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EU ENERGY POLICY AND SERBIA'S PERSPECTIVE

Abstract

Energy sector of the European Union has been gradually developing and changing towards tighter cooperation and establishment of common rules. As the European Union grew, so did its tendencies towards regulated and free internal energy market and security of supply. The EU Energy Policy today has its basis under the Lisbon Treaty and covers several areas of work. This article briefly describes the most prominent energy legislation within the EU and then positions Republic of Serbia with respect to it. Serbia has been committed to the harmonization with the EU energy legislation for several years through the Energy Community Treaty, Stabilization and Association Agreement and negotiations for the accession to the EU. Therefore, its status is observed from the EU enlargement perspective along with the remarks on the challenges and benefits of integration to the EU energy sector.

Key words: *EU Energy Policy. Serbian Energy Legislation. Energy Community. SAA. Negotiation Chapter 15.*

1. EU ENERGY POLICY

1.1. Lisbon construction, institutional framework and strategic directions

Energy remains one of the biggest EU challenges today. The number of factors influencing energy sector and at the same time perplexity of areas affected by it, define it as one of the most complex ones. Energy intertwines economy, external policy, environment and climate change, competition, consumer protection, trade, technology, etc. and it has always been a dominant factor of the world stability and a very common political tool for achieving external strategic goals. The EU Energy Policy had gone a long path from its modest beginnings to the elaborate system of rules and objectives that it is today.

Major steps were taken when the Commission in 2007 presented the Energy Package¹ recognizing three challenges before the EU: sustainability, security of supply and competitiveness. They remained crucial for the EU

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1 Communication from the Commission to the European Council and the European Parliament - an Energy Policy for Europe {SEC(2007) 12} COM(2007)

Energy Policy until today. Proposal of the Commission received an answer when European Council adopted a comprehensive energy Action Plan² which affirmed the famous “20/20/20 targets” to be achieved by 2020:

- 1) saving 20% of the EU's energy consumption by improving energy efficiency,
- 2) 20% share of renewable energy sources in the overall EU energy consumption (with 10% share of biofuels in transport),
- 3) reduction in EU greenhouse gas emissions of at least 20% below 1990 levels (30% for developing countries) with a prospect of reduction by 60%–80% by 2050 compared to 1990.

It was not until the Lisbon Treaty that energy gained its own Title, in Article 194 of the TFEU. Before these changes, energy law was dealt within the internal market provision (Article 95 TEC), competition provisions (Articles 81–88 TEC) and environmental protection provision (Article 175 TEC). To certain extent energy sector remained to be treated from an economic and environmental perspective but in the form of guiding directions in order to ensure the functioning of the energy market and security of supply in the Union; promote energy efficiency and energy saving; develop new and renewable forms of energy; and promote the interconnection of energy networks.³ Measures for achieving these objectives should be adopted in the ordinary legislative procedure, after consultation of the Economic and Social Committee and the Committee of the Regions. Member States remain autonomous in determining the conditions for exploiting its energy resources and choosing between different energy resources and the general structure of its energy supply, but without prejudice to the Article 192(2)(c).⁴ This referral to the Environment Title means that measures that are significantly affecting Member State's choice between different energy sources and the general structure of its supply can be adopted through the special legislative procedure requiring unanimity of the Council (which allows a Member State veto) and consultation of the Parliament and the two mentioned committees. Article 194(3) also stipulates derogation by defining the unanimity of the Council (after consultation with the Parliament) for adoption of the measures which are primarily of fiscal nature. In a nutshell, the inclusion of a Title and legal basis in the Lisbon Treaty means that there is a shared ownership (shared competence) of the EU Energy Policy between the EU institutions and Member States in terms of carefully crafted compromise between national sovereignty over national resources and energy taxation issues, and shared Union competence for the rest.⁵

2 Conclusions of European Council 2 May 2007, 7224/ 1/07 REV 1

3 Article 194(1) TFEU, Consolidated version of the Treaty on the European Union and the Treaty on the Functioning of the European Union, *OJ C* 326, 26.10.2012.

