



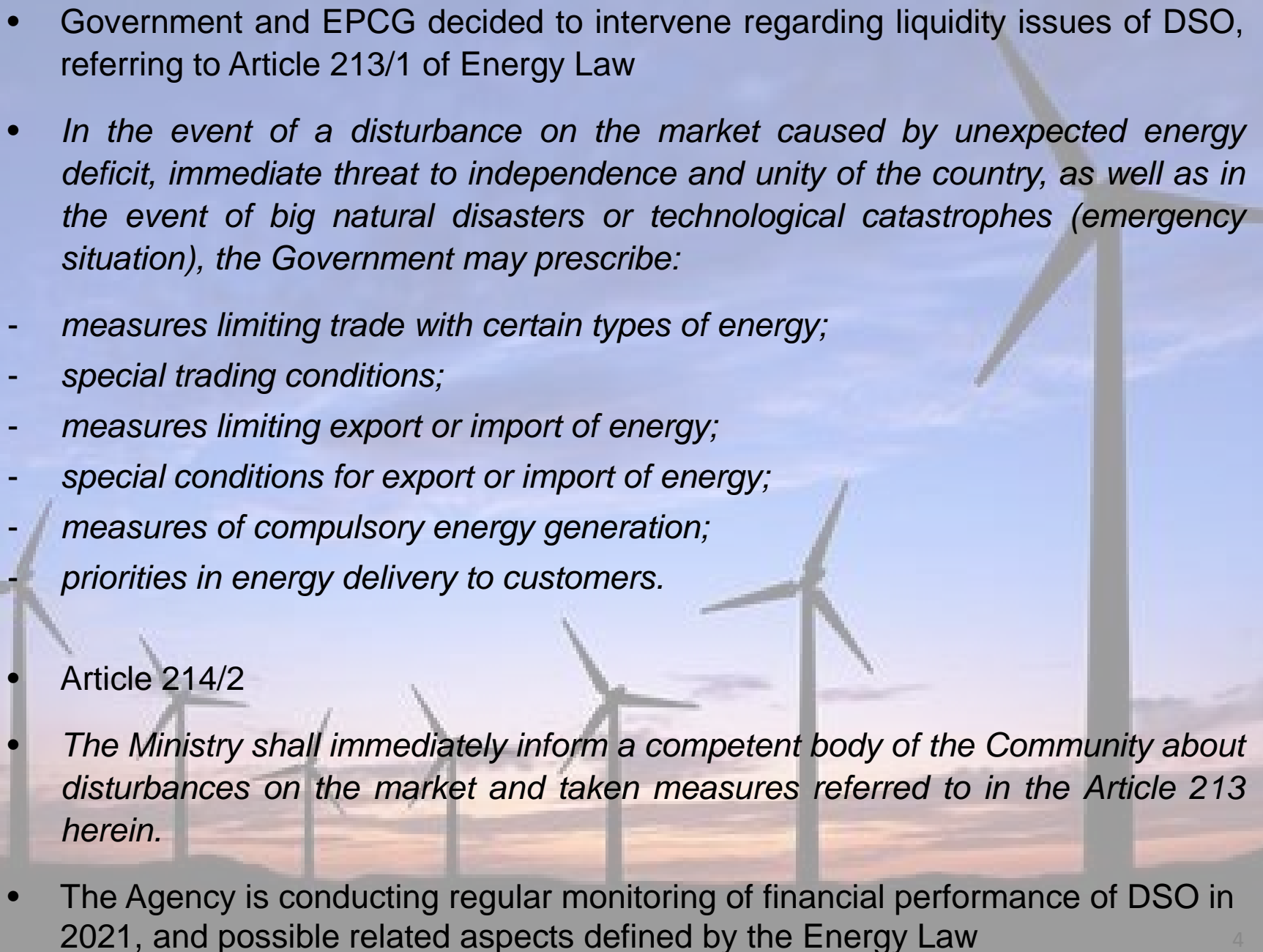
Energy and Water Regulatory Agency of Montenegro

