

Incentive measures for the use of renewable energy sources and high-efficiency cogeneration-feed in-tariffs

General info

Economy name

Montenegro

ID

M57

Incentive name

Incentive measures for the use of renewable energy sources and high-efficiency cogeneration-feed in-tariffs

Brief description

The use of renewable energy sources and highly efficient cogeneration is encouraged by promotional and incentive measures in accordance with the law. Operators of plants that produce electricity from renewable energy sources may obtain the status of "preferential producer and thereafter acquire the right to an incentive price for electricity produced in accordance with legal requirements. This incentive measure is applied to facilities that have acquired the status of "privileged producer" until the date of entry into force of the Regulation on the termination of the Regulation on the manner of achieving and the level of incentive prices for electricity produced from renewable sources and high-efficiency cogeneration ("Official Gazette of Montenegro", No. 82/21), i.e. until 29.7.2021.

Legal reference

Legal reference name

ENERGY LAW

("Official Gazette of Montenegro", No. 005/16 of 20.01.2016, 051/17 of 03.08.2017, 82/20 of 06.08.2020)

Legal reference (Law section / article)

articles 23-26 Article 23: Incentive Measures for the Use of Renewable Energy Sources and High-Efficiency Cogeneration

Promotion and Incentives: The use of renewable energy sources and high-efficiency cogeneration is encouraged through promotional and incentive measures in accordance with the law.

Public Information: The Ministry must make information about the benefits and specifics of using renewable energy sources, as well as the applicable incentive measures, publicly available.

Supplier Obligations: Suppliers of equipment and systems for heating, cooling, and electricity from renewable sources must provide customers with information on net benefits, costs, and energy efficiency at the time of delivery.

Informative Materials: The Ministry, in cooperation with relevant government bodies, regulatory organizations in the energy sector, and local governments, will create appropriate informational materials or training programs to inform citizens about the benefits and practical aspects of renewable energy development and use.

Incentive Measures: These include mandatory electricity purchase, incentive prices for purchased energy, the period for mandatory electricity purchase, exemption from balancing system service payments, priority in the intake of produced electricity into the system, and other measures in accordance with the law.

Incentive Price Determination: The incentive price for electricity produced from renewable sources or high-efficiency cogeneration is determined by government regulation.

Competitive Allocation: Incentive measures are awarded through a competitive bidding process based on

clear, transparent, and non-discriminatory criteria, except for facilities producing electricity up to 1 MW.

Article 24: Payment of Fees for Encouraging the Use of Renewable Sources

Fee Obligation: The final electricity consumer must pay a fee to promote the production of electricity from renewable sources and high-efficiency cogeneration as an addition to the electricity price, and the final consumer of petroleum products must pay a fee to promote the use of biofuels as an addition to the petroleum product price.

Billing Requirements: Suppliers must separately state the fee for promoting the production of electricity from renewable sources and high-efficiency cogeneration, and the fee for promoting the use of biofuels on the invoice provided to the final consumer.

Payment Transfer: Electricity suppliers and self-supplied consumers must transfer funds based on issued invoices for electricity taken from privileged producers to the market operator.

Supplier and Producer Obligations: Suppliers and privileged producers who use the incentive price for electricity from renewable sources or high-efficiency cogeneration must make their business books, operational documentation, and other records related to production and delivery available to the market operator upon request.

Fee Adjustment: The fee may be lower for final consumers with a capacity greater than 50 MW and a voltage level higher than 35 kV if paying the fee endangers their business sustainability.

Fee Determination and Allocation: The method of determining the fee, calculating the proportional share of suppliers and self-supplied consumers, the distribution of collected funds, and handling surplus or deficit of collected funds are regulated by government regulation.

Alternative Measures: In case of jeopardized national targets, consumers of coal, oil, petroleum products, gas, and thermal energy must pay a fee to promote electricity production from renewable sources and high-efficiency cogeneration as determined by government regulation.