4 Article 194(2) TFEU.

5 Jan Frederik Braun, “EU Energy Policy under the Treaty of Lisbon Rules: Between a new policy and business as usual”, EPIN Working Paper No.31/February 2011, p.2.

When it comes to institutional setting the Council and the European Parliament bear the responsibility of legislative bodies due to the ordinary legislative procedure. In the past, the Council used to decide all energy legislation unanimously. According to some authors the Article 218(6)(a) TFEU is even more important for improving the Parliament's role in energy matters.⁶ This provision requires Parliament's consent for conclusion of international agreements if the area covered by ordinary legislative procedure is in question. The European Commission's role in the legislative process is minor and it comes down to the right of initiative and preparation of certain energy legislation. The Commission is, however, an important monitoring body for the implementation and development of energy legislation.⁷ Apart from the EU institutions and Member States that are major energy policy makers, energy companies have considerable impact with respect to it.⁸ Energy companies can get their way by lobbying on many levels and it is not uncommon that precisely big national companies have significant influence (EDF in France, RWE in Germany, ENEL in Italy). The paradox is that liberalization and market integration are aimed at removing the risk of abuse of dominant position, creating fair conditions and enhancing the competition. Nevertheless, opening of the market is not smoothly achieved in all countries. Many are reluctant to open their markets, as energy is traditionally national matter. In addition to this, difficulty lays in the fact that electricity and gas grids are natural monopolies.⁹

Strategic directions of the EU Energy Policy are best described through "Energy 2020: A strategy for competitive, sustainable and secure energy"¹⁰, "Energy Roadmap 2050"¹¹ – a long term framework exploring the challenges posed by delivering the EU's de-carbonization objective and European Energy Programme for Recovery¹² which provides granting of financial assistance to the energy sector.

1.2. Areas of work

Single market for electricity and gas entails common rules for generation, transmission, distribution and supply of electricity and gas.

6 *Ibid.*, p.7.

7 Susanne Langsdorf, "EU Energy Policy: From the ECSC to the Energy Roadmap 2050", Green European Foundation, 2011.p.3.

8 *Ibid.*, p.4.

9 *Ibidem.*

10 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 10 November 2010 – Energy 2020 A Strategy for competitive, sustainable and secure energy, COM(2010) 639 final

11 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Energy Roadmap 2050, COM(2011) 0885 final

12 Regulation (EC) No 663/2009 of the European Parliament and of the Council of 13 July 2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy, *OJ L 200*, 31.07.2009, p. 31–45.

The most prominent legislative endeavor in the area of internal market for electricity and gas is the Third Energy Package. It defines high standard of public service obligations and customer protection – for instance, customers are granted a right to switch suppliers within three weeks. It introduces stronger powers and independence of national energy regulators; new tools to harmonize market and network operation rules at pan-European level and new institutional framework: Agency for Cooperation of National Regulators and the European Network for Transmission System Operators.¹³ Within the unbundling rules Member States are able to choose between three options: full ownership unbundling, independent system operator (ISO) and independent transmission operator (ITO). These models provide different degrees of structural separation in vertically integrated undertakings and rationale behind them is effective removal of any conflict of interests between producers, suppliers and transmission system operators. They are aimed at removing the incentive for vertically integrated undertakings to discriminate against competitors as regards access to the network, access to commercially relevant information and as regards investments in the network.

Energy efficiency is one of the most topical fields of energy policy today. The most significant legal framework for delivering designated goals in this area entails the Energy Efficiency Directive 2012/27/EU¹⁴ which imposes an obligation on Member States to submitted plans, measures and methodologies for implementing their obligation schemes. The energy saving refers to all stages: from transformation to distribution. Horizontally, it applies to improvements in industries, transport, as well as, households. According to the Directive 2010/31/EU on energy performance of buildings¹⁵ Member States have to make sure that after 31 December 2020 all new buildings are nearly zero energy buildings. Two directives related to energy efficiency in products: Ecodesign Directive 2009/125/EU¹⁶ and Energy Labeling Directive 2010/30/EU¹⁷ improve environmental performance of energy related products and allow consumers to choose more efficient products.

