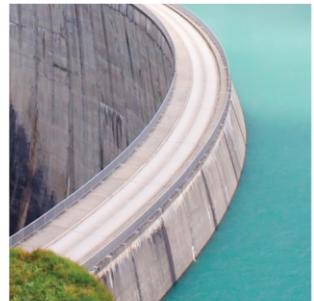
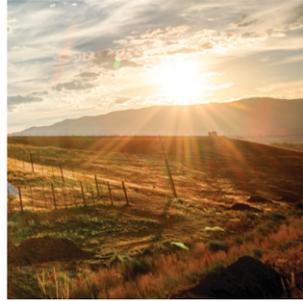




**USAID**  
FROM THE AMERICAN PEOPLE

# BOSNIA - HERZEGOVINA



# GUIDELINES FOR INVESTORS

in the Electricity Sector of BiH



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# 1. ACRONYMS

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<b>BD</b>	<b>Brcko District of Bosnia and Herzegovina</b>
<b>BiH</b>	<b>Bosnia and Herzegovina</b>
<b>BPK</b>	<b>Bosna-Podrinje Canton Gorazde</b>
<b>DSO</b>	<b>Distribution system operator</b>
<b>FBiH</b>	<b>Federation of Bosnia and Herzegovina</b>
<b>FERC</b>	<b>Regulatory Commission for Energy in the Federation of Bosnia and Herzegovina</b>
<b>FMERI</b>	<b>FBiH Ministry of Energy, Mining and Industry</b>
<b>HNK</b>	<b>Herzegovina-Neretva Canton</b>
<b>KS</b>	<b>Sarajevo Canton</b>
<b>C10</b>	<b>Canton 10</b>
<b>RES</b>	<b>Renewable energy sources</b>
<b>RESEC Operator</b>	<b>Operator for Renewable Energy Sources and Efficient Cogeneration</b>
<b>RSERC</b>	<b>Regulatory Commission for Energy of Republika Srpska</b>
<b>PK</b>	<b>Posavina Canton</b>
<b>RS</b>	<b>Republika Srpska</b>
<b>SBK</b>	<b>Central Bosnia Canton</b>
<b>TK</b>	<b>Tuzla Canton</b>
<b>USK</b>	<b>Una-Sana Canton</b>
<b>ZDK</b>	<b>Zenica-Doboj Canton</b>
<b>ZHK</b>	<b>West Herzegovina Canton</b>

## 2. TABLE OF CONTENTS

1	ACRONYMS.....	4
2	TABLE OF CONTENTS .....	5
3	INTRODUCTION .....	8
4.	COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL .....	13
4.1.	INTRODUCTION .....	14
4.2.	CONCESSIONS.....	14
4.3.	CONNECTION TO THE TRANSMISSION NETWORK.....	18
4.3.1.	PRE-APPROVAL OF CONNECTION .....	19
4.3.2.	CONNECTION CONDITIONS .....	20
4.3.3.	APPROVAL OF CONNECTION .....	22
5.	GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWERFACILITIES IN FEDERATION OF BiH .....	25
5.1.	SCHEMATIC DIAGRAM DEPICTING PERMITS AND COMPETENT INSTITUTIONS IN FBiH.....	26
5.2.	URBAN PERMIT/LOCATION INFORMATION .....	27
5.2.1.	URBAN PERMIT.....	30
5.2.2.	LOCATION INFORMATION.....	35
5.3.	CONSTRUCTION PERMIT .....	38
5.4.	USE PERMIT .....	45
5.5.	OTHER PERMITS .....	50
5.6.	CONCESSIONS.....	51
5.7.	WATER ACTS .....	56
5.7.1.	PRELIMINARY WATER CONSENT .....	60
5.7.2.	WATER CONSENT .....	63
5.7.3.	WATER PERMIT .....	65
5.8.	ENVIRONMENTAL PERMIT .....	68
5.9.	CONNECTION TO THE DISTRIBUTION NETWORK NETWORK.....	74

## TABLE OF CONTENTS

---

5.9.1.	PRELIMINARY ELECTRIC POWER PERMIT .....	76
5.9.2.	CONTRACT REGULATING MUTUAL RELATIONS.....	77
5.9.3.	CONTRACT ON FINANCING.....	78
5.9.4.	ELECTRIC POWER PERMIT .....	78
5.9.5.	CONNECTION CONTRACT .....	80
5.10.	APPROVAL OF THE PROJECT DOCUMENTATION.....	81
5.11.	ENERGY PERMIT .....	85
5.12.	OPERATIONAL LICENCE FOR PERFORMING A POWER ACTIVITY .....	89
5.12.1.	LICENCE FOR ELECTRICITY GENERATION .....	90
5.13.	EXERCISING THE RIGHT TO INCENTIVES.....	94
5.13.1.	POTENTIAL PRIVILEGED PRODUCER.....	97
5.13.2.	PRE-CONTRACT ON PURCHASE OF ELECTRICITY .....	100
5.13.3.	QUALIFIED PRODUCER .....	100
5.13.4.	PRIVILEGED PRODUCER.....	101
5.13.5.	CONTRACT ON PURCHASE OF ELECTRICITY.....	104
5.14.	REGISTER OF RENEWABLE ENERGY PROJECTS .....	105
6.	GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA .....	109
6.1.	SCHEMATIC DIAGRAM DEPICTING PERMITS AND COMPETENT INSTITUTIONS IN RS .....	110
6.2.	LOCATION CONDITIONS.....	111
6.3.	CONSTRUCTION PERMIT .....	114
6.4.	USE PERMIT .....	118
6.5.	OTHER PERMITS .....	122
6.6.	CONCESSIONS.....	123
6.7.	WATER ACTS .....	130
6.7.1.	WATER GUIDELINES.....	133
6.7.2.	WATER CONSENT .....	135
6.7.3.	WATER PERMIT .....	137

6.8.	ENVIRONMENTAL PROTECTION .....	139
6.8.1.	ENVIRONMENTAL IMPACT ASSESSMENT.....	139
6.8.2.	ENVIRONMENTAL PERMIT.....	147
6.9.	CONNECTION TO THE DISTRIBUTION NETWORK .....	152
6.9.1.	LOCATION APPROVAL .....	154
6.9.2.	ELECTRIC POWER PERMIT .....	155
6.9.3.	CONNECTION CONTRACT .....	157
6.9.4.	TEMPORARY CONNECTION TO THE NETWORK .....	158
6.9.5.	DISTRIBUTION NETWORK ACCESS CONTRACT .....	160
6.9.6.	PERMANENT CONNECTION OF A POWER PLANT TO THE DISTRIBUTION NETWORK .....	161
6.9.7.	CONNECTION DECLARATION .....	162
6.10.	PERMIT FOR CONSTRUCTION OF POWER FACILITIES .....	163
6.11.	LICENSER FOR PERFORMING ENERGY ACTIVITIES.....	168
6.12.	EXERCISING THE RIGHT TO INCENTIVES.....	173
6.12.1.	PRELIMINARY RIGHT TO AN INCENTIVE .....	177
6.12.2.	INCENTIVE PRE-CONTRACT .....	180
6.12.3.	CERTIFICATE FOR GENERATION FACILITY.....	181
6.12.4.	RIGHT TO AN INCENTIVE .....	186
6.12.5.	PURCHASE OR PREMIUM CONTRACT.....	189
6.13.	PROJECT REGISTER .....	190

### 3. INTRODUCTION

These Guidelines are intended for potential investors who wish to invest in the development of electric power facilities in Bosnia and Herzegovina (BiH). They provide information about the procedure, required permits, competent authorities, as well as other useful information.

The Guidelines explain the permitting procedure at the level of Bosnia and Herzegovina (BiH), consisting of the required steps and the documentation to be enclosed with applications for individual permits.

Permitting processes for generation plants are by their nature complex in all jurisdiction. What distinguishes them are the ease with which these processes can be identified. The purpose of these Guidelines is to contribute to the transparency of the BiH permitting regime.

In order to better understand the permitting system in BiH, it is necessary to have in mind the administrative and constitutional organization of Bosnia and Herzegovina which comprised of two entities: Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS), as well as the Brcko District (BD)<sup>1</sup> [Figure 1].



Figure 1:Administrative organization of BiH

1 Brcko District is a separate administrative unit under the jurisdiction of Bosnia and Herzegovina.

Authorities/institutions at the BiH level have the competence to issue only two permits:

- a) concessions – in the case of inter-entity and inter-state projects, which fall under the competence of the corresponding ministries and BiH Commission for Concessions;
- b) connection to the transmission network which is under the competence of the Transmission Company “Elektroprenos BiH.”

All other permits are issued at the level of entities and Brcko District.

In the FBiH, which consists of 10 cantons, cantonal and municipal authorities may also have the competence for issuing certain permits (e.g., construction permit) depending on the type and size of the electric power facility.

In the RS, the competence for issuing permits is divided between the authorities at the entity and the municipal level.

In BD the sole competence for issuing all necessary permits rests with the Brcko District.

Generally, electric power facility construction process in the FBiH, RS and BD is grouped around the three “basic” permits dealing with construction. These are:

- 1) Urban Permit or Location Information (FBiH), or Location Conditions (RS)
- 2) Construction Permit (FBiH & RS)
- 3) Use Permit (FBiH & RS)



All other permits and consents are obtained during the process of obtaining one of these three basic permits, and when describing each of these other permits we will also give the name of the institution or the administrative authority responsible for issuing that permit.

Further, this document describes the procedures for exercising the right to incentives for investors producing electricity using renewable sources and highly efficient cogeneration.

Having in mind the administrative organization of BiH and the division of competencies, and in the interest of easier understanding of the permitting procedures, these Guidelines are structured as a single document which explains the procedures at the BiH level, and also contains separate Guidelines for FBiH and RS.

In general, the basic steps the investor needs to undertake before starting the permitting procedures are:

- Identify the competent administrative level and/or the competent authority
- Determine whether a concession is needed for the construction of an electric power facility
- Check the spatial planning documentation in order to identify possible obstacles. Spatial planning documentation is generally examined at the competent authority for physical planning and construction<sup>2</sup> at the location of the planned energy facility. This information is usually available at the local, municipal Department where the investor can learn all the specific information concerning construction at the desired location, including information on land-use, whether the structure is envisaged in the spatial plans, and the possibility of connection to the utility infrastructure. If the facility is not contained in the spatial planning documentation, or the location is reserved for some other purpose, the investor can consult the competent authorities on how to overcome this problem and how long will it take.

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*2 Entities, cantons, cities and municipalities all have the authority to develop and adopt spatial planning documents, however, information about these documents is most easily obtained at the local municipal Department where construction is planned.*

**NOTE: The quality of the project documentation has a significant impact on quick and efficient issuing of necessary permits. A large number of issues that usually appear in the later stages of the permitting process is caused by inadequate project documentation.**



## **4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL**

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## 4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL

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### 4.1. INTRODUCTION

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This chapter describes the concession granting procedure at the BiH level and connection to the transmission network procedure.

The investor must undertake these steps only in cases where the BiH level is competent for granting a concession and in the case the planned electric power facility needs to be connected to the transmission network.

Since the entity authorities have the competency for issuing the majority of permits, the procedure of issuing the necessary permits still unfolds in accordance with the full schematic diagrams of permits shown in chapter 5 (FBiH) and chapter 6 (RS).

### 4.2. CONCESSIONS

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#### WHAT IS A CONCESSION?

A concession is a right to perform a certain commercial activity by using natural or public resources or to perform an activity of general interest under predefined conditions. The terms of the concession are defined by the Concession Contract.

#### WHO HAS THE COMPETENCE FOR GRANTING CONCESSIONS?

Concessions at the BiH are granted by the competent ministry or any other competent BiH as determined by the BiH Council of Ministers.

Furthermore, a special Commission for concessions exist at the BiH level as an independent, regulatory authority. This Commission do not have the authority to grant concessions, but rather performs some other roles like overseeing the work of the investor, considering the appeals from the consumers and conducting infringement proceedings, and so on.

#### FOR WHICH ENERGY FACILITIES ARE CONCESSIONS OBTAINED AT THE BiH LEVEL?

A concession is granted for energy facilities at the BiH level in case the facility will be located on the state border (e.g. construction of hydro

## 4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL

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power plants on border rivers), as well as when the facility will be located on the territory of FBiH and RS.<sup>3</sup>

### WHAT IS THE PROCEDURE OF GRANTING CONCESSIONS FOR ELECTRIC POWER FACILITIES AT BiH LEVEL?

1) Concessions at the BiH level are granted through two basic procedures:

2) Based on a public tender, and

Based on an unsolicited proposal

When a concession is granted through a public tender, the text of the public tender contains all the information, criteria, conditions and necessary documents to be submitted for participation in the tender.

The concession grantor forms an expert commission for tender. This commission creates a ranking list of accepted bids based on the criteria from the tender and proposes the most successful bidder to the BiH Commission for Concessions.

The BiH Commission for Concessions then adopts a Decision on the concession award, based on which the Concession Contract is concluded.

When a public tender is not announced, the investor can submit an **unsolicited proposal** for a concession.

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*3 The Law defines the competency of the BiH level for granting concessions in the sectors that are under jurisdiction of Bosnia and Herzegovina, pursuant to the Constitution and laws of Bosnia and Herzegovina and in case it concerns the representation of international subjectivity of Bosnia and Herzegovina, as well as in the cases where concession property extends to the Federation of Bosnia and Herzegovina and the Republika Srpska for providing infrastructure and services, exploitation of natural resources and facilities used for their exploitation, financing, design, construction, rehabilitation, maintenance and/or operation of such infrastructure and all accompanying facilities thereto.*

## 4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL

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Along with the unsolicited proposal, the investor must submit:

1	Full name of the company, a photocopy of the company registration certificate, basic information on the financial capabilities of the company
2	Name and surname of the authorized person and other identification, as necessary
3	Description of the concession subject
4	Preliminary design of the project
5	Assessment of the project feasibility
6	Assessment of the investment cost
7	General duration of the concession period
8	Basic conditions for realizing the concession

On the basis of the submitted proposal, the competent BiH ministry assesses whether there is public interest for granting the requested concession. If there is, they will ask the BiH Commission for Concessions for permission to enter direct negotiations with the investor. During these negotiations, the basic elements of the **concession feasibility study** are determined.

After the study is completed, the competent ministry analyzes the proposed project and the concession feasibility study, and if meets the required criteria, delivers it to the BiH Commission for Concession for approval.

The BiH Commission for Concessions then adopts a Decision on the concession award, based on which the Concession Contract is concluded.

### WHAT IS THE CONCESSION FEASIBILITY STUDY?

Concession feasibility study is a study which contains: technical-technological, legal and economic justification for granting a concession, investigation of the natural conditions, urban and technical possibilities and restrictions, permits, approvals, consents, impact of the activity on the health and lives of the population, as well as risk assessment of the project.

## 4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL

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The study needs to show that the proposed project is self-sustainable, that it has benefits for BiH, that it fits into the determined goals, as well as its impact on consumers and the fees that they must pay.

### **WHAT IS THE CONCESSION FEE?**

The investor must pay a concession fee for the right to perform a concession activity.

The concession fee and its calculation method are the subject of the Concession Contract. The concession fee is determined based on the principles and methods of calculation contained in the public tender.

The contract contains provisions on the amount, payment form and deadlines for paying the concession fee. The criteria for calculating the fee are type, quality, category, amount, purpose and market price of the common good which is being granted through the concession. For performing certain activities, the criteria are determined based on market conditions, the duration of the concession, risks and expected profits.

### **HOW LONG IS THE CONCESSION VALID?**

The length of the concession is defined by the Concession Contract. However, the maximum legal duration is 30 years, with a possible exception of extending this duration to 50 years.

### 4.3. CONNECTION TO THE TRANSMISSION NETWORK

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Depending on the technical characteristics and the location of the facility, generation facilities are connected either to the distribution network or the transmission network (see: Connection to the Distribution Network).

The investor needs to complete the following steps in order to connect to the transmission network:

- 1) Obtain a Pre-Approval of Connection
- 2) Obtain the Connection Conditions
- 3) Conclude a Connection Contract
- 4) Obtain an Approval of Connection

#### **WHO IS COMPETENT FOR APPROVING THE CONNECTION TO THE TRANSMISSION NETWORK?**

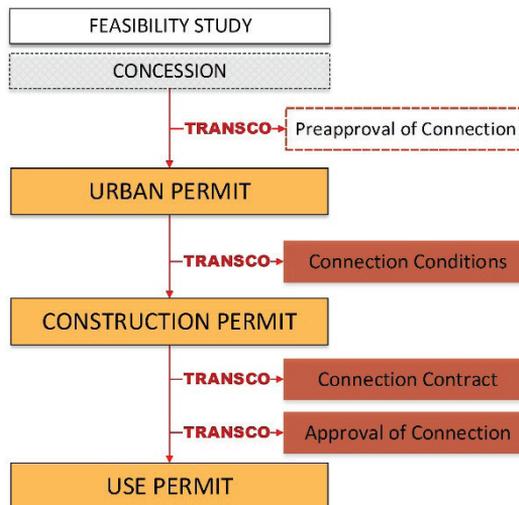
The Transmission Company “**Elektroprenos BiH,**” headquartered in Banja Luka, approves the connection to the transmission network, issues all the permits and signs the connection contracts.

#### **IN WHICH PHASE OF CONSTRUCTION ARE CONSENTS AND PERMITS FOR CONNECTION TO THE TRANSMISSION NETWORK OBTAINED?**

The diagram below shows the phases and sequence of issuance of connection consents and conclusion of contracts with the Transmission Company in relation to the Urban Permit, Construction Permit and Use Permit.

## 4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL

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Please find below a description of each of these approvals and steps in the connection to the transmissions network procedure.

### 4.3.1. PRE-APPROVAL OF CONNECTION

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#### WHAT IS A PRE-APPROVAL OF CONNECTION?

The Pre-Approval of Connection is issued to the investor as confirmation that the planned facility can be connected to the transmission network at the planned location.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR A PRE-APPROVAL OF CONNECTION?

An application for a Pre-Approval of Connection is submitted on a form prescribed by the Transmission Company and it is available on the company's website.<sup>4</sup>

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<sup>4</sup> Available at: <http://www.elprenos.ba/BS/PrikljucakObrasciBS.aspx>

## 4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL

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Together with the completed application form, the investor also needs to submit the following supporting documentation:

1	Copy of the cadastral plan of the planned facility's location
2	If this is an already-existing facility, then it is also necessary to submit documents issued prior to the establishment of the Transmission Company (Elektroprenos BiH), such as the Conditions for the Connection of the User to the Connection Network, the Connection Contract and the Approval of Connection

### HOW LONG IS THE PRE-APPROVAL OF CONNECTION VALID?

The Pre-Approval of Connection is valid for **one year** from its date of issue and can exceptionally be extended for **one more year**.

### 4.3.2. CONNECTION CONDITIONS

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#### WHAT ARE CONNECTION CONDITIONS?

Connection Conditions are a technical document defining the minimum of technical, construction and operation criteria that must be fulfilled in order to connect the generation facility to the transmission network.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR CONNECTION CONDITIONS?

An application for Connection Conditions is submitted to the Transmission Company on a prescribed form.<sup>5</sup>

The application needs to include:

1	User's basic data
2	Name, type and address of the cadastral parcel of the facility to be connected to the network
3	Planned date of connection
4	Planned installed capacity and annual consumption/production

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<sup>5</sup> Available at: <http://www.elprenos.ba/BS/PrikjucakObrasciBS.aspx>

## 4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL

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5	For customers, the purpose of electricity consumption
6	Regime of energy use or generation
7	Other technical parameters pursuant to the Grid Code

Attached to the application, an investor submits:

1	Urban Permit, Location Conditions or Location Information
2	Power chart of the generation unit
3	Single-pole diagram of the facility by phase
4	For industrial networks – principle single-pole diagram of supply for large industrial customers, power plants or loss compensation devices (> 5 MVA)
5	Proof of payment of the application submission fee

### WHAT DOES THE TRANSMISSION COMPANY DO IN A CONNECTION CONDITIONS ISSUANCE PROCEDURE?

Connection Conditions are issued on the basis of the Project Analysis of the Technical Solution for Connection.

The Transmission Company prepares the Project Analysis; the scope and content of the Project Analysis is defined by the **Independent System Operation in BiH (ISO)** in consultation with the Transmission Company.

A third party can also prepare the Project Analysis, but only based on the approval of the Transmission Company and in consultation with the ISO. After the Project Analysis is completed by the third party, the ISO, with the active participation of the Transmission Company, examines, approves and revises it.

The cost of Project Analysis preparation is covered by the investor, whether it is prepared by the Transmission Company or a third party.

The Transmission Company is obliged to issue the Connection Conditions within a deadline of **90 days** from the date of an application submission, or within **30 days** from the date of revision of the Project Analysis, if prepared by a third party.

The investor accepts the Connection Conditions by submitting a written statement to the Transmission Company confirming the acceptance of

## 4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BIH LEVEL

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the Connection Conditions. The written statement is submitted on a prescribed form available on the Transmission Company's website.<sup>6</sup>

After obtaining the Construction Permit and the Connection Conditions, the investor signs a **Connection Contract** with the Transmission Company, which regulates all technical, legal and economic conditions for connection to the transmission network, as well as all details of construction of the connection, future ownership relationships and the future relationship between the user and the Transmission Company regarding the operation and maintenance of facilities.

### HOW LONG ARE THE CONNECTION CONDITIONS VALID?

The Connection Conditions are valid for **three years** from their date of issue.

### 4.3.3. APPROVAL OF CONNECTION

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#### WHAT IS AN APPROVAL OF CONNECTION?

The Approval of Connection is the final document required for connection to the transmission network, which is issued after the signing of the Connection Contract and the completion of an on-site inspection. This approval verifies that the investor has fulfilled all the required technical and legal preconditions from the Contract on Connection to the Transmission Network.

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<sup>6</sup> Available at: <http://www.elprenos.ba/Prikljucak/Izjava%20o%20prihvatanju%20Uslova%20za%20prikljucak%20Korisnika%20na%20prenosnu%20mrezu.pdf>

## 4. COMPETENCY OF THE AUTHORITIES AND INSTITUTIONS AT THE BiH LEVEL

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### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR AN APPROVAL OF CONNECTION?

An Approval of Connection is issued based on:

1	Connection Contract
2	Technical project documentation
3	Acquisition of rights to construction and ownership or easement for the use of the connection
4	Construction permits for the connection and construction permits
5	Completed construction works with necessary material and equipment
6	Completed electrical installation works with necessary material and equipment
7	Equipping the billing metering point with necessary metering equipment
8	Final verification of readiness of the connection for initial energizing
9	Conducted testing

### HOW LONG IS THE APPROVAL OF CONNECTION VALID?

The period of validity of the Approval of Connection is defined by the Connection Contract.



## **5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH**

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## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BIH

### 5.1. SCHEMATIC DIAGRAM DEPICTING PERMITS AND COMPETENT INSTITUTIONS IN FBiH

The permits required in the electric power facility construction process in FBiH are depicted on the diagram below. Special attention should be paid to concessions, water acts and the environmental testing permit as these are usually determined by the type of energy facility being built and the administrative level of the competent authority.

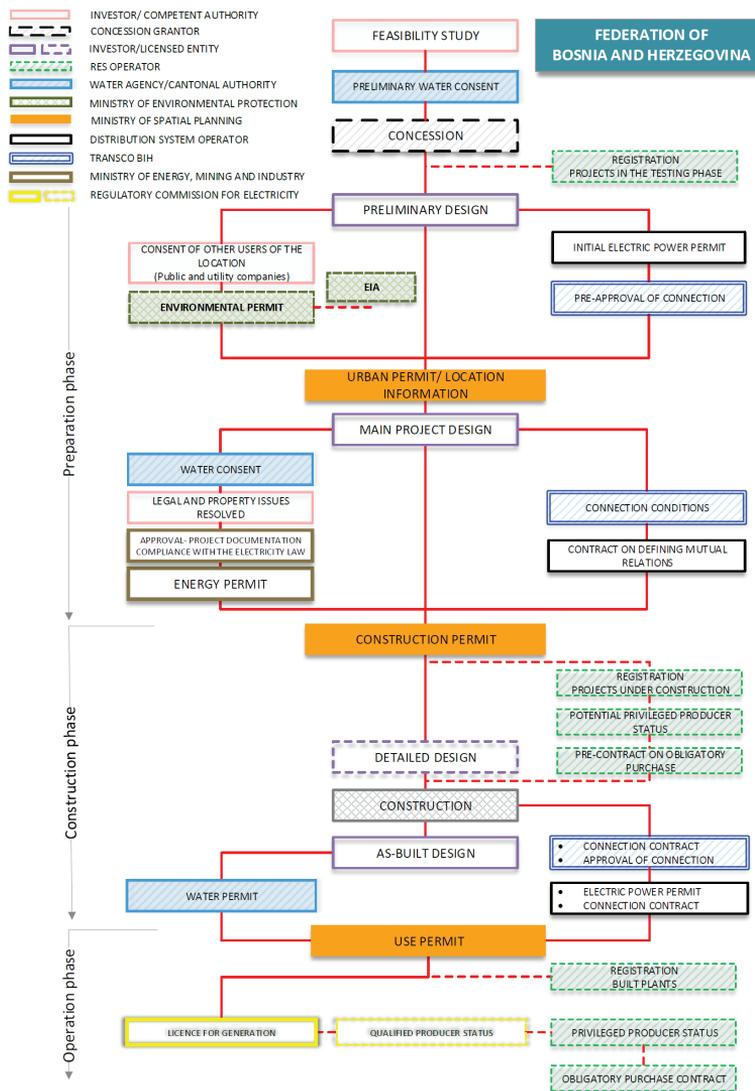


Figure 2: Diagram of all competent authorities and required permits in FBiH

## 5.2. URBAN PERMIT/LOCATION INFORMATION

---

### WHAT IS AN URBAN PERMIT?

An Urban Permit is an administrative act laying down urban-technical and other conditions required for the design and construction of a facility at a desired location.

The Urban Permit does not grant the investor the right to build the planned facility; it merely lays down the conditions that must be complied with in order to build the planned facility.

### WHAT IS A LOCATION INFORMATION?

Location Information is a technical or an administrative document (depending on the jurisdiction) representing an excerpt from the detailed spatial planning documentation<sup>7</sup> containing urban-technical conditions for the planned construction.

The location information is issued in a summary procedure, which means that investors can obtain it fairly simply.

### WHEN IS THE URBAN PERMIT AND WHEN IS THE LOCATION INFORMATION ISSUED?

The Urban Permit is issued in cases when detailed spatial planning documentation for the desired location does not exist. If detailed spatial planning documentation does exist, then the competent authority issues the Location Information. It is also worth noting that certain cantons still do not issue Location Information.

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*7 Detailed spatial planning documentation are the basis for defining conditions for constructions of buildings and facilities. There are three types of detailed spatial planning documents: zoning plan, regulation plan and urban planning project.*

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

### WHO IS COMPETENT FOR ISSUING THE URBAN PERMIT/LOCATION INFORMATION?

Depending on the location and size of the planned energy facility, the following authorities may be competent for issuing the Urban Permit/Location Information:

- 1) FBiH Ministry of Physical Planning
- 2) cantonal ministries of spatial planning
- 3) municipal departments responsible for spatial and urban planning

Generally, depending on the size of the planned facility, i.e., the planned installed capacity, the investor will file an application for an Urban Permit/Location Information in accordance with the table below:

Competence at the FBiH level	Competence at the cantonal level
Facilities and works covering the territory of two or more cantons	Facilities and works covering the territory of two or more municipalities
Power plants with an installed capacity of 30 MW or over with accompanying structures	Power plants with an installed capacity below 30 MW with accompanying structures
220 kV and more overhead power lines with a substation and a switchyard on that power line	35 kV - 220 kV overhead power lines with a substation and switchyard on that power line
Wind farms (a minimum of 4 wind turbines and more)	Wind farms with up to 4 wind turbines
Construction on the international border	
Construction in free customs zones	
Construction within the borders of national monuments	
Large polluters	
Dams with water accumulations or retention spaces with connected buildings which fall under the large dam criteria	

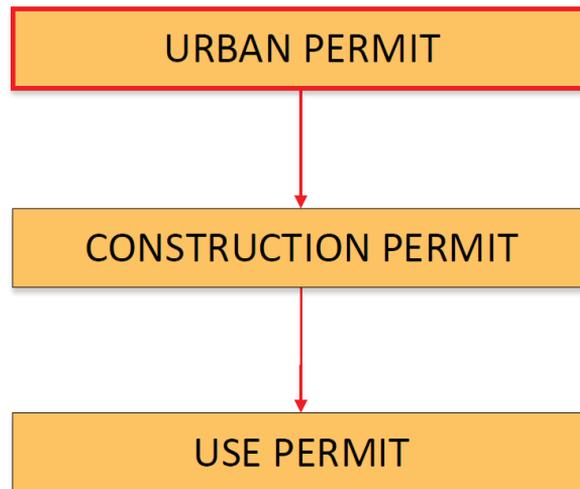
## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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The competence of municipalities depends on the cantonal laws. The investor can learn more about the competences of the municipal authorities during the examination of spatial planning documentation.

### IN WHICH PHASE OF CONSTRUCTION IS THE URBAN PERMIT/LOCATION INFORMATION OBTAINED?

The Urban Permit is the first document to be obtained in the process of constructing electric power facilities. The diagram below shows the phase in which the Urban Permit is obtained and its relation with the other two main permits. The same is true for Location Information.



The procedure of obtaining the **Urban Permit** is described in the text below. The procedure of obtaining the Location Information is described in a separate chapter.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### 5.2.1. URBAN PERMIT

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#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR AN URBAN PERMIT AT THE FBiH LEVEL?

Supporting documentation submitted with an application for an Urban Permit will differ depending on whether an investor is submitting an application at the FBiH level or at the cantonal/municipal level.

Together with an application for an Urban Permit, the investor also submits the following documents to the **FBiH Ministry of Physical Planning**:

1	Applicable excerpt from the cadastral plan for the selected location
2	Applicable excerpt from the land registry for the selected location
3	Preliminary Project Design – 3 copies
4	Environmental Permit (if required)
5	Construction Waste Management Preliminary Plan
6	Proof of payment of administrative fee
7	Supporting document with an explanation containing data necessary for determining urban-technical and other conditions
8	Preliminary Geotechnical Study (Mission G1)
9	Preliminary Water Consent (if required)
10	Initial Electric Power Permit or Pre-approval of Connection, depending on the type of grid to which the facility will be connected
11	Proof of payment of administrative fee

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR AN URBAN PERMIT AT THE CANTONAL/MUNICIPAL LEVEL?

Together with an application that includes all the data necessary for determining the urban-technical and other conditions for issuing the Urban Permit, the investor also submits the following documents at the **cantonal/municipal level**, depending on the canton:

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

DOCUMENT	KS	TK	ZDK	HNK	SBK	USK	BPK	PK	ZHK	C10
Copy of the cadastral plan with user of the parcel concerned and the neighboring parcels identified	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Excerpt from the land registry	✓	-	-	-	-	-	-	-	-	✓
Conceptual design of the facility	✓ <sup>1</sup>	✓	✓	-	-	-	-	-	-	-
Preliminary Project Design			-	✓	✓	✓	✓	✓	✓	✓ <sup>3</sup>
Type and technical description of the facility	-	-	-	✓	✓	-	✓	✓	-	✓
Description of the intended operating technology, only for production facilities	✓	-	✓	-	✓	-	✓	✓	-	-
Environmental Permit (if required)	✓	-	✓	-	-	✓	✓ <sup>2</sup>	✓	✓	✓
Proof of administrative charge payment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Other data and documents, if requested	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<p><sup>1</sup> Depending on the complexity of construction, the preliminary project design, the conceptual design or the program sketch may also be submitted in KS</p> <p><sup>2</sup> In BPK it is necessary to submit “the Preliminary Environmental Impact Assessment for projects subject to approval under special environmental protection regulations.”</p> <p><sup>3</sup> In C10, the preliminary project design is not necessary for projects not subject to control in the construction regime of the third degree (urban area and construction zones in non-urban areas).</p>										

### ARE ANY OTHER SUPPORTING DOCUMENTS REQUIRED FOR OBTAINING AN URBAN PERMIT?

A number of pre-approvals or preliminary consents from different utility companies and other users on the desired construction location may be needed for the construction of energy facilities. It is impossible to determine beforehand which of these consents or approvals will be required,

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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as that depends on the competent institutions issuing the urban permits, the planned location for the energy facility, as well as all other users of the space in question. It should also be noted that many of these consents are obtained ex-officio at the expense of the investor by the authority responsible for issuing the Urban Permit.

