

Energy and Water Regulatory Agency of Montenegro

Regulatory Developments in the Montenegrin Energy Sector

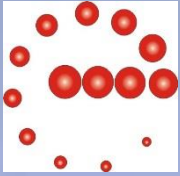
49th ECRB meeting,
14 September 2021



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Law on Supervision of the Wholesale Electricity and Gas Market

On July 30th 2021 the Government of Montenegro adopted the draft of the law and submitted it to the Parliament for further procedure

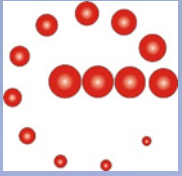


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Activities within the Agency

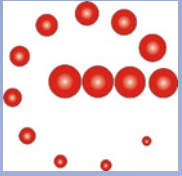
The Agency adopted:

- Rules on licenses for performing energy activities ("Official Gazette of Montenegro", No. 31/21 and 48/21);
- Rules for drafting and monitoring the implementation of ten-year plans for the development of the electricity transmission system ("Official Gazette of Montenegro", No. 51/21);
- Rules for drafting and monitoring the implementation of ten-year plans for the development of the electricity distribution system ("Official Gazette of Montenegro", No. 51/21);
- Methodology for determining prices, deadlines and conditions for the provision of auxiliary services and balancing services of the electricity transmission system ("Official Gazette of Montenegro", No. 52/21);
- Methodology for determining the regulatory allowed revenue and fees for the operation of electricity market operator ("Official Gazette of Montenegro", No. 61/21)



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- Methodology for determining the regulatory allowed revenue and prices for the use of the gas transmission system ("Official Gazette of Montenegro", No. 97/21)
- Methodology for determining the regulatory allowed revenue and prices for the use of the gas distribution system ("Official Gazette of Montenegro", No. 97/21)
- Methodology for determining the regulatory allowable revenue and prices for the use of liquified natural gas plants ("Official Gazette of Montenegro", No. 97/21)
- Report on the situation in the energy sector of Montenegro for the previous calendar year



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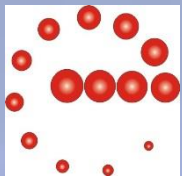
Upon the request of the Montenegrin Electricity Distribution System DOO Podgorica (CEDIS), the Agency approved:

- Amendments to the Rules for Implementation of the Procedure for Detection, Determination and Prevention of Unauthorized Use of Electricity,
- Amendments to the Methodology for Calculation and Collection of Unauthorized Electricity and
- Program of measures for application of non-discriminatory conditions for access to the electricity distribution system.

- REGAGEN conducted an extraordinary monitoring due to the announcement of licensed electricity supplier (EPCG) intended to consumers:

„Elektroprivreda Crne Gore” JSC Nikšić and „Crnogorski elektrodistributivni sistem“ LLC Podgorica, as socially responsible companies, decided to allow additional discount to all households, members of “Golden team” and industry, starting with May 31.”

- „Crnogorski elektrodistributivni sistem“ LLC Podgorica (CEDIS) is licensed distribution system operator unbundled in 2016, where licensed supplier and generator “Elektroprivreda Crne Gore” JSC Nikšić (EPCG) is a parent company of CEDIS
- Article 26 of Directive 2009/72/EC transposed by Law on energy (Official Gazette of Montenegro, no. 5/16, 51/17 and 82/20)
- Monitoring findings:
 - The latest amendments of EPCG’s and CEDIS’s (dated April 2021) statutes are not in line with provisions of Law on energy related to independence of DSO
 - In May 2021 EPCG requested from CEDIS to provide discount to EPCG’s consumers
- Measures undertaken:
 - REGAGEN requested from EPCG to align EPCG’s and CEDIS’s statutes, as well as decisions of its Board of directors requesting CEDIS to provide discount, with respective provisions of the Law on energy
 - REGAGEN initiated misdemeanor proceeding against EPCG at misdemeanor court in Podgorica, as it has not been ensuring that operation of distribution system is performed by independent entity as defined by the Law on energy
 - REGAGEN pointed out to CEDIS that it is not its obligation to follow requests and instructions of its parent company (EPCG) if they go beyond limits set by the Law on energy



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Thank You