

LAW ON ENERGY EFFICIENCY

I GENERAL PROVISIONS

Article 1

This Law regulates the energy end-use efficiency, making plans for the improvement of energy efficiency and their implementation, the organization of tasks to improve the energy efficiency, energy efficiency improvement measures, and ways to finance the energy efficiency.

Article 2

(1) This Law shall apply to energy end-use efficiency, the provision of energy distribution and supply services, and the energy performance of energy-related products.

(2) Energy efficiency in buildings shall be regulated in accordance with regulations governing this area.

Article 3

The purpose of this Law is to achieve sustainable energy development by applying policies and measures for the improvement of the energy end-use efficiency and by:

- a) reducing negative impacts on the environment,
- b) increasing the security of energy supply,
- c) meeting the energy needs of all consumers,
- d) reducing greenhouse gases emissions,
- e) encouraging responsible behavior towards energy,
- f) reducing the exploitation of fossil fuels,
- g) rationalization of energy consumption,
- h) increasing the competitiveness of local economy,
- i) eliminating energy poverty, and
- j) fulfilling the obligations under international treaties, agreements, and conventions.

Article 4

Certain terms used herein shall have the following meaning:

- a) energy efficiency shall mean a ratio between an output of performance, services, goods, or energy, and an input of energy,
- b) energy shall mean all forms of commercially available energy, including electricity and thermal energy, and energy for sale, such as natural gas (including liquefied natural gas), liquefied petroleum gas, any fuel for heating and cooling, coal and lignite, peat, transport fuels, and biomass,

- c) indicative energy savings targets shall mean the planned savings in energy end-use in the Republic of Srpska expressed in absolute amount in gigawatt hours (GWh) or equivalent units and in percentage of average energy end-use,
- d) public sector shall mean the beneficiaries of the Republic of Srpska's budget, local self-government authorities, public institutions and public companies,
- e) large energy consumer shall mean a final customer whose total annual consumption exceeds 36 terajoules (TJ) or 10 GWh,
- f) energy distributor shall mean a legal person responsible for transporting energy (electricity, thermal energy or natural gas) with a view to its delivery to final customers or distribution stations that sell energy to final customers,
- g) distribution system operator shall mean a legal person responsible for operating, ensuring the maintenance of and developing the distribution system of electricity, thermal energy and natural gas in a given area,
- h) retail energy sales company shall mean a legal person that sells electricity, gas (liquefied natural gas and liquefied petroleum gas) or thermal energy to final customers,
- i) final customer shall mean a natural or legal person that purchases energy for his own end use,
- j) energy-related product (hereinafter: product) shall mean any good having an impact on energy consumption during use, which is placed on the market and/or put into service, including parts intended to be incorporated into energy-related products or systems,
- k) supplier shall mean the manufacturer or its authorized representative, importer or other person who places a product on the market,
- l) dealer shall mean an entrepreneur or legal person who sells or leases products,
- m) energy class of the product shall mean the classification of products by energy efficiency,
- n) energy savings shall mean an amount of saved energy determined by measuring and/or estimating consumption before and after implementation of one or more energy efficiency improvement measures, taking into account the external factors that affect energy consumption,
- o) renewable energy sources shall mean energy sources that are preserved in nature and can be completely or partially renewed, in particular, hydropower, wind energy, biomass energy (excluding firewood), biogas energy, sewage treatment plant gas energy, agricultural gas, landfill gas, geothermal energy, non-accumulated solar energy, etc.

II DOCUMENTS OF ENERGY EFFICIENCY POLICY

Article 5

(1) Energy efficiency policy is determined by the Energy Development Strategy of the Republic of Srpska (hereinafter referred to as: the Strategy).

(2) In order to implement energy efficiency policy, the Government of the Republic of Srpska (hereinafter referred to as: the Government) shall adopt Energy Efficiency Action Plan (hereinafter referred to as: the Action Plan).

(3) The local self-government unit with more than 20.000 inhabitants shall adopt its Energy Efficiency Action Plan that is aligned with the Action Plan.

Article 6

(1) The Government shall adopt the Action Plan for the period of three years.