The table below provides a general overview of consents requested most frequently:

1	Consent of telecom operators
2	Consent of water and sewerage companies
3	Consent of road management companies
4	Agricultural consent if agricultural land needs to be converted into construction land
5	Consent of the Civil Aviation Directorate
6	Consent of the competent authority for the preservation of national and cultural monuments
7	Sanitary consent
8	Exceptionally, consent of the Ministry of Defence or the BiH Mine Action Center

If necessary, other users of the space also prescribe conditions which the technical documentation needs to meet in order for the facility to be built at the desired location. This is especially true in the case of utility companies which give their consent to the project documentation of the planned facility and allow connection to the utility infrastructure.

### **WHAT DOES THE COMPETENT AUTHORITY DO IN THE URBAN PERMIT ISSUANCE PROCEDURE?**

After the investor submits an application and supporting documents, the competent authority checks whether the application has been completed properly. If a certain document has not been submitted with the application, or if there is some other inadequacy, the competent authority will ask the investor in writing to complete the application by submitting the missing document within a specified deadline.

The Urban Permit at the FBiH level is issued based on the opinion of the

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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cantonal ministries of spatial planning, while at the cantonal level it is issued based on the opinion of the municipal department in the municipality in which construction is to take place. Cantonal and municipal spatial plans, as well as urban projects, represent the basis for issuing the opinion. For areas that do not have spatial planning documents adopted, the urban permit is issued based on an expert evaluation of a special Commission.

As the procedure continues, the official person from the competent authority goes to the field to inspect the situation on the ground and the state of neighboring parcels and buildings.

Once the application is completed, the average time required for issuing the Urban Permit is **30 days**. The only exceptions are ZDK where the permit is issued in **10 days** and BPK where the issuance is set at **60 days**.

### FOR HOW LONG IS THE URBAN PERMIT VALID?

The Urban Permit is valid for **one year** from its date of issuance, and an application for issuing a Construction Permit must be submitted within that deadline. In exceptional cases, the Urban Permit may be extended for **another year** at the request of the investor. Canton 10 has a longer period of validity where the Urban Permit is issued with a period of validity of **2 years** with the possibility of extending it for **another 2 years**.

**NOTE: The cost of preparing construction land is determined in accordance with municipal decisions on the amount of the fee for preparing construction land.**

### CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?

The possibility of filing an appeal depends on the administrative level and the canton issuing the Urban Permit. By law, every decision needs to contain an instruction stating whether it can be appealed and what is the deadline for filing the appeal.

In general, decisions of the **FBiH Ministry of Physical Planning** cannot be appealed, but an administrative dispute can be initiated before the com-

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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petent cantonal court within **30 days** from the date of the investor receiving the decision.

Decisions of the **cantonal ministries of spatial planning** can be appealed in TK, ZDK, HNK, BPK and PK within **15 days** from the date of the investor receiving the decision. The appeals are generally submitted to the cantonal government or to a special governmental Commission for administrative disputes. Decisions cannot be appealed in KS, SBK, USK, ZHK and C10, but an administrative dispute can be initiated before the competent Cantonal Court within 30 days from the date of the investor receiving the decision.

Appeals against the decisions of the competent municipal authorities are filed with the cantonal ministries of spatial planning within **15 days** from the date of the investor receiving the decision.

**NOTE: The investor must have a “certificate of finality” added to every decision for that decision to have legal effect. The certificate of finality is added by the competent authority that issued the permit after the expiration of the deadline for appeal by placing a seal on the permit and entering the date of its effectiveness.**

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### 5.2.2 LOCATION INFORMATION

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#### WHAT SUPPORTING DOCUMENTATION IS SUBMITTED WITH AN APPLICATION FOR LOCATION INFORMATION AT THE FBiH LEVEL?

Supporting documentation submitted with an application for Location Information will differ depending on whether the investor is submitting an application at the FBiH or at the cantonal/municipal level.

Together with an application for the Location Information, the investor also submits the following supporting documents to the **FBiH Ministry of Physical Planning**:

1	Copy of the cadastral plan with the title deed
2	Preliminary Project Design – 3 copies
3	Description of the operating technology, only for production facilities
4	Environmental Permit (if required)
5	Preliminary Water Consent (if required)
6	Supporting document stating reasons for submitting the application and providing data necessary for issuing the Location Information

#### WHAT SUPPORTING DOCUMENTATION IS SUBMITTED WITH AN APPLICATION FOR LOCATION INFORMATION AT THE CANTONAL/MUNICIPAL LEVEL?

Together with an application for issuance of the Location Information, the investor also submits the following supporting documentation at the **cantonal/municipal level**, depending on the canton:

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

DOCUMENT	KS	TK	ZDK	SBK	USK	BPK	PK	C10
Copy of the cadastral plan with user of the parcel concerned and the neighboring parcels identified	✓	✓	✓	✓	✓	✓	✓	✓
Preliminary Project Design	✓	-	-	-	✓	-	-	-
Conceptual design of the facility with a description of the purpose and function of the planned facility or spatial intervention with basic technical indicators	✓	✓	✓	✓	-	✓	✓	✓
Description of the intended operating technology, only for production facilities	✓	✓	✓	✓	✓	✓	✓	✓
Environmental Permit (if necessary)	-	-	-	-	✓	-	✓	✓
Proof of administrative charge payment	✓	✓	✓	✓	✓	✓	✓	✓
Other data and documents, if requested	✓	✓	✓	✓	✓	✓	✓	✓

### WHAT DOES THE COMPETENT AUTHORITY DO IN THE LOCATION INFORMATION ISSUANCE PROCEDURE?

After the investor submits an application for Location Information and supporting documentation, the competent authority examines the detailed planning documents (zoning plan, regulation plan and urban project), based on which it will issue the Location Information.

The Location Information is issued in a summary procedure. It takes **10 to 15 days** on average to issue it.

### HOW LONG IS THE LOCATION INFORMATION VALID?

In general, the Location Information is valid until the detailed planning documents based on which it had been issued are changed. FBiH, SBK, and C10 are exceptions in that in the FBiH and SBK the Location Information is issued with a period of validity of **one year** from the date of its effectiveness, and in C10 it is issued for a period of validity of **two years**. In the

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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other cantons the Location Information remains valid until the detailed planning documents based on which it had been issued are changed.

The investor needs to submit an application for a Construction Permit within a period of **one year** after the issuance of the Location Information. C10 is an exception, where the deadline for submitting an application for a Construction Permit is longer and has been set at **two years**.

### **CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?**

The possibility of filing an appeal depends on whether the Location Information was issued by the FBiH or a canton.

Decisions of the **FBiH Ministry of Physical Planning** concerning the Location Information cannot be appealed, nor can an administrative dispute be initiated.

Decisions of the **cantonal ministries of spatial planning** can be appealed in ZDK and PK within **15 days** from the date of the investor receiving the decision, while in TK this deadline has been set at **3 days**. Decisions cannot be appealed in SBK and C10, but an administrative dispute can be initiated within **30 days** from the date of the investor receiving the decision.

Appeals against the decisions of the competent municipal authorities are filed with the cantonal ministries of spatial planning within **15 days** in SBK and C10, **8 days** in ZDK and PK and **3 days** in TK.

### 5.3. CONSTRUCTION PERMIT

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#### WHAT IS A CONSTRUCTION PERMIT?

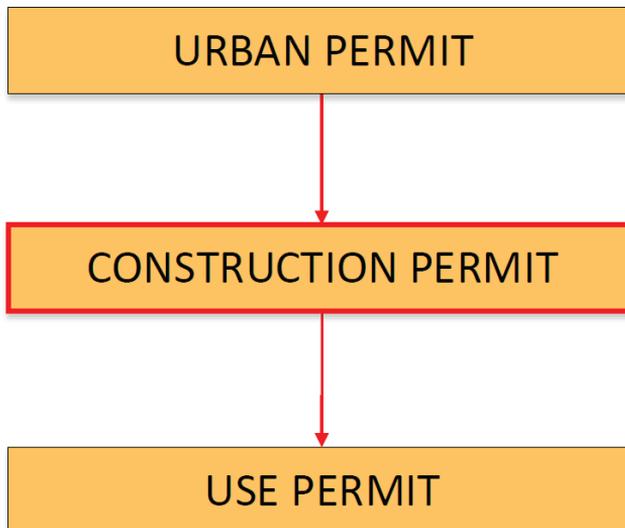
A Construction Permit is an administrative act verifying that the investor has prepared the technical documentation in accordance with the conditions from the Urban Permit/Location Information and relevant regulations, and it grants the approval for building the planned facility.

#### WHO IS COMPETENT FOR ISSUING THE CONSTRUCTION PERMIT?

The same authority that issued the Urban Permit/Location Information is competent for issuing the Construction Permit.

#### IN WHICH PHASE OF CONSTRUCTION IS THE CONSTRUCTION PERMIT OBTAINED?

The relationship between the Construction Permit and the other two main permits is shown on the diagram below.



The procedure of obtaining the **Construction Permit** is described in the text below.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### WHAT SUPPORTING DOCUMENTATION IS SUBMITTED WITH AN APPLICATION FOR A CONSTRUCTION PERMIT AT THE FBiH LEVEL?

Supporting documentation submitted with an application for a Construction Permit will differ depending on whether the investor is submitting an application at the FBiH or at the cantonal/municipal level.

Together with an application for a Construction Permit for an energy facility, the investor also submits the following documents to the **FBiH Ministry of Physical Planning**:

1	Valid Location Information or Urban Permit with a certificate of finality
2	Excerpt from the cadastre – copy of the cadastral plan for parcel(s) on which construction is to take place
3	Proof of the right to build which could be in the form of: an excerpt from the land registries verifying ownership over parcels on which construction is to take place a contract or a decision of a competent authority granting the right of use for the purpose of construction partnership contract with the owner of the land and/or property a concession contract granting the right to build
4	Main Project Design – 3 copies
5	Written report from a licensed company on a performed review of the Main Project Design
6	Written report and a certificate of recognition of the project documentation from a licensed company if the project was prepared abroad
7	Main Design Geotechnical Engineering Mission Project (Mission G21) with a written report on the project review (Mission G23)
8	Fire Protection Main Design with a report on the project review from a licensed company
9	Certificate that fire protection measures are included in the project documentation
10	Analysis of workplace safety with confirmation of an authorized legal person that the measures from the analysis have been applied in the project documentation
11	All other consents and approvals collected in the process of obtaining the urban permit (consents of the utility companies, etc.)
12	Detailed plan of construction waste management
13	Water Consent (if necessary)
14	Energy Permit

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

15	Project documentation approval issued by the FBiH Ministry of Energy, Mining and Industry
16	Conditions for Connection to the Transmission Network or Electric Power Permit, depending on the grid to which the facility is connected
17	Other documentation and attachments prescribed by special laws

### WHAT SUPPORTING DOCUMENTATION IS SUBMITTED WITH AN APPLICATION FOR A CONSTRUCTION PERMIT AT THE CANTONAL/ MUNICIPAL LEVEL?

Together with an application, the investor also submits the following documents at the **cantonal/municipal level**, depending on the canton:

DOCUMENT	KS	TK	ZDK	HNK	SBK	USK	BPK	PK	ZHK	C10
Valid Urban Permit or Location Information with a certificate of finality	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Excerpt from the cadastral plan for the parcel on which construction is to take place	✓	-	✓	✓	✓	✓	-	-	✓	✓
Proof of the right to build or ownership of the location concerned	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Main Project Design (3 copies)	✓ <sup>1</sup>	✓	✓	✓ <sup>2</sup>	✓ <sup>2</sup>	✓	✓ <sup>2</sup>	✓	✓	✓ <sup>3</sup>
Written report on review of the Main Project Design	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Written report and certificate of recognition of the project documentation (if necessary)	✓	✓	✓	✓	-	✓	✓	✓	✓	-
Environmental Permit (if necessary)	✓	✓	✓	-	-	-	✓	✓	-	-

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

Study on research activities and technological study (if necessary)	✓	✓	✓	✓	-	✓	✓	-	✓	-
Geodetic survey - plan with position of future building entered	✓	-	✓	-	-	-	✓	✓	-	✓
Obtained approvals of the project documentation	-	-	-	✓	✓	-	✓	-	✓	✓
All other consents collected in the process of obtaining the Urban Permit	-	-	✓	-	-	✓	-	-	✓	-
Detailed plan of construction waste management	-	-	-	-	-	✓	-	-	-	-
Water Consent (if necessary)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Energy Permit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technical solution for land rehabilitation, previously reviewed by a professional institution in the area of agriculture, in the case of temporary structures and temporary use of land for other purposes, as well as in cases of construction resulting in damage to the surrounding agricultural land	-	-	-	-	-	-	✓	✓	-	-
Proof that the investor has paid the charge for repurposing agricultural land, when this is the case, which is treated in all matters as a preliminary issue	-	-	-	-	-	-	✓	✓	-	-
Proof of payment of the land development fee	✓	-	-	-	-	-	-	-	-	-

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

Proof of administrative charge payment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Other documents prescribed by special laws	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
1 In KS, two copies of the main project design are submitted in a hard copy while one is submitted in a digital format. 2 A detailed project, which has to include all the prescribed parts of the main project design, can be submitted instead of the main project design in HNK and SBK. 3 Three copies of the detailed project design or three copies of the as-built design can be submitted instead of the main project design in C10.										

### WHAT SUPPORTING DOCUMENTATION IS CONSIDERED PROOF OF THE RIGHT TO BUILD OR OF OWNERSHIP?

In the process of obtaining a Construction Permit the investor must present proof of the right to build the desired facility at a given location. The right to build, i.e., the legal interest that allows construction is proven in one of the following ways:

- a land registry excerpt verifying that the investor is the owner of the parcel on which he wishes to build;
- a final court decision or a final decision of a competent authority granting the investor the ownership right or the right to build on the parcel concerned;
- the contract based on which the investor obtained the ownership right or the right to build;

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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- partnership contract with the owner of the immovable property for the purpose of joint construction;
- Concession Contract;
- written consent of all co-owners of the property.

### WHAT DOES THE COMPETENT AUTHORITY DO IN THE CONSTRUCTION PERMIT ISSUANCE PROCEDURE?

After the investor submits an application and supporting documents, the competent authority checks whether the application has been completed properly. If a certain document has not been submitted or if there is some other deficiency identified, the competent authority will request the investor in writing to complete the application and submit missing documentation within a set deadline. If the investor fails to act accordingly, an application for a Construction Permit **will be rejected**.

As part of the Construction Permit issuance procedure the competent authority checks whether the Main Project Design has been harmonized with the legal provisions and requirements from the Urban Permit/Location Information.

An application for a Construction Permit may be rejected when:

- the investor does not meet the prescribed requirements for issuing a Construction Permit
- the Main Project Design has not been harmonized with the requirements from the Urban Permit/Location Information
- an on-site inspection shows that the actual situation does not correspond with the Main Project Design

After examining the application and all the attached documents and if all the prescribed legal conditions and requirements from the Urban Permit/Location Information have been met, the competent authority is obliged to issue the Construction Permit within a general deadline of **30 days**. The following cantons have shorter deadlines: TK – **15 days**; ZDK – **10 days**; USK – **20 days**, while in HNK that deadline is longer and stands at **60 days**.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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**NOTE: The investor is obliged to report the beginning of works at least 8 days in advance to the competent authority that issued the Construction Permit and to the construction inspection.**

### HOW LONG IS THE CONSTRUCTION PERMIT VALID?

As a rule, the Construction Permit is valid for a period of **one year** from its effective date, and the investor must begin work on the facility within that deadline. Exceptionally, the Construction Permit may be extended for **another year**. However, in SBK, HNK, ZHK and C10 the Construction Permit is issued for a period of **2 years** with a possibility of extension for another **2 years**.

### CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?

The possibility of filing an appeal depends on the administrative level and the canton issuing the Construction Permit.

In general, decisions of the **FBiH Ministry of Physical Planning** cannot be appealed, but an administrative dispute can be initiated before the competent cantonal court within **30 days** from the date of the investor receiving the decision.

Decisions of the **cantonal ministries of spatial planning** can be appealed in TK, ZDK, HNK and BPK within **15 days** from the date of the investor receiving the decision. The appeals are generally submitted to the cantonal government or to a special governmental Commission for administrative disputes. Decisions cannot be appealed in KS, SBK, USK, PK, ZHK and C10, but an administrative dispute can be initiated before the competent Cantonal Court within **30 days** from the date of the investor receiving the decision.

Appeals against the decisions of the competent municipal authorities are filed to the cantonal ministries of spatial planning within **15 days** from the date of the investor receiving the decision.

## 5.4. USE PERMIT

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### WHAT IS A USE PERMIT?

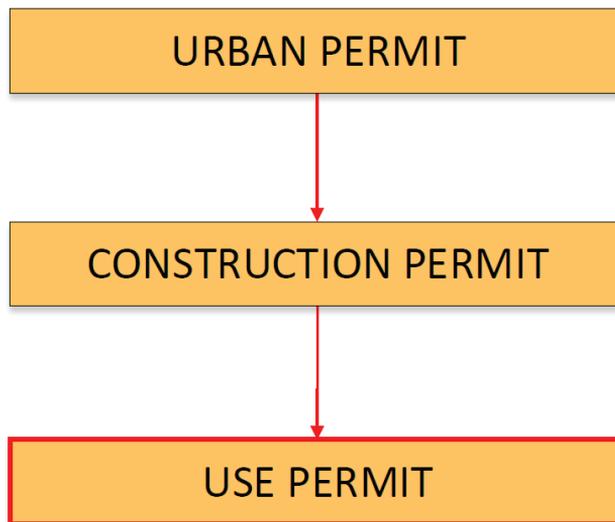
A Use Permit is an administrative act verifying that the investor has built the facility in accordance with the regulations and allowing the use of the facility.

### WHO IS COMPETENT FOR ISSUING THE USE PERMIT?

The same authority that issued the Urban Permit/Location Information is competent for issuing the Use Permit.

### IN WHICH PHASE OF CONSTRUCTION IS THE USE PERMIT OBTAINED?

The relationship between the Use Permit and the other two main permits is shown on the diagram below.



The procedure of obtaining the **Use Permit** is described in the text below.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

### WHAT SUPPORTING DOCUMENTATION IS SUBMITTED WITH AN APPLICATION FOR A USE PERMIT AT THE FBiH LEVEL?

Supporting documentation submitted with an application for a Use Permit will differ depending on whether the investor is submitting an application at the FBiH or at the cantonal/municipal level.

Together with an application for a Use Permit for an energy facility, the investor also submits the following documents to the **FBiH Ministry of Physical Planning**:

1	Copy of the Construction Permit
2	Copy of the cadastral plan with the position of the building marked
3	Written statement from the contractor on the completed works and conditions for building maintenance
4	Written report on construction supervision
5	Implementation Geotechnical Study (G31) with revision (G41)
6	Water Permit (if necessary)
7	Proof of administrative charge payment
8	Other documents prescribed by special laws

### WHAT SUPPORTING DOCUMENTATION IS SUBMITTED WITH AN APPLICATION FOR A USE PERMIT AT THE CANTONAL/MUNICIPAL LEVEL?

Together with an application, the investor also submits the following documents at the **cantonal/municipal level**, depending on the canton:

DOCUMENT	KS	TK	ZDK	HNK	SBK	USK	BPK	PK	ZHK	C10
Copy of the Construction Permit with possible amendments and a certificate of finality added to it	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
Copy of the cadastral plan with the position of the structure included	✓	-	-	-	✓	-	✓	-	✓	-

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

Geodetic survey of the facility and parcel on a cadastral layer	-	✓	✓	✓	-	✓	✓	-	✓	✓
Written statement of the contractor that all works have been completed in accordance with the design	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Written report on performed supervision of construction work with a completion of work certificate	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Certified As-Built Design if any deviations from the Main Project Design occurred during construction	-	-	-	-	-	✓	-	-	-	-
Certificate on the energy properties of the structure	✓	-	-	-	-	-	✓	-	-	-
Water Permit (if necessary)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Proof of administrative charge payment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

### WHAT DOES THE COMPETENT AUTHORITY DO IN THE USE PERMIT ISSUANCE PROCEDURE?

A Use Permit can only be issued after the **technical inspection of the facility** has been performed. The technical inspection is performed by a special commission, generally within **30 days** following the date of the submission of an application for a Use Permit, except in ZDK where this deadline is set at **20 days**. All the participants in the construction process (investor, project engineer, reviewer, contractor and technical supervision) must be present during the technical inspection.

If the commission identifies certain deficiencies on the facility during the technical inspection, it will set a deadline of no longer than **90 days** for their removal.

The commission prepares a record of the technical inspection which it delivers to the authority competent for issuing the Use Permit. If no deficiencies are identified or if those identified are removed within the set

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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deadline, the competent authority issues a Use Permit within **7 days** from the date of the record delivery. The only exceptions from this are the FBiH level where this deadline is set at **10 days** and HNK with a deadline of **15 days**.

An application for a Use Permit may be **rejected** in the following cases:

- if the structure was built without a valid Construction Permit
- if certain changes or amendments to the structure were made during construction without the necessary changes and amendments to the Construction Permit
- if an application is submitted by a person/legal entity other than the person/legal entity to whom the Construction Permit was issued, unless the investor changed its name in the interim
- if deficiencies to the facility have not been removed within the set deadline, and it is established that such deficiencies cannot be removed or such threats to the stability of the facility, the life and health of people, the environment, traffic and the neighboring structures exist that cannot be removed
- if the renewal of the procedure of issuing the Construction Permit has been allowed
- if inspection supervision establishes that works that are not in accordance with the issued Construction Permit or project documentation are being executed or have been executed
- if the investor failed to submit evidence of technical inspection cost payment
- if the investor failed to prepare the construction site in accordance with the law

**NOTE: Technical inspection costs are borne by the investor.**

**These fees vary between municipalities, cantons and FBiH level and are determined for each case individually by a special Decision.**

### HOW LONG IS THE USE PERMIT VALID?

The Use Permit does not have an expiration date.

### CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?

The possibility of filing an appeal depends on the administrative level and the canton issuing the Use Permit.

In general, decisions of the **FBiH Ministry of Physical Planning** cannot be appealed, but an administrative dispute can be initiated before the competent cantonal court within **30 days** from the date of the investor receiving the decision.

Decisions of the **cantonal ministries of spatial planning** can be appealed in TK, ZDK, HNK and BPK within **15 days** from the date of the investor receiving the decision. The appeals are generally submitted to the cantonal government or to a special governmental Commission for administrative disputes. Decisions cannot be appealed in KS, SBK, USK, PK, ZHK and C10, but an administrative dispute can be initiated before the competent Cantonal Court within **30 days** from the date of the investor receiving the decision.

Appeals of the decisions of the competent municipal authorities are filed with the cantonal ministries of spatial planning within **15 days** from the date of the investor receiving the decision.

### 5.5. OTHER PERMITS

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In addition to basic permits necessary for construction – Urban Permit/ Location Information, Construction Permit and Use Permit – a number of other permits must also be secured for the construction of electric power facilities in FBiH, including permits that are issued throughout the process of obtaining basic permits, as well as permits that are unique to the process of constructing electric power facilities.

Below is a description of these special permits, the process of obtaining them and their purpose.

The following special permits and steps in obtaining them will be described in the text below:

- Concessions
- Water Acts (Preliminary Water Consent, Water Consent, Water Permit)
- Environmental Permit
- Connection to the Distribution Grid (Network) and Connection to the Transmission Network
- Approval of project documentation by FMERI
- Energy Permit
- Operational License for performing electric power activities
- The procedure of exercising the right to incentives for electricity generation from renewable energy sources and cogeneration
- Registering projects in the appropriate Register of Projects

## 5.6. CONCESSIONS

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### WHAT IS A CONCESSION?

A concession is a right to perform a certain commercial activity by using natural or public resources or to perform an activity of general interest under predefined conditions. The terms of the concession are defined by the **Concession Contract**.

### WHO HAS THE COMPETENCE FOR GRANTING CONCESSIONS?

The FBiH and cantonal governments, as well as relevant FBiH and cantonal ministries have the competence for granting concessions.

Furthermore, special Commissions for concessions exist at the FBiH level and in certain cantons. These Commissions do not have the authority to grant concessions, but rather perform some other roles like overseeing and regulating the concession granting procedure, overseeing the work of the investor, and so on.

### FOR WHICH ENERGY FACILITIES ARE CONCESSIONS OBTAINED?

The requirement of obtaining a concession is defined differently from canton to canton and at the FBiH level depending on the size of the planned facility and its location. An overview of the obligation to obtain a concession for different types of energy facilities is available in the table below:

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

FACILITY	FBiH	KS	TK	ZDK	HNK	SBK	USK	BPK	PK	ZHK	C10
Hydro power plants	5 MW and up	Up to 5 MW	Up to 5 MW	Up to 5 MW	23,1 kW – 5 MW	Up to 5 MW	Up to 5 MW	Up to 5 MW	Up to 5 MW	Up to 5 MW	Up to 5 MW
Exploitation of energy mineral resources (coal)	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Wind farms	✗	Up to 5 MW	✗	✗	From 23.1 kW to 5 MW	150 kW and up	Up to 5 MW	✗	✗	✓	✗
Biomass power plants	✗	Up to 5 MW	✗	✗	23.1 kW – 5 MW	From 150 kW to 5 MW	✗	✗	✗	✗	✗
Solar power plants	✗	✗	✗	✗	23.1 kW – 5 MW	From 150 kW to 5 MW	✗	✗	✗	✓	✗
Electric energy transmission facilities	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗	✗
Electric energy distribution facilities	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗	✗
Use of construction land	✗	✗	✗	✓	✓	✓	✓	✓	✓	✗	✓

A concession can be requested for any type of electric power facility in cantons where the **use of construction land** is also subject to a concession.

### IN WHICH PHASE OF CONSTRUCTION IS A CONCESSION OBTAINED?

The FBiH Law on Concessions does not specify the exact phase of the overall procedure when the concession must be obtained. However, the investors usually obtain the concessions in the earliest stages of the project<sup>8</sup>. Certain cantonal laws require an Urban Permit to be issued first as one of the conditions for granting a concession, while in other cantons the concessions contract is signed before obtaining the Urban Permit.

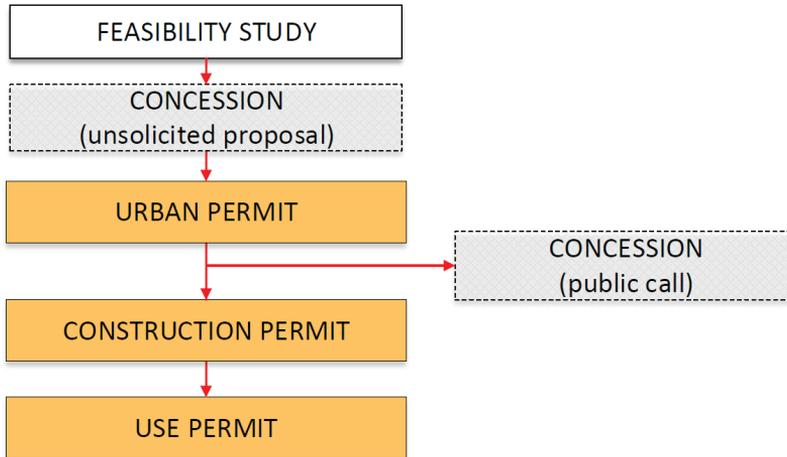
The diagram below shows the phase in which the concession is obtained

<sup>8</sup> The reason for this is because, in practice, the majority of concessions are granted via unsolicited proposals. In case the concession is granted through a public call, then the concession is granted after the competent authority obtains the Urban Permit / Location Information for the investor.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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and the sequence of this step in relation to the Urban Permit, Construction Permit and Use Permit.



### WHAT IS THE PROCEDURE OF GRANTING CONCESSIONS FOR ELECTRIC POWER FACILITIES?

Concessions at all levels are granted through two basic procedures:

- 3) Based on a public call (also called, e.g., a public competition, tender, call for proposals)
- 4) Based on an unsolicited proposal

When a concession is granted based on a **public call**, the text of the public call contains all the information, criteria, conditions and necessary documents to be submitted for participation in the public call.

When a public call is not announced, the investor can submit an **unsolicited proposal** for a concession.

Along with an application for a concession it is also necessary to submit a **feasibility study** based on which the competent authority decides whether to grant the concession.

These basic procedures might differ from canton to canton, based on their own, cantonal laws.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### WHAT IS A FEASIBILITY STUDY?

The feasibility study is a special study that contains technical, financial, economic, environmental and legal analyses based on which the competent authority decides whether to grant a concession or not.

Where a concession is granted through a public call, then the competent ministry secures the feasibility study before the concession granting procedure is started. In exceptional cases, the Commission for concessions can allow potential investors to secure and submit a feasibility study.

In the case of an unsolicited proposal, the investor submits the feasibility study to the competent ministry.

The feasibility study should, at a minimum, have the following contents:

1	Introduction: investment goals, basic information on the investor(s) and the study authors, a short description of basic elements and results of the initial feasibility study
2	Description of the planned facility: spatial location of the facility, its function, importance of the facility to the system or the network, planned project life span
3	Assessment of the investor's development possibilities: general information on the investor (name, headquarters location, business activity, references), assessment and analysis of current and forecast of future development
4	Market analysis: basic characteristics of the product or services, demand analysis, supply analysis, evaluation of sales and selling prices
5	Overview of the general project and the technical-technological solution (overview of preliminary project designs): presentation of the general project, basic elements of the general project, the technical-technological solution in the general project (architectural, construction, technological, machinery, electricity)
6	Analysis of the procurement market: specification and description of necessary inputs, analysis and possibilities of obtaining necessary inputs, assessment of the possibility of substitution of required intuitions, forecast of purchase prices
7	Spatial and location aspects: compliance with spatial and urban plans, consequences of displacement and expropriation, consequences of separating the location, impact on spatial and urban development of the area, micro location analysis, selection and rating of micro location
8	Environmental and occupational safety analysis: location analysis, assessment and selection of project site, analysis and potential impact on the environment, proposal of environmental protection measures, assessment of environmental suitability, analysis of the impact of production on workers, proposal of measures for work protection

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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9	Analysis of organizational and personnel aspects: proposal of macro organization, micro organization proposal, organization and functioning of production and other functions, selection of required personnel, training, specialization and education of staff, provision of existing staff
10	Analysis of project feasibility and implementation timetable: analysis of project implementation, project implementation phases, project implementation schedule, investment dynamics based on implementation schedule, investment dynamics based on purpose, organization and project implementation management system
11	Economic and financial analysis: calculation of required investments in fixed and working capital, source of funding and obligations sorted by source, projections of balance sheet, balance of payments, cash flow, economic and social flow of the project
12	Project Evaluation: financial (commercial) assessment with efficiency and capability indicators, net present value, internal rates of profitability, projected period of return on investment, solvency estimation and social assessment
13	Evaluation of uncertainty: estimation of profitability threshold, sensitivity analysis, probability analysis
14	Concluding considerations: concluding considerations and project evaluation

### WHAT IS A CONCESSION FEE?

The investor is obliged to pay a concession fee for the right of performing a concession activity. The amount of the concession fee is defined by the Concession Contract.

