

**LAW ON RENEWABLE ENERGY SOURCES AND EFFICIENT COGENERATION
(Republika Srpska, 39/13, 108/13, 79/15)**

I GENERAL PROVISIONS

Article 1

This Law governs planning and promotion of generation and consumption of energy from renewable sources and in efficient cogeneration, technologies for use of renewable energy sources, promotion of generation of electricity from renewable energy sources and in efficient cogeneration, application of the support scheme for generation of electricity from renewable sources and construction of generating plants and other issues relevant for this field.

Article 2

(1) The purpose of this Law is to promote generation of electricity and heat from renewable sources and in efficient cogeneration and use of energy from renewable energy sources in transport, for its consumption in local market and increasing the share in gross final consumption of energy and to ensure the development of support schemes, regulatory framework and infrastructure for renewable energy sources and efficient cogeneration.

(2) Promotion of generation of electricity and heat from renewable sources and in efficient cogeneration, as well as the use of energy from renewable sources in transport, provides:

- a) achievement of the targets set forth by the energy policy in the Republic of Srpska (hereinafter referred to as: the Republic) in terms of the share of energy from renewable energy sources in gross final consumption of energy in the Republic,
- b) contribution to environmental protection by reducing the negative impacts of fossil fuel use,
- c) support to fulfillment of the objectives in the field of climate change and fulfillment of the requirements under international treaties,
- d) favorable business climate for domestic and foreign investors,
- e) promotion, introduction, application and development of new equipment and technology, and development of the domestic economy in general,
- f) contribution to sustainable development, job creation and entrepreneurship development in the field of energy,
- g) long-term provision of energy, increased security of electricity supply and development of the power sector in general,
- h) rational use and diversity of primary energy sources, creating conditions for regional development, especially in rural and underdeveloped areas,
- i) prerequisites for quality disposal of certain types of waste.

Article 3

(1) The terms used in this Law shall have the following meaning:

a) renewable energy sources shall mean energy preserved in nature and renewed in whole or in part, such as hydropower, wind power, biomass, biogas, gas from treatment plants for municipal waste and biogases, agricultural gas, landfill gas, aerothermal and ocean energy, landfill gas, geothermal and non-accumulated solar energy,

b) electricity from renewable energy sources shall mean electricity generated in plants using only renewable energy sources, as well as the proportion of electricity from renewable energy sources in hybrid plants using conventional energy sources, including electricity from renewable energy sources that is used to charge accumulation system, but does not mean electricity generated in pumped storage system,

c) hybrid power plant shall mean a plant for the generation of electricity or heat using two or more different energy sources, out of which at least one is renewable energy source,

d) cogeneration shall mean the concurrent generation of heat and electricity or mechanical energy in a single process,

e) efficient cogeneration shall mean cogeneration that meets the requirements of energy saving,

f) installed capacity of generating plant (plants) shall mean the sum of the rated output of all turbines in the plant or all generators, provided that the plant does not have an operational machine (turbine), expressed in kW,

g) guarantee of origin of electricity shall mean an electronic document providing proof to a final customer that a given share or quantity of electricity was generated from renewable energy sources,

~~i) guaranteed redemption price shall mean the price at which the generator of electricity from renewable energy sources and in efficient cogeneration, which is entitled to mandatory purchase of electricity, sells electricity to system operator for incentives,~~

h) reference price shall mean the wholesale hourly day-ahead market price of electricity (regulated in the transitional period until the complete market opening or market price);

~~j) premium (strike price) shall mean a part of the guaranteed feed-in tariff which compensates generator of electricity from renewable sources and efficient cogeneration for the average unit costs of electricity, specific for some technologies which exceed the amount covered by the reference price the final price that the privileged producer of electricity will benefit, as a result of being selected as beneficiary of a support scheme in a competitive process – it determines the maximum level of the reward that can be granted to each project of renewable energy;~~

ja) contract for difference is an agreement between the System operator for incentives and the producer of energy from renewable sources, who was declared the successful bidder in the auctions to profit from the support scheme;

jb) privileged electricity producer is an energy entity generating electricity from renewable energy sources or high-efficiency cogeneration and is entitled to incentives for generation and use of electricity from renewable sources and in efficient cogeneration pursuant to this Law and is selling the electricity in the organised market;

k) balancing shall mean the settlement in deviations of the realized generation of electricity compared to the notified quantities for taking and sale for a

certain period;

l) balance responsibility shall mean the obligation of the participants of electricity market to balance the generation, consumption and contracted purchase and sale of electricity in the period for which the balance deviation is determined and to take over the financial responsibility for deviation;

m) fee for stimulating generation of electricity from renewable energy sources and in efficient co-generation shall mean an additional amount of money to the electricity price which is charged to all end users in the Republic of Srpska, including the eligible customer and which is used for stimulating generation of electricity from renewable energy sources and in efficient co-generation;

n) end customer is a legal or natural person who buys electricity for his own needs;

o) supplier shall mean a legal person which carries out the sale, including reselling of electricity to customers;

p) biomass shall mean the biodegradable fraction of products, waste and residues from biological origin from agriculture (including vegetal and animal substances), forestry and related industries including fisheries and aquaculture, as well as biogases and the biodegradable fraction of industrial and municipal waste;

q) bio-gas shall mean gas which is the result of the anaerobic degradation or fermentation of the organic matters;

r) bio-fuel is liquid or gaseous fuel for transport produced from bio-mass and

s) system operator shall mean the operator of transmission, namely distribution system.

