

Pursuant to Article 31 of the Law on renewable energy sources and in efficient co-generation (Official Gazette of Republic of Srpska, number 39/13), Article 28 paragraph (1) and (2) of the Energy law (Official Gazette of Republic of Srpska, No. 49/09), Article 36 paragraph (2) of the Electricity Law (Official Gazette of Republic of Srpska, No. 8/08, 34/09, 92/09 and 1/11), Article 18 paragraph 1 of the Statute of Regulatory Commission for Energy of Republic of Srpska – Clean versions (Official Gazette of Republic of Srpska No. 6/10) and Article 33 paragraph 1 point c) of the Procedural Rules of Regulatory Commission for Energy of Republic of Srpska (Official Gazette of Republic of Srpska No. 59/10), with the consent of the Republic of Srpska Government, Regulatory Commission for Energy of Republic of Srpska in its 73rd regular session held on 20 November 2013 made

DECISION ON THE FEE
for providing incentive for generation of electricity from renewable energy
sources and in efficient cogeneration facilities

I

This Decision determines the amount of unit fee for providing incentive for generation of electricity from renewable energy sources and in efficient cogeneration facilities.

II

The fee referred to in the point (I) of this Decision provides the means for payment of premiums to generators of electricity who are granted the right to obligatory redemption at guaranteed feed in prices and the right to premiums, the means necessary for functioning of the System Operator for Incentives and means for the Fund for protection of environment and energy efficiency.

III

The unit fee is determined at the level of 0,001 BAM/kWh without VAT.

IV

The fee for stimulating generation of electricity from renewable energy sources and in efficient co-generation is billed to each end user in Republic of Srpska in the amount which is equal to product of unit fee from Item (III) of this Decision and taken over active electricity. It is identified as a separate item on the bill issued to the consumer.

V

The unit fee from Item III of this Decision is re-assessed and harmonized in a way and within deadlines proscribed in provisions of Article 56 of the Rules on incentives for generation of electricity from renewable energy sources and in efficient cogeneration facilities.

VI

Commencement of application of this Decision ceases the validity of the Decision on the amount of the fee for stimulating generation of electricity from renewable energy sources and in efficient co-generation (Official Gazette of Republic of Srpska, number 1/13).

VII

This Decision enters into force on the eight day from the day it is published in the Official Gazette of Republic of Srpska and will be applied as of 1 January 2014.

Rationale

Regulatory Commission for Energy of Republic of Srpska (hereafter: Regulatory Commission) made Decision on the amount of the fee for incentives for generation of electricity from RES and in efficient co-generation based on competences referred to in Article 30, paragraph (4) of the Law on renewable energy sources (Official Gazette of Republic of Srpska, number 39/13) which became effective on 23rd May 2013 which prescribed that the amount of the fee is determined by the decision made by the Regulatory Commission; this Article and Article 31 prescribed the method of collecting means necessary for functioning of the system of incentives and purpose of the collected means. The means for stimulating generation of electricity using RES and in efficient co-generation with the consent of RS Government is provided through the tariff for electricity.

Articles 55 and 56 of the Rule on stimulating generation of electricity from RES and in efficient co-generation (Official Gazette of Republic of Srpska, number 128/11, 53/12) namely Articles 55, 56 and 57 of the Rule book on stimulating generation of electricity from renewable energy sources and in efficient co-generation which was adopted by the Regulatory Commission in its 70th regular session held on 17th October 2013 and which did not become effective (hereinafter: Rule on incentives) prescribed the system of the collection of means for payment of premium, calculation of the required amount of the fee for RES and method of periodical balancing of fees.

The fee for RES and efficient co-generation is calculated and charged by each supplier of end users and is presented as a separate item on the bill. The fee for RES and efficient co-generation is also paid by the eligible customer, which pursuant to

the license issued by the State Regulatory Commission for electricity, buys electricity for his own needs independently at the foreign market.

Regulatory Commission determines the required amount of the fee for RES and efficient co-generation for each year separately, and based on the determined guaranteed feed in prices and premium, approved costs for operation of the Incentive System Operator, planned costs of balancing, planned generation from RES and co-generation facilities, referent wholesale prices, realized difference between totally calculated fees and paid premiums in the previous year, the amount of the means (5% from the collected means) for the Fund for protection of environment and planned consumption of end users in Republic of Srpska.

