

# MINISTRY OF ECONOMY

54

Pursuant to Article 17, Paragraph 2 of the Law on Energy (Official Journal *Narodne Novine* No. 68/2001), the Minister of Economy passed the following

## REGULATION

### ON CONDITIONS FOR CARRYING OUT AN ENERGY ACTIVITY

#### I. GENERAL PROVISIONS

##### Article 1

(1) This Regulation shall stipulate the conditions of technical and financial as well as professional qualifications to be fulfilled by a legal person in order to obtain decision approving the carrying out of an energy activity (hereinafter: License) from the Energy Regulatory Council (hereinafter: Regulatory Council).

(2) This Regulation shall stipulate the form, contents, and manner of keeping the register of issued and withdrawn Licenses (hereinafter: the Register of Licenses).

##### Article 2

Expressions used in this Regulation shall have meanings as stipulated in the Law on Energy (*Narodne Novine* No. 68/01), Law on Regulation of Energy Activities (*Narodne Novine* No. 68/01; 109/01), Law on Energy Market (*Narodne Novine* No. 68/01), Law on Gas Market (*Narodne Novine* No. 68/01) and Law on Oil and Oil Derivatives Market (*Narodne Novine* No. 68/01).

##### Article 3

Provisions of this Regulation shall apply to energy activities under Article 15 of the Law on Energy, except for generation of electricity exclusively for one's own needs, where a legal person does not use public transmission or distribution network for such use, or energy generated in generation facilities up to 5 MW, connected to public transmission or distribution network, as well as oil and oil derivatives storage for one's own needs and retail trade of oil derivatives.

#### II. CONDITIONS FOR ISSUING THE LICENCE

##### *License*

##### Article 4

(1) Energy activities under Article 15 of the Law on Energy can be carried out by a legal person upon obtaining the Licence from the Regulatory Council.

(2) The Regulatory Council may issue the License to a legal person registered for such activities with required technical, professional, and financial qualifications as stipulated by this Regulation, provided there are no impediments under Article 17, Paragraph 1, Items 5 and 6 of the Law on Energy.

(3) Any and all issues related to issue, denial, and withdrawal of a license for energy activities not governed by the Law on Energy, Law on Regulation of Energy Activities and this Regulation, shall be governed by the Law on General Administrative Procedure.

##### *Technical qualifications*

##### Article 5

(1) Technically qualified for energy activities is a legal person with facilities, plants,

appliances, and equipment for carrying out an energy activity and implementation of technical and safety regulations.

(2) Exceptionally from the legal person under Paragraph (1) of this Article, technically qualified legal person for energy activities is also a legal person without existing facilities, appliances, and equipment for carrying out an energy activity, provided it owns technical and investment documents required for construction of the facilities, appliances, or network in accordance with the laws, regulations, standards, and customs applicable in the field.

(3) A legal person may own facilities, appliances, and equipment under Paragraph (1) of this Article or use them based on a lease contract with a third party or based on a concession agreement.

(4) A legal person is bound to accompany the application for the License to the Regulatory Council with originals or certified copies of documents issued by competent bodies evidencing its technical qualifications for carrying out an energy activity.

(5) The legal person shall accompany the application for the License to the Regulatory Council with all the valid contracts concluded with other persons, which have effect on technical qualifications of the legal person.

#### *Professional qualifications*

##### Article 6

(1) Professionally qualified for carrying out an activity under Article 15 of the Law on Energy is a legal person employing workers fulfilling the requirements determined by the regulations governing the issues of technical and work safety.

(2) Employees under paragraph 1 of this Article are persons with appropriate employment contract entered between them and such a legal person.

#### *Financial qualifications*

##### Article 7

(1) A legal person is financially qualified for an energy activity if it has at its disposal funds (cash at the account with its commercial bank) stipulated in the Schedule I to this Regulation or if it has proved it can obtain such funds.

(2) A legal person shall accompany the application for the License to the Regulatory Council with a three-year plan of construction, maintenance, and use of energy facilities confirmed by an independent licensed auditor.

##### Article 8

(1) A legal person performing an energy activity under Article 15 of the Law on Energy must continuously maintain the required level of technical and financial as well as professional qualifications based on which the License was issued for undisturbed, continuous, and safe performance of the activity.