(2) Apart from terms stated in the paragraph (1) of this Article, the terms used in this Law were covered by the Law on Energy and Law on electricity.

II CLASSIFICATION AND CERTIFICATION OF GENERATION PLANTS WHICH USE RENEWABLE ENERGY SOURCES FOR ELECTRICITY GENERATION

1. Classification of generation plants which use renewable energy sources for electricity generation

Article 4

The generation plants which use renewable energy source for electricity generation, according to the primary energy source, may be classified as plants that use:

- a) energy potential of water courses,
- b) wind energy,
- c) energy obtained from biomass,
- d) energy obtained from biogas,
- e) non-accumulated solar energy,
- f) geo-thermal energy and
- g) combination of more renewable energy sources.

Article 5

According to the installed capacity, the generation plants which use renewable energy source for electricity generation may be:

- a) plants of installed capacity of up to 1 MW inclusive, except for the solar plants with photovoltaic cells, which are divided into:
 - 1) plants on the buildings of installed capacity of up to 50 kW inclusive,
 - 2) plants on the buildings of installed capacity over 50 kW up to 250 kW inclusive,
 - 3) plants on the buildings of installed capacity over 250 kW up to 1 MW inclusive,
 - 4) plants on the land of installed capacity of up to 250 kW inclusive and
 - 5) plants on the land of installed capacity over 250 kW to 1MW inclusive,
- b) plants of installed capacity over 1 MW up to 5 MW inclusive,
- c) plants of installed capacity over 5 MW up to 10 MW inclusive,
- d) plants (wind turbines) of installed capacity over 10 MW and
- e) cogeneration plants of installed capacity over 10 MW up to 30 MW inclusive.

Article 6

Depending on the technologies they use, the cogeneration plants shall include:

- a) gas turbine of the combined cycle with heat re-cuperation;
- b) anti-pressure steam turbine,
- c) condensation steam turbine with the steam deduction,
- d) gas turbine with the heat re-cuperation,
- e) combustion engine,
- f) micro-turbine,
- g) Stirling engine,
- h) fuel cells,
- i) steam machine,
- j) organic Rankin processes,
- k) other types of technology which represent the concurrent generation of heat and electricity in one process.

Article 7

According to the installed capacity, the cogeneration plants are divided into:

- a) cogeneration plants of installed capacity of up to 1 MW inclusive,
- b) cogeneration plants of installed capacity over 1 MW up to 10 MW inclusive and
- c) cogeneration plants of installed capacity over 10 MW up to 30 MW inclusive.

- 2. Certification of generation plants which generate electricity from renewable energy sources or in efficient cogeneration

Article 8

(1) The certificate for generation plant shall be issued to the electricity generator for the generation plant which generates the electricity from renewable energy sources or in efficient co-generation, in an economically feasible way, protecting the environment, in which the measurement of all energy values is provided.

(2) Obtaining certificate for generation plant shall be a necessary condition for exercising the right to incentives for generation of electricity from renewable sources and in efficient co-generation or issuance of a guarantee of origin of electricity.

(3) The certificate for generation plant shall be issued after obtaining the approval for use issued by the competent authority in accordance with the regulations on spatial planning and construction.

(4) At the request of the generator, the certificate for generation plant shall be issued by the Regulatory Commission of the Republic of Srpska (hereinafter referred to as: Regulatory Commission)

(5) The Regulatory Commission shall keep a register of issued certificates for generation plants.

Article 9

Certificate for generation plant is issued for the validity period of:

- a) 15 years for generation plant which uses hydro power, wind and solar energy,
- b) 5 years for generation plant which uses other renewable energy sources,
- c) 1 year for efficient co-generation plant;

(2) The Regulatory Commission shall adopt the rule book providing the criteria for issuance of certificates, licensing, content of the certificate, its extension, transfer, cancellation, revocation and keeping the register of issued certificates.

III PLANNING AND INCENTIVES FOR GENERATION AND CONSUMPTION OF ELECTRICITY FROM RENEWABLE ENERGY SOURCES AND IN EFFICIENT CO-GENERATION

Article 10

(1) The Government of the Republic of Srpska (hereinafter referred to as: Government) shall adopt the Action Plan of the Republic of Srpska for the Use of Renewable Energy Sources (hereinafter referred to as: Action Plan), stating the objectives of the Republic regarding the share of energy from renewable sources in gross final consumption of electricity, energy for heating and cooling and energy for transport, taking into account the effects of regulatory measures relating to the improvement of energy efficiency and energy savings, as well as other measures to fulfill the set goals.

(2) The energy targets of the Republic of Srpska under the Energy Development Strategy of the Republic of Srpska up to 2030 and international agreements shall be achieved by use of renewable energy sources.

Article 11

(1) The Action Plan shall be adopted for a specified period and shall include:

- a) review of energy policy,
- b) expected gross final consumption of electricity, energy for heating and cooling, and energy for transport,
- c) sectoral targets or shares of energy from renewable sources in electricity, heating and cooling, and transport with the estimated trajectories by year,
- d) measures for the achievement of planned targets, including promotion measures, specific infrastructure improvement measures to facilitate the integration of the quantities of energy from renewable sources, support schemes to promote the use of energy from renewable sources, specific measures to promote the use of energy from bio-mass, and planned use of statistical transfers and planned participation in joint projects and
- e) total contribution expected of each renewable energy technology, as well as the contribution expected from energy efficiency and energy saving measures.