The concession fee consists of a lump sum and the first prorated annual concession fee. The investor is obliged to pay the lump sum before the signing of the Concession Contract, while the concession fee is paid on an annual basis for the duration of the contract.

The amount of the concession fee is determined based on basic and additional criteria. The basic criteria include: annual production capacity, product or service unit price, length of the concession period, projected annual income from the concession before costs, interest and taxes, total value of the investment and the purchase value of the object of the concession.

Additional criteria, amongst others, include: environmental impact, natural resource renewability period, return on investment, economic impact on the region.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### HOW LONG IS THE CONCESSION VALID?

The length of the concession is defined by the Concession Contract. However, the maximum legal duration is **30 years**, with a possible exception of extending this duration to **50 years**.

## 5.7. WATER ACTS

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### WHAT ARE WATER ACTS?

Water Acts are administrative documents which prescribe rules for exercising water rights and are issued in the form of a Decision for performing certain water related activities (e.g., water collection, discharge of waste water, construction of hydro power plants).

There are three types of water acts an investor must obtain in the process of building energy facilities, including:

- 1) Preliminary Water Consent
- 2) Water Consent
- 3) Water Permit

### WHAT ACTIVITIES ALWAYS REQUIRE WATER ACTS?

Obtaining water acts is obligatory for performing any of the activities listed in the table below:

1	Water collection for economic activities, particularly for: Industry and energy Agriculture Water supply Services activities that use water in their technological processes Tourist activities
2	Discharge of wastewater into surface water (collectors for transporting and collecting wastewater, wastewater treatment plants, plants for pretreatment of technological wastewater, discharges into collectors, cesspits, and other connected facilities and equipment)

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

3	Indirect discharge of wastewater into underground water (immersion pits, discharge of wastewater or pollutants into ground, etc.)
4	Artificial replenishment of underground water (facilities for replenishment of underground aquifers and increasing water source capacities)
5	Extraction of materials from watercourses
6	Construction of hydro-power facilities
7	Permanent increase of water line, and as a result of this, flooding of previously dry land (construction of dams, embankments, water gates, overflow dams, opening and closing of pits and similar)
8	Construction of flood protection structures
9	Construction of roads and railways, including forest roads
10	Construction of bridges or other structures above or in the water course
11	Construction or management of landfills
12	<b>Initiation of concession granting procedures on water courses</b>
13	Transport of dangerous substances or products of dangerous substances that end up in water after usage
14	Watercourse management

Apart from the activities listed in the above table, water acts are also issued for the following types of activities that could:

1	Temporarily or permanently degrade water quality or disrupt the improvement of its current quality
2	Negatively affect aquatic or semi-aquatic ecosystems
3	Increase the risk of floods or erosion
4	Significantly decrease water quality, change watercourse morphology, disrupt the usage of surface waters for recreation and similar

### WHO IS COMPETENT FOR ISSUING WATER ACTS?

The competence for issuing water acts is determined based on the location of the planned structure and the division of competences as prescribed by the FBiH Law on Water.

**Water agencies** (Agency for the Sava Basin and the Agency for the Adriatic Sea Basin, depending on the location) or the **cantonal ministries responsible for water** are the competent authorities for issuing water acts.

The division of competences between the water agencies and the com-

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

petent cantonal ministries in accordance with the FBiH Law on Water is presented in the table below:

<b>Water agencies</b>	<b>Competent cantonal ministry responsible for water</b>
<p>use of water in an amount greater than 10 liters/second</p> <p>disposal of waste water for settlements with a population greater than 2,000</p> <p>disposal of technological waste water into surface water</p> <p>indirect disposal of waste water into groundwater</p> <p>artificial groundwater recharge</p> <p>extraction of material from category 1 surface water</p> <p>construction of a hydropower plant for the generation of electricity when:</p> <p>the facility is located on category 1 surface water;</p> <p>the facility is located on category 2 surface water and has a capacity greater than 5 MW;</p> <p>two or more facilities are located on category 2 surface water, have a capacity greater than 2 MW, with the distance between them less than 2 km</p> <p>formation of a reservoir on category 1 surface water or on the territory of two or more cantons</p> <p>construction of flood protection facilities on category 1 surface water, as well as the construction of flood protection facilities on category 2 surface water that can affect category 1 surface water or the water resources adjacent to category 1 surface water</p> <p>activities that can temporarily or permanently disturb the quality of water or hinder the improvement of their existing quality</p> <p>activities that can affect aquatic and semi-aquatic ecosystems</p> <p>activities that can increase the risk of flooding or erosion</p> <p>activities that can significantly reduce the amount of water, change the morphology of the watercourse, impede the use of surface water for recreation, etc.</p>	<p>use of water in the amount of up to 10 liters/second</p> <p>disposal of waste water for settlements with a population of up to 2,000</p> <p>extraction of material from category 2 surface water</p> <p>construction of a hydropower plant for the generation of electricity when the facility is located on category 2 surface water and has a capacity of up to 5 MW</p> <p>formation of a reservoir on category 2 surface water and on the territory of the canton</p> <p>construction of flood protection facilities on category 2 surface water when such activities do not affect category 1 surface water</p>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

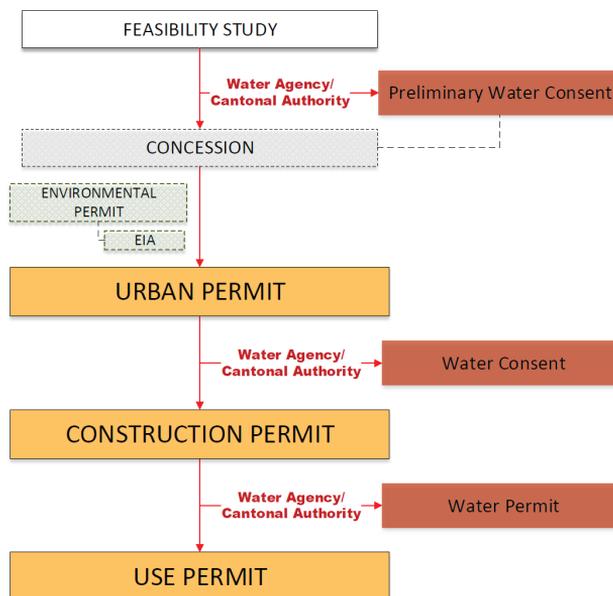
### IN WHICH PHASE OF CONSTRUCTION ARE WATER ACTS OBTAINED?

The Preliminary Water Consent is obtained in the procedure of obtaining the Urban Permit, Environmental Permit and concession. The Water Consent is obtained *ex officio* by the responsible contracting authority (competent ministry) during the concession granting procedure.

The Water Consent is obtained prior to obtaining a Construction Permit and is submitted together with an application for the Construction Permit.

The Water Permit is obtained prior to obtaining a Use Permit and is submitted together with an application for the Use Permit.

The diagram below shows the phase and the sequence of issuing water acts in relation to the Urban Permit, Construction Permit and Use Permit.



Below is a description of each of the three permits, together with an explanation of steps an investor must undertake to obtain them.

### 5.7.1. PRELIMINARY WATER CONSENT

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#### WHAT IS A PRELIMINARY WATER CONSENT?

The Preliminary Water Consent is an administrative act by which the authorities decide whether certain water-related activities can be performed at the desired location. The Preliminary Water Consent also defines conditions which must be met by the project documentation.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR THE PRELIMINARY WATER CONSENT?

An application for a Preliminary Water Consent, and all the other water acts, must include the following information:

1	The name of the authority to which the application is being submitted (water agency or a cantonal ministry responsible for water management)
2	Subject of the application with an exact name of the water act being requested and the purpose for which it is requested
3	Name, surname and residence (address) of the applicant and his or hers representative or attorney-in-fact (if designated), along with the telephone number or email

Along with the application for a Preliminary Water Consent, the investor must submit the following supporting documents:

1	Natural persons must submit a certified copy of their ID card
2	Legal persons must submit a certified copy of the decision on the registration of the company in the court register and identification number
3	Proof of administrative charge payment
4	Power of attorney for the applicant's representative (when an application is submitted by a representative)

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BIH

5	<p>Study carried out by a certified company, and which, depending on the activity to be performed has the following information:</p> <ul style="list-style-type: none"> <li>hydrological and hydrogeological investigations and water quality research</li> <li>estimated ecologically acceptable water flow based on hydrological parameters on the controlled section of the watercourse</li> <li>calculation of necessary amounts of water for the activities for which the Preliminary Water Consent is requested</li> <li>description of the technical solution or the technological process of the planned activity</li> <li>calculation (or an estimate) of the amount and type of wastewater</li> <li>necessary degree of purification and a concept of technical solution for the water purification equipment for achieving prescribed water quality conditions of the receptor at the relevant water flow rate</li> <li>assessment of the possibility of creating other influences on the groundwater level regime or the impact of such regime on the population, facilities, works and environment, and measures for mitigating these impacts</li> <li>possibility of negative impacts on other structures and facilities, watercourse basins, groundwater and underground waters, acquired rights of other users, settlements and others, and measures for mitigating these impacts</li> <li>an overview of existing users of water from the same water source or watercourse</li> <li>other significant questions on a case-by-case basis</li> </ul> <p>The study must contain an overview of the terrain in a corresponding scale with marked locations of the proposed facility, and an approval from the water and waste management company if the water supply is carried out through a public water supply system or the wastewaters are discharged into public sewer system.</p>
6	Other data as requested by the competent authority

Certain competent authorities have designed special application forms that need to be filled out and accompanied by supporting documents.<sup>9</sup>

### **WHAT DOES THE COMPETENT AUTHORITY DO IN A PRELIMINARY WATER CONSENT ISSUANCE PROCEDURE?**

After an investor submits an application, the competent authority (water agency or competent ministry) checks whether it is complete. If a certain document has not been submitted with the application or if there is some other deficiency, the investor will be requested in writing to complete the application by submitting the missing document or correcting the deficiency within a set deadline.

<sup>9</sup> Agency for Sava Basin has created special forms for requesting water acts, available at: <http://www.voda.ba/obrasci-zahtjeva>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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If the application is complete and all the enclosed documents are in order, the competent authority will inform the public and interested parties about the submitted application for a Preliminary Water Consent in one of the following ways:

- publishing a notice on its bulletin board
- publishing a notice in local newspapers
- in case the planned facility can affect the neighboring entity of Republika Srpska, then the notice will also be published in newspapers available in RS
- publishing a notice on its web site

Interested parties have a deadline of **30 days** from the date of the notice publishing to submit their comments.

If necessary, a public hearing may also be organized as part of the Preliminary Water Consent issuance procedure.

In the case of the construction of complex facilities or facilities with new technology, the competent authority may request a preliminary opinion, analysis or expert report to be prepared by a company specializing in such activities. The cost of preparing such an opinion will be borne by the investor. This is defined by a special Conclusion against which the investor may file an appeal within **15 days** from the day of receiving the Conclusion.

### **FOR HOW LONG IS A PRELIMINARY WATER CONSENT VALID?**

A Preliminary Water Consent is valid for a period of **3 years** from the date of its issuance. The investor must submit an application for a **Water Consent** during that period.

### **CAN THE DECISION OF THE COMPETENT INSTITUTION BE APPEALED?**

Yes. The investor can file an appeal against the decision of the competent authority within **15 days** from the date of receiving the decision. Exceptions are ZHK and C10 where an appeal is not allowed, but the investor can initiate an administrative dispute before the Cantonal Court within **30 days** from the date of the investor receiving the decision.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### 5.7.2. WATER CONSENT

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#### WHAT IS A WATER CONSENT?

The Water Consent is an administrative act by which the authorities verify that the project documentation submitted by the investor with an application for the issuance of the Water Consent meets the terms and conditions defined by the Preliminary Water Consent, water regulations and planning documents.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR A WATER CONSENT?

An application for a Water Consent, and all the other water acts, must include the following information:

1	The name of the authority to which the application is being submitted (Water agency or a cantonal ministry responsible for water management)
2	Subject of the application with an exact name of the water act being requested and the purpose for which it is requested
3	Name, surname and residence (address) of the applicant and his or hers representative or attorney-in-fact (if designated), along with the telephone number or email

Along with the application for a Water Consent, the investor must submit the following supporting documents:

1	Natural persons must submit a certified copy of their ID card
2	Legal persons must submit a certified copy of the decision on the registration of the company in the court register and identification number
3	Proof of administrative charge payment
4	Power of attorney for the applicant's representative (when an application is submitted by a representative)
5	Information on the issued Environmental Permit, Urban Permit or Preliminary Water Consent or copies of these permits

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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6	Investment technical documentation, i.e., a study on the extraction of materials from the watercourse carried out in accordance with the conditions laid out in the Preliminary Water Consent, water regulations and planning documents (documentation must be created by licensed engineering design companies)
7	Approval of connection to the to the public water supply or sewage system issued by the operator of such systems
8	Other data as requested by the competent authority

Certain competent authorities have designed special application forms that need to be filled out and accompanied by supporting documents.<sup>10</sup>

### WHAT DOES THE COMPETENT AUTHORITY DO IN A WATER CONSENT ISSUANCE PROCEDURE?

After the investor submits an application, the competent authority (water agency or competent ministry) checks whether it is complete. If a certain document has not been submitted with the application or if there is some other deficiency, the investor will be requested in writing to complete the application by submitting the missing document or correcting the deficiency within a set deadline.

In the Water Consent issuance procedure, the competent authority checks whether the investment-technical documentation has been prepared in accordance with the terms and conditions defined by the Preliminary Water Consent, water regulations and spatial planning documents.

If the project documentation is in order, the Water Consent will be issued; however, if a certain document has not been submitted with the application or if there is some other deficiency, the investor will be requested in writing to complete the request by submitting the missing document or correcting the deficiency within a set deadline.

The Water Consent is issued in the form of a Decision along with the certification of the project documentation.

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<sup>10</sup> Agency for Sava Basin has created special forms for requesting water acts, available at: <http://www.voda.ba/obrasci-zahtjeva>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### HOW LONG IS A WATER CONSENT VALID?

The Water Consent is valid for a period of **2 years** from its date of issue. The investor must obtain a **Construction Permit** and begin with the construction of the facility during that time.

### CAN A DECISION OF THE COMPETENT AUTHORITY BE APPEALED?

Yes. The investor can file an appeal against the decision of the competent authority within **15 days** from the date of receiving the decision. Exceptions are ZHK and C10 where an appeal is not allowed, but the investor can initiate an administrative dispute before the Cantonal Court within **30 days** from the date of the investor receiving the decision.

### 5.7.3. WATER PERMIT

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#### WHAT IS A WATER PERMIT?

A Water Permit is an administrative act defining the type, conditions and purpose of water use, the operation regime of the facility and the plant, the conditions for the disposal of waste water, and solid and liquid waste.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR A WATER PERMIT?

An application for a Water Permit, and all the other water acts, must include the following information:

1	The name of the authority to which the application is being submitted (Water agency or a cantonal ministry responsible for water management)
2	Subject of the application with an exact name of the water act being requested and the purpose for which it is requested
3	Name, surname and residence (address) of the applicant and his or hers representative or attorney-in-fact (if designated), along with the telephone number or email

Along with the application for a Water Permit, the investor must submit the following supporting documents:

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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1	Natural persons must submit a certified copy of their ID card
2	Legal persons must submit a certified copy of the decision on the registration of the company in the court register and identification number
3	Proof of administrative charge payment
4	Power of attorney for the applicant's representative (when an application is submitted by a representative)
5	Certified copy of the tax registration certificate
6	Copy of the decision on the issuance of the Construction Permit
7	Copy of the decision on the issuance of the Water Consent if the Consent has not been issued by the same authority
8	Internal Rulebook on maintenance, use and monitoring of the water facility and action to be taken in the event of malfunction or breakdown for the following types of facilities: Protective water facilities owned by FBiH: embankments, drainage tunnels, accumulation dams, water retention structures, slide gates, pump stations, drainage canals and other accompanying structures Water facilities for irrigation of agricultural fields larger than 100 ha: accumulation dams, water collection structures, pump stations, supply canals and/or pipelines, slide gates and other accompanying structures Structures for harnessing hydro power: dams with accompanying structures and equipment, water intake structures, supply structures (tunnels, pipelines and canals), machine rooms, drainage structures and other accompanying structures Fishponds larger than 1000 m <sup>2</sup>
9	Study on the examination of qualitative and quantitative characteristics of the effluent except in the case of an application for issuing a water permit for testing, along with a monitoring program of water status and monitoring results
10	Other data as requested by the competent authority

Certain competent authorities have designed special application forms that need to be filled out and accompanied by supporting documents.<sup>11</sup>

### WHAT DOES THE COMPETENT AUTHORITY DO IN A WATER PERMIT ISSUANCE PROCEDURE?

After the investor submits an application for the issuance of the Water Permit, the competent authority (water agency or competent ministry) will first examine the submitted documentation. If a certain document has

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<sup>11</sup> Agency for Sava Basin has created special forms for requesting water acts, available at: <http://www.voda.ba/obrasci-zahtjeva>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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not been submitted with the application or if there is some other deficiency, the investor will be asked in writing to provide the missing document or correct the deficiency within a set deadline.

After examining and assessing the submitted documentation, the competent institutions will conduct an on-site inspection. A record of the inspection of the facility is then prepared which is signed by the authorized representative of the facility user (investor).

Based on the inspection and once the prescribed conditions are fulfilled, the competent institution issues the Water Permit.

### **HOW LONG IS THE WATER PERMIT VALID?**

The Water Permit is valid for a period of **15 years** from its date of issue. The only exception is ZHK where the Water Permit is valid for a period of **5 years**.

### **CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?**

Yes. The investor can file an appeal against the decision of the competent authority within **15 days** from the date of receiving the decision. Exceptions are ZHK and C10 where an appeal is not allowed, but the investor can initiate an administrative dispute before the Cantonal Court within **30 days** from the date of the investor receiving the decision.

## 5.8. ENVIRONMENTAL PERMIT

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### WHAT IS AN ENVIRONMENTAL PERMIT?

The Environmental Permit is an administrative act prescribing conditions and measures for the protection of the environment (air, water, soil, protection of flora and fauna, cultural and historical heritage, landscape) in which the planned facility will be located.

### WHO IS COMPETENT FOR ISSUING THE ENVIRONMENTAL PERMIT?

Competent authorities for issuing the Environmental Permit are: **FBiH Ministry of Environment and Tourism** at the FBiH level and **cantonal ministries responsible for the environment** at the level of the cantons.<sup>12</sup>

### WHICH FACILITIES REQUIRE AN ENVIRONMENTAL PERMIT?

**The FBiH Ministry of Environment and Tourism** is competent for issuing Environmental Permits for the following types of facilities:

1	Hydropower plants with an installed capacity exceeding 5 MW for individual facilities, or exceeding 2 MW for several facilities in succession at a distance less than 2 km from each other <sup>1</sup>
2	Hydropower plants with an installed capacity exceeding 1 MW
3	Thermal power plants and other combustion plants with a heat output of 50 MW and greater
4	Combustion plants with nominal thermal capacity exceeding 10 MW
5	Overhead power lines with a voltage level of 110 kV and 220 kV and greater
6	Wind power plants with a capacity of 2 MW or 4 converters
7	Nuclear power plants

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*12 SBK is an exception where some of the activities concerning the issuance of Environmental Permits have been transferred by the cantonal environment protection law to the municipal authorities responsible for the protection of the environment.*

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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**Cantonal ministries** are competent for issuing Environmental Permits for the following electric power facilities, with the footnoted exceptions at the bottom of the table:

1	Hydropower plants with an installed capacity lower than 1 MW
2	Combustion facilities and plants with an installed capacity from 1 to 10 MW
3	Wind power plants with an installed capacity lower than 2 MW <sup>1</sup>
4	Overhead power lines at voltage levels from 10 to 110 kV <sup>2</sup>
5	Solar power plants with a capacity exceeding 150 kW (except plants placed on existing structures, roofs and gardens.) <sup>3</sup>
<p><i>1 An Environmental Permit is not required for wind power plants below 0.5 MW in HNK.</i></p> <p><i>2 Only in TK, HNK and PK</i></p> <p><i>3 Only in HNK, other cantons do not have provisions on solar power plants</i></p>	

For facilities that do not require an Environmental Permit, the competent authority issues an Opinion that an Environmental Permit is not necessary. If this Opinion is issued by the FBiH Ministry of Environment and Tourism then the investor should contact the cantonal ministry responsible for the environment. If the cantonal ministry issues the same type of Opinion, then the conditions for protection of the environment will be contained in the Urban Permit.

For facilities that do not require an Environmental Permit, the competent authority issues an **Opinion on the Non-Issuance of the Environmental Permit**, while the conditions for the protection of the environment will be defined as part of the Urban Permit.

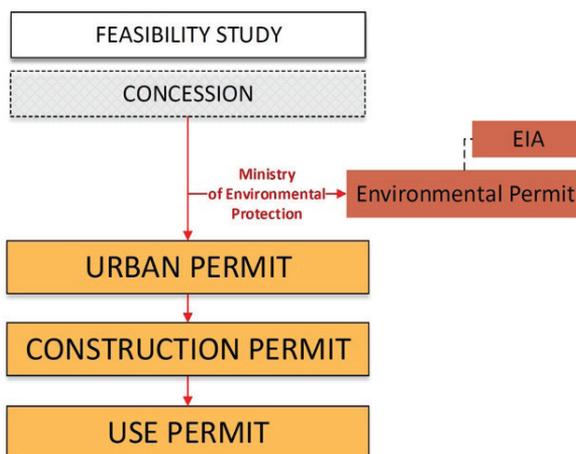
### **IN WHICH PHASE OF CONSTRUCTION IS THE ENVIRONMENTAL PERMIT OBTAINED?**

The Environmental Permit is obtained in the earliest phase of construction, prior to obtaining the Urban Permit/Location Information.

The diagram below shows the phase in which the Environmental Permit is obtained and the sequence of this step in relation to the Urban Permit, Construction Permit and Use Permit.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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Please find below the description of the procedure of obtaining the **Environmental Permit**.

### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR AN ENVIRONMENTAL PERMIT?

An application for an Environmental Permit contains the following:

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

1	Name and address of the operator/investor
2	Extract from the planning document for the area where construction is planned with a legend detailing the purpose of the wider area and the uses of the surface of the location concerned
3	<p>Location of the plant and facility and a description of:                      The plant and facility and activities (plan, technical description of operation, etc.)                      Basic and auxiliary resources, other substances and energy used or produced by the plant or facility                      Sources of emissions from the plant and facility                      Condition of the location of the plant and facility                      Type and amount of emissions from the plant and facility into the environment (air, water, soil), as well as identification of significant impacts on the environment                      Proposed measures, technologies and other techniques for the prevention, or if prevention is not possible, for the reduction of emissions from the facility                      Measures for preventing the production and reclaiming useful material from waste produced by the facility                      Other measures for ensuring compliance with the basic obligations of the operator, especially measures following the closure of the facility                      Planned measures for monitoring emissions within the area and/or their impact                      Envisaged alternative solutions</p>
4	Copies of applications for the issuance of other permits that will be issued together with the Environmental Permit
5	Non-Technical Summary
Waste Management Plan	

For facilities that require and Environmental Impact Study, the study is submitted instead of the above mentioned documents. The deadline for submission of the study to the competent authority for review is six months.

### WHAT DOES THE COMPETENT AUTHORITY DO IN THE ENVIRONMENTAL PERMIT ISSUANCE PROCEDURE?

The Environmental Permit issuance procedure differs depending on whether the FBiH Ministry of Environment and Tourism or the cantonal ministries responsible for the environment are competent for the planned facility, and whether an environmental impact assessment is necessary.

If the planned energy facility is under the competence of the **cantonal ministries** for the protection of the environment, then the cantonal ministry, after examining a submitted application, **issues the Environmental Permit.**

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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If the planned energy facility is under the competence of the **BiH Ministry of Environment and Tourism**, then the Environmental Permit issuance procedure has the following order:

After an investor submits an application for an Environmental Permit, the FBiH Ministry of Environment and Tourism performs a check whether an **Environmental Impact Assessment** for the planned energy facility is necessary. The investor can also submit the Environmental Impact Study directly.

If it is **not necessary** to conduct an **Environmental Impact Assessment**, the FBiH Ministry of Environment and Tourism issues the **Environmental Permit** after notifying the public and gathering comments, suggestions and opinions.

If it is **necessary** to conduct an **Environmental Impact Assessment**, the FBiH Ministry of Environment and Tourism issues a **Decision on Conducting an Environmental Impact Study**, and defines the contents of the Study.

After the investor submits the Environmental Impact Study (Study), the FBiH Ministry of Environment and Tourism notifies the public by issuing a notice in local newspapers and publishing the Study on its website. Then it organizes a public consultation where it gathers comments, opinions and suggestions on the Study. FBiH Ministry of Environment and Tourism then appoints an expert Commission tasked with assessing the Study. Once the Study is evaluated positively, the Ministry issues a Decision on Accepting the Environmental Impact Study. If the Ministry finds the Study lacking in some regard, it can order an update within a set deadline. If the Study is not accepted, the investor has the option of initiating an administrative dispute.

The **Environmental Permit** is then issued based on this Decision.

### **HOW LONG IS THE ENVIRONMENTAL PERMIT VALID?**

The Environmental Permit is issued to a period of no longer than **5 years**.

### **CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?**

Decisions of the **FBiH Ministry of Environment and Tourism Planning** cannot be appealed, but an administrative dispute can be initiated before the competent cantonal court within **30 days** from the date of the investor receiving the decision.

Generally, it is possible to appeal decisions of the cantonal ministries and appeals can be filed to the FBiH Ministry of Environment and Tourism within **15 days** from the date of the investor receiving the decision. Exceptions are: ZHK where the decision of the cantonal ministry cannot be appealed but the investor can initiate an administrative dispute before the competent Cantonal Court within **30 days** from receiving the decision; BPK, PK and HNK where the appeal is submitted to the Cantonal Government within **15 days** from the date of the investor receiving the decision, and SBK where the municipal decision can be appealed before the cantonal ministry.

## 5.9. CONNECTION TO THE DISTRIBUTION NETWORK NETWORK

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Depending on the technical characteristics and the location of the facility, generation facilities are connected either to the distribution network or the transmission network.

The investor needs to complete the following steps in order to connect to the distribution network:

- 1) Obtain a Preliminary Electric Power Permit
- 2) Conclude a Contract Regulating Mutual Relations (if the facility is in a special zone)
- 3) Conclude a Contract on Financing (if the facility is in a special zone)
- 4) Obtain a final Electric Power Permit
- 5) Conclude a Connection Contract

### WHO IS COMPETENT FOR APPROVING A CONNECTION TO THE DISTRIBUTION NETWORK?

Connection to the distribution network is approved by the **Distribution System Operator (DSO)**. Two companies in the Federation BiH are currently authorized to act as a Distribution System Operator: **JP Elektroprivreda BiH d.d. - Sarajevo (EP BiH)** and **JP „Elektroprivreda HZ HB“ d.d. Mostar (EP HZHB)**.

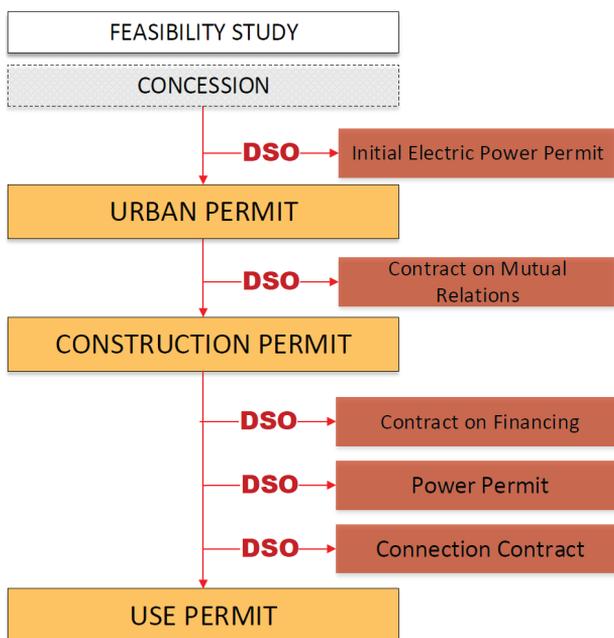
## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BIH

The table below shows how these competences are divided between cantons.

Elektroprivreda BiH		Elektroprivreda Hrvatske Zajednice Herceg Bosna	
KS	„Elektrodistribucija“ Sarajevo	HNK	Distribution area “South”
TK	„Elektrodistribucija“ Tuzla	ZHK	
ZDK	„Elektrodistribucija“ Zenica	C10	
HNK	„Elektrodistribucija“ Mostar	SBK	Distribution area “Center”
USK	„Elektrodistribucija“ Bihac	PK	Distribution area “North”

### IN WHICH PHASE OF CONSTRUCTION ARE THE ELECTRIC POWER PERMITS OBTAINED AND CONTRACTS CONCLUDED?

The diagram below shows the phases in which the electric power permits are obtained and contracts with the DSO concluded, as well as the sequence of these steps in relation to the Urban Permit, Construction Permit and Use Permit.



Please find below a description of each of these permits and steps in the connection to the distribution network procedure.

### 5.9.1. PRELIMINARY ELECTRIC POWER PERMIT

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#### WHAT IS A PRELIMINARY ELECTRIC POWER PERMIT?

The Preliminary Electric Power Permit is issued to the investor as confirmation that the planned facility can be connected to the distribution network at the planned location in accordance with electric power conditions and valid planning documents for that area.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR A PRELIMINARY ELECTRIC POWER PERMIT?

An application for a Preliminary Electric Power Permit is submitted on a form prescribed by and available on the websites of the two electric utilities.<sup>13</sup> These forms list the required supporting documents that must be submitted along with the application.

An application for a Preliminary Electric Power Permit must contain the following information:

1	Information on the applicant (name, address, contact information)
2	Applicable excerpt from the cadastral plan showing the location of the proposed facility
3	Name, type and the address/location of the facility, and copy of the cadastral map showing the land plot on where the facility will be built
4	Purpose of the facility
5	Connection power and the annual electric power consumption and the projected annual electric power generation in the case of generation facilities
6	Operation regime
7	A list of loads over 10 kW, i.e. technical characteristics of generation units
8	Proof of payment of the application processing fee
9	Power of attorney for submitting an application if the application is not submitted in person
10	Other documentation about the investor and the facility, as required

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<sup>13</sup> Elektroprivreda BiH: [http://www.elektroprivreda.ba/upload/documents/zahtjevi/Z02\\_03%202015.pdf](http://www.elektroprivreda.ba/upload/documents/zahtjevi/Z02_03%202015.pdf) and Elektroprivreda HZHB: [www.ephzhb.ba/wp-content/uploads/Obrasci/ZD%2002%20zahtjev%20prethodna%20za%20proizvodaca.doc](http://www.ephzhb.ba/wp-content/uploads/Obrasci/ZD%2002%20zahtjev%20prethodna%20za%20proizvodaca.doc)

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### WHAT DOES THE DSO DO IN A PRELIMINARY ELECTRIC POWER PERMIT ISSUANCE PROCEDURE?