The base for determination of the unit fee is totally planned means required for functioning of the incentive system in 2014, consisted of: the means in the amount of 8,057,262 BAM necessary for payment of premium for stimulating planned generation of electricity from renewable energy sources of 82.39 GWh, the means for operation of the Incentive System Operator in the amount of 196,364 BAM, planned annual consumption of end users in Republic of Srpska of 3,234.6 GWh, estimated balance of means from the collected by not spent fee from the previous period in the amount of 5,174,937 BAM and means for the Fund for protection of environment in the amount of 162,036 BAM.

Since the fee for 2014 is determined before expiry of this year and it does not have realized data for the fourth quarter of 2013 on disposal, it was necessary to make assessment of means that will be collected and spent till the end of the year. The estimate was made on the basis of the planned generation of generators that have got the right to the incentive, planned consumption of end users, amount of the fee for 2013, planned amount for functioning of the Incentive System Operator and on this basis, of the projected means for the Fund for protection of environment for the period of June - December 2013. Since the unit fee for 2013 amounts to 0,0009 BAM/kWh, it is expected that, till the end of this year, it will be collected in total 2,842,315 BAM, while 2,439,032 BAM in total will be paid for payment of premium, 196,364 BAM for operation of the Incentive System Operator and 81,709.67 BAM will be paid for the Fund for protection of environment, counting from the effective date of the Law on renewable energy sources so that it is estimated that the remained means would amount to 5,174,936 BAM in total, so while calculating the necessary means for 2014, pursuant to Article 55 of the Rule book on stimulating, out of total planned required means for 2014 in the amount of 8,057,262 BAM, the amount of planned balance of the collected means from the fee from the previous period of 5,174,936 BAM was deducted, accordingly determining the amount of 3,078,690 BAM being added the means for Fund for protection of environment in the amount 162,036.29 BAM. In that way, the amount of 3,240,726 BAM was obtained as the total amount necessary to be collected through the fee in 2014.

Taking into account the above stated facts regarding the means necessary for functioning of the incentive system in 2014 and the fact that the planned annual

consumption of end users in Republic of Srpska for 2014 is 3,234.6 GWh, the unit fee was determined in the amount of 0,001 BAM/kWh and shall be applicable as of 1 January 2014.

The planned annual generation of electricity in the amount of 82.39 GWh is related to generation in generation facilities which got the right to the incentive in 2013, as well as for the planned generation in generation facilities in construction or have submitted applications for realization of the preliminary right to the incentive, as well as the facilities planned by the Decree on generation and consumption of energy from renewable energy sources and co-generation (Official Gazette of Republic of Srpska, number 39/11) (hereinafter: Decree), which also, taking into account the time necessary for construction could start generation in 2013, so pursuant to provisions of the Rule book on incentives, could realize the right to the incentive. This estimate was made based on the assumption that it is not realistic in this moment, according to the available information, to expect that all planned generation for 2014 referred to in the Decree which is 226.52 GWh for renewable energy sources and 127.51GWh for efficient co-generation facilities is realized in 2014. Since the Action plan of Republic of Srpska which pursuant to the Law on renewable energy sources and efficient co-generation is made by the Republic of Srpska Government has not been made yet, the data referred to in Appendix 8 of this Decree were used as the base to plan the fee.

The Republic of Srpska Government gives its consent to this Decision, as prescribed by provision of the Article 30 paragraph 4 of the Law on renewable energy sources and in efficient co-generation.

Having obtained the consent of the Republic of Srpska Government, Decision shall be published in the Official Gazette of Republic of Srpska.

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Date: 20 November 2013

Trebinje

President

Milenko Cokorilo

The planned annual generation of electricity in the amount of 75,21 GWh is related to generation in the generation facilities which got the right to the incentive in 2012, and for the planned generation also in generation facilities which are in the process of construction or are planned to be constructed according to the Decree, which should, taking into account the required period of time, start generating in 2013 and according to provisions of the Rule on incentive and Decree, should get the right to incentives. This estimate was made on the basis of assumptions that it is not realistic in this moment, and on the basis of available information, to expect

realization of all planned generation for 2013 as referred to in the Decree which amounts to 274,52 GWh and particularly in the part which is related to the incentive goals for the wind farms and co-generation facilities taking into account, firstly, the time required for their construction. The planned fee also provides the means for financing of the operation of the Incentive System Operator in the amount of 196,364 BAM.

The RS Government gives its consent to it, as prescribed by provision of the Article 28 paragraph 2 of the Energy law.

Having obtained the consent of the RS Government, Decision will be published in the Official Gazette of RS.

No. R-53-526-137/12

Date: 30 November 2012

Trebinje

President
Milenko Cokorilo