(2) The Ministry of Energy (hereinafter referred to as: the Ministry) shall analyze the realization of generation and consumption of energy from renewable sources and in efficient co-generation in relation to the Action Plan referred to in paragraph 1 of this Article, for the evaluation and possible adjustment of measures to promote generation and consumption of energy from renewable sources and in efficient co-generation.

(3) The Ministry shall submit to the Government the report on the implementation of the Action Plan by 30 November for the current year.

Article 12

(1) The share of energy from renewable sources in gross final consumption of energy shall be calculated as the gross consumption of energy from renewable sources divided by total gross final energy consumption, expressed in percentages

(2) . The gross final consumption of energy from renewable sources shall be the sum of:

- a) gross final consumption of electricity from renewable sources,
- b) gross final consumption of energy for heating and cooling from renewable energy
- c) sources and gross final consumption of energy from renewable sources in transport.

(3) The Action Plan shall specify the method of calculating the share of energy from renewable sources in gross final consumption of energy in the Republic of Srpska.

IV IMPLEMENTATION OF THE INCENTIVE SYSTEM

Article 13

(1) System operator for incentives shall be established as a nonprofit organisation for performance of administrative-financial and other operational duties of the system for incentives for generation of electricity from renewable sources and in efficient co-generation.

(2) System operator for incentives shall be a legal entity with public authority determined by this Law and shall be entered in the court register.

(3) The Government shall make a decision on status and organization of the system operator for incentives.

(4) The organization and operation of the System Operator for incentives shall be governed by the regulations in the field of public services.

(5) System operator for incentives shall be financed from the fee for stimulating generation of electricity from renewable energy sources and in efficient co-generation.

(6) The Ministry and Regulatory Commission, within the competences determined by this Law, shall perform the supervision of the work of the System operation for incentives.

(7) Use of funds from the System operator for incentives shall be subject to audit by the department in charge of auditing the public sector of the Republic of Srpska.

(8) System operator for incentives shall submit to the Government the report on its work and financial report, no later than 31 March of the current year for the previous year.

Article 14

(1) Responsibilities of the System operator for incentives shall be as follows:

a) to keep records of the total quantities of electricity generated and installed capacity of generation plant using renewable energy sources or efficient cogeneration, and which are entitled ~~to the obliged redemption at the guaranteed feed-in tariff, to the premium and to the obliged redemption following the principle of net metering,~~

b) ~~to keep records of the planned electricity production and capacities of generation plants which exercise the preliminary right to the incentive,~~

c) to conclude contracts on incentive, ~~to purchase electricity produced in generation plants that are entitled to a guaranteed redemption price,~~ performs the calculation and payment of funds for the electricity produced in facilities that are entitled to incentives,

d) ~~to conclude contract on obliged takeover and sale of electricity from renewable energy sources and in efficient cogeneration with suppliers to end customers and invoicing and billing electricity sold from the obliged redemption,~~

e) ~~to conclude contracts with suppliers of all end customers in the Republic, tariff and eligible, and qualified customers using electricity for their own use purchased directly on the market, without the mediation of the supplier and in accordance with the signed contracts invoicing and collection of fees for renewable energy,~~

f) to take over the balance responsibility for the electricity production ~~which is entitled to incentives~~ and bear the costs of balancing in accordance with ~~the Article 23 paragraph 3 of this Law,~~

g) to analyze the planned electricity production for which it is entitled to incentives and report to the Ministry and the Regulatory Commission,

h) ~~to deposit funds for the exercise of the preliminary right to the incentive,~~

i) to calculate and transfer funds to the Environmental Protection and Energy Efficiency Fund of the Republic of Srpska and

j) perform other tasks necessary for the implementation of the system of incentives.

(2) System operator for incentives shall make rules of operation for implementation of the system for incentives, with the consent of the Regulatory Commission.

(3) Rules of operation referred to in the paragraph (2) shall define:

a) method and exercising rights and obligations of the participants in the incentive system, pursuant to the regulations which define the incentive system,

b) method of submitting plans of generation of electricity from renewable sources and in efficient co-generation facilities, method of follow-up of the plans realization and allowed deviations from the planned quantities,

c) method of keeping records on generators which are entitled to the incentives, ~~on generators who are granted the preliminary right to the incentive, as well as the records on generators who are on the stand-by in a sense of achieving the planned amounts of the installed capacities and generation of electricity which is stimulated;~~

d) method of issuance of the certificate for capacity and certificate for energy and method of keeping records on the submitted applications and issued certificates,

e) method and deadline for concluding contracts, amendments to the contracts, validity cessation and termination of the contract,

f) method of metering net generated electricity from generators of electricity from renewable sources and efficient co-generation which are in the system of incentives, the balance belonging and responsibility of participants in the system of incentives,

g) ~~method of determination of the obliged part of electricity generated from renewable energy sources that are necessarily to be taken by suppliers and eligible customers,~~

h) ~~method of selling electricity taken from generators of electricity from renewable sources and efficient co-generation,~~

i) types of data submitted by the generator of electricity from renewable sources and in efficient co-generation and method of submission of data,

j) method of data sharing with system operator which the generating facilities are connected to,

k) ~~conditions and method of calculation, invoicing and financial settlement for electricity generated in the system of incentives,~~

l) ~~instruments providing payment and their use in the system of the obliged redemption,~~

m) ~~method of handling the means deposited for the purposes of getting preliminary right to the incentive and~~

n) other actions required for implementation of the incentive system.