The inclination towards renewable energy sources (RES) is aimed to bring about reduction of emissions and energy consumption, development of alternative energy sources, diversification of energy sources, supply

13 Third Energy Package Summary http://ec.europa.eu/energy/gas_electricity/legislation/doc/20110302_entry_into_force_third_package.pdf

14 Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC, *OJ L 315*, 14.11.2012, p. 1–56.

15 Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings *OJ L 153*, 18.06.2010, p. 13–35.

16 Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy-related products, *OJ L 285*, 31.10.2009, p. 10–35.

17 Directive 2010/30/EU of the European Parliament and of the Council of 19 May 2010 on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products *OJ L 153*, 18.06.2010, p. 1–12.

countries and routes and grid stability. RES are tightly linked to improvement of energy efficiency and technological innovation. The most significant legal framework in this area to achieve mentioned strategic goals is the Directive 2009/28/EU on the promotion of the use of renewable energy sources¹⁸. The success of RES promotion depends on several factors such as geographical and natural conditions which differ widely across Europe, then difference in the international obligations of Member States, technological differences and differences in planning cultures and public awareness.¹⁹ The biggest obstacle for introducing use of RES in some countries is the complicated permit procedure which discourages investors. A very common public attitude towards energy projects is described in the NIMBY slogan (“not-in-my-back-yard”) and for the resistance of the locals reasons stated are visual intrusion, noise, land devaluation, endangerment of animals.²⁰ Despite these reasons, the promotion of RES turned out to be highly dependent on the regulatory promotion strategy. It should be emphasized that all strategies and support systems are based on artificial market and are created by policy maker; therefore, “the lack of voluntary decisions of the consumers”²¹ is an initial barrier. The instruments for the promotion take the form of price driven instruments such as, feed-in tariffs or energy tax exemptions and quantity driven such as, quota obligations, tenders and tradable guarantee of origin certificates.²²

Together with natural gas, oil and petroleum products have become the biggest parts of the EU energy mix. Aware of its dependency on these energies’ supply, the EU has created a policy which entails the Directive 2009/119/EC imposing an obligation to maintain minimum stocks of crude oil and petroleum products²³. Very important legal framework addressing safety of offshore oil and gas operations is Directive 2013/30/EU²⁴. It establishes rules that are aimed at ensuring highest safety standards in oil and gas operations in order to prevent major accidents limit the consequences and minimize potential risk to the environment.

18 Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC, *OJ L 140*, 05.06.2009, p. 16–62.

19 Danyel Reiche and Mischa Bechberger, “Policy differences in the promotion of renewable energies in the EU member states”, *Energy Policy* 32, Elsevier, 2004, p. 845–846.

20 *Ibidem*.

21 Reinhard Haas, Gustav Rech, Christian Panzer et alia, “Efficiency and effectiveness of promotion systems for electricity generation from renewable energy sources – Lessons from EU countries”, *Energy* 36, Elsevier, 2011, p. 2192.

22 *Ibid.*, p. 2187.

23 Council Directive 2009/119/EC of 14 September 2009 imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products, *OJ L 265*, 09.10.2009, p. 9–23.

24 Directive 2013/30/EU of the European Parliament and of the Council of 12 June 2013 on safety of offshore oil and gas operations and amending Directive 2004/35/EC, *OJ L 178*, 28.06.2013, p. 66–106.

The coal management in the EU revolves around the development of Carbon Capture and Storage technology. The system should disable CO₂ emissions to enter the atmosphere, by storing them in timely manner under the ground. The final goal is “green colored”, as the leading idea is the reduction of greenhouse gas emissions and sustainability of solid fossils as energy sources for the future.