(2) The Action Plan shall include:

- a) assessment of state of energy efficiency in the period immediately prior to the adoption of the Action Plan,
- b) energy efficiency improvement measures,
- c) indicative energy savings targets,
- d) timetable for implementation of measures for achieving indicative targets, and
- e) estimation of financial resources necessary for the implementation of the Action Plan.

(3) The Action Plan shall be prepared by the Ministry of Industry, Energy and Mining (hereinafter referred to as: the Ministry) and the Ministry in charge of construction and environmental protection, in cooperation with the Ministry of Finance and the Environmental Protection and Energy Efficiency Fund of the Republic of Srpska (hereinafter referred to as: the Fund).

(4) The other public administrative bodies, as well as scientific, educational and research institutions, if necessary, may be included in the development of the Action Plan.

(5) The Ministry and the Ministry in charge of construction and environmental protection, in cooperation with the Fund, shall prepare the annual report on the implementation of the Action Plan and submit it to the Government for approval no later than 15th May of the current year for the previous year.

Article 7

(1) The Action Plan of the local self-government unit shall be adopted for a period of three years and shall include:

- a) assessment of the state of energy efficiency in the local self-government unit during the period immediately prior to the adoption of the Action Plan,
- b) energy efficiency improvement measures in the local self-government unit, including:

- 1) activities on the renovation and maintenance of facilities used by the local self-government unit, its administrative offices, as well as public enterprises and public institutions established by the local self-government unit,
 - 2) activities to improve utilities (public lighting, thermal energy supply, water supply, waste management, etc.) and transport, in order to improve energy efficiency, and
 - 3) other activities to be carried out in the local self-government unit relating to the improvement of energy efficiency,
- c) time frame and manner of implementation of these measures and
 - d) funding and sources of funding required for the implementation of the measures defined by the Action Plan of the local self-government unit.

(2) The activities outlined in the Action Plan referred to in paragraph 1 of this Article shall be financed from the budget of the local self-government unit, the Fund and other sources.

(3) The Action Plan referred to in paragraph 1 of this Article shall be prepared in consultation with the Fund.

(4) Within one year from the date of the adoption of the Action Plan, the local self-government unit shall adopt the Action Plan referred to in paragraph 1 of this Article.

(5) Sustainable Energy Action Plan of Local Self-Government Unit shall be deemed an action plan within the meaning of paragraph 1 of this Article.

(6) No later than 31st March of the current year for the previous year, the local self-government unit shall submit to the Ministry and the Fund the annual report on implementation of the action plan referred to in paragraph 1 of this Article, which shall include the analysis of the objectives achieved in the previous year.

(7) Minister of Industry, Energy and Mining (hereinafter: the Minister) shall issue the Instruction on the preparation of the report referred to in paragraph 6 of this Article.

Article 8

(1) The Government shall adopt three-year operational plan to improve energy efficiency in state authorities (hereinafter referred to as: the Operational Plan).

(2) The Operational Plan shall include:

- a) measures to be implemented in state authorities,
- b) dynamics and methodology of implementation of measures and
- c) resources required to implement the measures.

(3) The Operational Plan shall be adopted within six months from the date of adoption of the Action Plan.

Article 9

(1) Large energy consumer shall develop three-year energy efficiency plan (hereinafter referred as: the Large Energy Consumer Plan).

(2) Large Energy Consumer Plan shall include a comprehensive analysis and structure of the large consumer consumption and characteristics of its consumption, assessment of the state of energy efficiency, targets, energy efficiency improvement programmes and other necessary information.

(3) Large Energy Consumer Plan, if required, shall be prepared in consultation with the Fund.

(4) The large energy consumer shall develop Large Energy Consumer Plan within one year from the date of adoption of the Action Plan.

(5) No later than 31st March of the current year for the previous year, the large energy consumer shall submit to the Ministry and the Fund the annual report on implementation of the Large Energy Consumer Plan.

III ENERGY EFFICIENCY IMPROVEMENT MEASURES

Article 10

Energy efficiency improvement measures shall include:

- a) energy services,
- b) energy management and
- v) other measures.

1. Energy services

Article 11

(1) Within the meaning of this Law, energy service shall mean the actions that lead to verifiable or measurable or estimable energy efficiency improvements in buildings or other facilities, technical systems and manufacturing processes, that is, energy savings that can be expressed in money using energy efficient technology, and proceedings to achieve energy savings.