Article 15

(1) System operator shall be in charge of reading and calculation of electricity delivered to the network and other energy items in the generation plant that uses renewable energy sources, including own consumption and consumption for its own needs.

~~(2) Suppliers of end users shall be obliged to buy from the System operator for incentives a share of electricity generated from renewable energy sources in accordance with this Law.~~

~~(3) System operator shall calculate on a monthly basis the totally taken electricity from generators that are entitled to the incentive and submit the report to the generator and System operator for incentives, as well as the report on the total electricity delivered to end users for all suppliers of end users in the Republic of Srpska as well as for eligible customers who independently buy electricity on the market.~~

(4) Suppliers of end users in the Republic of Srpska shall submit the reports to the System operator for incentives on the total taken and sold electricity and total calculated amount of the fee contained in the issued invoices for the electricity consumed.

(5) Suppliers of end users pay the duty for the appertaining share of electricity from renewable energy and efficient cogeneration and calculated fee for renewables on the account of the System operator for incentives from which the liabilities towards generators are paid.

Article 16

(1) System operator for incentives, Regulatory Commission and system operator have free access to the plants and all data relating to the plant and the energy that it used, for the purpose of the fulfillment of the obligations under this Law.

(2) The generator of the electricity from renewable energy sources shall enable the operation of the representatives of the System operator for incentives, Regulatory Commission and system operator.

V GUARANTEE OF THE ELECTRICITY ORIGIN

Article 17

(1) Guarantee of the electricity origin is issued at the request of a generator who sells electricity from renewable energy sources at the electricity market, ~~for which it did not gain the right to the obliged redemption at the guaranteed feed-in price or premium.~~

(2) Guarantee of the electricity origin is issued for the unit amount of the electricity of 1 MWh generated from renewable energy sources.

(3) Guarantee of the origin is issued only once for unit amount of electricity generated within a certain period, of which a separate records are kept.

(4) Regulatory Commission shall be in charge of issuance, transfer and cancellation of the guarantee of origin of electricity.

(5) The Regulatory Commission shall adopt the Rule Book on Issuance of Guarantees of Electricity Origin regulating the content of the guarantee, the conditions and procedures for issuing, transfer and cancellation of guarantees of origin, keeping the Register of guarantees of origin of electricity and more.

Article 18

(1) Guarantee of origin for electricity from renewable energy sources shall be issued on the basis of data obtained from electricity generators from renewable energy sources and distribution system operator.

(2) Guarantee of origin can be used within one year from the date of issuance, and after use or expiry, the guarantee of origin shall be cancelled.

Article 19

Guarantee of origin of electricity issued in other countries shall be recognized in the Republic on the basis of reciprocity and in accordance with the concluded international agreements.

VI TYPES OF INCENTIVES FOR GENERATION AND USE OF ELECTRICITY FROM RENEWABLE SOURCES AND IN EFFICIENT COGENERATION

1. Types of incentives for generation and use of electricity from renewable sources and in efficient cogeneration

Article 20

(1) Electricity generator can exercise the right to the ~~following types of incentives for generation of electricity from renewable sources or in efficient co-generation in the form of a premium, calculated as the difference between the price with which the renewable energy producer was declared successful in the competitive process for granting the aid (the strike price) and the market price for electricity (the reference price).~~ are as follows:

a) ~~benefits while connecting to the network,~~
b) ~~advantages in access to the network,~~
c) ~~right to the obliged redemption of electricity,~~
d) ~~right to the guaranteed redemption price (feed-in tariff) and~~
e) ~~right to the premium for consumption of electricity for its own needs or sale at the market of the Republic of Srpska.~~

(2) ~~Electricity generator can not exercise the right to the obliged redemption of electricity and the right to the premium for the same amount of electricity.~~

(3) ~~Guaranteed redemption price or premium referred to in paragraph 1, points d) and e) of this Article shall be reduced for the generator of electricity from renewable energy sources or in efficient cogeneration if he received a state aid during the investment period.~~

(4) ~~The state aid referred to in paragraph 3 of this Article shall mean any~~

~~direct or indirect aid in the form of cash, materials and equipment, subsidies and tax relief.~~

Article 21

(1) The right to the incentives referred to in Article 20 of this Law may be exercised by the generator of electricity if:

a) it generates electricity in new facilities:

- 1) hydro power plant, the capacity of 10 MW inclusive,,
- 2) wind power plant, the capacity of 10 MW inclusive,
- 3) solar plant with the photo-voltaic cells of the installed capacity of up to 1 MW inclusive,
- 4) geo-thermal facility of the installed capacity of up to 10 MW inclusive,
- 5) facility using bio-mass of the installed capacity of up to 10 MW inclusive,
- 6) facility using bio-gas of the installed capacity of up to 1 MW inclusive and
- 7) it generates electricity in efficient co-generation facility, the capacity of 10 MWe

inclusive,

b) amounts of electricity, namely installed capacities of the generation facilities do not exceed the amounts for incentives as determined by the Action Plan and

c) it has the certificate for the generation facility referred to in Article 8 of this Law.

(2) Incentives, according to the contract for difference, shall be granted to the successful bidder in the competitive bidding process to profit from the support scheme, as defined in this Law, and by signing a contract for difference.