Nuclear energy sector is the most distinctive energy area since both TEU/TFEU and EURATOM provisions apply to it. It is important to note that European Union has the largest number of commercial nuclear power plants in the world (approximately one third of world total) and that nuclear provides close to 30% of the EU electricity generation, representing two thirds of low-carbon electricity production. The nuclear energy framework includes rules on nuclear safeguards (measures to ensure that nuclear materials are used only for the purposes declared by the users), nuclear safety (measures to ensure safe operation of nuclear installations complemented by radiation protection and radioactive waste management) and nuclear security (physical protection of nuclear material and installations against malicious acts).²⁵ Very important activity intended to ensure safety and prevention is decommissioning of nuclear installations. It covers all activities from shutdown and removal of fissile material to environmental restoration of the site.²⁶ The biggest challenge with respect to it is the long term planning and financing, since large volumes of material are produced during decommissioning and disposal of this material can be very costly. As it is part of the global environmental activity, delivering prompt and adequate information to the public is extremely important.

Energy infrastructure is a tangible tool for achieving EU energy policy objectives. Trans-European Energy Networks are part of the Trans-European network scheme that also includes transport and telecommunication cross-linking. The aim of the EU is to achieve completion of strategic energy networks and storage facilities by 2020, with 12 priority corridors and areas for electricity, gas, oil and CO₂ transport networks recognized by the Commission. The established legal framework includes the Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure²⁷. After setting the priority goals, the Commission has adopted a list of 248 key energy infrastructure projects. Carrying the label „projects of common interest“ (PCI) they will benefit from faster and more efficient permit granting procedures and improved regulatory treatment.²⁸

25 See DG ENER official website, http://ec.europa.eu/energy/nuclear/index_en.htm

26 See DG ENER official website, http://ec.europa.eu/energy/nuclear/decommissioning/decommissioning_en.htm

27 Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009, *OJ L 115*, 25.04.2013, p. 39–75.

28 See DG ENER official website http://ec.europa.eu/energy/infrastructure/pci/pci_en.htm

2. PERSPECTIVE OF THE REPUBLIC OF SERBIA

2.1. *EU energy integration path*

2.1.1. ENERGY COMMUNITY TREATY

Energy Community was created (2006) with a task to bring together and integrate South-Eastern European countries and Black Sea countries to the EU energy market and policy. The EnC Treaty established three levels of obligations to its Parties – with implementation of the relevant EU *acquis* in the area of energy, environmental protection, renewable energy sources and competition protection being the most important one. Initially, the energy areas of work included *acquis* on electricity and gas. However, the Treaty gave a possibility to the Parties to further extend the *acquis* to other sectors (for instance, with the Decision 2008/03/MC-EnC Ministerial Council expanded the *acquis* by implementing the oil sector). Today, the areas of work in the energy field of EnC encompass electricity, gas, security of supply, oil, renewable energy and energy efficiency. In line with Article 6 of the Treaty the Parties are obliged to take all appropriate measures to ensure fulfillment of the obligations and they should abstain from any measure that could jeopardize the attainment of the Treaty objectives. With respect to this, Ministerial Council can determine a breach of obligation by a Party, which if serious and persistent may lead to suspensions. Within the framework of EnC the harmonization of the Serbia's legal system in energy field began making energy sector a pioneer in RS in this respect.

2.1.2. STABILIZATION AND ASSOCIATION AGREEMENT

The SAA was signed in April 2008 and entered into force in September 2013. Its Article 109 introduced cooperation in energy priority making a referral to the Energy Community Treaty, as well as, to the gradual integration of Serbia into Europe's energy market. Its Article 110 defined cooperation in nuclear matters. Since no special deadline for the realization of association in the energy area was proscribed the general deadline defined in Article 72 applies (the association shall be progressively and fully realized over a transitional period of a maximum of six years). In the institutional setting, relevant for the energy issues is the Sub-committee for Transport, Energy, Environment, Climate Action and Regional Development. Its role is extremely important for the Serbian side, since its meetings provide fertile ground for raising substantive issues and specific problems before the EU. The first Sub-committee was held on 8–9 July 2014, in Brussels. Apart from the SAA path, Serbia has greatly improved its position towards accession to the EU by entering the negotiation process.