Regulatory Developments in the Montenegrin Energy Sector

51st ECRB meeting,
13 April 2022

- The Energy Balance of Montenegro for 2022 has been adopted and published in the Official Gazette of Montenegro no. 137/21 dated December 27th, 2021.
- The Law on Surveillance of Wholesale Electricity and Gas Market (has been published in the Official Gazette of Montenegro no. 01/22) entered into force on January 18th, 2022.
- In accordance with the obligations under the Law, the Agency has adopted forms for:
 - application for entry to the register of participants in the wholesale market of electricity and natural gas
 - notification on the postponement of the publication of insider information on the wholesale electricity and natural gas market
 - notification of exemption from the ban on trading on the basis of insider information
 - notification of suspicion that the functioning of the wholesale market in Montenegro or in another member of the energy community is endangered

- The Agency conducted an extraordinary monitoring due to the announcement of licensed electricity supplier (EPCG) intended to consumers: "Elektroprivreda Crne Gore" JSC Nikšić and „Crnogorski elektrodistributivni sistem“ LLC Podgorica, as socially responsible companies, decided to allow additional discount to all households, members of "Golden team" and industry, starting with May 31."
- „Crnogorski elektrodistributivni sistem“ LLC Podgorica (CEDIS) is licensed distribution system operator unbundled in 2016, where licensed supplier and generator "Elektroprivreda Crne Gore" JSC Nikšić (EPCG) is a parent company of CEDIS
- Article 26 of Directive 2009/72/EC transposed by Law on energy (Official Gazette of Montenegro, no. 5/16, 51/17 and 82/20)
- Monitoring findings:
 - The latest amendments of EPCG's and CEDIS's (dated April 2021) statutes are not in line with provisions of Law on energy related to independence of DSO
 - In May 2021 EPCG requested from CEDIS to provide discount to EPCG's consumers
- Measures undertaken:
 - The Agency requested from EPCG to align EPCG's and CEDIS's statutes, as well as decisions of its Board of directors requesting CEDIS to provide discount, with respective provisions of the Law on energy (COMPLETED)
 - The Agency initiated misdemeanor proceeding against EPCG at misdemeanor court in Podgorica, as it has not been ensuring that operation of distribution system is performed by independent entity as defined by the Law on energy (ONGOING)
 - The Agency pointed out to CEDIS that it is not its obligation to follow requests and instructions of its parent company (EPCG) if they go beyond limits set by the Law on energy

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- The background of the slide features a series of wind turbines in a field, silhouetted against a sky with a warm, orange and yellow sunset or sunrise glow. The turbines are arranged in a line, receding into the distance.
- Government and EPCG decided to intervene regarding liquidity issues of DSO, referring to Article 213/1 of Energy Law
 - *In the event of a disturbance on the market caused by unexpected energy deficit, immediate threat to independence and unity of the country, as well as in the event of big natural disasters or technological catastrophes (emergency situation), the Government may prescribe:*
 - *measures limiting trade with certain types of energy;*
 - *special trading conditions;*
 - *measures limiting export or import of energy;*
 - *special conditions for export or import of energy;*
 - *measures of compulsory energy generation;*
 - *priorities in energy delivery to customers.*
 - Article 214/2
 - *The Ministry shall immediately inform a competent body of the Community about disturbances on the market and taken measures referred to in the Article 213 herein.*
 - The Agency is conducting regular monitoring of financial performance of DSO in 2021, and possible related aspects defined by the Energy Law

Other activities

The Agency adopted the decision on the duration of the next regulatory period (2023-2025) for TSO, DSO, MO, which will last 3 years (01.01.2023 -31.12.2025).

The Agency has approved of the following set of documents submitted by the Montenegrin Electricity Distribution System DOO Podgorica:

- Measurement Rules in the Electricity Distribution System.
- Pricing Decision for the provision of additional maintenance services which are not included in the price for the use of the distribution system.
- Pricing Decision for the provision of additional maintenance services for connections owned by customers
- Pricing Decision for the provision of non-standard services
- Updated the three-year investment plan for the period 2022-2024 and the Program for the purchase of electricity infrastructure owned by third parties for the period 2022-2024.

The Agency adopted two more documents regarding the gas regulation:

- Methodology for the Determination of Regulatory Allowed Revenues and Fees for the Operation of Gas Market Operator (published in the Official Gazette of Montenegro no. 16/22 of 14-02-2022)
- Methodology for the Determination of Regulatory Allowed Revenues and Tariffs for the Use of Gas Storage System (published in the Official Gazette of Montenegro no. 16/22 of 14-02-2022)

The new Statute of the Energy Regulatory Agency and regulated communal activities (published in the Official Gazette 135/21 of 24-12-2021) was adopted in December 2021.



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Thank You