(2) The Regulatory Council is authorised to supervise and check the conditions under Paragraph (1) of this Article throughout the validity term of the License.

(3) If the Regulatory Council has determined, either through its official duty or at request by the relevant inspector, that a legal person does not fulfil the conditions under Articles 5, 6 and 7 above, the Regulatory Council may withdraw the License from that legal entity.

#### *Application*

##### Article 9

(1) The License shall be issued upon application by the legal person fulfilling the conditions for an energy activity as stipulated by the Law on Energy and this Regulation.

(2) The application for License must be submitted to the Regulatory Council on ZDOED

Form enclosed as Schedule II to this Regulation as an integral part hereof.

(3) If a legal person intends to perform several energy activities it must apply for each activity separately.

#### Article 10

The application for the License by a legal person shall be accompanied with the following evidence:

- Certificate of Incorporation by the Commercial Court,
- documents issued by relevant bodies evidencing the technical qualifications for carrying out an energy activity,
- valid contracts with other persons affecting technical qualifications, if any,
- BON-1 and BON-2 forms or statement by the legal person's commercial bank on the solvency of the legal person,
- statement by the legal person's commercial bank or another bank on reality of obtaining required funds, if the legal person is proving it can provide required funds,
- three-year plan of construction, maintenance, and use of energy facilities confirmed by an independent licensed auditor,
- valid concession agreement for an energy activity, if the energy activity is carried out on the basis of a concession,
- decision by a relevant inspector stipulating elimination of observed deficiencies,
- certificate on elimination of deficiencies determined by the inspector's decision,
- certificate on no investigation or criminal procedure on members of the management board of the legal person or other persons accountable to them related to performance of an energy activity,
- evidence on payment of administrative fee stipulated by the Executive Order on Financing the Energy Regulatory Council (*Narodne Novine* 60/02).

#### Article 11

(1) All evidence shall be enclosed in original or certified copy, provided that evidence under Article 10, Subparagraphs 1, 4, 5, 9, 10 and 11 on the date of receipt of application for the License must not be older than 60 days.

(2) If a legal person submits several applications for specific energy activities and if the applications are submitted within 30 days as of the date of receipt of the first application, the Regulatory Council may accept subsequent applications with copies of the required evidence, provided the legal person accompanies subsequent applications with a written statement that the original or certified copies of evidence are enclosed with the first application.

#### Article 12

A legal person submitting an application for the License, without existing facilities, appliances, and network used for carrying out an energy activity, may accompany the application, instead of the document under Article 10, Subparagraph 2, with technical and investment documents required for completion of the facilities, appliances, or network in compliance with the laws, regulations, standards, and customs of the field.

#### Article 13

In the procedure of establishing the fulfilment of conditions for the License, the Regulatory Council may check all the information and inspect all the facilities, plants, and equipment.

#### *License*

#### Article 14

(1) Based on the facts on fulfilment of all the prescribed conditions as determined in the procedure, the Regulatory Council shall issue the License or a decision on denial of the License.

(2) Along with the mandatory elements of the decision, the License shall also contain the name of the activity in accordance with Article 15 of the Law on Energy and validity term of the License.

#### Article 15

If on the date of coming into effect of the Law on Energy, a legal person has been registered at least for 15 years for carrying out the energy activity subject to that person's first application for the License and provided it fulfils all the conditions, the Regulatory Council shall issue the License for at longest 15 years:

- if the activity subject to application for the License is a public service without concession agreement,
- if the activity subject to application for the License is a market activity without concession agreement.

#### Article 16

The Regulatory Council shall issue the License for the shortest term stipulated by the Executive Order on Validity Term of License for Energy Activity:

- if on the date of coming into effect of the Law on Energy, the legal person was registered for carrying out an energy activity subject to the application for the License for less than 15 years and provided it fulfils all the conditions,
- if the legal person applied for the Licence, and it does not have existing facilities, appliances, and network used for the energy activity but it fulfils all the conditions as prescribed.

#### Article 17

The Regulatory Council shall issue the License for the term based on the concession agreement term and within limits stipulated by the Executive Order on Validity Term of License for Energy Activity.

#### Article 18

The License shall be accompanied with the DOED form enclosed as Schedule III to this Regulation as its integral part.