~~In addition to the generator referred to in paragraph 1, point a) of this Article, the right to a premium can also be exercised by the generator who meets the requirements under paragraph 1, points b) and c) of this Article, if it generates electricity in:~~

- ~~a) wind power plant of installed capacity of more than 10 MW and~~
- ~~b) efficient co-generation facility, the installed capacity of which is from 10 MW to 30~~

~~MW inclusive.~~

(3) The right to the incentive referred to in paragraphs 1 and 2 of this Article cannot be exercised by the generator of electricity if he installed the used equipment during the construction of the facility.

(4) The privileged producer, under a contract for difference and the maximal level of the support, will be determined in a tendering process, open to all producers of electricity from renewable sources, on the basis of clear, transparent and non-discriminatory criteria, unless when:

- a. only one or a very limited number of projects or sites ~~are~~could be eligible ; or
- b. a tendering process ~~would~~could lead to higher support levels; or
- c. a competitive process would result in low project realisation rates.

(5) The tendering process can be limited to ~~a~~-specific technologies, in cases when a process open to all producers would lead to a suboptimal result, which cannot be addressed in the process design, taking into consideration particularly:

- a. The longer-term potential of a new and innovative technology; or
- b. The need to achieve diversification; or
- c. Network constraints and grid stability; or
- d. System (integration) costs; or
- e. The need to avoid distortions on the raw material markets from biomass support.

(6) The obligations under paragraph 42 of this article regarding a competitive bidding process do not apply to installations with installed capacity of less than 1 MW or demonstration projects, except for electricity from wind energy where an installed electricity capacity of up to 6 MW or 6 generation units.

(7) A model of the contract for difference, the tendering terms and procedures, as well as cases of restriction of this process according to paragraph 5 of this article, are proposed by the Minister and approved by a decision of the Government.

(8) The Ministry in consultation with the regulatory commission for energy and the Energy Community Secretariat, prepares every proposal regarding support measures.

1.1. Benefits while connecting to the network and advantages in the access to the network

Article 22

(1) Distribution system operator is obliged to submit to each new generator using renewable energy sources or efficient co-generation and who asks for connection to the distribution network a detailed analysis of possibilities and conditions for connection with the estimate of costs of connecting of the facility to the distribution network and timeframe for realization of the proposed method of connection.

(2) While connecting to the distribution network, the electricity generator shall bear real costs of construction of power grid to the point of connection and real costs incurred as a result of technical adjustments to the existing network.

(3) Distribution system operator, with the consent of the Regulatory Commission, shall adopt the Rule Book defining the method, terms and conditions and procedure for connection to the distribution network of a generation facility using renewable energy sources and efficient co-generation, procedure for exercising rights to advantages while connecting to the distribution network, rules and criteria for allocation of costs of the construction of the power grid and technical adjustments of the existing network between new generators of electricity

(4) Generator of electricity from renewable energy sources and in efficient co-generation shall be connected to the transmission network in accordance with the regulations governing the connection of the facilities to the power grid.

Article 23

~~(1) System operator for incentives, in cooperation with the system operator,~~

~~shall provide to the generator who is granted the right to the obliged redemption at the feed-in tariff the access to the network in accordance with the reported daily schedule of operation, taking into account the technical limitations of the power system in whole or in part.~~

~~(2) Generator of electricity from renewable energy sources or in efficient cogeneration which is granted the right to the obliged redemption at the feed-in tariff or obliged redemption for electricity generated in facilities with an installed capacity of less than 500 kW, shall not be obliged to notify daily schedule of operation and shall not bear balancing costs.~~

~~(3) Generator of electricity from renewable energy sources or in efficient cogeneration which is granted the right to the obliged redemption at the feed-in tariff or obliged redemption for electricity generated in facilities with an installed capacity of more than 500 kW, shall notify daily schedule of operation and shall bear 25% of balancing costs.~~

~~(1) Electricity generator who sells the electricity at the market and is granted the right to the premium shall itself provide the access to the network and bear the balancing costs.~~

~~(2) Electricity generator becomes a responsible party for balancing, by signing a contract with the transmission system operator or by signing a contract for the transfer of the balancing responsibility to another responsible balancing party, thus becoming a member of a balancing group, in accordance with the respective Market Rules.~~

~~(4)(3) Electricity generators with installed capacity of less than 500 kW or demonstration projects, except for electricity from wind energy where an installed electricity capacity of 3 MW or 3 generation units applies, are not responsible for balancing.~~

1.2. ~~Right to the obliged redemption, right to the guaranteed redemption price and right to the premium~~

Article 24

(1) Generator which generates electricity from renewable energy sources or in efficient co-generation and meets the requirements referred to in Article 21 of this Law shall be granted the right to the premium:-

~~a) obliged redemption of the electricity in whole or in part at the guaranteed redemption price (feed-in tariff) or~~

~~b) premium if it uses electricity for its own needs or sells it at the market of the Republic of Srpska.~~

(2) Renewable energy producers are obliged to pay the difference between the reference price and the strike price to the System operator for incentives when in practice the reference price exceeds the strike price. If the day-ahead power auction hourly price is below zero for less than six consecutive hours, the support will be capped at the strike price. If the day-ahead power auction hourly price remains negative throughout a six-hour period or longer then the difference amount under the Contract for Difference will be set to zero for the entirety of that period

(3) Electricity generator referred to in paragraph 1 of this Article shall be granted the right to the obliged redemption at the guaranteed redemption price or to the premium for

a period of up to 15 years, but not longer than until the plant has been fully depreciated according to normal accounting rules.

