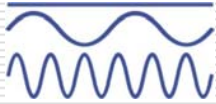


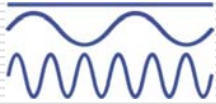
RESOURCE ADEQUACY IN MACEDONIA

(DEVELOPMENT OF NEW ENERGY CAPACITY)



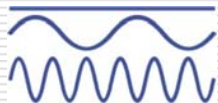
State authorities involved in the process of planning and construction of new energy facilities

- ☐ Government of the Republic of Macedonia
 - Ministry of economy
 - Ministry of environment and physical planning
 - Ministry of Agriculture, Forestry and Water Supply
 - Ministry of Transport and Communications
- ☐ Agency of energy
- ☐ Local self-government authorities and the City of Skopje
- ☐ TSO as authority responsible for maintenance and development of the grids.
- ☐ Energy Regulatory Commission for issuing operational license.



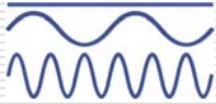
Development of new capacity On national level

- The Government of the Republic of Macedonia upon proposal of the Ministry adopt the Energy Development Strategy.
- The Energy Development Strategy of the Republic of Macedonia is referred to:
 - long-term objectives for development of specific energy activities
 - development priorities;
 - sources and methods of supplying the energy and energy fuels needs;
 - identification and utilization of energy resources and capacities of strategic relevance for the country;
 - transformation of the energy sector;
 - incentives for investment in energy facilities that shall utilize renewable energy sources;



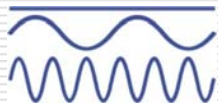
Development of new capacity On national level (cont.)

- incentives regarding the enhancement of energy efficiency;
 - realization of the obligations arising from the international charters, treaties, contracts, conventions and other documents ratified and accessed to by the Republic of Macedonia;
 - requirements and methods for ensuring environmental protection and measures for realization of the protection; and
 - other elements with relevance for the energy development of the Republic of Macedonia.
- The Energy Development Strategy is adopted for a period of at least twenty years.



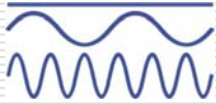
Development of new capacity On national level (cont.)

- Upon proposal of the Ministry, the Government of the Republic of Macedonia adopt the Program for realization of the energy development strategy.
- The Program address to:
 - conditions, method and dynamics of realization of the Strategy,
 - construction of planned energy facilities,
 - energy efficiency,
 - utilization of renewable energy resources,
 - efficient technology for generation of energy and energy fuels,
 - promotion of investments in the energy sector and other significant elements for realization of this strategy.



Development of new capacity On local level

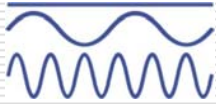
- ❑ The municipalities and the City of Skopje are obliged to ensure the execution of the energy activities of public interest and of local importance in a manner, conditions and dynamics as determined in the Local Energy Development Program, which upon proposal of the Mayor, and upon prior obtained opinion by the Ministry, is adopted by the Council of the municipality, that is the City of Skopje.
- ❑ This Program which has to be in compliance with the Energy Development Strategy of the Republic of Macedonia is adopted for a period of 5 years.



Authorization for construction of energy facility

1. Generation facilities

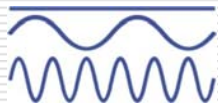
- Authorization for construction of new energy facility is issued by the Minister responsible for the energy issues, for construction of new or upgrading of the existing objects for generation of electricity, combined generation of electricity and heating energy.
- Mayor of the City of Skopje issue authorization for generation of heating energy.



Authorization for construction of energy facility

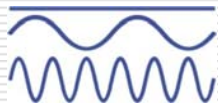
1. Transportation and distribution facilities

- ☐ Authorization for construction of new energy facility is not required.
- ☐ TSO's both for electricity and natural gas are responsible for maintenance and development of transmission facilities.
- ☐ Municipality Council is responsible for granting authorization for construction of the distribution grid for natural gas, heat and geothermal energy, upon accomplishment of public tender procedure.



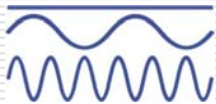
Conditions for construction

- ❑ The construction of new facilities for electricity generation, combined electricity and thermal energy generation and thermal energy generation with exceeding capacity of 1 MW may be performed by domestic and foreign persons on the basis of an authorization.
- ❑ Authorization is also required for enlargement of generation capacities.
- ❑ The authorization for construction of energy facilities is not necessary if the construction of the object is for own needs with power up to 1MW.



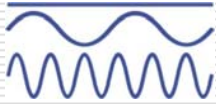
Application procedure

- ❑ For the issuing of authorization for construction of facilities, the interested domestic and foreign persons submit request for authorization to the Government of the Republic of Macedonia, and for the construction of facilities for generation of heating energy to the municipalities.
- ❑ The submitted request for authorization for construction of facilities is published by the Government of the Republic of Macedonia in the Official Gazette within 8 days of the day of submittance of the request.
- ❑ the request for authorization of the construction of new objects for generation of heating energy is published by the Major of municipality in the Official Gazette of the municipality within 8 days from the date of submittance of the request.



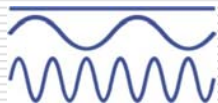
Scope of authorization

- The authorization for construction of new facilities for electricity generation, combined electricity and thermal energy generation and thermal energy generation, transmission and transit of natural gas, crude oil and oil derivatives determines:
 - the type and location of the facility the authorization refers to,
 - the delay for beginning and finalizing the construction of the facility,
 - treatment of the facility after the cease of its activities,
 - requirements concerning the use of public goods or public infrastructure,
 - requirements for environmental protection according to law,
 - requirements concerning the efficiency of the work of the facility;
 - necessary financial means for construction of the object;
 - as other conditions related to the construction of the object.



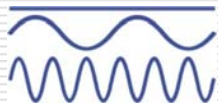
Application documents

- Along with the application for authorization the applicant shall also submit the following documentation:
 - an energy concept and a pre – feasibility study
 - information on the financial capacity of the applicant
 - information on the experience and references of the applicant
 - information on its managerial structure and operating capacities
 - other relevant documentation and information
 - statement given by the relevant person in charge concerning the reliability of the information



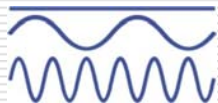
Contents of the decision for construction of new energy facilities

- The Decision for granting the right for construction of new facilities for distribution of natural gas, distribution of heating energy and distribution of geothermal energy contains the following:
 - boundaries of the territory within which the construction of the distribution facility would be realized,
 - deadline for starting the construction and time-table for construction of the facility,
 - necessary financial means for construction of the facility
 - necessary economic, technical or operational capacities and other conditions related to the construction of the facility.
 - The Mayor of the municipality, that is, the Mayor of the city Skopje prescribes closer the form and content of the right for construction of new facility for distribution of natural gas, distribution of heating and distribution of geothermal energy.



Revoking of authorizations

- The decision for granting the right for construction of new facilities for distribution of natural gas, distribution of heating energy and distribution of geothermal energy cease to be valid if:
 - the owner of the right within period of 2 years from the entry into force of the decision for granting the right for construction does not start the construction of the distribution net.
 - does not construct the facility in compliance with the dynamics determined by the decision for granting the right for construction,
 - the owner loses the economic, technical or operational abilities,
 - the owner of the right transfers the right for construction of object to another person without consent of the municipality, that is, the city Skopje.



ENERGY REGULATORY COMMISSION
OF THE REPUBLIC OF MACEDONIA



Thank you for your attention

www.erc.org.mk

samil.redzeqi@erc.org.mk