After the investor submits an application for the Initial Electric Power Permit, the DSO first checks whether the application is complete. If a certain document has not been submitted with the application, or if there is some other inadequacy, the DSO will ask the investor in writing to complete the application by submitting the missing document or correcting the deficiency within a set deadline.

The DSO will issue the Initial Electric Power Permit within the legally defined deadline of no longer than **30 days** from the date of the duly submitted application, and only exceptionally within a deadline of **60 days** in case the facility is located in a special zone.

### HOW LONG IS THE PRELIMINARY ELECTRIC POWER PERMIT VALID?

The initial electric power permit is valid for **one year** from its date of issuance and can be renewed for **one additional year**.

### CAN THE DECISION OF THE DSO BE APPEALED?

Yes. The investor can file an appeal against the decision of the DSO with FERC within **15 days** from the date of receiving the decision.

## 5.9.2. CONTRACT REGULATING MUTUAL RELATIONS

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### WHAT IS A CONTRACT REGULATING MUTUAL RELATIONS?

The Contract Regulating Mutual Relations is a special contract the investor concludes with the DSO when it plans to build a facility in a special zone.

A special zone is a space within the spatial plan for which special conditions apply for the connection of facilities that are being built (e.g., factory, mine, producer, residential-commercial facilities intended for the market, tourist, sports facilities, highway infrastructure), and it is also a space within which the facilities of end customers in remote areas are connected.

For connection to the distribution network in these special zones, the in-

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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vestor must file with the DSO an application for evaluating the conditions of connection in special zones and regulation of mutual relations. This application is also considered an application for the Preliminary Electric Permit for facilities located in special zones. Application forms are available on the websites of the two electric utilities.<sup>14</sup>

### 5.9.3. CONTRACT ON FINANCING

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#### WHAT IS THE CONTRACT ON FINANCING?

Contract on financing (or Financing Contract) is a special type of contract that the investor concludes with the DSO if they intend to build a facility in a special zone. The Financing Contract is concluded on the basis of the Contract regulating mutual relations, Preliminary Electric Power Permit and a Construction Permit in order to create technical conditions in the distribution network.

The Financing Contract contains provisions, amongst others, on the type, conditions and the amount of fees to be paid for the connection of a facility in the special zone, as well as deadlines and conditions for the connection to the distribution network.

### 5.9.4. ELECTRIC POWER PERMIT

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#### WHAT IS AN ELECTRIC POWER PERMIT?

The Electric Power Permit is a document used by the DSO to define the technical conditions for the connection of the facility to the distribution network. This document is issued on the request of the investor or the owner of the facility.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR AN ELECTRIC POWER PERMIT?

An application for an Electric Power Permit is submitted on a prescribed

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<sup>14</sup> Elektroprivreda BiH: <http://www.elektroprivreda.ba/stranica/zahtjevi> and Elektroprivreda HZHB: <http://www.ephzhb.ba/kupci/dokumenti-2/>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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form available on the websites of the two electric utilities.<sup>15</sup> These forms list the required supporting documents that must be submitted along with the application.

An application for a final Electric Power Permit must contain the following information:

1	Necessary information to the ODS to adequately evaluate connection conditions, except information already submitted with the application for a Preliminary Electric Power Permit
2	If the application for a final Electric Power Permit is for a RES microproducer than the application should contain information about the installed power and location of the RES microproducer
3	Extract from the project documentation: Overview of basic energy and technical data Nominal capacity of the generator Projected daily, monthly and annual generation of electricity Projected consumption of electricity at the location of the generation facility (if the facility has more generation units, data needs to be submitted for every generation unit)
4	Proof of payment of application processing fee
5	Power of attorney for submitting a application if the application is not submitted in person

### WHAT DOES THE DSO DO IN AN ELECTRIC POWER PERMIT ISSUANCE PROCEDURE?

After the investor submits an application for an Electric Power Permit, the DSO first checks whether the application has been completed properly. If a certain document has not been submitted with the application or if there is some other inadequacy, the DSO will ask the investor in writing to complete the application by submitting the missing document or correcting the inadequacy.

The DSO will issue an Electric Power Permit within the legally defined deadline of no longer than **30 days** from the date of a duly submitted application, and only exceptionally within a deadline of **60 days** due to the

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<sup>15</sup> Elektroprivreda BiH: [http://www.elektroprivreda.ba/upload/documents/zahtjevi/Z06\\_03%202015.pdf](http://www.elektroprivreda.ba/upload/documents/zahtjevi/Z06_03%202015.pdf) and Elektroprivreda HZHB: [www.ephzhhb.ba/wp-content/uploads/Obrasci/ZD%2008%20zahtjev%20za%20EES%20proizvodaca.doc](http://www.ephzhhb.ba/wp-content/uploads/Obrasci/ZD%2008%20zahtjev%20za%20EES%20proizvodaca.doc)

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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specificities of the planned facility, or if the facility needs to be connected at medium voltage.

### HOW LONG IS AN ELECTRIC POWER PERMIT VALID?

The period of validity of an Electric Power Permit is generally **not limited**. The exceptions are facilities which will be used temporarily or occasionally and for investors in special zones. In that case, the Electric Power Permit for the whole facility with all meters ceases to be valid when the end costumers obtain the Electric Power Permit for each, individual electricity meter.

### CAN THE DECISION OF THE DSO BE APPEALED?

Yes. The investor can file an appeal against the decision of the DSO with FERC within **15 days** from the date of receiving the decision.

## 5.9.5. CONNECTION CONTRACT

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### WHAT IS A CONNECTION CONTRACT?

The investor concludes a Connection Contract with the DSO after obtaining the Electric Power Permit.

The Connection Contract defines the rights and responsibilities of the contracting parties, the technical aspects of the connection point and deadlines.

Connection Contracts are standard form contracts prepared by the DSO.

The actual connection of the generation facility to the distribution network is performed after the works inside the facility and the construction of the connection point have been completed.

## 5.10. APPROVAL OF THE PROJECT DOCUMENTATION

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### WHAT IS THE APPROVAL OF THE PROJECT DOCUMENTATION?

The Approval of the Project Documentation serves to verify the compliance of the project documentation with the FBiH Law on Electricity and other regulations in the area of construction.

### WHO IS COMPETENT FOR GIVING THE APPROVAL OF THE PROJECT DOCUMENTATION?

The Approval of the Project Documentation is issued by the **FBiH Ministry of Energy, Mining and Industry (FMERI)** or the **cantonal administration authorities competent for energy**. These competent cantonal authorities are usually the cantonal ministries of economy. ZDK is an exception where even the municipalities have the competency to issue this Approval. The investor can consult the authority which issues the Urban Permit / Location Information on which authority will verify the compliance of the project documentation and issue the Approval.

The FBiH Ministry of Energy, Mining and Industry is competent for giving the Approval of the Project Documentation for the following types of electric power facilities:

1	Hydropower facilities with an installed capacity greater than 5 MW and several hydropower facilities with an installed capacity greater than 2 MW, in succession and at a distance of 2 km from each other
2	Thermal power plants and other combustion facilities with a heat output of 50 MWt and higher
3	Power plants using wind power with an installed capacity of 2 MW and more
4	Solar power plants with an installed capacity of 1 MW and more
5	Other power plants with an installed capacity of 5 MW and more

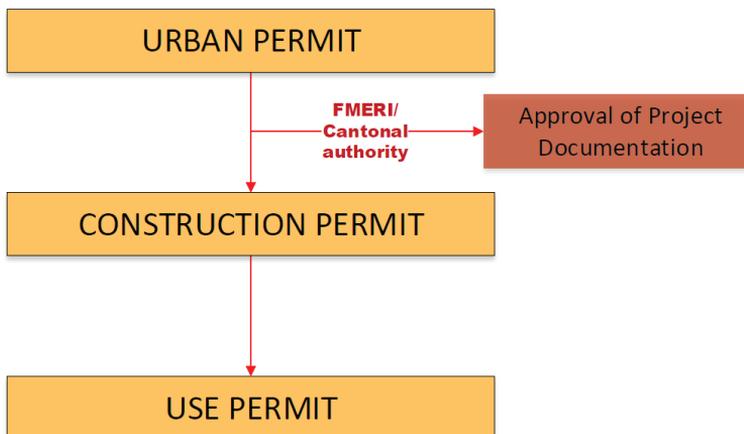
## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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Cantonal administration authorities competent for energy have the authority over energy facilities with installed power under the listed thresholds.<sup>16</sup>

### IN WHICH PHASE OF CONSTRUCTION IS THE APPROVAL OF THE PROJECT DOCUMENTATION OBTAINED?

The Approval of the Project Documentation is obtained in the process of obtaining the Construction Permit. The diagram below shows the phase in which the Approval of the Project Documentation is obtained and the sequence of this step in relation to the Urban Permit, Construction Permit and Use Permit.



### WHAT IS SUBMITTED WITH AN APPLICATION FOR APPROVAL OF PROJECT DOCUMENTATION?

The investor submits an application for Approval of Project Documentation in writing. The application lists all the data about the future electric power facility and the participants in its construction.

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<sup>16</sup> In ZDK, the Ministry of Economy has the authority to verify the compliance of the project documentation and issue the Approval for energy facilities for which the Ministry of spatial planning, transport and communications has issued the Urban Permit / Location Information. The municipality or the city that has issued the Urban Permit / Location Information for the energy facility also has the authority to verify and issue the Approval of project documentation for that facility.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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**One copy** of properly bound project documentation is submitted with the application.

If the project documentation consists of several books and cannot be sent by mail, the investor will provide a list of main project design books, and the project documentation will be examined in the investor's offices.

### **WHAT DOES FMERI DO IN AN APPROVAL OF A PROJECT DOCUMENTATION ISSUANCE PROCEDURE?**

After FMERI receives an application for the Approval of Project Documentation from the investor, FMERI appoints a special Commission to examine the technical documentations and determines the amount of the examination fee and of other taxes to be paid by the investor.

The Commission then, in agreement with the investor, sets the time and place for the examination of the documentation.

During the examination of the documentation the Commission will especially check:

- compliance of the project documentation with the existing laws, bylaws, technical and other regulations, standards, technical norms and regulations regulating the area of electric power facility construction
- completeness of the project documentation
- technical control (revision) of the documentation
- project documentation preparation procedure

If any deficiencies in the project documentation are identified, the Commission will set a deadline of no longer than **60 days** for the investor to rectify them. If the investor fails to remove the identified deficiencies in the project documentation, the procedure of issuing the approval is suspended.

If the project documentation is entirely in order, the Commission will draw up a report and propose the issuance of the approval.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### **HOW LONG IS THE APPROVAL OF THE PROJECT DOCUMENTATION VALID?**

The period of validity of the Approval of the Project Documentation is not limited.

### **CAN THE DECISION OF FMERI BE APPEALED?**

No. FMERI decisions are final and cannot be appealed, but an administrative dispute can be initiated before the competent cantonal court within **30 days** from the date of the investor receiving the decision.

## 5.11. ENERGY PERMIT

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### WHAT IS AN ENERGY PERMIT?

An Energy Permit is an administrative act permitting an investor to go ahead with the construction or reconstruction of the electric power facility if all legal requirements in the field of electricity have been met (e.g., energy system stability, environmental protection, energy efficiency).

### WHO IS COMPETENT FOR ISSUING AN ENERGY PERMIT?

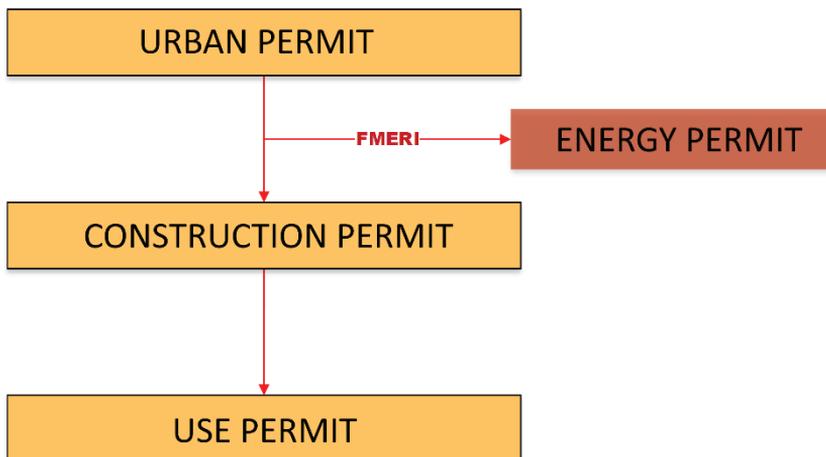
The **FBiH Ministry of Energy, Mining and Industry (FMERI)** is competent for issuing an Energy Permit.

### FOR WHICH FACILITIES IS AN ENERGY PERMIT OBTAINED?

An Energy Permit is obtained for all generation facilities.

### IN WHICH PHASE OF CONSTRUCTION IS AN ENERGY PERMIT OBTAINED?

An Energy Permit is obtained in the phase of obtaining the Construction Permit. The diagram below shows the phase in which an Energy Permit is obtained and the sequence of this step in relation to the Urban Permit, Construction Permit and Use Permit.



The procedure of obtaining an **Energy Permit** is described below.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR AN ENERGY PERMIT?

An application for an Energy Permit is submitted to FMERI in writing on the prescribed form “Annex 1: Z1 Form,” available on the FMERI website.<sup>17</sup>

Together with the completed application form, the investor needs to submit the following documentation:

1	Certificate of entry in a court register issued by a competent court, i.e., a certificate on entry in some other appropriate register issued by the competent institution
2	Registration and tax number of the applicant
3	Articles of association of the applicant
4	Statement by the applicant on the structure of sources of funding consistent with the feasibility study, or a certificate from a commercial bank or credit institution verifying the applicant’s solvency and ability to finance the construction of the generation facility with its own funds and/or that it is in a position to ensure credit funding for the construction of the generation facility
5	Financial statements for the past three years, including: balance sheet, income statement, cash flow statement, statement of changes in equity, notes to the financial statements. Information/indicators about the applicant’s financial situation are prepared in Annex 2: Financial Indicators, and they are based on the audited annual financial statements for the last three years, certified by a competent institution or financial auditors
6	Statement from the applicant on all open transaction accounts in commercial banks and certificates from banks verifying their status
7	Certificate confirming the absence of criminal convictions against the applicant in relation to environmental misdemeanors, as well as a certificate confirming the absence of criminal convictions for commercial offences and environmental misdemeanors for members of the applicant’s management
8	Feasibility Study (where necessary) with a Conceptual Design or Preliminary Project Design
9	Concession Contract for activities requiring a concession
10	Environmental Impact Assessment as prescribed by laws and other regulations for the generation facility concerned

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<sup>17</sup> This form and all other annexes and forms are available at: <http://fmeri.gov.ba/uredbu-o-postupku--kriterijima--formi-i-sadrzaju-zajtjeva-za-izdavanje-energetske-dozvole-za-izgradnju-novih-i-rekonstrukciju-postojecih-proizvodnih-postrojenja.aspx>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

11	Environmental Permit as prescribed by the law and other regulations for the generation facility for which the energy permit is being requested
12	Water Acts as prescribed by laws and other regulations for the generation facility concerned
13	Initial Electric Power Permit for connection to the distribution network and/or Opinion and Project Analysis of the Technical Solution for Connection and Connection Conditions for connection to the transmission network
14	Proof that property and legal issues at the construction site of the intended generation facility have been resolved
15	Proof of technical and financial capacity, human resources and experience of the applicant to build, own and manage generation facility projects of similar size and complexity presented as prescribed in Annex 3: Questionnaire for the Applicant
16	Proof/certificate that the applicant is not in bankruptcy proceedings, that it is not under receivership, that its commercial activities have not been suspended, that it is in no other such similar situation and/or that it is in no other way in a situation that would represent a violation of the law
17	Proof/certificate that the applicant is complying with the obligation of paying tax and social obligations
18	Information about the management and organizational structure of the applicant presented in the way as described in Annex 3: Questionnaire for the Applicant
19	CVs of the applicant's managerial staff and a list of other managerial staff and their qualifications in the way as described in Annex 3: Questionnaire for the Applicant
20	Urban Permit with a certificate of finality
21	Statement from the applicant on extant permits issued by the FBiH Energy Regulatory Commission or some other regulatory commission, or applications for permits submitted to the FBiH Energy Regulatory Commission or other regulatory commissions in BiH or in some other country
22	Statement on the accuracy of data in the form presented in Annex 4: Data Accuracy Statement
23	A total of eight different statements by the applicant as listed in annex to Form Z1
24	Proof of payment of one-time application processing fee
25	Other information and/or proof as the Ministry may deem necessary

All supporting documents are submitted in original form or in the form of a certified copy and must not be older than **60 days**.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### WHAT DOES FMERI DO IN AN ENERGY PERMIT ISSUANCE PROCEDURE?

After receiving an application from the investor, FMERI enters it into the **Register of Applications**. The investor reserves the right to classify certain documents as confidential and to request that such documents not be publically disclosed.

FMERI then checks whether the application is complete. If a certain document has not been submitted or if some other deficiency exists, FMERI will ask the investor in writing to submit the required document or correct a deficiency. FMERI sets the deadline for completing the documentation, which, according to the law, cannot be longer than **30 days**. If unable to obtain the requested documents within the set deadline, the investor may request that it be extended.

The investor who does not act in accordance with the instructions of FMERI and fails to complete the application by not submitting the required supporting documentation runs the risk of having his application **rejected**.

As the Energy Permit issuance procedure continues, FMERI organizes at least one public hearing to gather comments.

The legal deadline for reaching a decision is **3 months** from the date of informing the investor that its application is complete. Exceptionally, FMERI may extend this deadline for no more than **2 months**.

### FOR HOW LONG IS THE ENERGY PERMIT VALID?

The period of validity of the Energy Permit is defined in the permit, but it cannot be longer than **5 years**.

### CAN THE DECISION OF FMERI BE APPEALED?

No. FMERI decisions are final and cannot be appealed, but an administrative dispute can be initiated before the competent cantonal court within **30 days** from the date of the investor receiving the decision.

## 5.12. OPERATIONAL LICENCE FOR PERFORMING A POWER ACTIVITY

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### WHAT ARE OPERATIONAL LICENCES?

An Operational License is an authorization to perform one of the following power activities:

- Generation of electricity
- Distribution of electricity
- Supply of electricity
- Electricity trade at the internal market

An investor who wishes to undertake the activity of electricity generation must obtain an **Operational License for Electricity Generation**.

### WHO IS COMPETENT FOR ISSUING OPERATIONAL LICENCES?

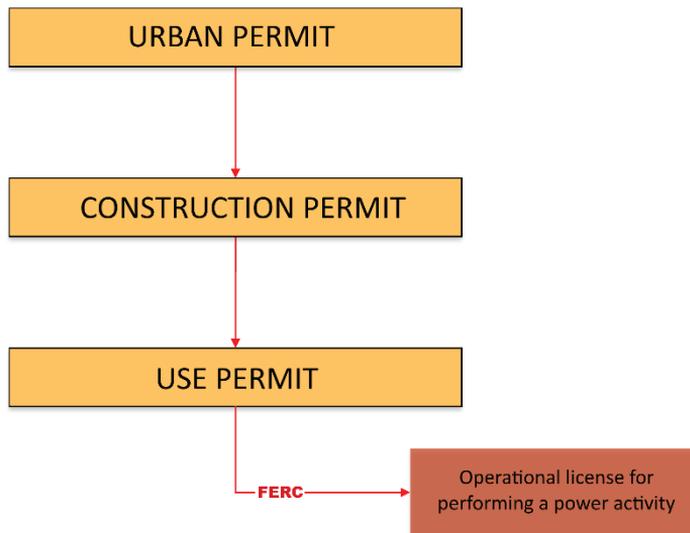
The **Federation Regulatory Energy Commission (FERC)** is competent for issuing Operational Licenses.

### IN WHICH PHASE OF CONSTRUCTION IS THE OPERATIONAL LICENCE OBTAINED?

The diagram below shows the phase in which the Operational License is obtained and the sequence of this step in relation to the Urban Permit, Construction Permit and Use Permit.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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The procedure of obtaining the **Operational License for Electricity Generation** is described below.

### 5.12.1. LICENCE FOR ELECTRICITY GENERATION

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#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR A LICENSE FOR ELECTRICITY GENERATION?

An application for a License for Electricity Generation is submitted on a prescribed form available on the FERC website.<sup>18</sup> An application with the enclosed documentation can be submitted personally, by mail, fax or email.

Together with a completed application form, the investor needs to submit the following documentation:

1	A valid extract from the court register of the competent court for legal persons and a sole proprietorship permit for natural persons performing the activity of electricity generation
2	Notification from the competent statistics service on the classification of the legal person by activity

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<sup>18</sup> Available at: [http://www.ferk.ba/\\_ba/images/stories/2017/obrasci\\_bs.zip](http://www.ferk.ba/_ba/images/stories/2017/obrasci_bs.zip)

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

3	Certificate from the competent tax authority of registration, and if the applicant is a registered VAT vendor, it is necessary to submit a certificate of registration/entry into the Single Register of Indirect Tax Payers
4	Organizational structure (scheme) of the applicant clearly showing that it employs professionally trained staff to perform the activities for which an application is being filed
5	Proof that the applicant possesses the legal basis to use facilities, plants, instruments and equipment for performing power activities for which an application is being made
6	Set of financial statements for the previous year (balance sheet, income statement, cash flow statement, statement of changes in equity, notes to the financial statements and an independent auditor's report in accordance with the applicable regulations); and, for a newly established legal entity, it is necessary to submit the opening balance, except when the applicant is a person performing electricity generation as a sole proprietorship in a facility with an installed capacity of up to 23 kW
7	When the applicant is a natural person, it is necessary to submit business books and business records for the previous year
8	Statement from the applicant on all open transaction accounts in commercial banks and a certificate from a commercial bank in which the applicant holds its main account, verifying the solvency of that account
9	Annual business plans of the applicant
10	Proof that the applicant is performing the power activity applied for in accordance with the FBiH Electricity Law as functionally unbundled, and in the case of the DSO also legally unbundled from other activities.
11	Table showing electric power facilities, plants where the licensed activity will be performed, including technical and energy parameters of the electric power facilities and plants <sup>1</sup>
12	Plan of maintenance, utilization and observation for the generation facility, which is subject to such an obligation in accordance with the applicable laws and regulations, except when the applicant is a person performing electricity generation as a sole proprietorship in a facility with an installed capacity of up to 23 kW
13	Energy Permit
14	Water Permit with a certificate of finality (where legally required)
15	Environmental Permit with a certificate of finality (where legally required)
16	Concession Contracts when the activity is performed based on a concession
17	Proof that the applicant is an end buyer of electricity from one of the suppliers in FBiH, i.e., that it has a supply contract when an application is submitted for an Operational License for Electricity Generation in a RES micro plant

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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18	Electric Power Permit for the end customer and an Electric Power Permit for a RES micro plant in the case of an application for an Operational License for Electricity generation in a RES micro plant
19	Electric Power Permit for the generator issued by the competent grid operator
20	Approval to use the generation facility with a certificate of finality
21	Proof of payment of a one-time application processing fee

Before submitting the application, the investor needs to bear in mind the following:

- Every page of the application form needs to be initialed, and the application itself needs to be stamped with the corporate seal or other certification of a company signature, and signed
- The form and the supporting documentation can be submitted in digital form, but they also must be sent by mail no later than **7 days** after being submitted digitally
- Ensure that the supporting documentation documents are not older than **60 days** (e.g., extract from the court register), and all documents need to be submitted as originals or in the form of a certified copy
- Ensure that all decisions and permits that are part of the supporting documentation have a certificate of finality added to them
- Technical and energy parameters from the Concession Contract, issued permits (Environmental Permit, Water Acts and Use Permit) and the Electric Power Permit need to be in agreement with those technical and energy parameters.

### WHAT DOES FERC DO IN AN OPERATIONAL LICENCE ISSUANCE PROCEDURE?

After the investor submits an application for an Electricity Generation License, FERC checks whether the application has been completed properly. If a certain document has not been submitted with the application, or if there is some other inadequacy, FERC will ask the investor in writing to complete the application by submitting the missing document or correct-

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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ing the inadequacy. The deadline for completing the application is set by FERC, by law, cannot be shorter than **8 days**.

As the permitting procedure continues and depending on the type of application and the submitted documents, a number of public hearings may be organized.

The final decision on issuing the Operational License is made at a regular FERC session within a legally prescribed deadline, which cannot be later than **60 days** from the date of the submission of the application. An exception is provided in cases of issuing the Operational License for generation of electric energy in RES micro facilities or in cases where the applicant is a natural person that will perform electricity generation in a facility of installed power of up to 23 kW. In these cases, the decision is made at a regular FERC session within a deadline which cannot be alter than **50 days**. The decision is then announced on the FERC bulletin board and web site, and promulgated in the FBiH Official Gazette.

An application for an Operational License will be **rejected** in the following cases:

- if the investor has failed to prove the fulfilment of conditions for being issued an Operational License
- if the investor was previously issued an Operational License which it obtained based on false data
- if the applicant failed to act in accordance with the conditions prescribed in the previously issued Operational License

### **HOW LONG IS THE OPERATIONAL LICENCE FOR ELECTRICITY GENERATION VALID?**

The Operational License for Electricity Generation can be valid for a period of no longer than **30 years**.

### **CAN THE DECISION OF FERC BE APPEALED?**

No. FERC decisions are final and cannot be appealed, but an administrative dispute can be initiated before the competent cantonal court within **30 days** from the date of the investor receiving the decision.

## 5.13. EXERCISING THE RIGHT TO INCENTIVES

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### WHAT IS THE INCENTIVE FOR GENERATION OF ELECTRICITY FROM RENEWABLE ENERGY SOURCES?

Countries design various incentives to encourage investors to develop generation plants using renewable energy sources. In FBiH the system of incentives for RES includes multiple benefits acquired by meeting certain conditions.

These benefits include:

- 1) Advantage in application processing for connection to electric power grid
- 2) Supply advantages – preference of dispatching electricity to the grid
- 3) Supply advantages for facilities with installed capacity less than 150 kW, without reporting the daily schedule to the network operator
- 4) Right to the guarantee of origin of electricity (a certificate that the generated electricity comes from RES)
- 5) Right to obligatory purchase of electricity at reference price<sup>19</sup> for qualified producers
- 6) Right to obligatory purchases of electricity at guaranteed price<sup>20</sup> for privileged producers

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*19 Reference price is the price of electricity which is lower than the guaranteed price, but is still higher than the market price.*

*20 Guaranteed price is a higher price paid to the producers of electricity from renewable energy sources.*

### WHO IS COMPETENT TO APPROVE AN APPLICATION FOR AN INCENTIVE?

**The Operator for Renewable Energy Sources and Efficient Cogeneration (RESEC Operator)** is the competent institution for approving an application for an incentive.

### WHAT ARE THE CONDITIONS FOR A PRODUCER BEING ELIGIBLE TO RECEIVE INCENTIVES?

An investor must meet certain conditions in order to exercise the right to obtain benefits:

- 1) The facility must use renewable energy sources
- 2) The facility's installed capacity must be below the set threshold
- 3) The facility must fall within the prescribed quota for that type of facility, that is, the available part of the prescribed quota.

### WHAT IS THE PRESCRIBED QUOTA?

The prescribed quota is the overall, maximum level of the installed capacity of facilities of a certain type, the electricity generation of which is eligible to receive a feed-in tariff during one calendar year. Prescribed quotas are set for every energy source under the **Action Plan for the Use of Renewable Energy Sources**. Information about quota availability can be found on the the RESEC Operator's website.<sup>21</sup>

The prescribed quota contains all primary renewable energy sources, and the available quota is allocated in turn to investors that have registered their facility with the Register of Renewable Energy Projects. Thus the process of registering the facility is conducted simultaneously with the process of obtaining incentives.

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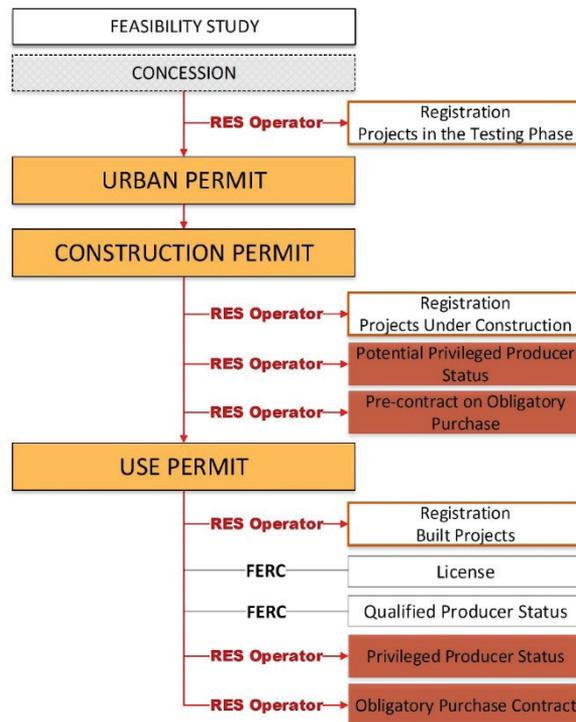
<sup>21</sup> <http://operatoroieiek.ba/dinamicke-kvote/>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

### IN WHICH PHASE OF CONSTRUCTION IS THE RIGHT TO INCENTIVES DETERMINED?

In order to acquire incentives for renewable generation and efficient cogeneration, the investor needs to complete several steps in the following order:

- 1) Acquire Potential Privileged Producer status
- 2) Conclude a Purchase Pre-Contract
- 3) Acquire the status of Eligible Producer
- 4) Acquire the status of Privileged Producer
- 5) Conclude a Purchase Contract



The diagram below shows the phases and sequence of these steps in relation to the Urban Permit, Construction Permit and Use Permit.

### 5.13.1. POTENTIAL PRIVILEGED PRODUCER

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#### WHAT IS A POTENTIAL PRIVILEGED PRODUCER?

A Potential Privileged Producer is a renewables-fueled electricity generator who may be eligible for a feed-in tariff. This is the preliminary step an investor needs to complete, and, as part of it, the RESEC Operator assesses whether the producer may potentially acquire benefits.

For acquiring the status of Potential Privileged Producer an investor needs to acquire an Energy Permit if this permit is required for the planned type of facility and installed power.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR ACQUIRING POTENTIAL PRIVILEGED PRODUCER STATUS?

An application for acquiring Potential Privileged Producer status is submitted to the RESEC Operator on the OZSSPPP-1 form.<sup>22</sup>

In general, the application needs to include:

- 1) name and address of the investor
- 2) name and location of the future facility
- 3) installed capacity of the future facility
- 4) technical characteristics of the facility and primary sources of energy
- 5) time required for the construction of the facility and its connection to the grid

Together with a completed application form, the investor also needs to submit the following documentation:

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<sup>22</sup> Available at: <http://operatoroieiek.ba/obraci/>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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1	Extract from the court register of the competent court or certificate of registration in some other appropriate register of a competent institution
2	Registration and tax number of the applicant
3	Statement by the applicant on the structure of sources of funding consistent with the feasibility study, or a certificate from a commercial bank or credit institution verifying the applicant's solvency and ability to finance the construction of the generation facility with its own funds and/or that it is in a position to ensure credit funding for the construction of the generation facility
4	Statement from the applicant on all open transaction accounts in commercial banks and certificates from banks verifying their status
5	Main Project Design or the part of the technical documentation from the Main Project Design from the Construction Permit which contains technical data, technical solutions and the economic and financial analysis of the project, including the value of the investment
6	Energy Permit
7	Construction Permit with a certificate of finality
8	Proof of ability to ensure monetary deposit or bank guarantees in the amount of up to 1% of the investment value
9	Preliminary Electric Power Permit for connection to the distribution network and/or Opinion on Pre-Approval of Connection or Project Analysis of the Technical Solution for Connection and Connection Conditions for connection to the transmission network
10	Proof that property and legal issues at the construction site of the intended generation facility have been resolved

All proof and supporting documents need to be submitted in their original form or in the form of certified copies.