Article 25

Generator of electricity in the facilities in exploitation, in which the reconstruction was made, which generates electricity from renewable sources or operate in efficient co-generation is entitled to the ~~obliged redemption at the guaranteed feed in price of the right to the~~ premium for a part of generated electricity being the result of increase of the capacity obtained by reconstruction.

Article 26

~~(1) Guaranteed redemption price and premium for individual electricity production technologies that are entitled to the incentives, prescribed by Article 5 and Article 21 of this Law, shall be determined on the basis of the methodology prescribed by the Regulatory Commission.~~

~~(2) Guaranteed redemption price of electricity from renewable energy sources and in efficient cogeneration consists of the reference price for the obliged redemption of electricity and premium.~~

~~(3) The amount of the guaranteed redemption price and premium referred to in paragraph 1 of this Article shall be determined by the Regulatory Commission with the consent of the Government.~~

~~(4) Regulatory Commission at least once a year checks the level of guaranteed redemption prices and premiums for the forthcoming period and, if necessary, change them.~~

~~(5) When concluding the contract on obliged redemption at guaranteed redemption price, the prices from the decision in force at the time of conclusion of the contract shall be applied and that remains unchanged during the validity period of the contract, except in the case of major changes in the exchange rate of the convertible mark in relation to the euro exchange rate in Bosnia and Herzegovina.~~

Article 27

(1) Generator of electricity from renewable sources or in efficient co-generation, which, in accordance with this Law, is entitled to ~~obliged redemption at guaranteed redemption price or to a~~ premium, shall exercise that right on the basis of a decision issued by the Regulatory Commission and a contract for difference, at the request of the generator following the successful outcome of the competitive bidding process.

~~Generator of electricity from renewable sources or in efficient co-generation can be entitled to a preliminary right to obliged redemption at guaranteed redemption price or to a premium during the construction of the facility if it meets the requirements referred to in Article 21, paragraph 1, points a) and b) and paragraph 2 of this Law.~~

~~Generator of electricity referred to in paragraph 2 of this Article shall submit its request together with the following documents:~~

a) feasibility study,

- b) ~~evidence of the entry of the projects in the projects' registry and~~
 - c) ~~construction permit issued by the competent authority in accordance with the regulations governing construction and~~
 - d) ~~evidence that the facility is under construction.~~
- ~~Regulatory Commission shall issue a decision on the preliminary right to the incentive for a period which may not exceed three years from the date of issuance.~~

~~(2) The System Operator for incentives will prepare a request form for obtaining of the status of the privileged producer and support scheme measures, which includes among others the applicant's name and the type of company, a description of the project, including its location, start and completion date of the project, the amount of support needed to carry it out and the ~~respective~~eligible costs. In the request form, beneficiaries must ~~have the opportunity to~~ describe the chance of development of the project without the support scheme.~~

~~(3) After obtaining the decision of the Regulatory Commission referred to in paragraphs 1 and 4 of this Article, electricity generator shall conclude the contract for difference or pre-contract on incentives with the System Operator for incentives.~~

~~(2)(4) Conditions and procedures for granting the support measures, which include aid from the State Budget, are approved by the Government, with the proposal of the minister. These measures need to be notified and approved for their compliance with the legislation on State Aid ~~by the State aid authority.~~~~

~~Generator of electricity in the facilities which capacity is more than 250 kW are obliged, before signing the pre-contract on incentives referred to in paragraph 5 of this Article, to make the financial deposit or submit the bank guarantee to the System Operator for Incentives in the amount of 2% of the investment value.~~

Article 28

(1) Regulatory Commission can cancel the Decision referred to in Article 27 of this Law in the following cases:

- a) if the Decision was made based on the false data,
- b) if the certificate for the production facility has expired,
- c) if the generator generates the electricity contrary to the conditions laid down in the Decision,
- d) if generator does not fulfill the requirements under the contract or pre-contract on incentives and
- e) at the request of the generator.

(2) Administrative dispute can be initiated against an act of the Regulatory Commission referred to in paragraph 1 of this Article.

Article 29

Regulatory Commission, with the approval of the Government, shall adopt the Rule Book on incentives for generation of electricity from renewable sources and in efficient co- generation, which shall regulate:

- a) terms and conditions and procedure for exercising the right to the

incentives; period in which the right to the incentives is exercised for and conclusion of the contract ~~on for difference incentives,~~

b) ~~method for checking available capacities and amounts of electricity for incentives and issuance of appropriate certificates by the System Operator for incentives,~~

c) ~~criteria for reduction of the incentive measures for generator referred to in Article 20, paragraph 2 of this Law,~~

d) terms and conditions and procedure for exercising the right to the incentives in generation facilities referred to in Article 25 of this Law,

e) metering, reading and calculation of electricity which the right to the incentive is realized for,

f) methodology for determination of the ~~guaranteed feed in tariff of electricity, and premium,~~

g) calculating and charging fees for renewable energy and efficient cogeneration,

h) method of determination of the costs of operation of the Incentive System Operator and

i) other issues of importance for the implementation of the incentive system.

1.3. The means for stimulating generation of electricity from renewable sources and in efficient co-generation

Article 30

(1) The means for stimulating generation of electricity from renewable sources and in efficient co-generation shall be provided from the fees to encourage the generation of electricity from renewable sources and efficient co-generation.

