REVIEW OF THE LAW ON ENERGY EFFICIENCY AND RATIONAL USE OF ENERGY

Scientific and technological development in the field of energy and the need to combat climate change significantly contributed to accelerating the development of regulations in the field of energy at the global, multilateral and national levels. On the one hand, energy is the basis and factor of the scientific, technological and social development, and on the other hand, it is an important factor influencing climate change. A field that is closely related and always present in energy law as its subfield is the field of energy efficiency.

Although energy efficiency is not a separate link in the energy cycle chain from energy production to energy consumption, it is a necessary factor in every link in this chain. Energy efficiency has become increasingly important in the light of scientific and technological development and the need to combat climate change. During the entire energy cycle, it enables, on the one hand, to save resources for energy production, and to reduce the impact of energy on climate change, on the other.

The first law regulating the field of energy efficiency in the Republic of Serbia was the Law on Efficient Use of Energy ("Official Gazette of the Republic of Serbia" No. 25/13). This law was adopted in order to adjust to the system of energy regulations of the European Union (hereinafter: EU) as well as to the Energy Community process - by transposing the adjusted EU regulations in the field of energy efficiency. Considering that the system of EU energy regulations is a process of harmonization and

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balance between scientific, technological and social development related to energy consumption and the fight against climate change, in the Republic of Serbia, the need arose over time to adopt, in accordance with the "Clean Energy for All Europeans" package, a new law that will regulate the field of energy efficiency - the Law on Energy Efficiency and Rational Use of Energy ("Official Gazette of the Republic of Serbia" No. 40/21) (hereinafter: the new Law).

The new Law has improved the existing basis of the Law on Efficient Use of Energy with new energy policy goals, the foundations of which were set by EU regulations, primarily the amended Directive on energy efficiency (2012/27/EU), the amended Directive on the energy performance of buildings (2010/31/EU), Regulation (EU) 2017/1369 on energy efficiency labeling with Regulation (EU) 2020/740 relating to energy efficiency labeling of tires, as well as the Directive on ecodesign (2009/125/EC).

The provisions of the new Law determine that energy efficiency and rational use of energy are of particular importance for the Republic of Serbia, taking into account that energy efficiency is defined as the ratio between the achieved result in services, goods or energy and the energy consumed for such services, goods or energy. In addition, the new Law prescribes objectives, which include, inter alia: achieving energy savings, security of energy supply, reducing the impact of the energy sector on the environment and climate change, increasing the competitiveness of the economy and introducing the goal of reducing energy poverty for the first time in the legal framework.

Furthermore, the new Law introduces, amongst others, a different organization of basic regulations prescribing energy efficiency policy. In addition to the Energy Development Strategy of the Republic of Serbia and the program for the implementation of this strategy, the new Law determines the Integrated National Energy and Climate Plan (NECP) as one of the key acts of energy efficiency policy. This act is adopted in accordance with the law governing the field of energy and international obligations. It contains, inter alia, common energy efficiency objectives, of which the most important are the indicative goal of energy efficiency and the goal of cumulative energy savings of the Republic of Serbia.

The energy management system (EMS) remains one of the key measures of energy efficiency policy. The provisions of the new Law improved and regulated the EMS in more detail. More specifically, the energy audit, as one of the instruments on which the application of energy efficiency

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measures is based, has been regulated in more detail and has become mandatory for EMS taxpayers who are energy-intensive economic entities and/or users of public funds, as well as for large companies defined by the law governing accounting.

The energy efficiency of buildings is dealt with in a separate chapter which prescribes obligations for publicly owned buildings, new buildings and buildings used for non-residential purposes. Publicly owned buildings with a total usable area greater than 250 m2 that are used by public administration bodies and other public bodies and organizations as well as public services are required to have energy performance certificates. Moreover, for buildings used by the central government the obligation of energy rehabilitation has been introduced. Obligations of investors regarding new buildings are specified in terms of the need to equip them with devices for regulation and measurement of delivered heat, and, where applicable, of hot water – in such manner that there is a possibility of regulation and measurement of delivered heat for each part of the building and at each heating body. Furthermore, the new Law prescribed an obligation to equip buildings used for non-residential purposes with automatic regulation and control systems, where technically feasible and cost-effective.

Energy services, as a measure of energy efficiency, that are already implemented in the public and private sector have been elaborated compared to previous solutions and their subject has been expanded. As a measure aimed at supporting the provision of these services, the provisions of the new Law provide a legal basis for the establishment of records of energy service providers. Also, in order to maximize the scope of these services in the public sector, it is envisaged that these services are provided through the rules of public-private partnership, which eliminates the doubts that previously existed in practice.

The provisions of the new Law stipulate the rules and principles, which are placed in the entire energy cycle from production and transformation, through transport to energy consumption. It prescribes that there is an obligation to reduce energy losses of energy entities performing energy activities of transmission, transport and distribution of electricity and natural gas and the procedure for controlling the reduction of these losses, and that the costs of losses above justified values cannot be taken into account when determining the price of access to these systems. In order to more accurately measure the consumption of end customers and determine data on energy losses in the system, the new Law determined the obligation of energy entities

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performing energy transport activities to which energy consumers are connected to install adequate devices for measuring that energy. Consequently, consumers can gain better insight into how much energy they consume and thus take action to reduce energy consumption. For the same reason, the obligation to inform consumers in the most efficient and detailed manner about how much energy they consume has been established. However, since all energy facilities (power plants, energy networks, storage facilities, etc.) are subject to consumption or possible energy losses, the new Law prescribed rules relating to the control of energy efficiency of these facilities during their construction or reconstruction.

The new Law stipulates the basis for determining special requirements in terms of energy labeling and ecodesign for products whose use affects energy consumption, as well as that they can be placed on the market only if they meet these requirements.

Although it already existed in the Republic of Serbia, the encouragement of high efficiency cogeneration (simultaneous production of electricity and thermal or mechanical energy in the same process) is regulated differently. Financial and non-financial incentives for high efficiency cogeneration are envisaged. Financial incentives include: incentives through the system of market premiums, incentives through the system of feed-in tariffs and incentives granted by the Directorate for Financing and Encouraging Energy Efficiency. Market premiums and feed-in tariffs are related to the acquisition of the status of (temporary) privileged producer. Non-financial incentives include: access to the system for high efficiency cogeneration and individual participants in the energy market, conditions for connection to high efficiency cogeneration and guarantees of origin for high efficiency cogeneration.

Instead of the previous Budget Fund for Encouraging Energy Efficiency, the new Law stipulates the establishment of the Energy Efficiency Directorate as a body within the Ministry of Mining and Energy, which, in addition to other measures of raising awareness of the importance of energy efficiency, should primarily deal with financial incentives and awarding incentives for micro-cogeneration plants.

The new Law envisages the digitalization of the auction procedure and procedures related to the status of a temporary privileged producer of electricity and the status of a privileged producer, which will be managed electronically.

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Given the comprehensiveness of energy efficiency policy measures prescribed by the provisions of the new Law, together with raising awareness of the significance of energy efficiency, it is expected that its implementation will reduce greenhouse gas emissions and the impact of the energy cycle on climate change.

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