

Pursuant to Article 28 paragraph (1) 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) Regulatory Commission for Energy of Republic of Srpska in its 53rd regular session held on 30 November 2012 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 fee for providing incentive for generation of electricity from renewable energy sources and in efficient cogeneration facilities in accordance with provisions from the Rules on Incentives for Generation of Electricity from Renewable Energy Sources and in Efficient Cogeneration (Official Gazette of Republic of Srpska, number 128/11 and 53/12) and Decision on the amount of guaranteed feed in prices and premiums for electricity generated from renewable sources or in efficient co-generation.

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 and means necessary for functioning of the System Operator for Incentives.

III

Unit fee for 2013 is determined at the level of 0,0009 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

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 2013.

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 the Energy law, which proscribed that Regulatory Commission is in charge of the system of incentives for generation of electricity using RES and in efficient co-generation with the consent of RS Government.

The energy law proscribed that the means for stimulating generation of electricity using RES and in efficient co-generation is provided through the tariff for energy.

Articles 54, 55 and 56 of the Rule on stimulating generation of electricity from RES and in efficient co-generation (hereinafter: Rule on incentives) proscribed that 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 harmonized with the Decree on generation and consumption of electricity from RES and co-generation (Official Gazette of RS, number 28/11 and 39/11) (hereinafter: Decree), reference wholesale prices, realized difference between totally calculated fees and paid premiums in the previous and planned consumption of end users in RS.

The base for determination of the unit fee is totally planned means required for functioning of the incentive system in 2013, namely the means required for payment of premium for stimulating generation of electricity from RES of 75.21 GWh and operation of the Incentive System Operator in total amount of 7,487,551 BAM, planned annual consumption of end users in RS of 3,220.02 GWh and planned balance of means from the collected, but not spent fee for 2012 in the amount of 4,589,551 BAM.

Since the unit fee for 2012 amounts to 0.0018 BAM/kWh, it is expected that 5,588.013 BAM will be collected till the end of the year and that 998,462 BAM will be paid for payment of premium and for operation of the Incentive System Operator so that the remaining amount of the means will be 4,589,551 BAM so while calculating the necessary amount for 2013, pursuant to the Article 55 of the Rule on incentives, out of totally planned required means for 2013 in the amount of 7,487,551 BAM the amount of the planned balance of the collected means from the fee for 2012 was deducted which is necessary to be collected through the fee in 2013 in the amount of 2,898,000 BAM.

Taking into account above stated facts that for the functioning of the incentive system in 2013, it is necessary, apart from the remaining means from 2012, to have additional 2, 898,000 BAM in 2013 and the fact that the planned annual consumption of end users in RS is determined in the amount of 3,220,02 GWh, the unit fee was determined in the amount of 0,0009 BAM/kWh and it will be applicable as of 1 January 2013.

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

President

Trebinje

Milenko Cokorilo