Pursuant to Article 84, paragraph 2 of the Energy Law ("Official Gazette of the Republic of Serbia", No. 84/04) and Article 42, paragraph 1 of the Government Law (*Official Gazette of the Republic of Serbia*, Nos. 55/05, 71/05-correction, 101/07 and 65/08),

The Government hereby passes the following

DECREE
ON THE REQUIREMENTS FOR OBTAINING THE STATUS OF THE PRIVILEGED ELECTRIC POWER PRODUCER AND THE CRITERIA FOR ASSESSING FULLFILMENT OF THESE REQUIREMENTS

Article 1

This Decree shall define in more detail the requirements for obtaining the status of privileged electric power producer (hereinafter referred to as: privileged producer) and the criteria for assessing the fulfilment of these requirements.

Article 2

The privileged producer status may be obtained by producers that:

1) Use renewable energy sources or a separated fraction of the communal waste in the electric power generation process;
2) Produce electric power in power plants regarded to be small power plants pursuant to the law regulating the energy area;
3) Simultaneously produce electrical and thermal energy, provided that they have met the criteria related to energy efficiency.

Article 3

In the sense of this Decree, renewable energy sources shall mean energy sources found in nature that are fully or partially renewable. This includes energy of water flows, wind, non-accumulated solar energy, biomass, geothermal energy, biofuels, biogas, synthetic gas, landfill gas, gas from waste water treatment plants as well as uncontaminated waste water from the food and wood- processing industries.

Article 4

In the sense of this Decree, biomass shall mean a biodegradable fraction originating from agriculture, forestry and related industries or households that encompasses the following: plants and parts of plants; fuel produced from plants and plant parts; plant residues and agriculture by-products , including straw, corn leaves, branches, pits and shells; animal residue (excrement) from agriculture; vegetal residues in forestry (forest cutting); uncontaminated biodegradable residues in food and wood processing industries and separated biodegradable communal waste fraction.

In the sense of this Decree, the following shall not be considered biomass: fossil fuels, peat, paper and cardboard, textile, animal body parts, industrial waste except waste defined as biomass, communal waste, waste from communal waste water treatment plants and commercial waste.

Article 5

Biogas, in the sense of this Decree, shall mean gas obtained from biomass by means of anaerobic procedures.

Synthetic gas, in the sense of this Decree, shall mean gas obtained by pyrolytic degradation of biomass and separation of the communal waste fraction.

Article 6

Waste, in the sense of this Decree, shall mean any substance or object on the waste category list (Q list), that is discarded, that is intended for discard or liable to be discarded by the owner, in accordance with the law regulating waste management area.

Communal waste, in the sense of this Decree, shall mean waste from households (domestic waste), as well as other waste similar to domestic waste in its nature or composition, according to the law regulating waste management area.

Article 7

Fossil fuels, in the sense of this Decree, shall mean coal, oil and oil products, natural gas and oil shale.

Article 8

A power plant, in the sense of this Decree, shall mean a plant that generates electric power or combines production (cogeneration), comprising one or more production facilities.

Cogeneration referred to in paragraph 1 of this Article shall mean simultaneous generation of electric power and heat.

A condensation operating regime, in the sense of this Decree, shall mean the generation of electric power in cogeneration power plants.

Article 9

If an electric power producer of undertakes electricity production in a power plant encompassing different production facilities, the status of privileged producer shall be acquired only for those production facilities meeting the requirements set forth in this Decree.

The producer undertaking the activity of electric power production in multiple power plants shall submit an application for acquiring the status of the privileged producer for each such power plant individually.

The production facilities referred to in paragraph 1 of this Article must be equipped with:

1) Installed measuring devices for measuring the electric power delivered;

2) Installed measuring devices and designated measuring points for measuring the total net electric power and heat produced in the facility and consumption of the primary energy for plant operation.

The applicant requesting the status of the privileged producer shall, along with the application, submit adequate evidence of installed measuring devices and designated measuring points referred to in paragraph 3 of this Article.