### III. REGISTER OF LICENSES

#### *Register Form*

#### Article 19

- (1) The Register of Licenses shall be kept by the Regulatory Council.
- (2) The Register of Licenses consists of the registration files for each specific case.
- (3) A registration file contains:
  - application for the License for an energy activity,
  - documents enclosed with the application for the License,
  - License for an energy activity or decision on denial of the License,
  - DOED form of the issued License,
  - decision on withdrawal of the License, if any,
  - decisions by a second-instance body in charge based on the appeal to the decision denying the License for an energy activity, if any.

#### Article 20

(1) Summary of the Register of Licenses (hereinafter: Summary) is kept in the electronic form.

(2) The Summary shall have the following elements:

- License registration number,
- date of entry in the register of licenses,
- full name of the licensed legal person,
- seat and address of the licensed legal person,
- company number of the licensed legal person,
- name of the energy activity,
- validity term of the License in question,
- date of issue of decision on License withdrawal by the Regulatory Council,
- date of issue of decision permitting the energy activity according to Article 18, Paragraph 2 of the Law on Energy.

(3) If the information registered in the Summary is changed during the License validity term, the legal person licensed for an energy activity shall inform the Regulatory Council thereon within 30 days.

#### *License registration number*

##### Article 21

(1) License registration number is the number assigned to each License at its entry in the Register

(2) License registration number is used to mark each registration file.

(3) Once assigned registration number shall not be changed or assigned to another License after termination of License validity term.

(4) One License must not be assigned several registration numbers.

##### Article 22

(1) License registration number consists of:

- registered entity number (MB) in the Register of the Commercial Court
- four-digit number stipulated by the Regulatory Council by order of opening the registration files starting with 0001-,
- number of activity according to Article 15 of the Law on Energy,
- number of registration year starting with 02.

(2) Between the entity number and the number stipulated by the Regulatory Council or the number of activity, there is hyphenation (-), and between the number of activity and the year of registration there is slash (/).

#### *Public Nature of Register*

##### Article 23

(1) The Summary is open to the public.

(2) Inspection of the Summary is performed in the premises of the Regulatory Council, but it can be made possible in electronic or another suitable way as well.

#### IV. TRANSITIONAL AND FINAL PROVISIONS

##### Article 24

Exceptionally from Article 4, Paragraph 1 above, legal persons carrying out an energy activity under Article 15 of the Law on Energy on the date of coming into effect hereof may continue carrying out such an energy activity, provided that within six months as of coming

into effect hereof they submit an application for the License for an energy activity to the Regulatory Council in accordance with this Regulation.

#### Article 25

This Regulation shall come into effect on the eighth day after its publication in *Narodne Novine*.

Class: 011-01/02-01/132  
Reg. No. 526-01-02-01  
Zagreb, 31 December 2002

Minister  
**Ljubo Jurčić, Ph.D.** (signed)

#### SCHEDULE I.

Funds (cash at bank of the legal person's commercial bank) required for performance of an energy activity:

1. for generation of electricity: - required funds: minimum	HRK 200,000
2. for transmission of electricity: - required funds: minimum	HRK 500,000
3. for distribution of electricity: required funds: minimum	HRK 500,000
4. retail supply of electricity: required funds: minimum	HRK 50,000
5. operation of the electricity system: required funds: minimum	HRK 600,000
6. organization of the electricity market: required funds: minimum	HRK 50,000
7. supply of gas: required funds: minimum	HRK 50,000
8. gas transmission/transportation: required funds: minimum	HRK 150,000
9. gas distribution: required funds: minimum	HRK 150,000
10. production of oil derivatives: required funds: minimum	HRK 500,000
11. transportation of oil through oil pipelines and other transportation means: required funds: minimum	HRK 150,000
12. transportation of oil derivatives through product pipelines and other transportation means: required funds: minimum	HRK 150,000
13. wholesale of oil derivatives: required funds: minimum	HRK 50,000
14. oil and oil derivatives storage: required funds: minimum	HRK 150,000
15. heat generation: required funds: minimum	HRK 60,000
16. heat distribution: required funds: minimum	HRK 160,000
17. heat supply: required funds: minimum	HRK 50,000
18. trading, mediation, and representation in the energy market:	

required funds: minimum	HRK 50,000
19. transportation and storage of LNG: required funds: minimum	HRK 150,000
20. wholesale and retail of LPG: required funds: minimum	HRK 50,000
21. wholesale of LNG: required funds: minimum	HRK 50,000