2.1.3. NEGOTIATION PROCESS ON SERBIA'S ACCESSION TO THE EU

The negotiations officially started on 21 January 2014 at Intergovernmental conference where Negotiation Framework was presented. The first phase of

the negotiation process entails analytical examination and identification of differences between the EU and Serbia's legislation (screening process). It covers all 35 negotiating chapters and consists of two parts. The first part, explanatory screening meeting for Chapter 15 – Energy and Chapter 21 – TEN E was held on 29 – 30 April 2014. Here, the Commission presented the most important energy acquis with practical guidelines for its proper implementation. The delegation of the RS was given an opportunity to ask questions and prepare itself for the bilateral screening which was held on 11 – 12 June 2014. According to the presentations and clarifications on the state of play of Serbian energy legislation, the Commission will give an assessment on the level of alignment with the EU acquis. This assessment will be presented to the Council of the EU in a form of Screening Report which may contain opening benchmarks for the energy chapter. If that happens, the RS will not be able to open negotiations in this chapter until the conditions are met. According to the experience of our neighboring countries (Croatia and Montenegro), benchmarks are usually related to the adoption of strategies, action plans, adoption of laws and by-laws or fulfillment of obligations under SAA. The final saying for the opening of Chapter 15 will have the Council. Following the completion of possible opening benchmarks, the Council will invite Serbia to present its Negotiation Position. The EU will, then, adopt its Common Position where it may state that Serbia has achieved a sufficient level of alignment in the energy chapter and that the chapter can be closed without negotiating. However, this is an extreme and too optimistic scenario. It is most likely that the EU will determine interim or closing benchmarks to be met. It is very important to bear in mind that until all chapters are closed, each individual chapter is only provisionally closed, which means that it can be re-opened. Serbia is given an opportunity to ask for derogation of certain acquis or transitional period for its implementation if it estimates that, for instance, application and implementation of certain rules need to be postponed. However, these requests have to be justified and elaborated on the basis of detailed analysis.

2.2. Overview of Serbia's energy legal framework and its compliance with the EU acquis

The situation and projections in the energy sector of the RS are comprehensively analyzed in the Energy Development Strategy and Energy Balance of the RS. Natural resources in the RS are such that the energies of the highest quality are of the lowest dispersion (for instance, oil and gas make only 1% of national geological reserves), while different sorts of coal make 99% of it. The dependency of Serbia on primary energy imports is estimated at 34%. The most apparent is the dependency with respect to natural gas with 80% of it being imported from Russia.

The legislation in the energy sector is defined by the Law on Energy²⁹ adopted in 2011. This law had established a framework with the aim to improve: the reliability, security and quality of distribution and supply; competition

29 Law on Energy, *Official Gazette of the RS*, No 57/2011, 80/2011, 93/2012 and 124/2012.

and protection of all stakeholders; sustainability and energy efficiency; and functioning of energy subjects by enabling them to meet all necessary market conditions and integrate in the regional market. Novelties brought by this Law compared to the former Law on Energy from 2004³⁰ are: creation of new energy activities (production and distribution of bio fuels), production of electricity that ceased to be public service activity; stronger competences and independence of the national regulatory body (Energy Agency of the RS); promotion of investments in RES (by granting preferential status for the producers of energy coming from renewable sources and by simplifying the procedure for investments); extension of the validity of permissions for energy activities. This Law has been transposing the certain EU legislation and the assessment of the level of harmonization was partial compliance.