(2) Energy service shall be delivered by Energy Service Company – ESCO or other legal person (hereinafter referred to as: the energy service provider) on the basis of energy performance contract.

(3) Energy service may include energy audits, design, construction, reconstruction, energy retrofit, maintenance, consulting or management and control of energy usage.

(4) To perform energy audits, design, construction and reconstruction of buildings, energy service provider must meet the requirements in accordance with the regulations in the field of construction of facilities.

(5) Energy service providers shall independently offer and provide competitively priced energy services.

(6) Offer of energy services shall include information on the energy service provider, energy efficiency improvement measures, prices, financing mechanisms, model contract, and other information.

Article 12

(1) The beneficiary and the provider of energy services shall conclude in writing the energy service contract which shall contain:

- a) data on energy consumption before providing energy service,
- b) data on energy costs before providing energy service,
- c) assessment of energy efficiency before providing energy service,
- d) energy efficiency improvement measures to be applied,
- e) amount of the guaranteed energy savings or material benefit,
- f) method of determining and verifying energy savings, and
- g) method of payment for the provision of energy service.

(2) The cost of providing energy services shall be borne by the beneficiary of energy services or energy service provider, in whole or in part, from its own resources or through third-party financing.

(3) The amount that provider of energy service invests in the provision of energy service shall be paid from the energy savings achieved in comparison to energy consumption before providing energy service.

(4) Provider of energy service or third party shall take over all or part of the financial, technical and commercial risk in the provision of energy services in accordance with the energy service contract.

2. Energy management

Article 13

(1) Energy management is a system of organizational and technical measures and activities, which are used to monitor and analyze the energy consumption, and to identify measures to improve energy efficiency and rational use of energy.

(2) Energy management shall establish:

- a) framework for an integrated and systematic approach to energy efficiency,
- b) better use of existing energy resources,
- c) measuring, documenting, comparison of the results, and reporting on energy efficiency improvement,
- d) transparency and exchange of experience on the use of energy resources,
- e) best practice of energy use and rational energy management,
- f) assessment of priorities in the implementation of energy efficiency improvement measures,
- g) criteria of energy efficiency in the procurement of goods and services, and
- h) improvements in the use of energy that relate to projects to reduce emissions of greenhouse gases.

Article 14

(1) Energy management shall include the following activities:

- a) appointment of a person responsible for energy management,
- b) provision of conditions for the energy consumption metering,
- c) periodic analysis (monthly, seasonal, and at least once a year) of energy consumption,
- d) energy audits and obtaining energy performance certificates in buildings in accordance with the regulations in the field of building construction,
- e) adoption of operational plans for energy efficiency improvement,
- f) keeping a database on energy consumption, and
- g) annual submission of data to the Fund for the purpose of keeping a database on energy efficiency.

(2) Within one year from the effective date of this Law, the public sector and large consumer who uses the building with a useful area greater than 500 m² shall introduce energy management in that building.

3. Other energy efficiency improvement measures

Article 15

(1) Within the meaning of this Law, the use of renewable energy sources for electricity or thermal energy generation shall be considered to be one of the energy efficiency improvement measures, if the electricity or thermal energy generated in this way is used in the building or facility in which it is partially or completely generated, and if it is not for sale.

(2) Natural and legal persons that use renewable energy sources as referred to in paragraph 1 of this Article may use funds of the Fund and other funds aimed at energy efficiency projects, if energy generation has not already been covered by one of the other measures aimed at stimulating renewable energy sources.

Article 16

In making decisions in public procurement procedure, the beneficiaries of the Fund, the budget of the Republic of Srpska or the budget of the local self-government unit, shall evaluate the energy efficiency of goods and services, along with other criteria, and shall give a priority under the same other conditions to the purchase of equipment and services that are more energy efficient.

Article 17

(1) Suppliers shall produce technical documentation of the product stating the amount of energy consumed using the product under normal operating conditions and energy class of the product.

(2) For each product individually, during its delivery, suppliers shall provide the necessary labels free of charge to dealers.

