

Licencing and certification proces in Serbia

Ivana Spasic
Branka Tubin

Certification procedure in Serbia

- Certification procedure is conducted by the national regulatory authority - Energy Agency of the Republic of Serbia (AERS)
- Certification criteria set in the Energy Law are they formulated in line with the Energy Community Ministerial Council Decision D/2011/02 MC which fully adapts art. 9-21. of Directive 2009/73/EC which defines criteria for TSO unbundling in EU.
- TSO unbundling is considered compliant with prescribed certification criteria when TSO proves that it is fully unbundled in accordance with one of the following unbundling models: ownership unbundling, independent system operator (ISO), independent transmission operator (ITO). Conditions for certification in relation to third countries having control over TSO are also fully included in Energy Law.
- Certification procedure initiate TSO with its certification request, but AERS shall initiate certification process *ex officio* if it suspects that one or more criteria are not longer fulfilled by certified TSO. When AERS proves that TSO does not fulfill prescribed conditions, it shall revoke certificate previously issued to TSO.
- The certification proses has two stages. In the first, AERS deliver its preliminary decision on TSO certification which is sent to Energy Community Secretariat for review. Once ECS review AERS preliminary certificate, AERS may take its finial decision on TSO certification but taking at the same time the utmost account of ECS Opinion.
- Once the certificate is issued to TSO proving the effectiveness and legality of its unbundling, TSO is entitled to submit its application for gas transmission license (certification is the precondition for licensing, as these two processes are separated).

Licensing procedure in Serbia

Licenses are:

- issued in administrative procedure by NRA (AERS), on request of company that intend to preform energy activity
- issued in gas sector for a period of 10 years for energy activity of gas distribution, gas wholesale, gas supply, gas public supply, gas storage. Licenses cannot be transferred.
- issued to legal and physical entities (entrepreneurs) established in Serbia, and also to foreign legal entities that request licenses for activities of gas or electricity wholesale. Foreign entities do not need to have license of their national authority but they are required to prove that they are market participants in EU or EnC.
- revoked temporarily, when licensee infringes its obligations defined in Energy law or cease to fulfill licensing conditions. If infringement persist and is not removed within the deadline set by the NRA, license shall be revoked permanently (in which case such entity is not entitled to file license request for a period of 3 consecutive years).

Applicant need to present to AERS: inspectorate reports proving energy facility compliance of with technical, environmental and safety regulation, inspectorate report proving the applicant employs enough competent staff, proof of legality of energy utility construction, its ownership rights on energy facility (or lease, etc.), proofs that applicant company is not subject of liquidation or bankruptcy, company and its management members are not convicted for crime or administrative offence related to business activity, concession contract for a predefined territory, signed with Government of Serbia (such concession is required only for energy activities of public interest such as gas distribution and gas public supply).

In case license is permanently revoked, Government shall assign the territory to other licensed entity that preforms same energy activity for a defined period, and the company whose license has been revoked shall be compensated in case it is the owner of the energy facility on which energy activity is preformed).