### **WHAT DOES THE RESEC OPERATOR DO IN A POTENTIAL PRIVILEGED PRODUCER STATUS ASSESSMENT PROCESS?**

After an investor submits an application for privileged producer status, the RESEC Operator checks all the submitted data and assesses whether the investor meets the criteria for being granted the Potential Privileged Producer status, meaning it would be eligible for feed-in tariffs.

The RESEC Operator is obliged to inform the investor about its decision within **30 days** and the decision can be:

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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- a) **Positive** – if the facility meets all the criteria and enters the Prescribed Quota for the requested type of facility
- b) **Offer to the investor to be put on the waiting list** – if the facility meets the criteria in terms of size and time required for completing construction and connecting it to the grid, but the Prescribed Quota for that type of facility is full at the time of the submission of the application. In this case the RESEC Operator gives clear information to the investor when the facility could be included in the prescribed quota at the earliest.
- c) **Negative** – if the facility does not meet the criteria in terms of installed capacity or time required for completing construction and connecting it to the grid. In this case the RESEC Operator gives clear information to the investor on criteria that have not been met.

The RESEC Operator publishes on its website all information concerning the status of the Quota, generators who have been granted Potential Privileged Producer status, as well as the names of electricity generators on the waiting list.

### **CAN THE DECISION OF THE RESEC OPERATOR BE APPEALED?**

No. RESEC Operator decisions are final, are final and cannot be appealed, but an administrative dispute can be initiated before the competent cantonal court of Mostar within **30 days** from the date of the investor receiving the decision.

### 5.13.2. PRE-CONTRACT ON PURCHASE OF ELECTRICITY

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#### WHAT IS A PRE-CONTRACT ON PURCHASE OF ELECTRICITY?

The Pre-Contract on Purchase of Electricity is a standardized pre-contract the investor concludes with the RESEC Operator if he has been granted the **Potential Privileged Electricity Producer** status.

The **deadline for the construction of the planned facility** represents the main element of the Pre-Contract on Purchase of Electricity. If this deadline is breached, the Pre-Contract is automatically terminated. The Pre-Contract also serves as a guarantee that the investor has the right to acquire Privileged Producer status.

Other elements of the Pre-Contract, amongst other, are: provisions regarding the guaranteed price, the duration of the Pre-Contract, obligations of the Potential Privileged Producer with regards to grid connection and technical information on the facility and planned production.

Furthermore, the Pre-Contract on Purchase of Electricity represents a key document that banks request when approving loans for the construction of electric power facilities.

### 5.13.3. QUALIFIED PRODUCER

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#### WHAT IS A QUALIFIED PRODUCER?

A Qualified Producer is an electricity generator who generates this electricity in a single electric facility using waste or renewable energy sources in an economically feasible way. These facilities can include a combined cycle of heat and electricity generation but must be compliant with environmental procedures.

This status must be obtained before submitting an application for **Privileged Producer status**.

#### WHO IS COMPETENT FOR APPROVING QUALIFIED PRODUCER STATUS?

**The Regulatory Commission for Energy in FBiH (FERC)** is competent for granting Qualified Producer status.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR ACQUIRING QUALIFIED PRODUCER STATUS?

An application for acquiring Eligible Producer Status is submitted on the OB.KP.01 form available on the FERC website.<sup>23</sup> The application for acquiring Qualified Producer status is considered in the same procedure as the application for issuing / renewing the License for Electricity Generation, also issued by FERC. The status of a Qualified Producer is obtained based on the Decision on Issuing the License for Electricity Generation. This means that the application for acquiring Qualified Producer Status does not need to contain any other additional supporting documents, unless they have changed in any way or their period of validity has expired.

### WHEN DOES THE QUALIFIED PRODUCER STATUS EXPIRE?

The Qualified Producer status expires with the expiration of the **Operational License for Electricity Generation**.

### CAN THE DECISION OF FERC BE APPEALED?

No. FERC decisions are final and cannot be appealed, but an administrative dispute can be initiated before the competent cantonal court within **30 days** from the date of the investor receiving the decision.

### 5.13.4. PRIVILEGED PRODUCER

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#### WHAT IS A PRIVILEGED PRODUCER?

A Privileged Producer of electricity is a Qualified Producer that has gained the right to its production bought at **guaranteed prices** during the agreed period. In order to acquire a Privileged Producer status an investor must first obtain a Qualified Producer status.

#### WHO IS COMPETENT FOR APPROVING PRIVILEGED PRODUCER STATUS?

**The RESEC Operator** is the competent institution for approving Privileged Producer status.

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<sup>23</sup> Available at: [http://www.ferk.ba/\\_ba/akti-ferk-a/pravilnici/18560-obnovljivi-izvori-energije](http://www.ferk.ba/_ba/akti-ferk-a/pravilnici/18560-obnovljivi-izvori-energije)

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### **FOR WHICH FACILITIES CAN THE PRIVILEGED PRODUCER STATUS BE OBTAINED?**

The RESEC Operator can grant Privileged Producer status to an investor that generates electricity in the following types of plants:

- Hydro power plants of installed power up to 10 MW
- Wind power plants without an installed power limit
- Solar power plants of installed power up to and including 1 MW
- Geothermal power plants of installed power up to and including 10 MW
- Biomass power plants of installed power up to and including 10 MW
- Biogas power plants of installed power up to and including 1 MW
- Waste-to-energy plants of installed power up to and including 5 MW
- Cogeneration power plants of installed power up to and including 5 MWe
- Qualified producers whose electricity is purchased at referent prices

### **WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR ACQUIRING PRIVILEGED PRODUCER STATUS?**

An application for acquiring Privileged Producer status is submitted to the RESEC Operator on the OZSSPPP-2 form.<sup>24</sup>

In general, an application needs to include:

- 1) name and address of the investor,
- 2) name and location of the future facility,

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<sup>24</sup> Available at: <http://operatoroieiek.ba/obraci/>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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- 3) installed capacity of the future facility,
- 4) technical characteristics of the facility and primary sources of energy, and
- 5) time required for the construction of the facility and its connection to the grid.

Together with a completed application form, an investor also needs to submit the following documentation:

1	Extract from the court register of the competent court or certificate of registration in some other appropriate register of a competent institution
2	Registration and tax number of the applicant
3	Statement by the applicant on the structure of sources of funding consistent with the feasibility study, or a certificate from a commercial bank or credit institution verifying the applicant's solvency and ability to finance the construction of the generation facility with its own funds and/or that he is in a position to ensure credit funding for the construction of the generation facility
4	Statement from the applicant on all open transaction accounts in commercial banks and certificates from banks verifying their status
5	Main Project Design or the part of the technical documentation from the Main Project Design from the Construction Permit which contains technical data, technical solutions and the economic and financial analysis of the project, including the value of the investment
6	Energy Permit
7	Use Permit
8	Operational License – License for Electricity Generation
9	Act/contract on connection to the transmission network, i.e., distribution network, with a certificate from the competent operator that the metering point in question has been constructed in accordance with the applicable technical rules and regulations regulating this area
10	Contract on the sale of heat, i.e., a certificate from the applicant that the generated heat is used for its own purposes when the application is for a cogeneration plant
11	Part of the Main Project Design that contains the calculated coefficient of performance of the plant when the application is for a cogeneration plant
12	Data on person/persons responsible for the operation of the plant (name, function, telephone, fax, email)

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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All proof and supporting documents need to be submitted in their original form or in the form of certified copies.

### **CAN THE DECISION OF THE RESEC OPERATOR BE APPEALED?**

No. RESEC Operator decisions are final, are final and cannot be appealed, but an administrative dispute can be initiated before the competent cantonal court of Mostar within **30 days** from the date of the investor receiving the decision.

### **5.13.5. CONTRACT ON PURCHASE OF ELECTRICITY**

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#### **WHAT IS A CONTRACT ON PURCHASE OF ELECTRICITY?**

The Contract on Purchase of Electricity is a standardized contract concluded between the investor and the RESEC Operator under which the investor acquires the right to sell generated electricity at the guaranteed price (feed-in tariff) for a period of **12 years**.

This Contract, among other things, defines the guaranteed prices, the contract duration, technical information on the facility and planned generation, allowed deviations from production plans as well as obligations with regards to submitting information to the RESEC Operator.

## 5.14. REGISTER OF RENEWABLE ENERGY PROJECTS

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### WHAT IS A REGISTER OF PROJECTS?

This is a comprehensive record of renewable energy and cogeneration projects maintained by the **RESEC Operator**.

The Register contains information about the following types of projects:

- 1) Projects in the testing phase
- 2) Projects under construction
- 3) Built projects
- 4) Abandoned projects

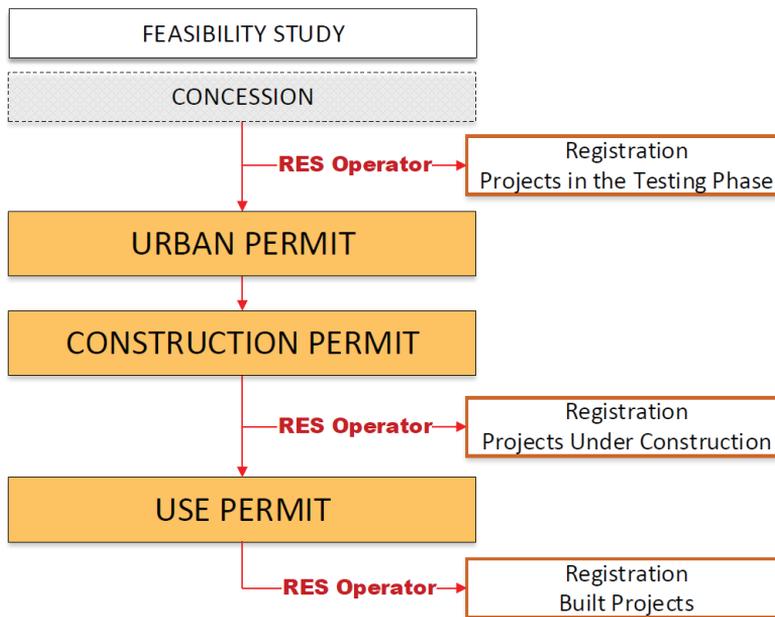
**NOTE: The investor has a legal obligation to register the project in the Register of Renewable Energy Projects**

### IN WHICH PHASE OF CONSTRUCTION IS REGISTRATION REQUIRED?

The diagram below shows the phase in which registration is required and the sequence of this step in relation to the Urban Permit, Construction Permit and Use permit.

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR ENTRY INTO THE REGISTER OF PROJECTS IN THE TESTING PHASE?

An application is submitted on the RP-1 form.<sup>25</sup> Together with a completed application, an investor needs to submit a **valid approval** issued by the competent spatial planning and construction institution (FBiH, cantonal ministry or competent municipal service for spatial planning and construction) that allows the testing of potential renewable sources at the location in question.

### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR ENTRY INTO THE REGISTER OF PROJECTS UNDER CONSTRUCTION?

An application is submitted on the RP-2 form. Together with the completed application, the investor needs to submit the following documentation:

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<sup>25</sup> Available at: <http://operatoroieiek.ba/obrasci/>

## 5. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN FEDERATION OF BiH

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1	Valid Urban Permit/Location Information or Location Permit
2	Valid approval to build (Construction Permit)
3	Valid Energy Permit

### **WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR ENTRY INTO THE REGISTER OF BUILT PROJECTS?**

An application is submitted on the RP-3 form. Together with the completed application, an investor needs to submit a valid **Use Permit**.

### **WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR ENTRY INTO THE REGISTER OF ABANDONED PROJECTS?**

An application is submitted on the RP-4 form. Together with a completed application, an investor needs to submit a written decision on project abandonment.

For each registration phase, the Operator issues a Decision on Entry in the Register, which contains the duration of the registration. After the project enters the next phase in the Register, the previous entry is deleted, so the project can only be registered in one phase at a time. The Register is a public document, available on the Operator's website.



## **6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA**

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## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

### 6.1. SCHEMATIC DIAGRAM DEPICTING PERMITS AND COMPETENT INSTITUTIONS IN RS

The permits required in the electric power facility construction process in RS are depicted on the diagram below.

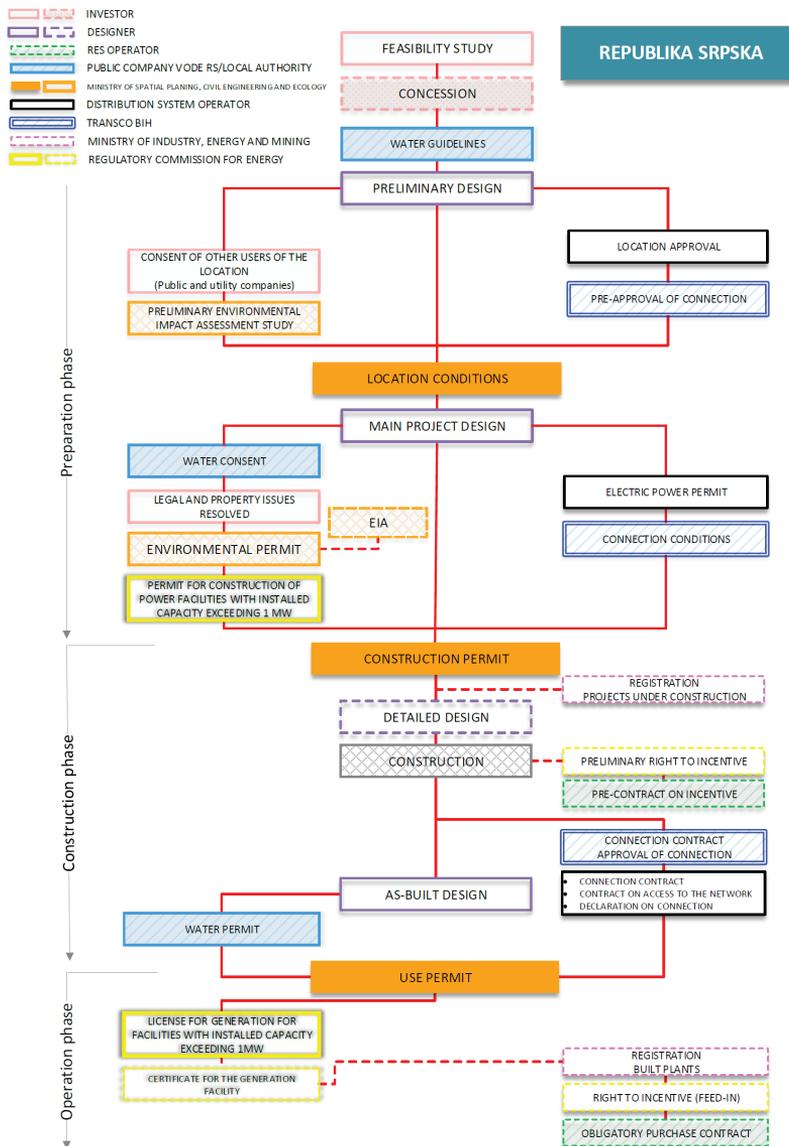


Figure 3: Diagram of all competent authorities and required permits in RS

## 6.2. LOCATION CONDITIONS

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### WHAT ARE LOCATION CONDITIONS?

Location Conditions are a technical document defining design and construction requirements.

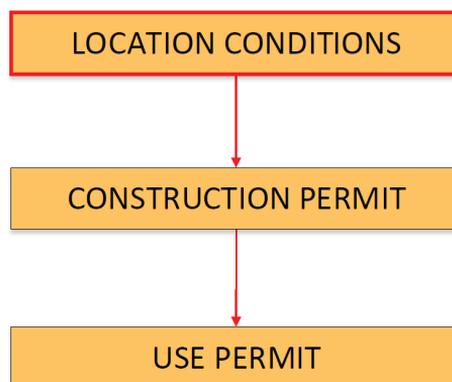
### WHO IS COMPETENT FOR ISSUING THE LOCATION CONDITIONS?

Generally, the **Ministry of Spatial Planning, Construction and Ecology** is responsible for issuing Location Conditions for power plants **over 250 kW** and buildings built on the territory of two or more local self-government units.

**Local self-government units (cities and municipalities)** are responsible for issuing Location Conditions for power plants with installed capacity **below 250kW** on their territory.

### IN WHICH PHASE OF CONSTRUCTION ARE THE LOCATION CONDITIONS OBTAINED?

Location Conditions are the first document to be obtained in the energy facility construction process. The diagram below shows the relationship of a location permit with the other two main permits in the construction process.



## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### WHAT SUPPORTING DOCUMENTATION IS SUBMITTED WITH AN APPLICATION FOR LOCATION CONDITIONS?

When filing an application for Location Conditions for construction of a power plant, the investor is required to enclose the following documents:

1	Zoning requirements or expert opinion if there is no implementing spatial planning document exists, delivered in three copies.
2	A copy of the cadastral survey map, i.e., an up-to-date survey map for proposed routes for linear infrastructure facilities, certified by the authority responsible for surveys and the cadastre.
3	Proof of the legality of the existing facility, in case of addition, upgrade or change of the purpose of the existing facility.
4	Description of the facility
5	Approvals for the location of facility envisaged in the zoning requirements issued as per special laws, depending on the type and purpose of the facility, e.g, utility companies managing municipal infrastructure and public utilities managing public infrastructure, if such approvals are not contained in the zoning requirements and if the area of forthcoming construction is not covered by an existing spatial planning document.
6	A decision determining the obligation to develop an environmental impact assessment and scope of impact assessment, if such assessments are compulsory as per special regulation.
7	Water Guidelines (if required for the planned facility)
8	Proof of payment of administrative fee

All enclosed documents must be originals or a certified copy thereof.

### WHAT ARE ZONING REQUIREMENTS?

Zoning requirements are contained in a technical document defining the conditions for the construction and use of buildings and land.

Zoning requirements can only be prepared and produced by a legal person (building designers) licensed for producing spatial planning documents. Information on the licensed building design companies can be obtained through the website<sup>26</sup> of the Ministry of Spatial Planning, Construction and Ecology or at the premises of the Ministry.

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<sup>26</sup> Available at <http://www.vladars.net/sr-SP-Cyrl/Vlada/Ministarstva/mgr/Servisi/Pages/default.aspx>.

### **WHAT DOES A COMPETENT AUTHORITY DO IN THE LOCATION CONDITIONS ISSUANCE PROCEDURE?**

Upon receiving an application for issuing Location Conditions from the investor, the competent authority will review whether or not the application and accompanying documents are complete; and if need be, it will request that the investor complete the application or submit additional documents.

The following implementing spatial planning documents serve as the basis for issuing Location Conditions: zoning plans, regulatory plans, urban plans and the subdivision plan. In the absence of an implementing spatial planning document, Location Conditions will be issued based upon an expert opinion and zoning requirements will be developed by an authorized legal entity licensed to produce spatial planning documents.

Location Conditions will be issued within **15 days** following the submission of a complete application.

### **HOW LONG ARE LOCATIONS CONDITIONS VALID?**

Location Conditions will remain valid until the existing implementing spatial planning document is amended or a new one is adopted. Within **one year** following the issuance of Location Conditions the investor should file a Construction Permit application; otherwise, the investor must obtain a certificate from the competent authority confirming that the circumstances under which Location Conditions were issued have not changed.

### **CAN A DECISION OF THE COMPETENT AUTHORITY BE APPEALED?**

No. An appeal is not allowed against a decision on Location Conditions; but if the permit is not issued within the prescribed time limit, the Investor may file an appeal as if the application was rejected.

The competent urban planning and construction inspection will be responsible for conducting inspection oversight over the issued location permits.

### 6.3. CONSTRUCTION PERMIT

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#### WHAT IS A CONSTRUCTION PERMIT?

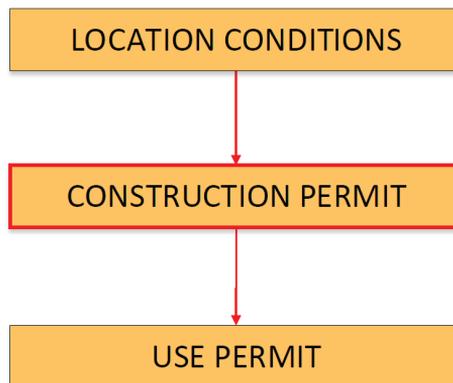
A Construction Permit is an administrative act based on which construction, reconstruction, rehabilitation, upgrading or addition to an existing building can commence.

#### WHO IS COMPETENT FOR ISSUING THE CONSTRUCTION PERMIT?

Generally, the authority that issued Location Conditions is responsible for issuing the Construction Permit.

#### IN WHICH PHASE OF CONSTRUCTION IS THE CONSTRUCTION PERMIT OBTAINED?

The diagram below shows the relationship of the Construction Permit with the other two main permits in the construction process.



#### WHAT SUPPORTING DOCUMENTATION IS SUBMITTED WITH AN APPLICATION FOR A CONSTRUCTION PERMIT?

When filing an application for a Construction Permit for construction of a power plant, the investor is required to enclose the following documents:

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

1	Location Conditions
2	Proof of resolved proprietary and legal matters
3	Concession or public-private partnership contract, if the construction is part of a concession or public-private partnership project as per special regulations
4	Three copies of the main design
5	Approvals concerning design documentation (fire integrity approval, approval issued by JP Putevi, water approval)
6	Report on technical documents review
7	Report and proof of recognition of technical documents, if the main design was produced according to the regulations of other countries
8	Environmental Permit, if required, or a decision approving the Environmental Impact Study
9	Water Consent (if required for the building concerned)
10	Electric Power Permit or Connection Conditions, depending on the network to which the building is to be connected (transmission or distribution)
11	Agricultural Approval (if applicable)
12	Proof of payment of a fee for development of urban construction land and rent (if applicable)
13	Approval of the RS Institute for the Protection of the Cultural, Historic and Natural Heritage with respect to design documentation (if the power plant is located in a protected area of cultural, historic or natural heritage)
14	Approval of the Ministry of Agriculture, Forestry and Water Management of Republika Srpska for forestation and permanent change in the use of forest land (if the land is classified in the land registry records as a forest land)
15	Proof of payment of administrative fee
16	Other evidence, as needed

All enclosed documents must be originals or a certified copy thereof.

### WHAT SUPPORTING DOCUMENTATION IS CONSIDERED PROOF OF THE RIGHT TO BUILD OR OF OWNERSHIP?

Proof of resolved proprietary and legal matters in Republika Srpska can be:

- an excerpt from the Public Land Registry (Land Registry excerpt and title deed or real estate folio)
- a contract or a decision of the competent authority, which can serve as a basis for the investor to acquire ownership rights or the

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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right to construction

- a joint construction contract concluded with the land or real estate owner
- in case the land is owned by several persons, the Investor is required to submit an excerpt from the Public Real Estate Register and a contract regulating the mutual relations between the Investor and co-owners
- as far as buildings of general interest are concerned, a special decision of the RS Government rendered pursuant to the Expropriation Law, which allows entry to the expropriated real estate prior to a final decision, can serve as a proof of resolved proprietary and legal matters over the land concerned
- in case the concession or the right to perform a public utility service was granted, the proof is the Concession Contract concluded with the RS Government or local community or a Contract on public-private partnership

### **WHAT DOES THE COMPETENT AUTHORITY DO IN THE CONSTRUCTION PERMIT ISSUANCE PROCEDURE?**

Upon receiving an application for a Construction Permit from the investor, the competent authority will review whether or not the application and accompanying documents are complete. If not, it will request that the investor complete the application or submit additional documents.

The main design is an integral part of a Construction Permit, which must be certified by the signature and stamp of the competent authority issuing the Construction Permit.

A Construction Permit will be issued within **15 days** following the submission of a complete Construction Permit application.

**NOTE: The investor is obliged to report the beginning of works at least 8 days in advance to the competent construction inspection.**

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### HOW LONG IS THE CONSTRUCTION PERMIT VALID?

If an investor who has been granted a Construction Permit fails to commence the construction works within **three years** from the date of permit validity, the Construction Permit will no longer be deemed valid.

### CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?

A decision rendered by the city or municipal service can be appealed within **15 days** from the date of receipt of the decision. No appeal is allowed against decisions of the Ministry of Spatial Planning, Construction and Ecology, but the investor may initiate an administrative dispute before the Banja Luka District Court within **30 days** from the date of receipt of the decision.

## 6.4. USE PERMIT

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### WHAT IS A USE PERMIT?

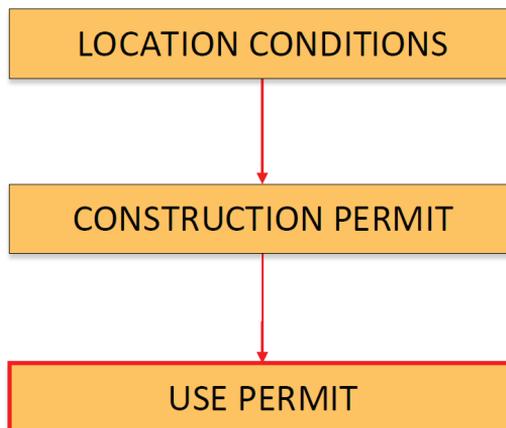
A Use Permit is an administrative act permitting the use, i.e., putting into use, the constructed facility.

### WHO IS COMPETENT FOR ISSUING THE USE PERMIT?

Generally, the authority that issued the Construction Permit will be responsible for issuing the Use Permit.

### IN WHICH PHASE OF CONSTRUCTION IS THE USE PERMIT OBTAINED?

The diagram below shows the relationship of the Use Permit with other two main permits in the construction process.



### WHAT SUPPORTING DOCUMENTATION IS SUBMITTED WITH AN APPLICATION FOR A USE PERMIT?

When filing an application for a Use Permit for construction of a power plant, the investor is required to enclose the following documents:

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

1	A Construction Permit with an as-built drawing
2	Certificate of completed geodetic survey of the facility
3	Proof of underground installation survey
4	Approval of as-built drawings, when so required under special regulations: Approval of the fire safety measures (if applicable) Water Permit (if applicable) Approval of as-built drawings by JP Putevi (if applicable) Approval of as-built drawings by the RS Institute for Protection of Cultural, Historic and Natural Heritage (if applicable)
5	Contractor's statement on the work completion and requirements for the maintenance of the facility
6	Report of the supervisory body
7	Energy certificate of the building
8	Proof of payment of the administrative fee

All enclosed documents must be originals or a certified copy thereof.

Approval of as-built drawings should be obtained only when required. For example, if the planned energy facility is located within the zone of a protected cultural, historic or natural heritage site, the RS Institute for protection of cultural, historic and natural heritage must approve the as-built drawings and thus confirm that they agree with the as-built design.

### WHAT DOES THE COMPETENT AUTHORITY DO IN THE USE PERMIT ISSUANCE PROCEDURE?

A Use Permit may only be issued after a completed technical inception of the facility (official handover). The technical inspection must be carried out by an expert commission formed by the authority that granted the Construction Permit (Municipality, City or Ministry of Spatial Planning, Construction and Ecology) within **three days** from the date of receipt of application for a Use Permit.

The Commission will perform the technical inspection of the facility within **15 days** from the date of a complete Use Permit application.

The size of the expert commission for technical inspection depends on the type and complexity of the facility and the type of works subject to technical inspection, but the Commission shall comprise a minimum of three members.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The competent authority may decide to entrust the technical inspection to a legal person licensed for reviewing or producing technical documents or for construction works, provided that the legal person or employees of that legal person were not involved in the construction works or supervision over the construction works on the facility.

An investor is required to ensure the presence of participants involved in the construction works during the technical inspection. Also, the investor is required to present the following documents to the Technical Inspection Commission no later than on the day of technical inspection:

- Construction Permit with the main design on the basis of which the permit was granted and an as-built design (if it has been developed)
- proof of quality of works, construction products and equipment
- documents on completed tests and test results concerning bearing capacity, if such testing is required as per special regulations
- a building log book
- a building book, for the facilities for which the investor is contracted to keep such records
- inspection book
- other documents defined under special regulations, depending on the type of facility

The competent authority or legal entity entrusted with conducting a technical inspection will inform the investor, the contractor, the competent urban planning inspection and the expert commission **seven days** before the technical inspection at the latest.

Following the technical inspection of the facility, a record is made in which each member of the commission provides an opinion as to whether the constructed facility can be used or whether certain shortcomings need to be removed prior to issuing the Use Permit.

Within **eight days** following the completion of the technical inspection of the facility the Commission is required to compile a written report on the result of the inspection.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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If the report says that no deficiencies were identified or that the identified deficiencies have been removed, the competent authority is required to issue the Use Permit within **eight days** from the date of receiving the report.

If in the course of the technical inspection of the facility certain deficiencies were identified, the competent authority will render a decision ordering the investor to remove them within set time frame. Once the deficiencies are rectified the investor is required to inform the competent authority and present evidence that the deficiencies were rectified.

If all deficiencies have been rectified the competent authority will issue a Use Permit within **eight days** from a repeated technical inspection.

**NOTE: The costs of technical inspection will be borne by the investor, i.e., owner of the facility.**

### HOW LONG IS THE USE PERMIT VALID

The Use Permit does not have a limited validity period.

### CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?

A decision rendered by the city or municipal service can be appealed within **15 days** from the date of receipt of the decision. No appeal is allowed against decisions of the Ministry of Spatial Planning, Construction and Ecology, but the investor may initiate an administrative dispute before the Banja Luka District Court within **30 days** from the date of receipt of the decision.

### 6.5. OTHER PERMITS

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In addition to basic permits necessary for construction – Location Conditions, Construction Permit and Use Permit – a number of other permits must also be secured for the construction of electric power facilities in the RS, including permits that are issued throughout the process of obtaining basic permits, as well as permits that are unique to the process of constructing electric power facilities.

Below is a description of these special permits, the process of obtaining them and their purpose.

The following special permits and steps in obtaining them will be described in the text below:

- Concessions
- Water Acts (Water Guidelines, Water Consent, Water Permit)
- Environmental Impact Study and/or Environmental Permit
- Connection to the Distribution Grid (Network) and Connection to the Transmission Network
- Permit for construction of power facilities with installed capacity exceeding 1 MW
- License for Electricity Generation Activity
- The procedure of exercising the right to incentives for electricity generation from renewable energy sources and efficient cogeneration
- Registering projects in the appropriate Register of Projects

## 6.6. CONCESSIONS

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### WHAT IS A CONCESSION?

A Concession is the right to perform economic activities using public assets, natural resources and other goods of general interest, as well as the right to perform activities of general interest.

This right is granted to an investor for a determined period, for which it pays a concession fee.

Mutual rights and obligations of the conceding authority (concession grantor) and the investor (concessionaire) are regulated in a specific **Concession Contract**.

### WHO HAS THE COMPETENCE TO GRANT CONCESSIONS?

**The Government of Republika Srpska** has the competency for granting concessions for energy facilities. The competent authority that conducts the concession granting procedure is the **Ministry of Industry, Energy and Mining of the Republika Srpska (MIEM)** with the approval of the **RS Concessions Commission**.

### FOR WHICH ENERGY FACILITIES ARE CONCESSIONS OBTAINED?

In Republika Srpska, concessions are **required** for construction and use of energy facilities of installed power **greater than 250 kW**, as well as for solar power plants with photovoltaic cells on land if installed power is **greater than 250 kW**.

Concessions are **not required** for biomass and biogas energy facilities or for solar plants with photovoltaic cells on existing buildings irrespective of installed power.