(3) Energy labelling shall mean a visual indicator of energy class of the product that is placed on the product in the form of label.

(4) Dealers shall display labels in a visible manner on the product being marketed.

(5) In the case of placing product on the market by means of the Internet, catalogs, or in a similar manner, the dealer shall state the energy class of the product.

(6) The Minister shall issue the Rule Book on energy class of products.

Article 18

When buying or leasing the facilities, a beneficiary of the Fund, the budget of the Republic of Srpska or the budget of the local self-government unit shall give a priority, under the same conditions, to the facilities that are more energy efficient.

IV OBLIGATIONS OF DISTRIBUTION SYSTEM OPERATORS, ENERGY DISTRIBUTORS AND RETAIL ENERGY SALES COMPANIES

Article 19

(1) Distribution system operators, energy distributors and retail energy sales companies shall perform their tasks in so as not to interfere with the provision of energy services and other energy efficiency improvement measures, or development of energy services market and other energy efficiency improvement measures.

(2) The entities referred to in paragraph 1 of this Article shall offer energy services at competitive prices to their final customers, either directly or through other energy service providers.

(3) If the entity referred to in paragraph 1 of this Article does not offer energy service referred to in paragraph 2 of this Article, it shall pay certain amount to the Fund to finance energy efficiency improvements that shall be no less than the estimated cost of the offer referred to in paragraph 2 of this Article.

(4) The Minister shall issue the Rule Book on methodology to estimate the costs of the offer of energy services.

(5) The entities referred to in paragraph 1 of this Article, which are within the vertically and horizontally connected energy companies, can provide energy services within the parent company, provided account unbundling for these activities, or through an independent energy services provider.

(6) The obligations referred to in paragraphs 2 and 3 of this Article shall not apply to small distribution system operators, small energy distributors and small retail energy sales companies.

(7) Small energy distributor, small distribution system operator and small retail energy sales company shall mean an entrepreneur or a legal person that sells or distributes energy (electricity, thermal energy or natural gas) to final customers and meets one of the following conditions:

- a) distributes or sells less than the equivalent of 75 GWh energy per year,
- b) employs fewer than 10 persons,
- c) annual turnover and/or annual balance sheet total does not exceed BAM 4,000,000.

Article 20

(1) The entities referred to in Article 19 paragraph 1 of this Law shall submit an annual report to the Fund no later than 31st March of the current year for the previous year.

(2) The report referred to in paragraph 1 of this Article shall include:

- a) overview of energy and fuel, according to the structure of final customers, category and type of consumption,
- b) geographical location of their final customers, if possible,
- c) assessment of the state of energy efficiency,
- d) information on the level of measurement of energy according to the structure of final customers, category and type of consumption,
- e) information on the offers of energy services to final customers,

- f) information on the offers for the installation of individual meters for measuring energy consumption and
- g) other information that may be relevant for energy efficiency.

Article 21

(1) The entities referred to in Article 19 paragraph 1 of this Law shall offer to the final customer the purchase and installation of individual meters for measuring energy consumption at competitive prices, in the following cases:

- a) if the energy supply to the final customer is performed without measurement,
- b) a building undergoes major renovations and
- c) the connection to the power grid undergoes renovation.

(2) The entities referred to in Article 19 paragraph 1 of this Law shall perform their obligation under paragraph 1 of this Article, if it is technically possible and financially reasonable and proportionate in the relation to the potential energy savings in the long term.

(3) For new facilities, each final customer shall be provided with an individual meter to measure energy consumption.

Article 22

(1) Retail energy sales company shall perform the billing of energy consumption at regular intervals (monthly, seasonal or other intervals, based on actual energy consumption, and in accordance with the general conditions for the energy supply or in accordance with the energy supply contract) in order to enable final customers to effectively monitor and manage their own energy consumption.

(2) Billing of energy consumption referred to in paragraph 1 of this Article shall contain the following information:

- a) calculation of the total cost of energy consumed,
- b) current actual prices and the actual energy consumption in accounting period and
- c) comparisons of the final customer's current energy consumption with consumption for the same period in the previous year, preferably in graphic form.

(3) Billing of energy consumption referred to in paragraph 1 of this Article may include a comparison of energy consumption of a particular customer with an average consumption or consumption of the standard customer in the same category.