Article 25: Cooperation in Achieving Mandatory Energy Shares

International Agreements: Mechanisms of cooperation with other countries may be agreed upon to achieve the mandatory share of energy from renewable sources in total final energy consumption, in accordance with ratified international agreements.

Forms of Cooperation: These mechanisms include joint projects, statistical transfers of specified amounts of renewable energy, joint incentive measures, and other forms of cooperation to reduce costs for achieving mandatory renewable energy shares.

Agreement Duration: Cooperation mechanisms may be contracted for one or more years.

Public Interest and Costs: Cooperation must not compromise the public interest of Montenegro, additionally burden the final electricity consumer, or hinder achieving renewable energy shares in total final energy consumption in Montenegro.

Statistical Transfer Agreements: These can be concluded between Montenegro and Energy Community or European Union member states if they do not jeopardize national renewable energy targets and comply with energy statistics regulations.

Independent Auditor: Compliance with these conditions is reviewed every two years by an accredited independent auditor.

Reporting: The Ministry must report to the relevant Community body within three months after the cooperation year ends, including information on the quantities and prices of energy involved.

State Aid Control: Proposed cooperation mechanism agreements are submitted to the state aid control body for an opinion.

Article 26: Certification for Installation

Certification Requirement: Individuals installing small boilers and biomass stoves, solar photovoltaic and thermal systems, shallow geothermal systems, and heat pumps must have a certification.

Certification Eligibility: The certificate can be issued to individuals with at least level III education in mechanical or electrical engineering and who have passed the relevant exam.

Exam Administration: The exam is administered by a commission appointed by the Ministry.

Exam Details: The Ministry regulates the exam program, method of taking the exam, exam fee, and certificate content.

Certification Application: Individuals must submit a request with documentation proving eligibility for certification.

Certification Issuance: The Ministry determines eligibility and issues the certificate.

Recognition of Foreign Certificates: The Ministry will issue a certificate to individuals holding equivalent certification from another economy.

Incentive design

Incentive group

Financial

Incentive category

Subsidy

Economy-wide/Sector-specific

Sector-specific

Sector (Simplified)

Renewable Energy

Sector (NACE)

D ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY

Size of firm that can use incentive

All sizes of firms

Level at which incentive is available

Economy-wide

Ownership of firm that can use incentive

Any

Incentive location

General

Main objective of the incentive

Green transition

In case of grant, share of grant in investment (in %)

Access to information

Contact Info

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Weblink to Incentive information in English

<https://ceelegalmatters.com/montenegro/14839-a-legislative-boost-to-the-energy-sector-in-montenegro>

Weblink to Incentive information in local language

../AppData/Local/Microsoft/Windows/Downloads/zakon-o-energetici.pdf

Eligibility criteria

Eligibility criteria (description)

The Ministry is obliged to make publicly available information on the benefits and specifics of the use of

renewable energy sources, as well as incentive measures applied for the use of renewable energy sources. The supplier of equipment and systems for the use of heating, cooling and electricity from renewable energy sources is obliged to make available to the customer information on the net benefit, costs and energy efficiency of the equipment and systems. Incentive measures include: mandatory purchase of electricity, incentive prices at which this energy is purchased, period of validity of mandatory purchase of electricity, exemption from payment of balancing services, priority in taking the produced electricity into the system, as well as other measures in accordance with this Law. The incentive price for electricity produced from renewable sources or high-efficiency cogeneration is achieved by the privileged energy producer in the manner and in the amount determined by the Regulation of the Government. Incentive measures shall be awarded in a competitive bidding process on the basis of clear, transparent and non-discriminatory criteria, except for electricity generating facilities up to 1 MW.

Eligibility criteria (weblink)

../../AppData/Local/Microsoft/Windows/Downloads/zakon-o-energetici.pdf

Incentive administration

Awarding Authority (Name)

Regulatory Agency for Energy and Regulated Utilities

Application procedure + Weblink (where available)

In paper form / Approval and change of the temporary status of the privileged producer for 7-15 days; granting a use permit (together with cedis contract) 7-15 days

Implementing Authority (Name)

Regulatory Agency for Energy and Regulated Utilities