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Editor's note

Dear readers,

Welcome to the 78th Energy Newsflash of Rokas Law Firm. In this edition, we present and analyze the latest developments in the South East European region concerning the energy sector.

The draft law on Planning and Construction which has significant implications for the energy sector in Serbia, takes center stage in this edition. We delve into the main goals and potential impacts of this draft law, shedding light on the importance and relevance.

Another topic of interest is the regulatory framework governing photovoltaic systems on households in Romania. We provide a brief review of this framework, exploring its key features and its implications for the promotion and adoption of solar energy in the country.

Furthermore, we are excited to report on the long-awaited beginning of operations of the Albanian Energy Exchange. We examine the significance of this milestone, discussing its potential impact on the energy market in Albania and the wider region.

Lastly, we turn our attention to the establishment of the new subsidiary of BEH in its efforts to accelerate the development of new capacities for renewable energy generation and storage.

Stay tuned for a comprehensive overview of these topics and gain valuable insights into the latest energy developments in the SE European region!

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Draft Law on Amendments to the Law on Planning and Construction in Serbia

On 4 May 2023, the Government of the Republic of Serbia adopted the long-awaited Draft law on Amendments to the Law on Planning and Construction¹, which proposal is currently in the parliamentary procedure. The key goals of the proposed changes relevant for the energy sector are improving energy efficiency, issuing green building certificates, increasing electro mobility, specifying the provisions on the construction of solar parks, the register of brownfield sites, etc.

Green building certificate

The Draft regulates that all public buildings as well as other new buildings over 10.000,00 m², all required to obtain a Green Building Certificate, which is expected to have significant positive impact on energy efficiency. The Certificates showing the green building rating should be issued by an International Green Building Certification System (such as LEED - Leadership in Energy and Environmental Design or BREEAM - Building Research Establishment Environmental Assessment Method) and will confirm to what extent a building meets the standards and quality criteria of green construction which aims to increase the efficient use of energy, use of renewable energy sources, use of ecological materials, reduction of pollution and quantities of waste materials and enabling their reuse and recycling. The investors which obtain the Certificate will have reduction of 10% to the total amount of contribution they pay for the development of construction land.

Energy Passport

The proposed changes also regulate the issuance of the certificates on the energy properties of buildings (so called Energy Passport), which are issued through the Serbian Central Register of Energy Passports (CREP), managed by the Ministry responsible for construction affairs. The Energy Passport is issued for the duration of 10 years and must accompany agreements on sale or on lease of real estate property. Having in mind that the Energy Passport contains important data on the

¹ Official Gazette of RS", no. 72/2009, 81/2009-corrected, 64/2010 – Decision of CC, 24/2011, 121/2012, 42/2013 – Decision of CC, 50/2013 – Decision of CC, 98/2013 – Decision of CC, 132/2014, 145/2014, 83/2018, 31/2019, 37/2019 – other laws, 9/2020 and 52/2021

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energy characteristics of the building, it is considered a significant incentive for reduction of energy consumption and generally increased construction of energy-efficient buildings.

Provisions on the Construction of Solar Parks

The Draft for the first time defines wind and PV solar parks. It further regulates that there is no need to change the registered use of a land plot to install a solar park, except in cases when special regulations require so.

Electromobility

The Draft also introduce for the first time the term electromobility and the obligation to provide place and installations for charging of e-cars in addition to parking or garage space when a new building is constructed. That would support the infrastructure necessary for increasing of purchase and use of e-cars in Serbia.



by Suzana Pavlovic | Associate
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New Round of the "Green Photovoltaic House" Program in Romania

On 28 April 2023, the Order No. 1.063/ 26.04.2023 of the Ministry of Water and Forestry, regulating the new round of the Green Photovoltaic House – the state aid program for installation of photovoltaic systems on households, was published in the Romanian Official Gazette. The Program starts on 19 May 2023 and will last until 26 June 2023. The installed photovoltaic systems for electricity generation will cover the consumption needs of the householders and other beneficiaries (self-consumption) while the surplus of the produced electricity will be fed to the national grid. The Programme is run by the Environmental Fund Administration (AFM) that aims to finance up to 90% of the necessary investments - the total value of the installation – which may not exceed 20,000 RON. The minimum participation of the beneficiaries is 2,000 RON.