(4) Retail energy sales companies are required, at least once a year, with the bills or in other appropriate manner, to inform customers on the environmental impact of energy consumption, and appropriately educate and guide customers towards rational and efficient use of energy.

(5) Information referred to in paragraph 4 of this Article shall contain the contact information of the Fund, energy service providers and other organizations dealing with energy efficiency, including the website addresses, from which information may be obtained on available energy efficiency improvement measures, comparative end-user profiles, information on smart meters for measuring energy consumption, energy-efficient products, or other information relevant to energy efficiency.

Article 23

(1) In order to provide the highest level of availability of information in accordance with this Law, the Fund shall establish and maintain a database of energy efficiency.

(2) The content, structure and method of collection and provision of information for the purposes of keeping a database on energy efficiency, and availability of this information to the public, shall be prescribed by the Fund, after obtaining the opinion of the Ministry and the Ministry in charge of construction and environmental protection.

(3) The Fund shall provide the Ministry and the Ministry in charge of construction and environmental protection with the access to data contained in database on energy efficiency.

V SUPERVISION AND PENALTY PROVISIONS

Article 24

Administrative supervision over implementation of this Law and/or any regulations made thereunder shall be performed by the Ministry and the Ministry in charge of construction and environmental protection.

Article 25

(1) The inspectorial supervision over implementation of this Law and/or any regulations made thereunder shall be performed by Inspectorate of the Republic of Srpska, through the authorized state inspector and inspectors from the local self-government units, depending on the area in which the supervision is performed.

(2) During the inspection referred to in paragraph 1 of this Article, in the addition to the authority conferred by law governing the inspection procedure, authorized inspector has the authority to prohibit sale of products that have no energy labelling or technical documentation which describes the amount of energy consumed using the product in the event that identified irregularities are not eliminated in time.

(3) The prohibition referred to in paragraph 2 of this Article shall last until the irregularities that caused the prohibition are not eliminated.

Article 26

(1) Legal person shall be fined from BAM 5,000 to 15,000 if:

- a) it does not adopt Large Energy Consumer Plan (Article 9, paragraph 4),
- b) it does not submit the annual report on implementation of the large energy consumer plan (Article 9, paragraph 5),
- c) it does not introduce the energy management (Article 14, paragraph 2),
- d) it does not meet its obligations in terms of content of technical documentation and labelling (Article 17, paragraphs 1, 2, 4 and 5),
- e) it does not implement energy efficiency improvement measures and submit the report to the Fund (Article 19, paragraphs 2 and 3; Article 20, paragraph 1),

f) it does not offer the individual meters for metering energy consumption (Article 21, paragraph 1) and

g) it does not perform the billing of energy consumption in the prescribed manner and does not inform and educate energy customers (Article 22).

(2) Responsible person in the legal person shall be fined from BAM 1,000 to 3,000 for the offense referred to in paragraph 1 of this Article.

(3) Responsible person in public sector shall be fined from BAM 1,000 to 3,000 for the offense referred to in paragraph 1, point c) of this Article.

(4) The entrepreneur shall be fined from BAM 1,000 to 3,000 for the offense referred to in paragraph 1, point d) of this Article.

VI TRANSITIONAL AND FINAL PROVISIONS

Article 27

(1) Within six months from the effective date of this Law, the Government shall adopt the Energy Efficiency Action Plan (Article 5, paragraph 2).

(2) Within one year from the effective date of this Law, the Minister shall issue by-laws as follows:

- a) Instruction on the preparation of the report on the implementation of action plan of the local self-government unit (Article 7, paragraph 7),
- b) Rule Book on energy class of products (Article 17, paragraph 6), and
- c) Rule Book on methodology to estimate the costs of the offer of energy services (Article 19, paragraph 4).

(3) Within one year from the effective date of this Law, the Director of the Fund shall issue a by-law, after obtaining the opinion of the Ministry and the Ministry in charge of construction and environmental protection (Article 23, paragraph 2).

Article 28

This Law shall become effective on the eight day following its publication in the "Official Gazette of the Republic of Srpska".

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Banja Luka

President
of the National Assembly
Igor Radojičić, sgd.