The electricity and gas directives and regulations that the Law transposed are part of the so-called “Second EU package on energy” which was replaced by the Third package. Harmonizing with the later one is one of the biggest challenges before Serbia. Starting from 1 January 2015 Serbia must make sure that the market is open for all customers and that they can freely choose and switch suppliers.³¹ Unbundling is expected to be properly performed, as well. The continuant emphasis of the European Commission in annual Progress Reports is the need for restructuring of the state owned company Srbijagas, as well as, Yugorosgaz. The Energy Community Secretariat had exactly the same observation and this is why a dispute settlement procedure was brought against Serbia in 2013.³² Serbia is in the breach of EnC Treaty since restructuring of the mentioned companies should have been done by 1 June 2007 (deadline for the implementation of the Directive 2003/55/EC). This Directive provides less stringent rules on unbundling than its successor Directive 2009/73/EC. Now, that the deadline for implementation of Directive 2009/73/EC (Third Package) is at the doorstep, Serbia has been alarmed by the EU side several times during the negotiating process. The new Energy Law which is being prepared at the moment and expected to be adopted by the end of 2014 should provide solutions and proper regulation.

However, the biggest apprehension of the EU side is the hotly debated South Stream project. This project is aimed to enable transport of gas from the Russian Federation, over Black Sea, Bulgaria and further on to Greece, Italy and Austria. This project was perceived as the main competitor to the Nabucco project (transport of Iranian, Turkmenistan's, Egyptian and Azerbaijanian gas over Turkey to Austria), which was striving towards diversification of the EU energy sources.³³ With the aim of participating in

30 Law on Energy, *Official Gazette of the RS*, No 84/2004 and 57/2011.

31 Since 1 January 2014 all customers except for the households and small customers are already allowed to choose a supplier. So far, only one have used this possibility while all others still remain to be supplied from the public enterprise “Elektroprivreda Srbije”

32 Case EnC No 09/2013: RS/Gas, 25 October 2013.

33 EU produces only 48% of its needs. The rest is imported and the most important partners for the supply of natural gas to EU are Russian Federation and Norway and for oil Russian Federation and OPEC.

the South Stream project, Serbia concluded an Agreement on cooperation with the Russian Federation³⁴ in January 2008. In 2009, South Stream Serbia AG was established in order to carry out the objectives set by the Memorandum. The share of capital in the company is 51% Gazprom Neft (Russian ownership) and 49% Srbijagas (Serbian ownership). The major concerns of the European Commission regarding the construction of the South Stream pipeline and storages are that: unbundling rules might be violated by granting a right to use all capacities to the South Stream AG (whose major share owner is Gazprom Neft, a vertically integrated company which would then apart from production and supply activity also have an access to the transmission network); secondly, third party access to the network might be jeopardized and therefore, rules on non-discriminatory conditions, as well; and finally, determination of tariffs for the transport according to the EU law should be in the hands of national regulatory body (adoption of methodologies on determining the prices) which the Commission questions since the Agreement delegates this right to the South Stream AG company. It is also important to note that the Commission raised this matter before other countries that are part of the same project in order to underline the need for revision of their agreements, too.

Law on Commodity Reserves³⁵ adopted in 2013, with the aim of improving the security of supply, provided a framework for complying with the Directive 2009/119/EC imposing an obligation to maintain minimum stocks of crude oil and/or petroleum products. It is estimated that EUR 130 millions for building storage capacities and another EUR 600 millions for oil and petroleum products are needed in order to establish a system of oil reserves that will meet the necessary EU conditions. Within the EnC Serbia has been granted a deadline (1 January 2023) for establishing this system which was implemented in the Law. The Commission has so far drawn attention to the necessity of adopting an Action Plan in order to meet the required conditions.

With respect to the renewable energy sources reaching 2020 RES target is the biggest challenge for Serbia. Within the EnC obligations improvement from 21.2% of RES share in 2009 to 27% until 2020 has been set for the RS. The 10% of bio fuels in transport sector is even more worrying since according to official statistic it equals zero at the moment.

The energy efficiency is dealt by the Law on Efficient Use of Energy³⁶ from 2013 which provided framework for the transposition of Directive 2006/32/EC on energy end-use efficiency and energy services, Directive 2010/31/EU on the energy performance of buildings and Directive 2010/30/EU on the indication by labeling and standard product information of the

34 Law on ratification of the Agreement on cooperation between the Government of the Republic of Serbia and the Government of the Russian Federation in the Field of Oil and Gas Economy, *Official Gazette of the RS No. 83/2008*.