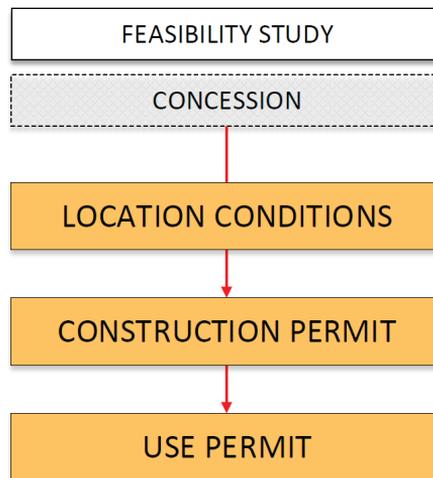
### IN WHICH PHASE OF CONSTRUCTION IS A CONCESSION OBTAINED?

If a concession is necessary for a certain energy facility, then this is the first step the investor takes, after having done exploratory works, and before obtaining the Location Conditions.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The RS Law on Concessions does not specify in which phase the concessions should be obtained; however, the provisions of laws on spatial planning and construction stipulate that the concession should be obtained before Location Conditions. The diagram below shows a provisional order for obtaining a concession with respect to Location Conditions, Construction Permit and Use Permit.



### WHAT IS THE PROCEDURE OF GRANTING CONCESSIONS FOR ELECTRIC POWER FACILITIES?

There are three types of concession granting procedures in Republika Srpska:

- 1) Initiation of the procedure by a competent authority (public invitation)
- 2) Initiative of an interested party
- 3) Negotiation procedure

### WHAT IS THE CONCESSION GRANTING PROCEDURE INITIATED BY A COMPETENT AUTHORITY?

In case of an initiative by a competent authority, the concession is granted through a **public invitation**. The decision to publish the public invitation

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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is made by the RS Government, and the public invitation is published by the **Ministry of Industry, Energy and Mining of Republika Srpska** as the competent authority. The RS Concessions Commission provides approval of the documentation for the public invitation.

Prior to the adoption of the decision and publication of the public invitation, the competent authority holds consultations and obtains necessary opinions for concession granting from other authorities, state-owned companies and other institutions. Furthermore, an opinion is also obtained from the local self-government unit where the concession activity will take place.

The competent authority then prepares the **concession feasibility study** or asks the bidders in the public invitation to develop and submit this study.

The public invitation for concession granting is published in the Official Gazette of the Republika Srpska, one newspaper available on the entire Republika Srpska territory, and on the websites of the competent authority<sup>27</sup> and the Concessions Commission of Republika Srpska.<sup>28</sup>

The public invitation contains information as to how to take part in the public invitation and what documents must be submitted. The public invitation must indicate the **deadline and address** for bid submission, as well as the **date, time and place** of bid opening.

Bid opening and evaluation is performed by the RS Concessions Commission which, in not later than **30 days** (exceptionally, in case of a more complex concession subject-matter, the time limit may be longer, but in no case longer than **60 days**) as of the day of bid opening, must submit to the RS Government and the competent authority a report on the conducted procedure including a reasoned ranking-list of bidders and proposal of the decision on selection of the successful bidder and concession granting.

The RS Government (concession grantor) decides on the selection of the successful bidder and concession award not later than **30 days** (in cases of complex concession subject matter, this time limit may be extended for additional **30 days**) as of the day of receipt of the proposal of Decision of the RS Concessions Commission.

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<sup>27</sup> Ministry of Industry, Energy and Mining of Republika Srpska website: <http://www.vladars.net/sr-SP-Cyrl/Vlada/Ministarstva/mper/Pages/default.aspx>.

<sup>28</sup> Concessions Commission of Republika Srpska website: <http://koncesije-rs.org/lat/>.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The RS Government issues the Decision on the selection of the successful bidder and concession award and publishes it in the Official Gazette of the Republika Srpska and on the website of the competent authority. An **administrative dispute** may be initiated against this Decision.

### WHAT IS THE CONCESSION GRANTING PROCEDURE INITIATED BY AN INTERESTED PARTY?

When there is no public invitation published for a certain concession, the investor may launch an initiative for a concession award by submitting an application to the competent authority: the **Ministry of Industry, Energy and Mining of Republika Srpska**.

The initiating concession application must contain:

1	Basic information about the proponent of the initiative
2	Description of concession subject-matter, location, economic feasibility of the investment, manner of provision of funds, scope of exploitation, description of services and works, and brief description of the preliminary project design
3	Excerpt from spatial planning documents and excerpt from public records of real estate (cadastre and land registry entry)
4	Manner of resolution of propriety and legal matters
5	Other elements, depending on the subject-matter of concession

Along with an initiative for a concession award, the investor may also submit a **concession feasibility study**, but this is not obligatory, since the competent authority holds talks with other competent authorities and institutions based on the provided information. After the public invitation is published, the investor who submitted an initiative for concession award must also submit its offer along with the concession feasibility study. The technical solution from this offer will have to be corrected upon the request from a competent authority or a public company.

Following the receipt of the application, the competent authority holds consultations and obtains necessary opinions from other authorities, local community and state-owned companies within **60 days** as of the day the initiative has been submitted.

When the competent authority, based on all the above data, determines

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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that the public interest for concession granting does exist, the concession granting continues in a public invitation procedure, and the submitter of the unsolicited proposal is invited to take part in that procedure.

The investor who submitted the unsolicited proposal is awarded a bonus for the proposed solution amounting to **10%** per every bid evaluation criterion.

### WHAT IS THE NEGOTIATION PROCEDURE?

A negotiation procedure for concession granting is a special procedure which is conducted exceptionally in specifically stipulated cases:

- 1) When the bidder is a state-owned company performing an activity of general interest, the activity of which is a concession subject-matter in accordance with the Law,
- 2) In case of implementation of agreements concluded by the Government or state-owned companies, which relate to the achievement of the concession subject-matter in accordance with the Law
- 3) In case of extension of the time limit for which the concession was granted

In the above cases, the negotiation procedure starts by submission of a proposal for concession granting, **including the concession feasibility study**, by an interested bidder.

The RS Government defines minimum technical, economic and financial, legal and other requirements by a decision which is mandatory for the competent authority, as well as a deadline for conducting the negotiation procedure.

Before the start of the negotiation procedure, the RS Concessions Commission provides prior consent to the submitted feasibility study for the given concession.

The competent authority has **60 days** as of the day of completion of the negotiation procedure to submit to the RS Government a report on the negotiation procedure, a proposal of the decision on concession granting and a proposal of concession contract. The RS Concessions Commission provides its consent to the proposed Concession Contract.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### WHAT IS A CONCESSION FEASIBILITY STUDY?

A Concession feasibility study contains technical, financial, economic, ecological and legal analysis, based on which the feasibility of granting a concession is assessed.

A feasibility study may be developed by a legal person having an appropriate design approval/ license; the legal person is liable for the accuracy of data presented in the study.

In particular, the feasibility study should have the following content:

1	Introduction: investment objectives, data on the investor and study authors, brief overview of basic elements and findings of the feasibility study
2	Description of the facility: facility location, facility function, importance in a system or network, planned life of the facility
3	Assessment of developmental capabilities of the investor: general data on the investor (title, place of business, activity, references), analysis and assessment of prior business development
4	Analysis of the sales market: basic characteristics of products or services: demand analysis, offer analysis, assessment of possible sale
5	Overview of project design: production or services program, project design development process, overview of the technological project, overview of the architectural and construction design, overview of installations design (electrical, thermal, hydro, gas or other)
6	Analysis of procurement market: description and characteristics of necessary inputs, data on production and input consumption in the RS and internationally, forecast of input procurement possibilities, assessment of input substitution possibilities, purchase price forecast
7	Space and location aspects: harmonization with spatial and urban plans, consequences of displacement and expropriation, spatial consequences of separating the location, spatial and urban development impact, macro-location analysis, micro-location analysis, selection of location and assessment of its suitability
8	Environmental and health and safety analysis: analysis of environmental impact of the investment, proposal of measures for environment protection, ecological suitability assessment, analysis of production impact on workers, proposal of health and safety measures
9	Analysis of organizational and staff aspects: macro-organization proposal, organization and functioning of production and other functions, staffing, training, specialization and professional development, ensuring the retention of existing staff

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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10	Analysis of project feasibility and project implementation dynamics: analysis of the potential for project implementation, phases and stages of project implementation, project implementation schedule, investment dynamics based on the schedule, purpose-based investment dynamics, project implementation organization and management system
11	Economic and financial analysis: estimates of necessary investment into fixed and working assets, sources of financing and liabilities to the sources, business result calculations (total revenues, material costs, depreciation, salaries, etc.), project income statement, project cash flow, project economic flow, project social flow
12	Financial (commercial) assessment: static assessment (efficiency and capacity indicators), dynamic assessment (net current value, unit net current value, internal profitability rate, return deadline, liquidity assessment)
13	Social assessment: social net current value, economic income rate, employment impact, discounted net foreign currency effect, qualitative indicators, cost-benefit analysis
14	Uncertainty assessment, static assessment (project profitability threshold method), dynamic assessment (sensitivity analysis, probability analysis)
15	Conclusion: concluding remarks, concluding project assessment

### WHAT IS A CONCESSION FEE?

A Concession fee is paid by the investor for the right to perform concession related activities.

The concession fee comprises:

- 1) Fee for the granted right paid once upon conclusion of the concession contract
- 2) Concession fee for the use of power facilities paid once the power facility is in commercial operation

Concession fee is expressed as percentage of kilowatt-hour of generated electricity.

### WHAT IS THE DURATION OF CONCESSION?

The duration of concession is determined by the Concession Contract but it may not, according to the law, exceed **50 years**.

The concession duration may only be extended in a negotiated procedure, provided that the total duration does not exceed 50 years.

## 6.7. WATER ACTS

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### WHAT ARE WATER ACTS?

Water Acts prescribe the way in which the right to use water can be exercised. These are administrative documents that are issued at the request of the investor in the form of a decision or conclusion addressing certain activities that may have an impact on water (e.g., water intake, waste water discharge, use of water for power generation).

There are three types of Water Acts that an Investor needs to obtain if the planned facility is to undertake any activity that may have an impact on the waters. These are:

- 1) Water Guidelines
- 2) Water Consent
- 3) Water Permit

### WHAT ACTIVITIES ALWAYS REQUIRE WATER ACTS?

If any of the activities listed in the table below are to be carried out in the planned facility, the investor is required to obtain Water Acts.

1	Water intake in all economic sectors and activities, and in particular: Industry and energy Agriculture Water supply Service activities which use water in their technological process Tourism activities
2	Discharge of waste water into surface water
3	Artificial recharge of groundwater
4	Dislocating and extracting material from watercourses
5	Building facilities to exploit hydro-power
6	Permanent raising of water levels, which results in flooding
7	Construction of flood protection structures
8	Construction of roads (roadways and railways), including forest roads
9	Construction of a bridge or any other structure above a watercourse, next to it, in a watercourse or in floodplains

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

10	Construction or development of landfills
11	Launching a concession award procedure
12	Transport of hazardous substances as well as products of these substances, which after their use enter into waters

In addition to the activities listed in the table above the water regulation documents are also issued for the types of activities that can:

1	Temporarily or permanently distort the quality of water or hinder the improvement of its existing quality
2	Adversely affect aquatic and semi-aquatic ecosystems
3	Increase the risk of flood or erosion
4	Significantly reduce water quality, change watercourse morphology, interfere with the use of surface waters for recreation, etc.

### WHO IS COMPETENT FOR ISSUING WATER ACTS?

Authorities responsible for issuing Water Acts are **Javna ustanova Vode Srpske [Public Utility Company Srpska Water]** and **local self-government units (cities and municipalities)**.

Public company Vode Srpske is responsible for issuing Water Acts for the following activities:

1	Water intake of five liters and more per second
2	Discharge of communal wastewaters
3	Discharge of technological wastewater into surface waters
4	Artificial recharge of ground waters
5	Hydro-power plants
6	All accumulations in the territory of Republika Srpska
7	Dislocation and extraction of material from watercourses
8	Construction of flood protection structures and other water protection structures
9	In addition, the public company Vode Srpske is responsible for activities that can: temporarily or permanently distort the quality of water or hinder the improvement of its existing quality adversely affect aquatic and semi-aquatic ecosystems increase the risk of flood or erosion significantly reduce water quality, change watercourse morphology, interfere with the use of surface waters for recreation, etc.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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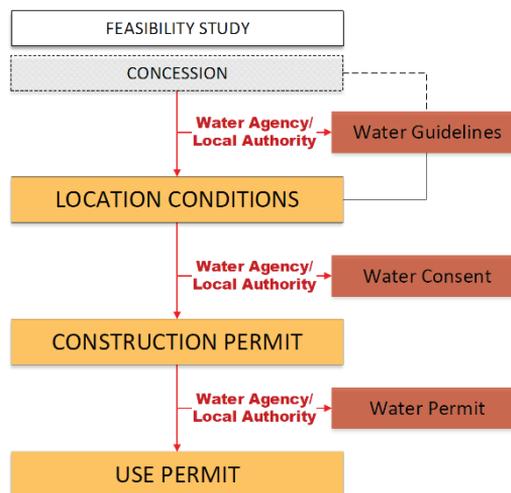
Local self-government (cities and municipalities) are responsible for issuing Water Acts for activities other than those listed in the table above.

### IN WHICH PHASE OF CONSTRUCTION ARE WATER ACTS OBTAINED?

Water Guidelines are obtained in the concession award procedure, before issuance of Location Conditions (if Water Acts are required). In the concession award procedure the Water Guidelines are obtained *ex officio* by the concessionaire, who later assigns them to the investor.

The Water Consent is obtained prior to obtaining a Construction Permit and is submitted together with an application for the Construction Permit.

The Water Permit is obtained prior to obtaining a Use Permit and is submitted together with an application for the Use Permit. The diagram below shows the phase and the sequence of issuing water acts in relation to the Location Conditions, Construction Permit and Use Permit.



Below is a description of each of these three permits along with the steps that an investor has to undertake to obtain them.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### 6.7.1. WATER GUIDELINES

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#### WHAT ARE WATER GUIDELINES?

Water Guidelines are an administrative act stipulating the conditions for the design documents for construction of new facilities, reconstruction or removal of existing facilities and other activities that may have a permanent, temporary or occasional impact on waters.

**NOTE: The authorities responsible for granting concessions are required to obtain Water Guidelines prior to concession award procedure and to assign them to the investor to whom the concession is granted. The investor is then required to obtain other Water Acts (Water Consent and Water Permit).**

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR THE WATER GUIDELINES?

The application for water guidelines should be submitted on the prescribed form.<sup>29</sup> Along with the application, the following supporting documents must be enclosed:

1	A copy of the ID card or the Registration Decision, if the Applicant is a legal entity
2	A copy of cadastral plan, land registry folio/list of real estate and a title deed
3	Urban and technical requirements, concept design and features of the facility
4	Proof of ownership or the right to use land
5	Proof of payment of administrative fee

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*29 JU Vode Srpske have developed and published an application form for Water Guidelines, available at: <http://www.voders.org/propisi-i-obrasci/obrasci/?lang=lat>.*

*Local self-governance unites (cities and municipalities) have also developed and published their own application forms which are available on their respective websites.*

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### WHAT DOES THE COMPETENT AUTHORITY DO IN A WATER GUIDELINES ISSUANCE PROCEDURE?

Upon receiving the application submitted by the Investor the competent authority will review whether or not the application is complete. If a certain document is missing or if certain action needs to be taken, the competent authority will invite the Investor in writing to complete the application, rectify deficiencies or perform the required action.

If the application is complete and if all supporting documents are attached to it the competent authority will inform the interested parties and general public by posting a notice on its notice board and by advertising it in the media; and in the case of inter-Entity impact, the competent authority will publish the announcement in at least two media outlets available in the territory of Republika Srpska and the Federation of BiH.

The interested parties may provide comments on the planned construction within **30 days**.

If it is deemed necessary, a public hearing can be organized in the process of issuing water guidelines.

The investors are entitled to respond to comments and opinions of the competent authority as well as to remarks and opinions delivered by interested parties in the public consultation process.

Water guidelines are issued in the form of a **conclusion within 30 days** from the receipt of a complete application.

### FOR HOW LONG ARE WATER GUIDELINES VALID?

The Water Guidelines are valid for **one year** from the date of issuance, in which period the investor must file an application for a Water Consent

### CAN THE DECISION OF THE COMPETENT INSTITUTION BE APPEALED?

No. Water guidelines are issued in the form of a conclusion, against which no special appeal is allowed.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### 6.7.2. WATER CONSENT

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#### WHAT IS A WATER CONSENT?

A Water Consent is an administrative document confirming that the technical documents attached to the Water Consent application are produced in accordance with Water Guidelines, water regulations and planning documents.

A Water Consent is required for construction of a new facility, reconstruction or removal of the existing facilities if they can affect water quality and quantity, i.e., if they can permanently, temporarily or occasionally cause changes in the water regime.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR A WATER CONSENT?

A water approval application should be submitted on the prescribed form.<sup>30</sup> Along with the application the following supporting documents must be enclosed:

1	A copy of the ID card or the Registration Decision, if the Applicant is a legal entity
2	A copy of the cadastral plan, land registry folio/list of real estate and a title deed
3	Location Conditions
4	Technical documents (main design and detailed design)
5	Proof of payment of administrative fee
6	Other documents at the request of competent authority

#### WHAT DOES THE COMPETENT AUTHORITY DO IN A WATER CONSENT ISSUANCE PROCEDURE?

Upon receiving the application by the investor, the competent authority will review whether or not the application is complete. If a certain doc-

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*30 JU Vode Srpske has drawn up an application form for issuing water guidelines and they recommend its use. The application form is available at: <http://www.voders.org/propisi-i-obrasci/obrasci/?lang=lat>.*

*Local self-government units (cities and municipalities) have also produced their own application forms, which are available on their websites.*

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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ument is missing or if certain action needs to be taken, the competent authority will invite the investor in writing to complete the application, rectify deficiencies or perform the required action.

If a Water Consent is requested for construction of a power plant on a watercourse for which there are studies or previous surveys, the competent authority will verify if all investment and technical documents have been produced in accordance with the requirements set in The Water Guidelines, water regulations and planning documents for the waters in the construction location.

If a power plant is to be constructed on an unstudied watercourse, the investor is required to make a hydraulic analysis of the impact of the facility on high water levels in the existing and future regulated river basin in order to obtain the Water Consent.

If the design documents are in order, the Water Consent will be issued, and if there is any deficiency, the competent authority will invite the investor to rectify the deficiency within a set timeframe.

If the design documents for construction or other activities are not produced in accordance with the issued Water Guidelines the competent authority will issue a decision rejecting the application as incomplete.

The Water Consent is issued in the form of a decision within **30 days** of the date of completing the application.

### HOW LONG IS A WATER CONSENT VALID?

A Water Consent is valid for **one year** from the date of issuance, within which time the investor must obtain a Construction Permit and commence the works on the facility. If the Water Consent is issued with respect to a certain facility, it will be valid until the **date of issue** of a Water Permit, if such permit is required, or until the renewal of the approval.

### CAN A DECISION OF THE COMPETENT AUTHORITY BE APPEALED?

Yes. The Decision of the competent authority may be appealed within **15 days** of receipt of the decision, or an administrative dispute may be initiated with respect to such decision within **30 days** of receipt of the decision.

### 6.7.3. WATER PERMIT

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#### WHAT IS A WATER PERMIT?

A Water Permit is an administrative document defining the purpose, method and conditions for water exploitation, water regime of the facility and plant and the conditions for discharge of wastewater, solid and liquid waste.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR A WATER PERMIT?

The application for a water permit should be submitted on the prescribed form.<sup>31</sup> Along with the application, the following supporting documents must be enclosed:

1	A copy of the ID card or the Registration Decision, if the Applicant is a legal entity
2	Construction Permit or Use Permit (for the existing facility)
3	Water Consent
4	Documents proving that the requirements set in the water approval and general conditions stipulated in laws and regulations have been met
5	Proof of payment of administrative fee
6	Other documents at the request of competent authority

#### WHAT DOES THE COMPETENT AUTHORITY DO IN A WATER PERMIT ISSUANCE PROCEDURE?

Upon receiving the application by the investor, the competent authority will review whether or not the application is complete. If a certain document is missing or if certain action needs to be taken, the competent authority will invite the investor in writing to complete the application, rectify deficiencies or perform the required action.

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<sup>31</sup> JU „Vode Srpske“ have drawn up an application form for issuing water guidelines and they recommend their use. The application form is available at: <http://www.voders.org/propisi-i-obraci/obraci/?lang=lat>.

Local self-government units (cities and municipalities) have also produced their own application forms, which are available on their websites.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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In the water permitting process the competent authority will conduct an on-site inspection of the facility and check compliance with the requirements set in the previously issued Water Act.

The Water Permit is issued in the form of a decision within **30 days** of the submission of a complete application.

### **HOW LONG IS THE WATER PERMIT VALID?**

A Water Permit is valid for a maximum of **15 years** from the date of issuance. If a Water Permit is issued for a period longer than 5 years, the set conditions will be reviewed after each fifth year. The review will be initiated *ex officio*.

### **CAN A DECISION OF THE COMPETENT AUTHORITY BE APPEALED?**

Yes. A Decision by the competent authority may be appealed within **15 days** of receipt of the decision.

## 6.8. ENVIRONMENTAL PROTECTION

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Construction of power plants may have an adverse impact on the environment and human health. The purpose of environment-related administrative procedures is to prescribe the measures targeted to remove or reduce to a minimum such adverse effects.

In Republika Srpska environmental protection is ensured through two procedures:

- 1) Environmental Impact Assessment procedure
- 2) Environmental Permit issuance procedure

These two procedures are often interconnected and, depending on the type of power facility, an investor will have to go through one or both of them. Below is a description of both procedures as well as an explanation of the required supporting documents and steps that the investor has to go through.

### 6.8.1. ENVIRONMENTAL IMPACT ASSESSMENT

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#### WHAT IS AN ENVIRONMENTAL IMPACT ASSESSMENT?

An Environmental Impact Assessment is the process of identifying, describing and appropriately assessing, in each individual case, the direct and indirect impact of a project on: humans, plants and animals, land, water, air, climate and landscape, material goods and cultural heritage, and the interaction of all these factors.

#### WHO IS COMPETENT TO CONDUCT AN ENVIRONMENTAL IMPACT ASSESSMENT?

**The Ministry of Spatial Planning, Construction and Ecology of Republika Srpska** is responsible for conducting environmental impact assessments.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### WHICH FACILITIES REQUIRE AN ENVIRONMENTAL IMPACT ASSESSMENT?

There are different categories of power facilities (in terms of size and impact) that require an environmental impact assessment:

- 1) Facilities subject to a mandatory environmental impact assessment
- 2) Facilities for which the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska decides whether or not they require an environmental impact assessment using the prescribed criteria
- 3) Facilities referred to in points 1) and 2), if there are any significant changes or if they ceased their operations

Power facilities subject to mandatory environmental impact assessment are:

1	Thermal power plants and other combustion plants with a capacity of 50 MW or more
2	Hydroelectric power plants with a 5 MW output or more for individual facilities
3	Overhead power lines of 200kV or more, with a total length of 15 km or more
4	Installations using nuclear fuel, including enrichment, storage and processing of spent nuclear fuel
5	Waste co-incineration plants
6	Hydro-engineering installations for transferring water from one river basin to another and water retention dams with a capacity of over 10 million cubic meters, if such installations are used for power generation

Power facilities for which the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska decides whether or not they require an environmental impact assessment are:

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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1	Industrial installations for generation of power, water vapor and hot water with a capacity of 20 MW or more
2	Industrial equipment for the transmission of gas, water vapor and hot water – the cogeneration process – if they are not part of projects subject to a mandatory EIA
3	Overhead power lines of 110 kV or more, with a total length of 15 km or more
4	Wind farms
5	Hydro power plants not included in the projects subject to a mandatory EIA (hydro power plants below 5 MW)
6	Dams and other water retention structures not included in the projects subject to a mandatory EIA, if they are used for power generation

The Ministry of Spatial Planning, Construction and Ecology of Republika Srpska may decide to conduct an environmental impact assessment with respect to installations whose capacity is below the thresholds indicated in the table above, if it deems that such projects could have a significant impact on the environment – with regard to the environmental sensitivity and special environmental protection measures for cross-border projects.

### IN WHICH PHASE OF CONSTRUCTION IS THE EIA CONDUCTED?

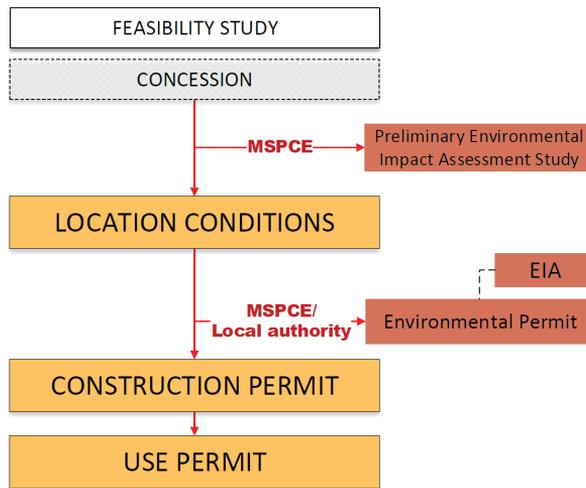
An Environmental Impact Assessment is carried out in two stages:

- 1) Preliminary Environmental Impact Assessment, which is undertaken to identify:
  - a) Whether the conduct of a full EIA is required, and
  - b) The scope of the EIA, if it is required
- 2) Environmental Impact Assessment, during which an EIA Study is conducted and reviewed

Generally, the Preliminary EIA is conducted prior to obtaining Location Conditions, while the full EIA (EIA Study) is conducted after obtaining Location Conditions but before obtaining the Construction Permit.

The diagram below shows the phase and sequence of steps for conducting the Environmental Impact Assessment in relation to the Location Conditions, Construction Permit and Use Permit.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA



### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION TO CONDUCT AN EIA?

An Environmental Impact Assessment procedure is initiated by filing an application for a Preliminary Environmental Impact Assessment.

Along with the application for a Preliminary Environmental Impact Assessment, the following documents should be attached:

1	Project description, including information about its location, purpose and size
2	Description of possible environmental impacts of the project in the course of its construction and during its use
3	Description of the measures envisaged to prevent, reduce or eliminate adverse environmental impacts of the project
4	A brief overview of the alternatives considered by the Investor and the reasoning behind the chosen solution in light of the environmental impacts
5	An excerpt from the spatial planning document
6	Information on possible difficulties encountered in the data collection process by the investor
7	Non-technical summary of all information provided above

### WHAT DOES THE COMPETENT AUTHORITY DO IN THE EIA PROCEDURE?

Upon receiving the investor's application for a preliminary EIA with all necessary information attached to it, the competent authority will review whether or not the application is complete.

If necessary, the competent authority will invite the investor to submit additional information or documents needed to decide whether or not an EIA is required and if so, what the scope of it will be.

If the application is complete, the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska will share a copy of the request and supporting documents with other institutions and authorities for their consideration and opinion. The deadline for giving an opinion is **30 days**.

The Ministry of Spatial Planning, Construction and Ecology of Republika Srpska decides on the application by rendering a special **Decision** establishing either that the investor should conduct a **full EIA** by carrying out an **Environmental Impact Assessment Study** (in this case the Decision also gives the content and the scope of the Study) or that the EIA and the EIA Study are not required.

The deadline for the Decision is **60 days** from the date of receipt of a duly submitted application for a Preliminary Environmental Impact Assessment.

If carrying out an EIA study is required, the investor is given a **six-month** deadline to submit a request to an authorized legal entity to prepare the EIA Study for the activities determined in the Location Conditions and the Decision determining the obligation to conduct the full EIA.

The investor and the legal entity authorized to produce the Study agree on the deadline and the fees for producing the Study.

After the Study is finished, the investor must submit two hard copies and four electronic copies of the study to the Ministry of Environmental Protection, together with a Request for approval of the EIA study within **30 days**.

The investor is also required to notify the public. The investor must notify the public and all interested parties within **15 days** of the submission of the Request for Approval of the EIA Study by publishing the notification in one of the daily papers in Republika Srpska that is available in the local

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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community in which the facility is planned to be built.

The notification should contain:

- Basic information on the Request
- Summary of contents and conclusions of the EIA Study
- Time and place where free public access to the Request and the EIA Study is available
- The scheduled time and place for holding a public hearing on the EIA Study
- The deadline for submitting written opinions on the Request and the EIA Study
- Address to which written opinions can be delivered
- Pertinent facts whether the project could possibly have an impact on the environment of the other Entity or Brcko District.

Following the publication of the notification of public consultations in daily newspapers, the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska will also post the notification on its web site, where it will stay until the expiry of the deadline for submitting comments and opinions.

The investor is also required to provide the interested parties access to the Request for approval of the EIA Study and the EIA Study in the local self-governance unit (city or municipality) in which the planned power plant will be constructed.

Further, the investor is required to organize a public hearing no later than **60 days** from the date of submission of the Request for approval of the EIA Study. A public hearing must be scheduled and then published in a daily newspaper at least **15 days** before the date of public hearing. The public hearing is organized in the local city or municipality where the facility will be constructed.

A representative of the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska is required to attend and lead the public debate.

The investor is required to prepare and submit Minutes from the public

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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hearing to the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska within **8 days** following the completion of the hearing.

Interested parties may submit written comments concerning the Study to the investor within **30 days** from the date of the public hearing. The investor is required to share with the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska the received observations regarding the Request and the EIA Study, as well as its preliminary expert opinion regarding the received comments within **15 days**.

The Ministry of Environmental Protection then provides its assessment of the received observations and expert opinion and, if necessary, gives a deadline to the investor, which cannot be longer than **60 days**, to complement the study and submit a final version of it to the Ministry.

The next step in the study approving process is a review of the EIA Study. The Investor must commission an authorized legal entity (reviewer) to conduct a review of the EIA Study. The reviewer will produce a review report for the investor, which will include a professional assessment of the EIA Study, comments concerning the quality and completeness of the Study and instructions for remedying the identified deficiencies.

Once the EIA Study is reworked, following the remarks and instructions provided in the review report, the investor is required to submit a final version of the EIA Study to the Ministry, along with reviewer's certificate of compliance with the review report.

Finally, the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska issues a **Decision on approving the Study** within **60 days** of receiving the final version of the EIA study.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The Ministry of Spatial Planning, Construction and Ecology of Republika Srpska will issue a **Decision rejecting the study** if:

- it is determined that the project could have a significantly adverse impact on the environment, i.e., that the project could significantly jeopardize the environment
- it is determined that the project does not comply with the environmental protection plan at inter-Entity and Entity level
- it is established that the project is not in line with the international obligations of Bosnia and Herzegovina
- it is determined that the Environmental Impact Study has not been produced or revised in accordance with the Law.

**NOTE: The quality of the project documentation has a significant impact on quick and efficient** **NOTE: The cost of notifying the public, including the organization of public debates as well as the costs of review of the Environmental Impact Study are borne by the investor. issuing of necessary permits. A large number of issues that usually appear in the later stages of the permitting process is caused by inadequate project documentation.**

### **FOR HOW LONG IS THE DECISION ON APPROVING EIA VALID?**

The Decision approving the EIA Study ceases to be valid within **2 years** from the date of receipt of the Decision, unless the investor obtains the Construction Permit.

Exceptionally, the Decision approving the EIA Study may be extended at the investor's request for another year due to the untimely response of other authorities.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?

No. Decisions issued by the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska are final and may not be appealed, but an administrative dispute may be initiated before the competent District Court in Banja Luka within **30 days** of the receipt of the Decision.

