely, the strategy will propose step-by-step approach (gradual increase of bio-component in fuels as in other countries, upon the period of regulatory and technical preparations). Analysis of the practices of the EU countries will be done in order to ensure that the public is informed on availability of renewable fuels, including labelling introduction etc.</p>
		<p>Reporting requirements (Art. 4)</p>			
	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 	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.

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		<p>production of biomass for energy uses other than transport; and</p> <ul style="list-style-type: none"> ▪ 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 year. 	<p>Ministry of Mining and Energy of Republic of Serbia (MoME).</p>	<p>1 July 2008 and each year thereafter</p>	<p>Serbia is in the early preparatory phase for the implementation of this directive. It is assumed that necessary analysis for setting up indicative targets will be finalised by 1 July 2008. It can also be assumed that more or less in the same time frame selection of the best applicable incentives in Serbian conditions can be defined. Upon that, some additional time is needed in order to set up regulatory and technical framework. Having this in mind, we believe that a reasonable timeframe for the first report would be on 1 July 2009 (the similar approach as for the directive 77/2001).</p>
	b	<p>Report on the progress made in the use of biofuels and other renewable fuels in the Contracting Parties (Art. 4.2)</p>	<p>European Commission</p>	<p>Not later than 1 July 2010 and every 2 years thereafter</p>	<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>