35 Law on Commodity Reserves, *Official Gazette of the RS, No 104/2013*.

36 Law on Efficient Use of Energy, *Official Gazette of the RS, No 25/2013*.

consumption of energy and other resources by energy-related products. Adoption of the Energy Efficiency Action Plan and establishment of the Budgetary Fond is marked as significant step within the EnC assessments.

Nuclear energy legislation is covered by the Law on Ionizing Radiation Protection and on Nuclear Safety³⁷ from 2009. Despite the fact that there are no nuclear power plants on the territory of RS, there are still nuclear facilities: RA research reactor and RB research reactor (both were part of the Vinca Institute), radioactive waste storage facilities (three hangars) and old uranium Kalna mine. EU concerns are related to the decommissioning of the RA research reactor, improvement of the radiological situation at both Vinca site and Kalna mine and equally important – licensing of the nuclear subjects. For achieving this, further strengthening of the Serbian Radiation Protection and Nuclear Safety Agency is needed. SRPNA is according to the Law entitled to pass bylaws for implementing the Law and also issue, extend and revoke licenses for performing a radiation practice or nuclear activity. The problem is that nuclear inspection still has not been shifted from the ministerial level to the national regulatory body level. According to the Progress Report 2014, Serbia also needs to adopt a national strategy for radioactive waste management and national programme for spent fuel.

3. CONCLUSIONS

The most probable obstacles for opening Chapter 15 are likely to be restructuring of the public enterprise Srbijagas and the South Stream project. What RS is trying to gain on its EU path is stable and comprehensive regulative energy framework which can be properly enforced. However, the process is a long term and complex endeavor which requires careful and strategic planning. The benefits of joining the EU are numerous and they entail: opening of the energy market, clear and fair rules for the functioning of the energy market, non-discriminatory conditions for accessing the market, enhancement of the competition and improvement of security of supply; diversification of energy resources and improvement of energy infrastructure; improvement of innovation and technology in the energy sector; sustainable and “greener” use of natural resources with high standards of environmental protection, higher energy efficiency, bigger share of renewable sources in the energy mix. All of this should lead to improvement in other areas: increase of employment, higher protection of customers, better safety and health standards in industries, environmental protection increase, improvement of economy and trade, better cooperation with other countries etc. In overall, the energy sector of the RS has a decent potential to develop a competitive and secure energy surrounding. The geographical and strategic position of Serbia allows for the more than one possibility when it comes to cooperation and integration of energy markets among states. So it seems that the final result will depend on political will and choice.

37 Law on Ionizing Radiation Protection and on Nuclear Safety, *Official Gazette of RS*, 36/09 and 93/12.

ENERGETSKA POLITIKA EVROPSKE UNIJE I PERSPEKTIVA REPUBLIKE SRBIJE

Apstrakt

Energetski sektor Evropske unije se postepeno razvijao i menjao u pravcu čvršće saradnje i uspostavljanja zajedničkih pravila. Sa rastom Evropske unije, rasla je i njena tendencija ka regulisanom i slobodnom zajedničkom energetskom tržištu i sigurnosti snabdevanja. Energetska politika EU, danas nalazi svoj osnov u Lisabonskom ugovoru i pokriva nekoliko oblasti rada. Ovaj članak daje kratak prikaz najznačajnije energetske regulative Evropske unije i pozicionira Republiku Srbiju u odnosu na nju. Srbija je već određeni niz godina posvećena harmonizaciji propisa u oblasti energetike sa pravom EU kroz Ugovor o osnivanju Energetske zajednice, Sporazum o stabilizaciji i pridruživanju i proces pregovora o pristupanju EU. Stoga je status Republike Srbije posmatran iz ugla EU proširenja, uz opažanje izazova i benefita integrisanja u energetske sektor Evropske unije.

Ključne reči: Energetska politika EU. – Energetska regulativa RS. – Energetska zajednica. – SSP. – Pregovarčko poglavlje 15.