

## **SERBIA: ENERGY & NATURAL RESOURCES**

### **Amendments to the Serbian Energy Law**

The Amendments to the Energy Law, which came into force on 30 December 2012 (Amendments), introduce a full-scale procedure for obtaining the energy permit (called "consent") for the construction of small hydro-power plants with installed capacity under 1MW. Previously, this document was issued in a summary procedure. The energy permit, i.e. consent is issued by the Ministry for Energy and represents a precondition for obtaining further permits, most importantly, location and construction permits.

According to the Amendments, the energy permit for construction of energy facilities, which is issued with the validity of three years, may be revoked prior to its expiration by the Ministry for Energy, inter alia, if the investor fails to apply for the location or construction permit within 6 months following the issuance of the energy permit. The power to revoke the energy permit applies even with respect to the energy permits issued before 30 December 2011, at the time when the Ministry did not have the respective revocation authority. This raises the question whether the Amendments unconstitutionally interfere with the acquired rights.

Finally, it is worth mentioning that the duration of the status of temporary privileged producer, which represents a guarantee to the investor in renewables that it will obtain a feed-in tariff subject to the facility under construction ultimately meeting the requisite criteria, is reduced from three years to two years for investments in wind energy and to one year for investments in solar energy. Since the status of temporary privileged producer may be obtained only after the issuance of construction permit, this practically means that the investor has to complete construction, connect the production facility to the grid and submit the request for obtaining the status of privileged producer within 2 years from obtaining the construction permit in case of wind plants and within 1 year in case of solar plants.

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