Article 10

A legal entity or entrepreneur shall be eligible to acquire the privileged producer status under the conditions set forth in Article 2 of this Decree for:

1) A hydro power plant;

2) A power generation plant using biomass -- or biomass combined with supplementary fossil fuel or waste -- in the production process, provided that the energy value of the biomass used at an annual level makes up at least 80% of the total primary fuel;

3) A power plant that produces electric power from renewable energy sources (except for biomass), provided that in the production process the energy value of the used renewable energy sources makes up at least 90% of the total primary energy at an annual level. The supplementary fuels can be certain kinds of fossil fuels or waste;

4) A power plant that produces electric power using waste or waste combined with a specific fossil fuel or renewable energy source, provided that the energy value of the used waste makes up at least 80% of the total primary energy at an annual level;

5) A cogeneration power plant using fossil fuels or fossil fuels combined with a certain renewable energy source or waste, provided it reaches a total annual efficiency level that is higher than the corresponding value of the minimum total annual cogeneration power plant efficiency level given in Table 1.

Table 1. - Minimum total annual efficiency level for the cogeneration plant

Installed capacity (MWe)	Fossil fuel share in the consumed fuel energy value (%)			
	(20 – 40)%	(40 – 60)%	(60 – 80)%	(80 – 100)%
<1	45%	50%	55%	60%
1-10	55%	60%	65%	70%

Article 11

The total net produced electric power referred to in Article 9 (paragraph 3, point 2) of this Decree shall be determined as the total electricity value supplied to the electrical grid during one calendar year, i.e. the total realized production of the electric power in the power plant at annual basis, reduced by the power plant's own consumption and losses within the facilities, accounted at an annual level.

The total net produced heat referred to in Article 9 (paragraph 3, point 2) of this Decree shall be determined as the total heat value supplied to the heat distribution system during one calendar year, i.e. the total realized annual production of heat in the power plant, reduced by the power plant's own consumption and losses within the facilities accounted at an annual level.

Article 12

Primary energy, in the sense of this Decree, shall mean the energy for operation of the plant generated from primary fuel.

The primary fuel referred to in paragraph 1 of this Article shall mean the mixture of fuels (primary and supplementary) used for primary electrical power generation or cogeneration.

Article 13

The calorific value of the consumed fuel shall mean the difference between the consumed fuel quantity and its average lower heating capacity.

The calorific value of the consumed mixture of fuels (primary and supplementary) shall represent the sum of the average lower heating power of the fuel and the consumed quantity of each and every fuel comprised in the fuel mixture composition.

Article 14

The total annual efficiency level in the cogeneration plants shall be calculated as the ratio between the total net annual energy production (electrical and heat) and the total annual primary energy consumed in the cogeneration power plant, applying the following formula:

$$\eta = \frac{Ekor}{Epot} x100[\%]$$

Where:

η - total annual efficiency level

Ekor [MJ] = 3600 x E + T - total annual net produced energy (power and heat);

E [MWh] – power plant annual net electricity production;

3600 – ratio of energy values [Wh] and [J]

T [MJ] – power plant annual net heat production (if any);

Epot [MJ]- total primary energy consumed by the power plant at annual level.

Article 15

The application for acquiring the status of the privileged producer shall be submitted to the Minister responsible for energy activities, in accordance with the law regulating the energy area.

Along with the application referred to in paragraph 1 of this Article, the applicant shall submit proof that the requirements for acquiring such a status have been met. These include the following:

1) A copy of the license for undertaking activities pertaining to electric power generation, in case the power plant capacity is 1 MW or higher;

2) A copy of the contract with the license holder, in case the power plant capacity is 1 MW or higher, and the producer is not the license holder;

3) A power plant as-built design;

4) A copy of the contract on the connection to distribution network, i.e. the transmission system for power plants that have special characteristics, including cogeneration and a copy of the contract on the connection and the supply of heat with the competent energy- related economic operator;

5) A usage permit;

6) Information on the individual responsible for the operation of the power plant, including name, position, phone number, fax number and e-mail.

Along with the application for acquiring the status of the privileged producer, for each and every cogeneration power plant where the share of fossil fuels in total primary energy is higher than 20% (in addition to the documents referred to in paragraph 2 of this Article), the following must be submitted:

1) The expected annual production of heat, with monthly dynamics;

2) The expected values of the total annual efficiency level.

Article 16

This Decree shall enter into force on the eighth day following the date of its publication in the *Official Gazette of the Republic of Serbia*.