

# REGULATORY DEVELOPMENTS IN SERBIA

Petar Maksimović  
Secretary General

THE ENERGY AGENCY OF THE  
REPUBLIC OF SERBIA

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# Regulatory developments in Serbia #1

## 18.04.2017 - 4.10.2017

<b>May 2017</b>	<p>AERS adopted reports on further need for price regulation for HH/small consumers and balancing reserves (outcome: no deregulation until the next annual report).</p>
	<p>Government issued a conclusion supporting SEPEX, EMS and AERS activities on preparation for market coupling with MRC via Italy. Joint activities on preparation of AIMS project (ToR) and the supporting KEP (training) project are underway.</p>
<b>June 2017</b>	<p>AERS Annual Report 2016 submitted to the Parliament.</p>
	<p>AERS approved TYNDP of (TSO) Yugorosgaz Transport.</p>
	<p>AERS conditionally certified Yugorosgaz Transport (final decision, 12 months deadline to comply) against ECS/ECRB opinion to cease TSO operation (due to lack of operational license, which is conditioned by certification).</p>
	<p>Preparatory activities on market coupling with 4MMC terminated/delayed upon request of Czech Ministry/NRA (priority given to core CCR activities). On the other hand, this project has been included within CESEC pilot (early implementation) projects.<sub>2</sub></p>

# Regulatory developments in Serbia #2

18.04.2017 - 4.10.2015

<b>July 2017</b>	<p>AERS approved new electricity DSO grid code (enhancing TPA and non-discriminatory treatment).</p> <p>AERS approved Compliance Report submitted by electricity DSO's Compliance Officer.</p>
<b>August 2017</b>	<p>AERS issued final decision on EMS certification. ECS requested re-launching the certification procedure. Rationale: ECS has not been informed on the change of facts (new Law on Ministries) and AERS decision has not been sufficiently elaborated in certain aspects.</p>
<b>H2 2017</b>	<p>Election procedure for new Council underway.</p>
	<p>The Advisory Committee issued a <b>negative opinion</b> on ECS Reasoned Request in Case ECS 06/11, related to the following alleged breaches of the Treaty :</p> <ul style="list-style-type: none"><li>• Failure of EMS to participate in CAO</li><li>• Failure of AERS to enforce EMS participation in CAO</li></ul>

# Regulatory developments in Serbia #3

18.04.2017 - 4.10.2017

4<sup>th</sup> October 2017: Energy Community web-site:

*AERS “has failed for several years to oppose political pressure and enforce compliance with the **obligation** of the electricity transmission system operator EMS to participate in regionally coordinated capacity allocation and congestion management procedures...”*

- AERS alleged susceptibility to political influence and lack of independence has been broadly promoted (EnC web-site, ECS Implementation Report, WB6 reports, ECS Report on Serbia for ACER, EC Annual Report, Gas Forum, bilateral meetings – OECD, USAID, NARUC, US diplomacy...).
- Impressive demonstration of power and influence, BUT-heavy and undeserved adverse impact not only on AERS reputation (country regulatory risk?).
- Advisory Committee opinion- **hope for de-escalation?**

***Thank you!***

**Contact:**

**Petar Maksimović**

**Energy Agency of the Republic of Serbia**

**Terazije 5 / V, 11000 Belgrade**

**Tel: + 381 11 6350168; Fax: + 381 11 6350180**

**e-mail: [petar.maksimovic@aers.rs](mailto:petar.maksimovic@aers.rs)**

**URL: [www.aers.rs](http://www.aers.rs)**