Form

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<b>REPUBLIC OF CROATIA</b>		
<b>ENERGY REGULATORY COUNCIL</b>		
10000 Zagreb		
Savska cesta 163		
<b>APPLICATION FOR LICENSE FOR ENERGY ACTIVITY</b>		
<b>General instructions:</b>		
<ul style="list-style-type: none"> <li>▪ ▪ <i>Fill in chapters I, II, III, IV, V, VI and VII, including all lines in the statement on authenticity and accuracy of data in this application and enclosed documents and enclose all required evidence.</i></li> <li>▪ ▪ <i>Fill in the application and address it to the Energy Regulatory Council.</i></li> <li>▪ ▪ <i>For each energy activity subject to application for license, submit a special application.</i></li> </ul>		
<b>Applicant:</b> (legal person name and seat)	<b>Application addressee stamp:</b> Energy Regulatory Council	
I hereby apply for a license for energy activity in accordance with the Law on Energy ( <i>Narodne Novine</i> 68/2001) and the Regulation on Conditions for Energy Activities ( <i>Narodne Novine</i> _/2002).		
<b>I. APPLICATION FOR LICENSE</b>		
<b>Instructions:</b>		
<i>You must mark only one activity with a cross. For each energy activity, please fill in a separate application.</i>		
<b>No.</b>	<b>energy activity</b>	<b>mark</b>
1.	generation of electricity	
2.	transmission of electricity	
3.	distribution of electricity	
4.	retail supply of electricity	
5.	operation of the electricity system	
6.	organization of the electricity market	
7.	supply of gas	
8.	gas transmission/transportation	
9.	gas distribution	



<b><i>GENERATION OF ELECTRICITY, separate by units (activity 1)</i></b>				
<b>Unit</b>	<b>Location</b>	<b>Type of fuel</b>	<b>Installed electricity (MW)</b>	<b>Quantity of electricity</b>
<b><i>TRANSMISSION OF ELECTRICITY, DISTRIBUTION OF ELECTRICITY, OPERATION AND MAINTENANCE OF ELECTRICITY SYSTEM (activities 2, 3, and 5)</i></b>				
<b>Network length</b>				
<b>Annual transmitted electricity</b>				
<b><i>RETAIL SUPPLY OF ELECTRICITY (activity 4)</i></b>				
<b>Number of non-eligible customers</b>				
<b>Annual quantity of supplied electricity</b>				
<b><i>SUPPLY OF GAS, GAS TRANSMISSION AND GAS DISTRIBUTION (activities 7, 8, and 9)</i></b>				
<b>Length of transmission pipeline system</b>				
<b>Capacity of transmission pipeline system</b>				
<b>Length of distribution pipeline system</b>				
<b>Capacity of distribution pipeline system</b>				
<b><i>PRODUCTION OF OIL DERIVATIVES (activity 10)</i></b>				
<b>Installed capacity of oil processing in oil refinery</b>				
<b><i>TRANSPORTATION OF OIL AND OIL DERIVATIVES (activities under 11 and 12)</i></b>				
<b>Capacity of trans-loading and reception plants</b>				
<b>Capacity of dispatching facilities</b>				
<b><i>WHOLESALE OF OIL DERIVATIVES (activity 13)</i></b>				
<b>Container capacity</b>				
<b><i>OIL AND OIL DERIVATIVES STORAGE (activity 14)</i></b>				
<b>Container capacity</b>				
<b><i>HEAT GENERATION (activity 15)</i></b>				
<b>Unit</b>	<b>Location</b>	<b>Type of fuel</b>	<b>Installed heat</b>	<b>Quantity of heat</b>

			capacity (MW)	gen

**HEAT DISTRIBUTION (activity 16)**

Length of distribution network

**HEAT SUPPLY (activity 17)**

Number of heat supply facilities

**TRANSPORTATION AND STORAGE OF LNG (activity 19)**

Plant capacity

**WHOLESALE AND RETAIL OF LPG (activity 20)**

Container capacity

**WHOLESALE OF LNG (activity 21)**

Container capacity

**IV. PROFESSIONAL QUALIFICATIONS OF THE LEGAL PERSON**

*Instructions:*

- ▪ *Fill in the table for employees with legal person*

Number of employees	Employee's field of profession	Education degree	Employment

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**V. APPLICANT'S STATEMENTS**