According to the above Order, the Program will be realized in the following stages:

- a) Providing information on conditions and documents required for validation of installers, which will be uploaded on the AFM website;
- b) Approving the installers;
- c) Concluding participation contracts with the selected installers;

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- d) Receiving the guarantee from the installers with whom the participation contract has been concluded;
- e) Publishing the list of validated installers;
- f) Providing information on conditions and documents required for the applicant registration, which will be uploaded on the AFM website;
- g) Uploading the application and other required documents by the applicants; The application will specify the required funding amount and the name of the selected validated installer. By registration of the application the funding amount is considered reserved. This stage can be carried out simultaneously with steps b) to e);
- h) The selected installer analyzing the documents uploaded by the applicant;
- i) Approval/rejection/rejection of applications by the installer;
- j) Approval/rejection of applicants by the AFM based on the lists prepared by the installers;
- k) Contestation of the result by the applicants, if any;
- l) Signing of funding contracts by validated installers generating group of applications;
- m) Project implementation;
- n) Settlement of the amounts requested by the validated installers;
- o) Verification by AFM, on a sample basis, of the accuracy of the beneficiary eligibility analysis performed by the installers and of the documentation submitted for settlement;
- p) Monitoring of beneficiaries.

A novelty of the Program is the possibility that individuals directly submit the application to the electronic platform of the AFM. In order to avoid potential system overloads each region of Romania will have 3 working days for the application.

Another novelty is that along with individuals, other – units of religious entities may be beneficiaries to the Programme. For example, in the case of the Romanian Orthodox Church, the unit of worship is a parish. The definition of the beneficiary now is: "the applicant natural person who has been approved by AFM or the applicant unit of a religious entity that has concluded a financing contract".

According to the statements of the Minister of Environment, Waters and Forests "The program that is most awaited now is for photovoltaic. Here we are talking about a budget, at the first approval of over two billion RON. We expect that, at the summer rectification, we will be able to supplement this budget with European funds and other funds from AFM in order to reach minimum 3 billion RON. This is

our target for 2023". It remains to be seen what impact the Program will have on the Romanian energy market.

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Beginning of trading on the Albanian Energy Exchange

On 07 April 2023, the Energy Regulatory Body (ERE), following the previous proposal of the Albania Energy Exchange (ALPEX), approves the beginning of operations of the Albanian Energy Exchange at 00:00 on 12 April 2023.

The establishment and organization of the ALPEX dates back to May 2019 when the Government approved the last decision necessary for the creation of the Albanian Energy Exchange, thus paving the way for another important step in the implementation of the EU Target Model. Subsequently, on 5 October 2020, the Transmission System Operator OST and the System, Transmission and Market Operator of Kosovo signed the Shareholders' Agreement for the establishment of ALPEX and approved its Statute. The ALPEX has been licensed by the ERE for the organization and operation of the Day Ahead and Intraday electricity market of the Republic of Albania.

On 27 December 2022, the Council of Ministers approved the procedures for operation of ALPEX (Decision no. 347 "On the approval of the rules of the electricity market"). The ALPEX, acts as a central counterparty, placed between the transactions of the parties within the electricity market and assumes the role of the buyer against the selling counterparty and the role of the seller against the buying counterparty, in order to guarantee the transactions. The ALPEX offers the service of administration and guarantee of this activity, through the trading, clearing and settlement platform, as a central counterparty.

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The operation of the Albanian Electricity Exchange should create the conditions for a transparent and liquid market, as well as create the possibility of expansion by joining the electricity markets with Kosovo, as a first stage, with the region and further, with the markets of the EU, in the further development of the common European market.

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Bulgarian Energy Holding established state-owned green energy company

The Bulgarian state-owned energy company Bulgarian Energy Holding (BEH) established a separate subsidiary within the group, under the name National Energy Operator (NEO), with the scope to develop and implement green energy and storage projects, that has been registered in the Commercial Register on 04.04.2023.



BEH produces coal, operates the Maritsa East 2 thermal power plant, and is also active in natural gas transmission, storage and supply. The focus of NEO is planned on accelerating the development of new capacities for renewable energy generation and storage, while according to the BEH statement implementation of the RES and storage projects would increase the use of RES in Bulgaria, encourage investment in this sector and help balancing the electricity system.

The creation of NEO is in compliance with the Bulgarian National Development Programme for 2030 and the Integrated Energy and Climate Plan for 2021-2030. Under the plan, Bulgaria aims to achieve until 2030 a minimum 27.09% share of RES in its gross energy consumption.

It should be noted that in January 2023, the European Commission referred Bulgaria to the EU court for failing to pass legislation on the development of RES and reduction of greenhouse gas emissions.

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