### 6.8.2. ENVIRONMENTAL PERMIT

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#### WHAT IS AN ENVIRONMENTAL PERMIT?

The Environmental Permit is a special administrative document ordering the investor to take measures to prevent or reduce harmful emissions into the air, water and land and prevent waste generation in order to ensure a high level of environmental protection.

#### WHO IS COMPETENT FOR ISSUING AN ENVIRONMENTAL PERMIT?

Authorities responsible for issuing environmental permits are:

**The Ministry of Spatial Planning, Construction and Ecology of Republika Srpska and** the competent services of local cities or municipalities.

#### WHICH FACILITIES REQUIRE AN ENVIRONMENTAL PERMIT?

The Ministry of Physical Planning, Construction and Ecology of Republika Srpska is responsible for issuing environmental permits for the following power generation plants:

1	Thermal power plants and other combustion plants with a capacity of 50 MW or more
2	Hydroelectric power plants with a 5 MW output or more for individual facilities
3	Overhead power lines of 200kV or more, with a total length of 15 km or more
4	Installations using nuclear fuel, including enrichment, storage and processing of spent nuclear fuel
5	Waste co-incineration plants

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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6	Hydro-engineering installations for shipping water from one river basin to another and water retention dams with a capacity of over 10 million cubic meters, if such installations are used for power generation
7	Industrial installations for generation of power, water vapor and hot water with a capacity of 20 MW or more
8	Industrial equipment for the transfer of gas, water vapor and hot water – the cogeneration process, if they are not part of the projects subject to a mandatory EIA
9	Dams and other water retention structures not included in the projects subject to a mandatory EIA, if they are used for power generation
10	Thermal power plants with a thermal capacity of 10 MW or more
11	Internal combustion engines with a 2MW capacity or more
12	Electric power transmission equipment using overhead power lines of 220 kV and 110 kV, the length of which is less than 15 km
13	Substations and switchgears of 220 kV and above
14	Installations below the thresholds indicated in this table, for which the Ministry decided that an EIA is required since such project could have a significant impact on the environment

Cities and municipalities are responsible for issuing environmental permits for power plants whose capacities are below the thresholds listed in the table above.

For projects that, due to their nature, size or location, can have a significant impact on the environment, prior to applying for an environmental permit, an Environmental Impact Assessment has to be carried out.

In addition, an environmental permit is not issued for the following plants, which must undergo only an Environmental Impact Assessment according to the Ministry's assessment:

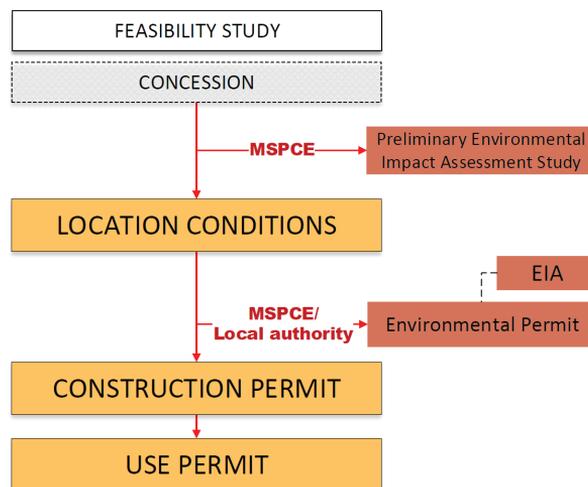
1	Hydro power plants with installed capacity below 5 MW
2	Wind farms regardless of the installed capacity
3	Power lines of 110 kV or more, with a total length of 15 km or more

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

### IN WHICH PHASE OF CONSTRUCTION IS THE ENVIRONMENTAL PERMIT OBTAINED?

The Environmental Permit is obtained after the Environmental Impact Assessment procedure (if required) and prior to obtaining the Construction Permit.

The diagram below shows the phase in which the Environmental Permit is obtained and the sequence of this step in relation to the Location Conditions, Construction Permit and Use Permit.



Below is a description of **the environmental permitting** process.

### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR AN ENVIRONMENTAL PERMIT?

The investor prepares an application for an Environmental Permit. Evidence attached to the application should be prepared by a legal person authorized by the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska to conduct activities in the area of environmental protection.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The application for an Environmental Permit should contain:

- 1) Information on the plant (name, headquarters, telephone number, e-mail)
- 2) Information on the person responsible for the plant
- 3) Information on the location of the plant (name of the local city or municipality where the plant is located, including information on the cadastral municipality)

Evidence attached to the environmental permit application must be originals, duly signed and submitted in two hard copies and one electronic copy. The evidence will be prepared by the authorized legal entities that qualify for conducting activities in the field of environmental protection.

The following evidence must be attached to the application:

1	Description of the plant and activities
2	Description of basic and ancillary raw materials, other substances and energy used or produced by the plant
3	Description of emission sources from the plant
4	Description of the site where the plant is located
5	Description of the nature and quantity of planned emissions from the plant in all parts of the environment (air, water, soil) and identification of significant environmental impacts
6	Description of proposed measures, technologies and other techniques for preventing and/or reducing the emissions from the plant
7	Description of other measures to ensure compliance with the principal obligations of the Investor, especially after shutting down the plant
8	Description of measures planned for monitoring the emissions into the environment
9	Description of alternative solutions in relation to the proposed location and technology
10	Waste Management Plan
11	Attachments: Location Conditions, Water Consent, an excerpt from the planning document, summary of technology design for generation facilities, concession contract, etc.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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**NOTE: In cases where an Environmental Impact Assessment is carried out for a new electric power plant or for significant changes to existing power plants, all information gathered in the Environmental Impact Assessment procedure is also submitted with the application for an Environmental Permit.**

### **WHAT DOES THE COMPETENT AUTHORITY DO IN THE ENVIRONMENTAL PERMIT ISSUANCE PROCEDURE?**

Upon receiving the investor's Environmental Permit application, the competent authority reviews whether or not the application is complete.

If need be, the competent authority will invite the investor to submit additional information of documents required for deciding on the Environmental Permit application.

If the application is complete, the competent authority will so inform the public and interested parties by publishing a notification in one of the daily newspapers in Republika Srpska at investor's expense. The city or municipality in whose territory the power installation is located will provide free of charge access to the Environmental Permit application and documents attached to it.

Interested parties may submit to the competent authority their opinions on the project and attached documents in writing within **30 days** from the date of publication of the notification.

The competent authority is required to issue an Environmental Permit within **60 days** of a duly submitted application.

### **HOW LONG IS THE ENVIRONMENTAL PERMIT VALID?**

The Environmental Permit is valid for a maximum of **5 years**, after which the investor is required to request its review.

### **CAN THE DECISION OF THE COMPETENT AUTHORITY BE APPEALED?**

No. Decisions issued by the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska are final and may not be appealed, but an ad-

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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ministrative dispute may be initiated before the competent District Court in Banja Luka within **30 days** of the receipt of the Decision.

Decisions of the local city or municipality may be appealed **within 15 days** of the receipt of the Decision.

### 6.9. CONNECTION TO THE DISTRIBUTION NETWORK

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Depending on the technical characteristics and the location of the facility, generation facilities are connected either to the distribution network or the transmission network.

The investor needs to complete the following steps in order to connect to the distribution network:

- 1) Obtain a Location Approval
- 2) Obtain an Electric Power Permit
- 3) Conclude a Connection Contract
- 4) File an application for temporary connection of the facility during a trial run
- 5) Conclude a Network Access Contract
- 6) File an application for permanent connection to the distribution network
- 7) Obtain a Declaration on the connection of the generation facility

#### WHO IS COMPETENT FOR APPROVING A CONNECTION TO THE DISTRIBUTION NETWORK?

A **Distribution System Operator (DSO)** is responsible for granting approval to connect to the distribution network. In Republika Srpska there are currently five companies licensed to perform the operations of a distribution

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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system operator, and each of them operates within their respective distribution areas:

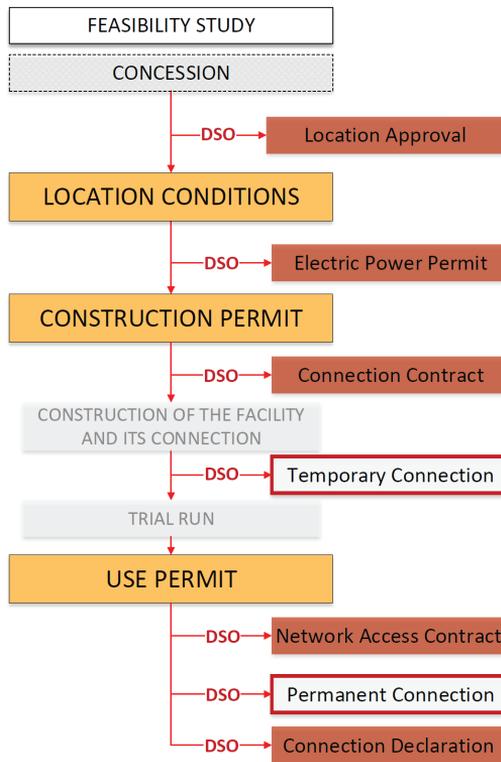
- 1) MH ERS ZP Elektro Doboj a.d. Doboj
- 2) MH ERS ZEDP Elektro-Bijeljina a.d. Bijeljina
- 3) MH ERS ZP Elektrokrajina a.d. Banja Luka
- 4) MH ERS ZP Elektrodistribucija a.d. Pale
- 5) MH ERS Trebinje ZP Elektro-Hercegovina a.d. Trebinje

### **IN WHICH PHASE OF CONSTRUCTION ARE THE ELECTRIC POWER PERMITS OBTAINED AND CONTRACTS CONCLUDED?**

The diagram below shows the phases in which the electric power permits are obtained and contracts with the DSO concluded, as well as the sequence of these steps in relation to the Location Conditions, Construction Permit and Use Permit.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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A separate description of each step in **the distribution network connection process** is provided below.

### 6.9.1. LOCATION APPROVAL

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#### WHAT IS A LOCATION APPROVAL?

Location Approval is the first document to confirm that a power generation facility can be connected to a distribution network at the planned location.

Location Approval is issued *ex officio* at the request of an authority responsible for approving construction as part of the location permitting process.

This step does not require any engagement on the part of the investor.

### 6.9.2. ELECTRIC POWER PERMIT

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#### WHAT IS AN ELECTRIC POWER PERMIT?

Electric Power Permit is a document defining the electric and technical requirements for a planned power facility to be connected to the distribution network. The Electric Power Permit is required for obtaining a Construction Permit.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR AN ELECTRIC POWER PERMIT?

An Electric Power Permit application should be submitted on the prescribed form, which is available on DSO websites.<sup>32</sup> The form prescribes the documents to be enclosed with the application.

Generally, the following documents need to be attached:

1	Information about the applicant
2	A site plan (cadastral map) with charted facilities of the power plant
3	A copy of the power plant Location Conditions
4	A copy of the power plant concept design
5	A copy of the concession contract or other appropriate contract based on which a power plant is to be built (if such contracts are required)

#### WHAT DOES THE DSO DO IN AN ELECTRIC POWER PERMIT ISSUANCE PROCEDURE?

Upon receiving an Electric Power Permit application from the Investor, a DSO will review whether or not the application and accompanying docu-

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<sup>32</sup> Elektrohercegovina: <http://www.elektrohercegovina.com/index.php/component/jdownloads/category/12-obrasci?Itemid=-1>.

Elektro Doboj: <http://www.elektrodoboj.net/UsluzniCentar/Obrasci.aspx>.

Elektro-Bijeljina: <http://elektrobijeljina.com/demo/index.php/2015-10-06-18-59-44?id=44>.

Elektrokrajina: <http://www.elektrokrajina.com/images/file/Uputstvo%20za%20priključenje.pdf>.

Elektrodistribucija Pale: <https://www.edbpale.com/zahtjevi-i-rjesenja/>.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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ments are complete. If some of the required documents are missing or if there is any other deficiency, the DSO will invite the investor to complete the application.

The DSO then analyzes the possibility of connecting a new power plant to the distribution network and makes a Study on connection for power plants with installed capacity of over 250 kW.

If the power plant meets the technical requirements to be connected to the distribution network, the DSO will issue a Decision granting an Electric Power Permit within **30 days** following the submission of a complete Electric Power Permit application.

In certain complex cases, the deadline for the study on connection and the Decision granting an Electric Power Permit may be extended for another **30 days**.

Costs incurred in the process of connecting a power plant to the distribution network, including the costs of the study, the costs of issuing the Electric Power Permit and the costs of increasing the distribution network capacity are borne by the investor.

If necessary, the DSO will make a concept design to increase the capacity of the existing distribution network and thus provide for connection of the power plant. The concept design will include a cost estimate for the required materials and works.

### **HOW LONG IS AN ELECTRIC POWER PERMIT VALID?**

Generally, an Electric Power Permit is valid for an unlimited period of time, but it will be deemed terminated if the investor fails to conclude a Connection Contract within **2 years** from the date of issuance of the Electric Power Permit. The validity of Electric Power Permit may be extended for additional **2 years**.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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**NOTE: Investors building power plants of installed capacity up to 10MW to generate electricity from RES or efficient cogeneration are entitled to an incentive when connecting such power plants to distribution network. In such cases the DSO will bear the costs of making the study, issuance of the Electric Power Permit and potential concept design for increasing the distribution network capacity.**

### **CAN THE DECISION OF THE DSO BE APPEALED?**

Yes. The investor can file an appeal against the decision of the DSO with Republika Srpska Energy Regulatory Commission (RSERC) within **15 days** from the date of receiving the decision.

### **6.9.3. CONNECTION CONTRACT**

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#### **WHAT IS A CONNECTION CONTRACT?**

A Connection Contract is a contract concluded between the investor and the DSO, which regulates the matters of construction of the connection, the procedures and deadlines, the payment method and other matters of importance for connecting the power plant to the distribution network.

#### **HOW IS THE CONNECTION CONTRACT CONCLUDED?**

The Connection Contract is deemed concluded when the Investor files a Request for development of a main design for connection of the power plant and concluding the connection contract.

The request must be submitted on the prescribed form, and accompanied by the following documents:

1	Main design of the power plant
2	Proof of payment of the costs of development of a main design for connection of the power plant to distribution network

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The DSO prepares the Connection Contract on the basis of the granted Electric Power Permit and informs the Investor of all relevant elements of the Contract prior to signing.

The DSO also prepares the main design for connecting the power plant to the distribution network and submits it for review to an independent third party authorized to review designs (reviewer). The DSO and the investor shall agree on the choice of the reviewer.

Following the conclusion of the Connection Contract the DSO will start construction of the connection.

### **CAN THE TERMS AND CONDITIONS OF A CONNECTION CONTRACT BE CHALLENGED?**

Yes. If an investor fails to reach an agreement with the DSO on the terms and conditions of the Connection Contract, the investor may file an appeal with RSERC within **15 days** following the receipt of offered Contract.

### **6.9.4. TEMPORARY CONNECTION TO THE NETWORK**

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#### **WHAT IS A TEMPORARY CONNECTION TO THE NETWORK?**

The power plant is temporarily connected to the distribution network during a trial run on the basis of a request filed by the Investor.

#### **WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH A REQUEST FOR THE FIRST TEMPORARY CONNECTION TO DISTRIBUTION NETWORK DURING A TRIAL RUN?**

A request for a first temporary connection to the distribution network during a trial run must be submitted on a prescribed form.

To prove that all power facilities and electrical wiring in the power plant and associated facilities are done properly and in line with the design document, technical regulations and standards, the investor needs to enclose the following documents:

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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1	Copy of a Construction Permit for the power plant
2	Certificate of registration of power generation activity
3	As built single line diagram of the power plant and switchgear
4	Certificate of works performed in the power plant issued by the contractor and supervisory body appointed by the investor
5	Test report for system protection and safety of connection line
6	Report on measurement of resistance to earth of power plant switchgear
7	Trial run program compliant with the requirements for functional testing of simultaneous work of the power plant and distribution network

Investor's statement acknowledging the responsibility for the work of the plant, health and safety of people and security of property during temporary connection is part of the request.

### **WHAT DOES THE DSO DO IN THE PROCESS OF THE FIRST TEMPORARY CONNECTION?**

When processing a request for temporary connection of a power plant to the distribution network for a trial run, the authorized representative of the DSO, in the presence of the investor and main contractor (or their authorized representatives), conducts an internal technical inspection of the connection, measurement sites and protection devices of the power plant.

The DSO then compiles a report on internal technical inspection of the connection, measurement sites and protection devices, stating the level of its compliance with the design in the part relevant for the granted Electric Power Permit. The report refers to the simultaneous work of the power plant and the distribution network, the readiness of the facility for a trial run or the needs to remove identified shortcomings.

After that, the power plant will be connected to the distribution network for the first time, during which event the investor or their authorized representatives, the authorized representatives of the DSO and main contractor, and representatives of an authorized functional reviewer (hired by the investor) must be present.

The maximum duration of a trial run will be determined in accordance with the construction regulations.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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During a trial run, functional testing of the power plant operation is carried out in accordance with a predefined test program. Functional testing of the power plant operation with the distribution network are a compulsory part of this test program. In addition, compliance with the requirements for limiting reverse power flow in the distribution network and the quality of power in real conditions at the point of connection to distribution network are also tested.

Following the functional testing during the trial run a report on the performed functional tests will be compiled. The report, in addition to test data from the trial run, also contains data related to testing of protection devices prior to the first trial connection to the distribution network. The report will also outline the possible deficiencies or limitations and the obligation to remove them.

If the power plant failed the trial run, the investor should remove the deficiencies and schedule another trial run.

The trial run and temporary connection of the power plant will last until the Use Permit for the power plant is obtained, i.e., until the lapse of the maximum time frame set by the regulations in the area of construction.

After completing functional tests during the trial run and obtaining a Use Permit the investor concludes a Distribution Network Access Contract.

### 6.9.5. DISTRIBUTION NETWORK ACCESS CONTRACT

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#### WHAT IS A DISTRIBUTION NETWORK ACCESS CONTRACT?

A Network Access Contract is a contract between the investor and the DSO which regulates the terms of use of the distribution network. This contract is concluded at an appropriate time prior to permanent connection of the power plant to the distribution network.

The Network Access Contract is concluded in a standardized form, and the investor is not required to file any particular request for the conclusion thereof.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The contract defines the terms of use of the network, and it contains, *inter alia*, basic information on the contracting parties, the connected load approved under the Electric Power Permit, the measurement site, the volume and quality of power and liability for damage.

The Network Access Contract does not have a limited validity period.

### 6.9.6. PERMANENT CONNECTION OF A POWER PLANT TO THE DISTRIBUTION NETWORK

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#### WHAT IS A PERMANENT CONNECTION OF A POWER PLANT TO THE DISTRIBUTION NETWORK?

Permanent connection is the final stage of connecting a power plant to the distribution network.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH A REQUEST FOR THE PERMANENT CONNECTION OF A POWER PLANT TO THE DISTRIBUTION NETWORK?

A Request for a permanent connection to the distribution network is submitted on a prescribed form.

The following documents should be enclosed with the request:

	A copy of the Use Permit
	Information on concluded contracts

#### WHAT DOES THE DSO DO IN THE PROCESS OF PERMANENT CONNECTING A POWER PLANT TO DISTRIBUTION NETWORK?

The DSO connects the power plant to the distribution network in the presence of the investor; and from that moment on the power plant starts its regular operation.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The investor has a deadline of **six months** from the date of obtaining the Use Permit and permanent connection of the power plant to the distribution network to obtain a License for Electricity Generation and conclude a Purchase Contract with the Incentives operator or any other electricity trader.

### 6.9.7. CONNECTION DECLARATION

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#### WHAT IS A CONNECTION DECLARATION?

A Connection Declaration is a document containing information on the technical features of the connection, and information on the power plant and the owner.

#### WHO ISSUES A CONNECTION DECLARATION AND WHEN?

Once the power plant is permanently connected to the network, a DSO issues a Connection Declaration and delivers it to the Investor.

The declaration is issued for each measurement site, and the DSO keeps it until the connection is permanently disconnected.

## 6.10. PERMIT FOR CONSTRUCTION OF POWER FACILITIES

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### WHAT IS A PERMIT FOR CONSTRUCTION OF POWER FACILITIES?

A Permit for Construction of Power Facilities is a document confirming that an investor has obtained all necessary permits and other documents and concluded the necessary contracts prior to obtaining a Construction Permit and commencing the construction works. This Permit verifies and confirms the compliance and consistency of all parameters in the various documents obtained by the investor in the course of building a power plant.

### WHO IS COMPETENT FOR ISSUING THE PERMIT TO BUILD A POWER PLANT?

The **Regulatory Energy Commission of Republika Srpska (RSERC)** is responsible for issuing the Permit for Construction of Power Facilities.

### WHICH FACILITIES REQUIRE A PERMIT FOR CONSTRUCTION?

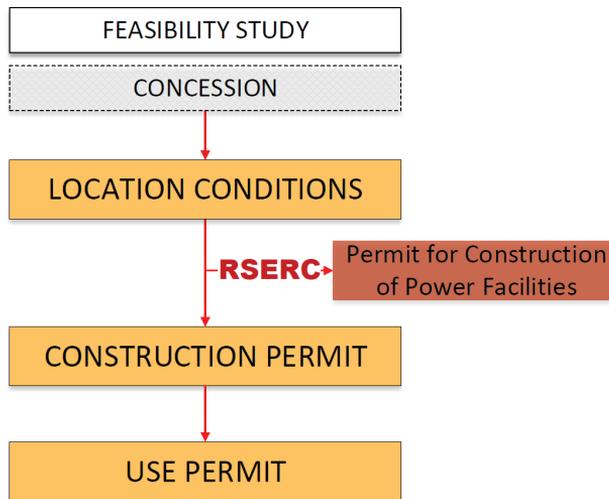
A Permit for Construction of Power Facilities is required for all power plants of installed capacity above 1 MW.

### AT WHAT STAGE OF CONSTRUCTION PROCESS IS THIS PERMIT OBTAINED?

A Permit for Construction of Power Facilities is obtained prior to obtaining the Construction Permit. The diagram below shows the stage and sequence of issuing a permit to build a power plant in relation to the Location Conditions, Construction Permit and Use Permit.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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Steps to obtain **the Permit for Construction of Power Facilities** are described below.

### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR PERMIT FOR CONSTRUCTION OF POWER FACILITIES?

The procedure for issuing the Permit for Construction of Power Facilities is initiated at the request of an investor.

The application for a permit to build a power plant must be submitted on the prescribed form No. OB.04.05, which was developed by RSERC and available on their website.<sup>33</sup>

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<sup>33</sup> <http://www.reers.ba/lat/node/216>.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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Along with the completed application the investor is required to submit the following documents:

1	Valid Decision on registration in a court or other appropriate register
2	Identification number and single identification number of the Applicant's
3	Founding act of the company with accompanying contracts or Articles of Incorporation
4	Applicant's statement on the structure of funding, which is aligned with the feasibility study or confirmation by the commercial banks confirming that the Applicant has sufficient resources and/or access to loans necessary for construction of the facility
5	Certificate issued by a competent authority confirming that neither the Applicant nor its legal representative are barred from performing the subject occupation, economic activity or duty
6	Feasibility study and concept or main design of the facility, if produced
7	Certified Environmental Impact Assessment Study
8	Environmental Permit, if required for the type of facility being built
9	Water Acts, if required for the type of the facility being built
10	Power approval for connection to the distribution network, and/or a study on technical design of connection and terms of connecting to the transmission network
11	Location Conditions
12	Concession Contracts in accordance with the concession granting rules
13	Applicant's statement/proof of previously built or reconstructed similar power plants (power generation)
14	Applicant's statement/proof of applications filed and permits obtained from other regulatory commissions
15	Schedule and duration of possible power supply interruptions due to construction of a power plant
16	A total of five different statements by the Applicant listed in the form No. OB. 04. 05
17	Proof of payment of a one-off regulatory fee

The application for the Permit for construction of power facilities and accompanying documents should be verified and signed by the investor. The accompanying documents must be **originals or a certified copy thereof**.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### WHAT DOES RSERC DO IN THE PROCEDURE OF ISSUING THIS PERMIT?

Upon receiving an application for a Permit for construction of power facilities from an Investor, RSERC reviews whether or not the application and accompanying documents are complete. If not, RSERC will request that the investor complete the application or submit additional documents within **30 days**.

The application is deemed complete only after all supporting documents are submitted and a one-off regulatory fee is paid.

If RSERC finds the application to be complete, it will inform the Applicant and general public by posting a notice on its website, its notice board and by publishing the notice in at least one daily newspaper available in Republika Srpska. The interested members of public can submit written comments concerning the filed application. After the completion of the application, interested parties can gain the status of an intervener and become a party in the issuance procedure.

Once the application for Permit for Construction of Power Facilities, the supporting documents and any comments received with respect to the application are reviewed and analyzed, RSERC will prepare a draft permit or render a different decision (e.g. rejecting the application) at its regular session.

If RSERC issues a draft permit, it will render a Conclusion to hold at least one public hearing concerning the draft. The Conclusion will include information on the time frame for providing comments on the draft permit and the requirements for obtaining intervener status. The draft permit and the Conclusion concerning the public hearing will be posted on the notice board and website of RSERC and a copy of it will be delivered to the investor.

Following a public consultation process concerning the draft permit and analysis of received comments, RSERC will issue a final Decision Granting a Permit for Construction of Power Facilities. The final Decision comprises the Permit and the terms of the Permit.

The deadline for issuing the Permit cannot be longer than **60 days** following the receipt of a complete application.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The Decision granting the license will be delivered to the Applicant and interveners (if any) and posted on the notice board and website of RSERC. The enacting clause of the Decision granting the Permit as well as an instruction on where to access the full text of the decision will be published in the Official Gazette of Republika Srpska.

### **FOR HOW LONG IS THE PERMIT FOR CONSTRUCTION OF POWER FACILITIES VALID?**

A Permit for Construction of Power Facilities is valid for a maximum of **6 years**.

### **CAN THE DECISION OF RSERC BE APPEALED?**

No. RSERC's decisions are final, and they may not be appealed; but the investor may initiate an administrative dispute before the District Court in Trebinje within **30 days** from the date of receipt of the decision.

## 6.11. LICENSE FOR PERFORMING ENERGY ACTIVITIES

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### WHAT IS A LICENSE TO PERFORM AN ENERGY ACTIVITY?

License to perform an energy activity is a license to perform one of the following activities on the electricity market:

- 1) Generation of electricity in hydro-power plants, thermal power plants, thermal power plants with integrated mines and other power plants of rated capacity over 1 MW
- 2) Distribution of electricity, i.e., electricity distribution through the medium and low voltage grid for the purpose of supplying customers
- 3) Supplying tariff customers with electricity
- 4) Trade and supply of electricity in the territory of Bosnia and Herzegovina

An Investor who wants to generate electricity has to obtain a **License for Electricity Generation**.

### WHO IS COMPETENT FOR ISSUING THE LICENSE FOR ELECTRICITY GENERATION?

**The Regulatory Commission for Energy of Republika Srpska (RSERC)** has the competency for issuing Licenses for Electricity Generation.

### WHICH FACILITIES REQUIRE A LICENSE FOR ELECTRICITY GENERATION?

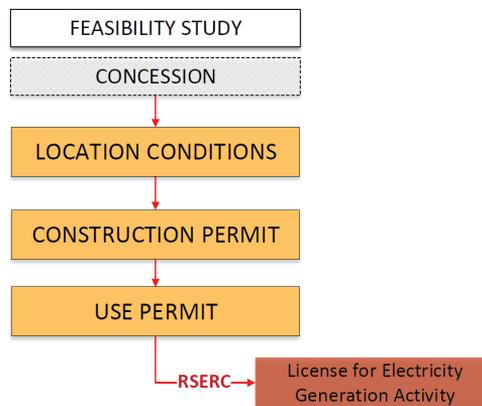
A License for Electricity Generation is required for any power plant of installed capacity **above 1 MW**.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### AT WHAT STAGE OF CONSTRUCTION PROCESS IS THIS LICENSE OBTAINED?

A License for Electricity Generation should be obtained after the Use Permit is obtained. The diagram below shows the position of the License in relation to the Location Conditions, Construction Permit and Use Permit.



The steps to obtain a **License for Electricity Generation** are described below.

### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR A LICENSE FOR ELECTRICITY GENERATION?

The procedure for issuing a License for Electricity Generation is initiated at the request of an Investor.

The application for a License for Electricity Generation is submitted on a prescribed form OB. 04. 01, which was developed by RSERC and is available on its website.<sup>34</sup>

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<sup>34</sup> <http://www.reers.ba/lat/node/216>.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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Along with a completed application the investor is required to submit the following documents:

1	Valid Decision on registration in a court or other appropriate register
2	Identification number and single identification number of the Applicant (investor)
3	Founding act of the company with accompanying contracts or Articles of incorporation
4	The organizational structure of the Applicant (organizational scheme), systematization of jobs, data on the number of employees and their professional qualifications and a statement by the Applicant confirming that it has qualified staff to perform the required activity or concluded contracts with other legal or natural persons who have professional competence to perform energy activities
5	Statement by the Applicant confirming that it has the facilities, installations and equipment to be used, i.e., put into operation to generate power or concluded contracts with other legal or natural entities that have an impact on the technical qualifications required
6	A set of financial statements for the previous three years: balance sheet, income statement, cash flow statement, change in the value of assets in the capital account, notes accompanying financial statements and independent audit report or initial financial statement of a newly formed company
7	Statements by the Applicant and by commercial banks confirming that the Applicant has sufficient funds or possibility to take a loan from a bank or a bank guarantee
8	Statements by the Applicant and confirmations of commercial banks indicating the accounts opened with the banks and their balances (possible restrictions and scope of transactions) in the last month before the date of filing the application
9	Annual and Three-Year Business Plans of the Applicant
10	Certificate issued by a competent authority confirming that neither the Applicant nor its legal representative are barred from performing the occupation, economic activity or duty for which the license is being sought
11	Statement by the Applicant on existing licenses to perform the activity or license applications submitted with other regulatory commissions
12	Certificate issued by a competent court confirming that no bankruptcy or liquidation proceedings is initiated against the Applicant
13	A list of power plants and facilities and a list of fixed assets related to the required activity owned or used by the Applicant
14	Plant layout and a single line diagram of the plant and its surroundings
15	Technical parameters of the power plant and facilities

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

16	Records and decisions of the competent inspections and review of the activities carried out on the basis of the decision by the competent body on the technical integrity and safety of the plant and compliance with the environmental protection standards
17	Statement of intent, plan and program to introduce a quality management system into business operations, i.e., statement of introduced QM system or a copy of a Quality Management System Certificate (standard ISO 9001) and Environmental Management System (standard ISO 14001)
18	Statement or certificate of equipment insurance, if the equipment is insured
19	Proof of the nature of primary sources and their use for power generation
20	Water Acts obtained in accordance with regulations
21	Environmental Permit obtained in accordance with regulations
22	Concession Contracts in accordance with the concession granting rules
23	Contract on connection to distribution network and report on technical inspection of the connection and measurement site and/or contract on connection and approval of connection to transmission network for newly built generation facilities
24	Contracts related to power generation activity (ISO, BRP, transmission company and distributor other than those mentioned in point above, traders and suppliers)
25	Approval to use the newly built generation plant or proof of a pending approval procedure, in which case the approval should be submitted before issuing a license
26	A total of six different statements by the Applicant listed in the form OB. 04. 01
27	Proof of payment of a one-off regulatory fee

The application for a License for Electricity Generation and accompanying documents should be verified and signed by the investor. The accompanying documents must be **originals or a certified copy thereof**.