(2) The end user of electricity in the Republic, including the eligible customer purchasing electricity for his own needs directly on the market, is obliged to pay the fee to encourage the generation of electricity from renewable sources and efficient co-generation as an addition to the electricity price.

(3) Electricity supplier is obliged to present as a special item on the electricity bill the fee to encourage the generation of electricity from renewable sources and efficient co-generation.

(4) The amount of the fee to encourage electricity generation from renewable sources and in efficient cogeneration shall be determined by the decision of the Regulatory Commission with the consent of the Government.

Article 31

(1) From the fees for the electricity generation from renewable sources and in efficient co-generation, the means shall be provided for:

a) total amount of the calculated premiums for electricity generated in renewable sources and efficient co-genera,

b) balancing costs, in accordance with the Article 23 paragraph 3 of this Law,

c) financing of operation of the System operator for incentives and

b) improvement of energy efficiency measures and promotion of generation of energy from renewable sources.

(2) Costs of operation of the System Operator for incentives, based on the justified costs, shall be determined by the Regulatory Commission in the procedure of determination of the amount of the fee for stimulating generation of electricity from renewable energy sources and in efficient co-generation.

(3) Environmental Protection and Energy Efficiency Fund of the Republic of Srpska shall pay 10% of the funds collected for the promotion of generation of electricity from renewable energy sources and efficient cogeneration in order to implement the measures referred to in paragraph 1, point g of this Article.

2. Measures to encourage the use of renewable energy for heating and cooling and in transport

Article 32

In order to fulfill the obligations stipulated in the Action Plan concerning the share of renewables in energy generation for heating and cooling, the Government may introduce the following measures:

a) subsidies and other incentives for domestic generation and procurement of equipment which is used for heating and cooling using renewable energy sources (solar collectors for hot water preparation, heat pumps for use of aerothermal, geothermal and hydrothermal energy, etc.),

b) creation of the local market of thermal energy generated from renewable energy sources by introducing a register of guarantees of origin of heat,

c) introduction of obligation to large consumers of thermal energy (industrial and district heating) that part of the thermal energy is generated from renewable energy sources and

d) and other incentives from the Action Plan.

These measures need to be notified and approved for their compliance with the legislation on State Aid by the State aid authority.

Article 33

For the purpose of fulfilling the obligations stipulated in the Action Plan, in terms of share of renewable energy in transport, the Government shall issue a Rule Book laying down obligations of participants in the transport fuels market in terms of share of bio-fuels in the total consumption of transport fuels, control over the implementation of the obligations established, the quality and content of bio-fuels and other measures necessary for the fulfillment of the objectives of the Action Plan.

3. Other incentives and information

Article 34

~~Generator of electricity from renewable sources and in efficient co-generation that meets the requirements under Article 21, paragraph 1, point a) of this Law and which is connected to the distribution network shall be granted the right to the obliged redemption from the distribution system operator at a price equal to the price determined to cover distribution losses on the network in the~~

~~probationary period, a maximum of 60 days after obtaining authorization to use.~~

Article 35

(1) End user connected to the voltage level at 0,4 kV which connecting capacity corresponds to the installation fuse of up to 63 A at most, which provides electricity for its own needs also by its own generation of electricity from generation facilities using renewable energy sources which installed capacity does not exceed 44 kW can take over and deliver electricity from distribution network following the principle of 'net metering', having obtained Decision of the Regulatory Commission.

(2) Net condition of the two-direction metering device of the active electricity is the base for calculation and payment or settlement between the contracting parties for the taken, namely delivered electricity.

(3) If the reading of the two-direction metering device of the active electricity in the calculation period proves that the end user took more electricity than delivered to the network, the end user pays the difference between the electricity taken and delivered, pursuant to the contracted tariff rates for supply.

(4) If the reading of the two-direction metering device of the active electricity in the calculation period proves that the end user delivered to the network more electricity than it took, the difference between the electricity taken and delivered is transferred to the next calculation period in favor of the end user.

Article 36

Ministry, Regulatory Commission and System operator for incentives, within their jurisdiction, shall develop appropriate educational programs, prepare brochures and other forms of training, in order to inform the public about the incentives and benefits of generation and use of energy from renewable energy sources and in efficient co-generation.

VII CONSTRUCTION OF POWER PLANTS AND KEEPING THE REGISTER OF PROJECTS

1. Construction of power plants

Article 37

The construction of power generation facilities using renewable energy sources and efficient cogeneration shall be made in accordance with the strategic documents and development plans of the energy sector in the Republic.

Article 38

(1) In accordance with the regulations governing the field of construction and environmental protection, are being built:

- a) bio-mass and bio-gas power plants,
- b) solar plants with photovoltaic cells on buildings and

c) plants of installed capacity of up to 250 kW inclusive using all forms of renewable energy sources and efficient cogeneration plants.

(2) Construction of power plants using renewable energy sources and efficient cogeneration, except plants referred to in paragraph 1 of this Article, shall be made in accordance with the regulations governing the field of construction and environmental protection, under previously obtained concession granted in accordance the regulations governing the field of concessions or in accordance with the rules governing other types of public-private partnership where it is governed by a special regulation for certain energy activity.

2. Register of projects

Article 39

(1) The Register of Projects is a unique record of projects in renewable energy and in efficient cogeneration, which are implemented in accordance with:

a) issued construction permit for facilities referred to in Article 38, paragraph 1 of this Law, and

b) signed Concession Agreement or contract on public-private partnership for facilities referred to in Article 38, paragraph 2 of this Law.