*Instructions:*

- *If the applicant applies for the license for the first time, the statement 5 is not filled in. I, the undersigned, hereby guarantee with my signature:*

No.	STATEMENTS	YES	NO
1.	The legal person I represent is registered for the energy activity subject to the application for license.		
2.	The legal person I represent has at its disposal qualified employees mentioned in this application.		
3.	The legal person I represent has at its disposal facilities, plants, appliances, and equipment required for the energy activity and implementation of technical and safety regulations.		
4.1. 4.2.	The legal person I represent has funds (cash at the account of its commercial bank) at the amount under chapter VI of Application for License for Energy Activity.  The legal person I represent is capable of obtaining funds at the amount under chapter VI of the Application for License for Energy Activity.		
5.	The legal person I represent was not withdrawn the license for the energy activity in the last ten years preceding the year of application		
6.	Members of management of the legal person I represent or other persons accountable to them are not subject to any investigation or criminal procedure related with the energy activity.		
7.1. 7.2.	The legal person I represent was not submitted a decision by the relevant inspector asking for elimination of observed deficiencies within five years preceding the application.  If yes, the legal person has completely eliminated such deficiencies.		

<b>VI.</b>	<b>FUNDS</b>
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**Instruction:**

- *State total amount of funds for the energy activity subject to the application for license.*

Form of funds	Amount in Kuna
Cash at the account of the legal person's bank	

<b>VII</b>	<b>EVIDENCE TO BE ENCLOSED</b>
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**Instruction:**

- ▪ *If a decision by a relevant inspector ordering elimination of the deficiencies was issued, enclose a copy of the decision and evidence on your activities by which you eliminated the established infringements/deficiencies.*

**Mark with a cross all the documents you submitted as evidence.**

No.	EVIDENCE (original or certified copy)	ENCLOSED (cross)	
1.	Certificate of Incorporation by the Commercial Court		
2.	Document by competent bodies on fulfilment of technical conditions for energy activity		
3.	Valid contracts with other persons affecting technical qualifications		
4.1. 4.2.	BON-1 and BON-2 form or statement by the commercial bank on solvency of the legal person Statement by the legal person's commercial bank or another bank on reality of obtaining required funds		
5.	Three-year plan of construction, maintenance, and use of energy facilities confirmed by an independent licensed auditor		
6.	Concession agreement based on which the energy activity is carried out		
7.	Decision by the relevant inspector determining elimination of deficiencies		
8.	Certificate on elimination of deficiencies found by the relevant inspector		
9.	Certificate that no investigation or criminal procedure was instituted related to energy activity against members of management of the legal person or other persons accountable to them (certificate by the Municipal Court in charge of residence)		
10.	Evidence on payment of administrative fee stipulated by the Executive Order on Financing the Energy Regulatory Council ( <i>Narodne Novine</i> 60/02)		
11.	Technical and investment documents (for legal entities not having existing facilities, appliances, and network used for the energy activity)		

**I hereby declare that all the information in this application and enclosed documents are authentic and accurate under penalty of perjury for providing false information.**

<b>Responsible person (title):</b>	
<b>First name:</b>	
<b>Last name:</b>	
<b>Date:</b>	
<b>Place:</b>	
<b>Signature:</b>	
<b>Stamp</b>	

Form

DOED

REPUBLIC OF CROATIA  
ENERGY REGULATORY COUNCIL  
10000 Zagreb, Savska cesta 163

LICENSE  
FOR ENERGY ACTIVITY

(ISSUED PURSUANT TO ARTICLE 17 OF THE LAW ON ENERGY  
*NARODNE NOVINE* No. 68/2201)

- LICENCE REGISTRATION NUMBER:
- DATE OF ENTRY IN REGISTER OF LICENSES:
- FULL NAME OF ENERGY UNDERTAKING:
- SEAT AND ADDRESS OF ENERGY UNDERTAKING:
- COMPANY NUMBER OF ENERGY UNDERTAKING:
- NAME OF ENERGY ACTIVITY:
- LICENSE VALIDITY TERM:

PRESIDENT  
ENERGY REGULATORY COUNCIL

signature and stamp