### WHAT DOES RSERC DO IN THE PROCEDURE OF ISSUING THIS LICENSE?

Upon receiving an application for issuing a License for Electricity Generation from an investor, the RSERC will review whether or not the application and accompanying documents are complete. If not, RSERC will request that the investor complete the application or submit additional documents within **30 days**.

The application is deemed complete only after all supporting documents are submitted and a one-off regulatory fee is paid.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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If RSERC finds the application to be complete, it will inform the Applicant and general public by posting a notice on its website, its notice board and by publishing the notice in at least one daily newspaper available in Republika Srpska. The interested members of the public can submit written comments concerning the filed application. After the completion of the application, interested parties can gain the status of an intervener and become a party in the issuance procedure.

Once the application for the License for Electricity Generation, the supporting documents and any comments received with respect to the application are reviewed and analyzed, RSERC will prepare a draft License or render a different decision (e.g., reject the application) at its regular session.

If RSERC intends to issue a draft License, it will render a Conclusion to hold at least one public hearing concerning the draft. The Conclusion includes information on the time frame for providing comments on the draft License and the requirements for obtaining the status of an intervener. The draft License and the Conclusion concerning the public hearing will be posted on the notice board and website of RSERC and a copy of it will be delivered to the Applicant.

Following public consultation process concerning the draft License and analysis of received comments, RSERC will issue a final Decision granting the License. The final Decision comprises the License and the terms of the License.

The deadline for issuing the License cannot be longer than **60 days** following the receipt of a complete application.

The final Decision granting the License will be delivered to the Applicant and interveners (if any) and posted on the notice board and website of RSERC. The enacting clause of the Decision granting the license, as well as an instruction on where to access the full text of the Decision, will be published in the Official Gazette of Republika Srpska.

### **FOR HOW LONG IS THE LICENSE FOR ELECTRICITY GENERATION VALID?**

A License for Electricity Generation is valid for a maximum of **30 years**.

### CAN THE DECISION OF RSERC BE APPEALED?

No. RSERC's decisions are final, and they may not be appealed; but the investor may initiate an administrative dispute before the District Court in Trebinje within **30 days** from the date of receipt of the decision.

## 6.12. EXERCISING THE RIGHT TO INCENTIVES

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### WHAT IS THE INCENTIVES SCHEMES FOR POWER GENERATION FROM RENEWABLE ENERGY SOURCES?

Countries design various incentives to encourage investors to develop generation plants using renewable energy sources. In the RS the system of incentives for RES includes multiple benefits acquired by meeting certain conditions.

The benefits include:

- 1) Benefits when connecting to the network
- 2) Benefits in access to the network
- 3) Right to have electricity purchased
- 4) Right to a feed-in tariff<sup>35</sup>
- 5) Right to a premium<sup>36</sup> for consumption on electricity for own needs or sale in the RS market

The procedure to exercise the benefits under the incentive scheme is described below.

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*35 A feed-in tariff is an incentivized price at which the RES Operator will purchase all the generated electricity from the producer and which is higher than the market price. The amount of the guaranteed purchase price differs, depending on the type of plant (primary energy source) and installed power.*

*36 A premium price is a pecuniary amount calculated as the difference between a guaranteed purchase price (feed-in tariff) and a predefined reference price (market price). The level of the premium differs depending on the type of plant, (primary energy source) and installed power.*

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### WHICH AUTHORITIES ARE RESPONSIBLE FOR INCENTIVES SCHEMES?

The competent authorities in the procedure to obtain the right to an incentive in the RS are: the **Republika Srpska Energy Regulatory Commission (RSERC)** and **Operator of the System of Incentives (RES Operator)**, as well as the **RS Government**.

Currently, the tasks of the Incentives Operator are performed by **Elektroprivreda RS**.

### WHAT ARE THE REQUIREMENTS TO OBTAIN A RIGHT TO AN INCENTIVE?

In order to obtain a right to an incentive, an investor must meet the following requirements:

- 1) Generate power in a newly built plant using renewable energy sources
- 2) No second hand equipment is installed in the facility<sup>37</sup>
- 3) Installed capacity of the plant is below the set threshold
- 4) There are (unused) quantities of energy available for incentives as established by the RS Action Plan for the use of renewable energy sources<sup>38</sup>
- 5) The generation plant has a valid Certificate

### WHAT TYPE OF FACILITIES ARE ELIGIBLE FOR INCENTIVES?

Investors generating electricity in one of the following facilities are eligible for incentives (feed-in tariff or right to a premium price) provided that the quantities for incentives are set under the RS Action Plan:

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*37 Equipment refers to the basic components of the production plant: turbine, generator, photovoltaic panels and boilers.*

*38 The Action Plan of Republika Srpska for the use of renewable energy sources is available at: <http://www.reers.ba/lat/node/1298>.*

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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- 1) Hydro power plant with an installed capacity of up to 10 MW
- 2) Wind farm with the capacity of up to 10 MW
- 3) Solar plant with the photovoltaic cells with an installed capacity of up to 1 MW
- 4) Geothermal facility with an installed capacity of up to 10 MW
- 5) Facility using biomass with an installed capacity of up to 10 MW
- 6) Facility using biogas with an installed capacity of up to 1 MW
- 7) Efficient cogeneration plants with an installed capacity of up to 10 MW

However, generators producing electricity in the following plants can only obtain the right to a premium price:

- 1) Wind farms with an installed capacity exceeding 10 MW
- 2) High efficiency cogeneration plants the installed capacity of over 10 MW and below 30 MW

### **IN WHICH PHASE OF CONSTRUCTION IS THE RIGHT TO INCENTIVES DETERMINED?**

In the procedure of obtaining the right to an incentive, the investor takes the following steps:

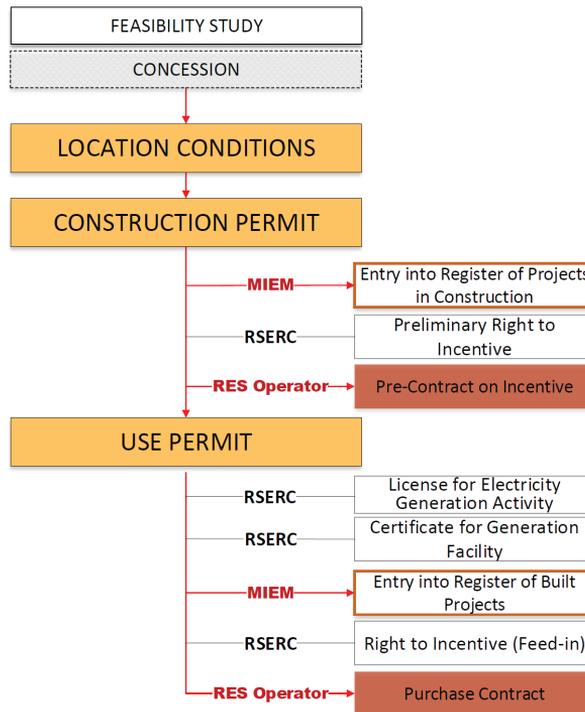
- 1) Obtains a Confirmation of Entry in to the Project Register (explained under Project Register)
- 2) Obtains a Decision approving the preliminary right to an incentive (optional)
- 3) Concludes a pre-contract on the preliminary right to an incentive (optional)
- 4) Obtains a Certificate for a generation plant

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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- 5) Obtains a Decision granting the right to an incentive
- 6) Concludes a Contract on feed-in tariffs or a Contract on the premium price

The diagram below shows the phases and sequence of steps toward receiving an incentive price (feed-in tariff or premium price) with respect to Location Conditions, Construction permit and Use Permit.



The procedure to obtain the right to an incentive is described below.

### 6.12.1. PRELIMINARY RIGHT TO AN INCENTIVE

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#### WHAT IS THE PRELIMINARY RIGHT TO AN INCENTIVE?

The Preliminary Right to an Incentive allows the investor to conclude a pre-contract with the RES Operator, thus reserving amounts of electricity that will be purchased at the feed-in tariff or the right to a premium price.

The Preliminary Right to an Incentive is approved by a Decision.

#### WHO ISSUES THE APPROVAL OF THE PRELIMINARY RIGHT TO AN INCENTIVE?

The competent institution to approve the Preliminary Right to an Incentive is the **RS Regulatory Commission for Energy (RSERC)**.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR PRELIMINARY RIGHT TO AN INCENTIVE?

The application for a Preliminary Right to an Incentive is submitted using a prescribed form,<sup>39</sup> which must be signed and certified by the investor or a person authorized to represent the investor. The application is submitted by registered mail or delivered directly to RSERC.

The application should state the type of incentive sought:

- 1) Right to a feed-in tariff, or
- 2) Right to a premium price for sale on the market and/or consumption for own needs

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<sup>39</sup> Available at: [http://www.reers.ba/sites/default/files/Prilog\\_2\\_Pravilnika\\_Podsticanje\\_Obrzac\\_zajtjeva\\_preliminarni.doc](http://www.reers.ba/sites/default/files/Prilog_2_Pravilnika_Podsticanje_Obrzac_zajtjeva_preliminarni.doc).

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The investor should attach the following documents to the completed application form:

1	Feasibility study
2	Proof of entry of the project in the Project Register (Confirmation)
3	Construction Permit
4	Proof that construction of a generation plant is underway, e.g., a confirmation thereon from the construction inspector, contracts with contractors, contracts with equipment suppliers or other proof that unambiguously confirm that the construction is underway

Supporting documents should be originals or verified copies.

### WHAT DOES RSERC DO IN THE PROCESS OF APPROVAL OF THE PRELIMINARY RIGHT TO AN INCENTIVE?

Upon receiving an investor's application for the approval of the Preliminary Right to an Incentive, RSERC will register the time of submission of a complete application. The application is deemed completed once the applicant submits a duly completed application form and other supporting documents.

Registering the time of submission of a complete application is a very important step as the applications are decided based on a "first come – first served" basis. Given that quotas for incentives are limited, this stage is very important for the entire incentive award process.

RSERC publishes a notification of the receipt of a completed application on their website.

RSERC decides on the application for a Preliminary Right to an Incentive based on the completed application and an energy certificate obtained from the RES Operator, which contains data on quantities of electricity generated from renewable sources available for incentives, not later than **30 days** from the date of receipt of the completed application.

RSERC makes the final decision on whether to grant the right to an incentive or reject the application, in one of their regular sessions.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### HOW LONG IS THE PRELIMINARY RIGHT TO AN INCENTIVE VALID?

The validity of the Preliminary Right to an Incentive is determined based on the planned commissioning of the plant, the type of sources and technology of the generation plant, and it may not exceed **three years** from the date of the decision.

If the Preliminary Right to an Incentive was determined for a period shorter than three years, an investor that has not yet commenced works within the time limit provided by the Decision on the Preliminary Right to an Incentive may request an extension, which may not exceed **six months**, and present the reasons for such a request based on which RSERC can make a decision. However, the total validity period of the Preliminary Right to an Incentive in this case may not exceed **three years** from the date of the issuance of the first Decision.

### CAN THE DECISION OF RSERC BE APPEALED?

No. RSERC's decisions are final and they may not be appealed, but the investor may initiate an administrative dispute before the District Court in Trebinje within **30 days** from the date of receipt of the decision.

**NOTE: An investor who was issued a Decision on the Preliminary Right to an Incentive must submit an application to conclude a Precontract on the incentive to the RES Operator no later than 15 days from the date of receipt of the decision.**

### 6.12.2. INCENTIVE PRE-CONTRACT

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#### WHAT IS AN INCENTIVE PRECONTRACT?

An Incentive Precontract is a contract that an investor concludes with the RES Operator and thus reserves a quantity of electricity in the incentives scheme.

The reservation period starts from the date of conclusion of the Precontract and it lasts until the right to feed-in tariff or the right to a premium is fully exercised. At the same time, the investor acquires the right to retain the reserved quantities for a period determined in the Decision on the preliminary right to an incentive, as well as the duty to complete the construction of the plant and obtain the Use Permit within the given period.

Following the expiration of the reservation period, the investor is given a time limit not longer than **six months** to obtain the Certificate and the Decision on the right to an incentive and to conclude a Contract with the RES Operator.

Investors constructing power plants with installed power of more than 250 kW are obliged prior to the conclusion of the Incentive Precontract to pay a cash deposit or submit a bank security to the RES Operator in the amount of 2% of the investment value as stipulated by the feasibility study or the business ledgers of the plant owner.

The cash deposit and/or the bank security is returned to the investor if the generation plant is constructed within the time limit set in the Decision on the preliminary right to an incentive and if the investor obtains the Certificate.

The investor will lose the deposited funds if the Decision on the preliminary right to an incentive is revoked or if it ceases to be valid for other reasons.

### 6.12.3. CERTIFICATE FOR GENERATION FACILITY

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#### WHAT IS THE CERTIFICATE FOR GENERATION FACILITY?

The Certificate for Generation Facility (the Certificate) is a document issued as proof that a given plant generates power from renewable sources or in a cogeneration plant in an economically feasible manner, protecting the environment, and that ensures appropriate measurements of all energy parameters.

#### WHO IS COMPETENT FOR ISSUING THE CERTIFICATE?

The competent institution for issuing the Certificate is **Regulatory Commission for Energy of the Republika Srpska (RSERC)**.

#### FOR WHAT PLANTS IS THE CERTIFICATE ISSUED?

The Certificate is issued for the following types of plants, irrespective of the installed power or eligibility for incentives:

- 1) Plants using the energy potential of watercourses
- 2) Plants using wind energy
- 3) Plants using biomass energy
- 4) Plants using energy from biogas, gas from municipal waste treatment plants and landfill gas
- 5) Plants using geothermal energy
- 6) Plants using non-accumulated solar energy (photovoltaic cells and solar thermal power plant)
- 7) Plants using a combination of several renewable energy sources
- 8) Cogeneration plants

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR A CERTIFICATE?

The application for a Certificate for a plant using renewable energy sources is submitted on the prescribed form No. OB.04.22<sup>40</sup> and in case of efficient cogeneration plant on the form No. OB.04.23.<sup>41</sup>

The investor should attach the following documents with the completed application form:

1	Registration number of the license to conduct power generation activity, when the generation plant is required to have a license or a statement that the license application has been submitted
2	Valid decision on the entry into the court register or other relevant register
3	Use Permit for the generation plant in accordance with the legislation on spatial planning and construction
4	Water Acts for the generation plant obtained in accordance with the legislation on water use and protection
5	Proof that environmental protection requirements have been met (decision on the approval of the Environmental Impact Study or Environmental Permit)
6	Contract on Connection and Declaration on Connection to the distribution network or Contract on Connection and Approval of Connection to the transmission network for a newly built generation plant if it is connected to the power grid
7	As-built technology drawing of the generation plant with description
8	As-built single-line diagram of the generation plant with indicated measurement sites and information on measuring instruments installed at measurement sites (type, manufacturer and serial number)

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40 Available at: [http://www.reers.ba/sites/default/files/Prilog\\_2\\_Zahtjev\\_%28OIE%29%28OB.04.22%29.doc](http://www.reers.ba/sites/default/files/Prilog_2_Zahtjev_%28OIE%29%28OB.04.22%29.doc)

41 Available at: [http://www.reers.ba/sites/default/files/Prilog\\_2\\_Zahtjev\\_%28EK%29\\_%28OB.04.23.%29.DOC](http://www.reers.ba/sites/default/files/Prilog_2_Zahtjev_%28EK%29_%28OB.04.23.%29.DOC)

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

9	<p>Proof that the generation plant has installed measuring instruments on measurement sites, depending on the type of generation plant and its purpose (power generation for the purpose of supplying the network, generation for own needs, generation for own needs and supplying the network) to ensure:</p> <ol style="list-style-type: none"> <li>1) measurement and registration of generated power supplied to the electricity network (net generation) and electricity taken from the network,</li> <li>2) measurement and registration of power generated at the generating terminals (gross generation),</li> <li>3) measurement and registration of power used for own consumption,</li> <li>4) measurement and registration of power used as own power demand,</li> <li>5) measurement and registration of the primary energy demand, as well as of all energy parameters necessary to calculate the savings of cogeneration plant</li> </ol> <p>in a way that for every measurement site identified in generation plant diagrams submitted as proof under 7 and 8 of this table, it is necessary to submit a measurement site declaration, which must contain at least the data on the measured parameter, instrument manufacturer, serial number, measurement scope, year of installation, verification and calibration, and place of installation. The single-line diagram submitted as proof under point 8 of this table and the declarations must be certified by the distribution system operator, confirming that:</p> <p>the necessary power measurements required to a certificate for that type of generation plant and its purpose have been ensured,  the measurement sites and measuring instruments are installed in accordance with the relevant legislation,  the properties of measuring instruments are in accordance with the requirements stipulated by the relevant metrology legislation.</p> <p>Plant layouts and measurement sites declarations that serve for measurement of other energy parameters in the generation plant (e.g., primary power demand) must be certified by persons or institutions authorized to do so by the competent authority, whereby they confirm that:</p> <p>necessary measurements of other energy parameters required for the issuance of the Certificate for that type of generation plant and its purpose are being ensured,  measurement sites and measuring devices are installed in accordance with the relevant legislation,  properties of measuring instruments are in accordance with the relevant metrology legislation</p>
10	Concession Contract (if a concession is required)
11	Construction Permit for power plants using biomass and biogas, solar plants with photovoltaic cells in facilities and plants of installed power of up to 250 kW that use all types of renewable energy sources or a Construction Permit for efficient cogeneration plants of installed power of up to 250 kW
12	Proof of entry of the project into the Register of projects generating power from renewable energy sources or in efficient cogeneration at the ministry competent for energy

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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13	Minutes and decisions of competent inspections and review of activities undertaken in accordance with their decisions in the previous year or during the trial run of a new or considerably reconstructed generation facility
14	Certificate of the competent authority confirming that neither Applicant nor its legal representative are barred from performing power generation activity in the generation plant for which the Certificate is sought nor are they barred from carrying out a certain occupation, activity or duty, pursuant to the provisions of the Criminal Code of the Republika Srpska or the Law on Minor Offences of the Republika Srpska
15	Certificate issued by the competent court confirming that no liquidation proceedings are initiated against the applicant

### WHAT DOES RSERC DO IN THE CERTIFICATION PROCESS?

Upon the receipt of the application, RSERC first reviews the application and its supporting documents to determine whether it is completed. If the application is not completed, RSERC asks the investor to update it within **30 days**.

The application is considered completed once the applicant submits all the supporting documents from the above list along with a duly completed application form.

If the application is complete, RSERC will notify the applicant and the general public by posting a notice on their website and its notice board as well as by publishing it in at least one newspaper with circulation in the Republika Srpska. The interested public can provide comments on the application in writing. After the completion of the application, interested parties can gain the status of an intervener and become a party in the issuance procedure.

RSERC then checks all submitted data and, when needed, makes an on-site inspection of the plant and equipment to establish whether the criteria for the issuance of the Certificate are being met.

The on-site inspection can be done in any phase of the procedure, from submission of the application to the adoption of the final decision.

If the applicant (investor) fails to comply with the inspection of the plant and equipment, RSERC will reject the application for the Certificate.

During the certification process and depending on the received comments and proof, RSERC can decide to hold public consultations.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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If RSERC finds that all criteria have been met, during a regular session they will pass the Final Decision to issue the Certificate, an integral part of which is the Certificate for Generation Facility. The Decision on the issuance of the Certificate for Generation Facility will be sent to the applicant and any interveners.

Data on issued Certificates is entered into the Register of Certificates for Generation Facility available on the RSERC website.

RSERC will reject the application to issue the Certificate in the following cases:

- 1) when the applicant does not meet the criteria for the Certificate, and
- 2) if the Applicant is barred from performing power generation activity in the generation plant for which the Certificate is sought, i.e., if the Applicant is barred from carrying out a certain occupation, activity or duty, pursuant to provisions of the Criminal Code of the Republika Srpska or the Law on Minor Offences of the Republika Srpska

### HOW LONG IS THE CERTIFICATE VALID?

The Certificate is issued for a period of:

- **15 years** for hydroelectric power plants, wind farms and solar power plants
- **5 years** for a generation plant using other types of renewable energy sources
- **1 year** for high efficiency cogeneration plants

### CAN A DECISION OF RSERC BE APPEALED?

No. RSERC's decisions are final and they may not be appealed, but the investor may initiate an administrative dispute before the District Court in Trebinje within **30 days** from the date of receipt of the decision.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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**NOTE: Obtaining the Certificate is a prerequisite for exercising the right to incentives for power generation from renewable sources and for the issuance of the Guarantee of origin of electricity.**

### 6.12.4. RIGHT TO AN INCENTIVE

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#### WHAT IS A RIGHT TO AN INCENTIVE?

A Right to an Incentive is **the right to sell electricity at a feed-in tariff prices** or **the right to a premium** price for consumption of electricity for one's own needs or sale on the electricity market.

The Right to an Incentive is established by the **Decision on the Right to an Incentive**.

#### WHO IS COMPETENT FOR GRANTING THE RIGHT TO AN INCENTIVE?

The competent institution for granting the Right to an Incentive is the **RS Regulatory Commission for Energy (RSERC)**.

#### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR OBTAINING THE RIGHT TO AN INCENTIVE?

The application for the Right to an Incentive is submitted using a prescribed form,<sup>42</sup> which must be signed and certified by the investor or a person authorized to represent the investor. The application is submitted by registered mail or delivered directly to RSERC.

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*42 Available at: [http://www.reers.ba/sites/default/files/Prilog\\_1\\_Pravilnika\\_Podsticanje\\_Obrzac\\_zajtjeva\\_EK.doc](http://www.reers.ba/sites/default/files/Prilog_1_Pravilnika_Podsticanje_Obrzac_zajtjeva_EK.doc) and [http://www.reers.ba/sites/default/files/Prilog1\\_Pravilnika\\_podsticanje\\_Obrzac\\_zajtjeva\\_OIE.doc](http://www.reers.ba/sites/default/files/Prilog1_Pravilnika_podsticanje_Obrzac_zajtjeva_OIE.doc).*

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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The investor should attach the following documents with the completed application form:

1	Confirmation of Entry into the Project Register
2	Copy of the Certificate for Generation Facility producing power from renewable sources
3	Use Permit for the generation plant, confirming that it is a new generation plant
4	Contract on the Connection to the distribution network and/or Contract on the Connection and Approval of Connection to the transmission network
5	Fixed assets register (if applicable)
6	Analytical records with historical data on equipment (if applicable)
7	Proof that installed basic components of the generation plant have not been used before (data on production year; procurement invoice or contract with supplier/producer; attestation etc.)
8	Statement of the responsible person of the applicant, verified by a competent authority, by which they aver, under full material and criminal liability, that the installed basic components of the generation plant have not been previously installed or used
9	Analytical records of funds obtained from donation or state aid (expressed in accordance with MRS 20) (if applicable)
10	Total value of the investment and total value of received state aid (if applicable)
11	Statement of the responsible person of the applicant, verified by a competent authority, by which they aver, under full material and criminal liability, that no state aid was received for the construction of the generation plant which is the subject of the application (the statement is not submitted in the case when state aid has been received and which requires the submission of proof under 9 and 10)

All supporting documents should be originals or verified copies.

### **WHAT DOES RSERC DO IN THE INCENTIVE ENTITLEMENT PROCESS?**

Upon receiving an application from the investor, RSERC reviews whether or not the application is complete. The application is deemed complete only after the Applicant submits a duly completed application form, copy of the Certificate and other supporting documents – as originals or verified copies.

RSERC publishes a notification of the receipt of a completed application on their website. In exceptional cases, RSERC may decide to hold a public consultation when it finds it necessary to collect additional evidence in order to make a fair decision on the incentives application.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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RSERC decides the incentive entitlement application based on the completed application and the energy certificate obtained from the RES Operator, not later than **30 days** from the date of receipt of the completed application, except in the case when it decides to hold a public consultation whereby this time limit may be extended for a maximum of additional **30 days**.

If all the criteria and requirements are met to grant the incentive entitlement for a power generation plant using renewable sources or highly efficient cogeneration, RSERC makes the final Decision to grant the entitlement to incentives.

In case the investor has already obtained the entitlement to an incentive and wishes to change the type of the incentive, it must submit a new application to RSERC.

### **HOW LONG IS THE RIGHT TO AN INCENTIVE VALID?**

The right to mandatory power purchase at a guaranteed purchase price (feed-in tariff) or the right to a premium price are granted for a period of **15 years** maximum.

**NOTE: An investor who receives a Decision granting the incentive entitlement must submit an application to the RES Operator to conclude a Contract on feed-in tariff or a Contract on a premium price no later than 15 days from the date of receipt of the Decision.**

### 6.12.5. PURCHASE OR PREMIUM CONTRACT

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#### WHAT IS A PURCHASE / PREMIUM CONTRACT?

A power purchase contract and premium contract are contracts that an investor concludes with the RES Operator after obtaining a Decision on the right to an incentive.

The type of contract depends on the type of incentive granted:

- 1) Contract on mandatory purchase of power at feed-in tariffs for power produced from renewable energy sources
- 2) Contract on mandatory purchase of power at feed-in tariffs for power produced in highly efficient cogeneration plants
- 3) Contract on a premium

Contracts are based on data provided in the Decision on the Approval of the Right to an Incentive.

The validity of the contract on a mandatory power purchase, during which the investor has the right to an unchanged guaranteed purchase price is established in the Decision on the Right to an Incentive.

A contract on the payment of a premium is concluded for a period of duration of the Right to an Incentive whereby the premium level is regularly (as a rule, annually) harmonized with the RSERC decision.

Template forms of all contracts are available at the Incentives Scheme Operator website.

## 6.13. PROJECT REGISTER

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### WHAT IS THE PROJECT REGISTER?

The Project Register represents a single record of projects from renewable energy sources and in efficient cogeneration and contains information on the owner of the project and the project itself (location, type of facility, technical characteristics and other information).

The Project Register is kept by the **Ministry of Industry, Energy and Mining of Republika Srpska**. The Project Register is used for planning and tracking the fulfillment of goals set by the RS Action Plan for renewable sources. Investors must register their projects into the Register in order to obtain the right to incentives.

The Register contains data on each individual project, and for the following types of projects:

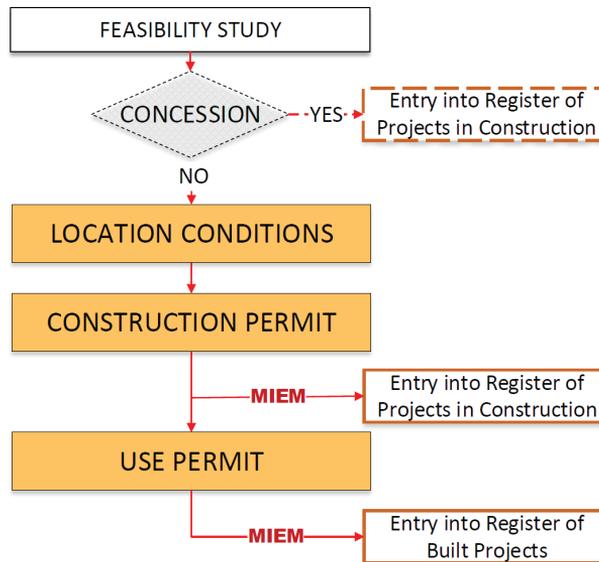
- 1) Projects in construction
- 2) Constructed projects
- 3) Abandoned projects

**NOTE: Investors are legally obliged to enter renewable energy source projects in the Project Register not later than 30 days as of the day the Construction Permit has been obtained or a Concession Contract or Public-Private Partnership Contract has been signed.**

### IN WHICH PHASE OF CONSTRUCTION IS REGISTRATION REQUIRED?

The Diagram below shows the phases and order of entry into the Project Register with respect to Location Conditions, Construction Permit and Use Permit. As a rule, the entry into the Project Register follows the procedure for obtaining the right to an incentive; however, in case of a concession project, the entry into the Register of projects under construction is made immediately after the concession is granted.

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA



### WHAT SUPPORTING DOCUMENTS ARE SUBMITTED WITH AN APPLICATION FOR ENTRY INTO THE PROJECT REGISTER ?

The application to enter a project into the Register of Projects under Construction is submitted by post using a prescribed RP-1 form<sup>43</sup>. The investor must submit the following documentation with the completed form:

1	Contract on concession or public-private partnership (verified)
2	Decision on registration of the legal entity, i.e. decision on registration of an entrepreneur or certificate of residence
3	Feasibility study
4	Construction Permit
5	Permit for construction of power facility (energy permit), if issued in accordance with legislation on power engineering
6	Environmental Permit, if issued in accordance with legislation on environment protection

<sup>43</sup> Available at: <http://www.vladars.net/sr-SP-Cyrl/Vlada/Ministarstva/mper/Documents/%D0%B7%D0%B0%D1%85%D1%82%D1%98%D0%B5%D0%B2%20%D0%B7%D0%B0%20%D1%83%D0%BF%D0%B8%D1%81%20%D0%BF%D1%80%D0%BE%D1%98%D0%B5%D0%BA%D0%B0%D1%82%D0%B0%20%D1%83%20%D1%80%D0%B5%D0%B3%D0%B8%D1%81%D1%82%D0%B0%D1%80.docx>

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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For projects subject to concession, documents under 1, 2 and 3 are submitted.

For projects not subject to concession, documents under 2, 3, 4, 5 and 6 are submitted.

The documents should be originals or verified copies.

Following the entry into the Project Register, the Ministry issues a **Confirmation of Entry into the Project Register**.

### **HOW ARE AMENDMENTS MADE IN THE PROJECT REGISTER?**

The entry of changes and amendments into the Project Register is done using the prescribed RP-2 form<sup>44</sup>.

The investor must submit an application to the Ministry to change and amend data in the Project Register not later than **15 days** from the day the change took place.

With the application to change or amend data, individual changes and amendments as listed accompanied by appropriate evidence.

Following the entry of the project into the Project Register, the Ministry issues to the applicant a confirmation of the entry into the Project Register as well as a confirmation of entry of all subsequent changes and amendments.

### **WHAT DOES THE COMPETENT AUTHORITY DO IN THE PROCEDURE TO ENTER A PROJECT IN THE PROJECT REGISTER?**

The Ministry of Industry, Energy and Mining of Republika Srpska first checks whether the application contains any deficiencies. If deficiencies are found, the Ministry requests from the investor to modify the application.

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44 Available at: <http://www.vladars.net/sr-SP-Cyrl/Vlada/Ministarstva/mper/Documents/%D0%B7%D0%B0%D1%85%D1%82%D1%98%D0%B5%D0%B2%20%D0%B7%D0%B0%20%D0%B8%D0%B7%D0%BC%D1%98%D0%B5%D0%BD%D1%83%20%D0%B8%20%D0%B4%D0%BE%D0%BF%D1%83%D0%BD%D1%83%20%D0%BF%D0%BE%D0%B4%D0%B0%D1%82%D0%B0%D0%BA%D0%B0.docx>

## 6. GUIDELINES FOR INVESTORS FOR CONSTRUCTION OF ELECTRIC POWER FACILITIES IN REPUBLIKA SRPSKA

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If the investor fails to remove the deficiencies within the given time limit, the application will not be considered submitted.

Upon receipt of a due application, the project is assigned a register number which is inscribed on the register envelope containing the received documents.

*1 Table available at: [http://www.ferk.ba/\\_ba/images/stories/2017/tabele\\_bs.zip](http://www.ferk.ba/_ba/images/stories/2017/tabele_bs.zip)*



USAID Energy Investment Activity  
(USAID EIA)  
Ferhadija 19/I  
71000 Sarajevo  
Bosnia and Herzegovina

+387 33 251 820  
+387 33 251 829

Sarajevo, 2018.