(2) Legal and natural person who builds a power plant is obliged to report the project to the Ministry within 30 days from the date of obtaining construction permits or the conclusion of the contract referred to in paragraph 1 of this Article.

(3) The Register referred to in paragraph 1 of this Article shall be established and kept by the Ministry.

Article 40

(1) Register of Projects contains data on the owner of the project and project itself, on facility as well including information on the location and type of facility, technical and technological features and conditions of use depending on the applied technology, the installed capacity of the plant for the generation of electricity and heat and planned generation, incentives, and other data from concluded ~~preliminary contracts and~~ contracts ~~on incentives~~ for difference.

(2) Minister shall issue the Instruction on keeping the registry of the projects in renewable energy and in efficient co-generation.

VIII SUPERVISION AND PENALTY PROVISIONS

Article 41

Administrative supervision over the implementation of the provisions of this Law and regulations issued thereunder shall be performed by the Ministry and Regulatory Commission, in accordance with the powers prescribed by this Law.

Article 42

(1) Inspectorial supervision over the implementation of the provisions of this Law shall be performed by the Inspectorate of the Republic of Srpska through

the competent inspectors, in accordance with the powers prescribed by this Law and the law governing the organization of work of the Inspectorate of the Republic of Srpska.

(2) The control over the construction of the electric power facilities, technical correctness, operational safety of electric power facilities, people's safety in electric power facilities, as well as insight into the technical and operational documentation shall be done by the competent inspection in accordance with the Law.

(3) Inspectorial supervision shall include supervision over the implementation of this Law, other regulations, standards, technical norms and quality standards relating to the design, construction, reconstruction, maintenance and use of electric power facilities, installations, plants and equipment in these facilities, as well as the quality of electricity supply and the like.

Article 43

(1) A legal person shall be fined with BAM 5,000 to 15,000 if it:

a) does not buy electricity in accordance with Article 15, paragraph 2 of this Law,

b) initiate the construction of renewable energy and the efficient co-generation plants, contrary to the provisions of Article 38 of this Law and

c) acts contrary to Article 39, paragraph 2 of this Law.

(2) For the offense referred to in paragraph 1 of this Article, a responsible person in the legal person shall be fined with BAM 1,000 to 3,000.

(3) For the offense referred to in paragraph 1 of this Article, a natural person (an investor) shall be fined with BAM 1,000 to 3,000.

IX TRANSITIONAL AND FINAL PROVISIONS

Article 44

(1) The procedures regarding obtaining the right to incentives initiated prior to the entry into force of this Law shall be completed in accordance with the provisions of the Regulation on Generation and Consumption of Energy from Renewable Sources and in Efficient Cogeneration ('Official Gazette of the Republic of Srpska', No. 28/11 and 39/11).

(2) A privileged producer and a producer which exercise the preliminary right to the incentive, which acquired their status before the entry into force of these amendments, has the right to choose to benefit from new support scheme under the contract for difference, in accordance with the new competitive bidding process.

Article 45

(1) The Government shall enact:

a) Action Plan of the Republic of Srpska for Usage of the Renewable Energy Sources within nine months from the effective date of this Law (Article 10, paragraph 1), and

- b) Regulation on types, content, quality and share of bio-fuels in transport within nine months from the effective date this Law (Article 33).
- (2) The Ministry shall enact the Guidelines on keeping the register of projects from renewable energy sources and in efficient cogeneration (Article 40, paragraph 2).
- (3) Within six months from the effective date of this Law, the Regulatory Commission shall enact:
- a) Rule Book on Issuance of Certificates for the Generation Facility which Generates Electricity Using the Renewable Energy Sources or in Efficient Co-generation (Article 9, paragraph 2),
- b) Rule Book on Guarantee of Origin for Electricity Generated from Renewable Energy Sources (Article 17, paragraph 5) and
- c) Rule Book on Incentives for Generation of Electricity from Renewable Energy Sources (Article 29).
- (4) Within three months from the effective date of this Law, the System operator for incentives shall issue the Rules of Operation (Article 14, paragraph 2).
- (5) Within 30 days from the effective date of this Law, the Government shall determine planning indicators of generation and consumption of energy from renewable energy sources and cogeneration plants applied in the Republic of Srpska until the adoption of the Action Plan referred to in Article 10 (1) of the Law.
- (6) Until the regulations referred to in paragraphs 1 and 3 of this Article are enacted, shall apply regulations that were in force on the date of entry into force of this Law, if not inconsistent with this Law.

Article 45a

- (1) Until the establishment of the System operator for incentives under Article 13 of this Law, the administrative, financial and other activities in the system of promotion of generation of energy from renewable sources and in efficient cogeneration production incentives energy from renewable sources and efficient co-generation shall be performed by Mixed Holding Power Utility of the Republic of Srpska- Parent company JSC Trebinje.
- (2) Mixed Holding Power Utility of the Republic of Srpska - Parent company JSC Trebinje shall keep separate accounting records and special account for purchase of electricity generated from renewable sources and efficient co-generation which is entitled to incentives

Article 46

This Law shall become effective on the eight day after its publication in the 'Official Gazette of the Republic of Srpska'.

~~A privileged producer and a producer which exercise the preliminary right to the incentive, which acquired their status before the entry into force of these amendments, has the right to choose to benefit from new support scheme under the contract for difference, in accordance with the new competitive bidding process.~~