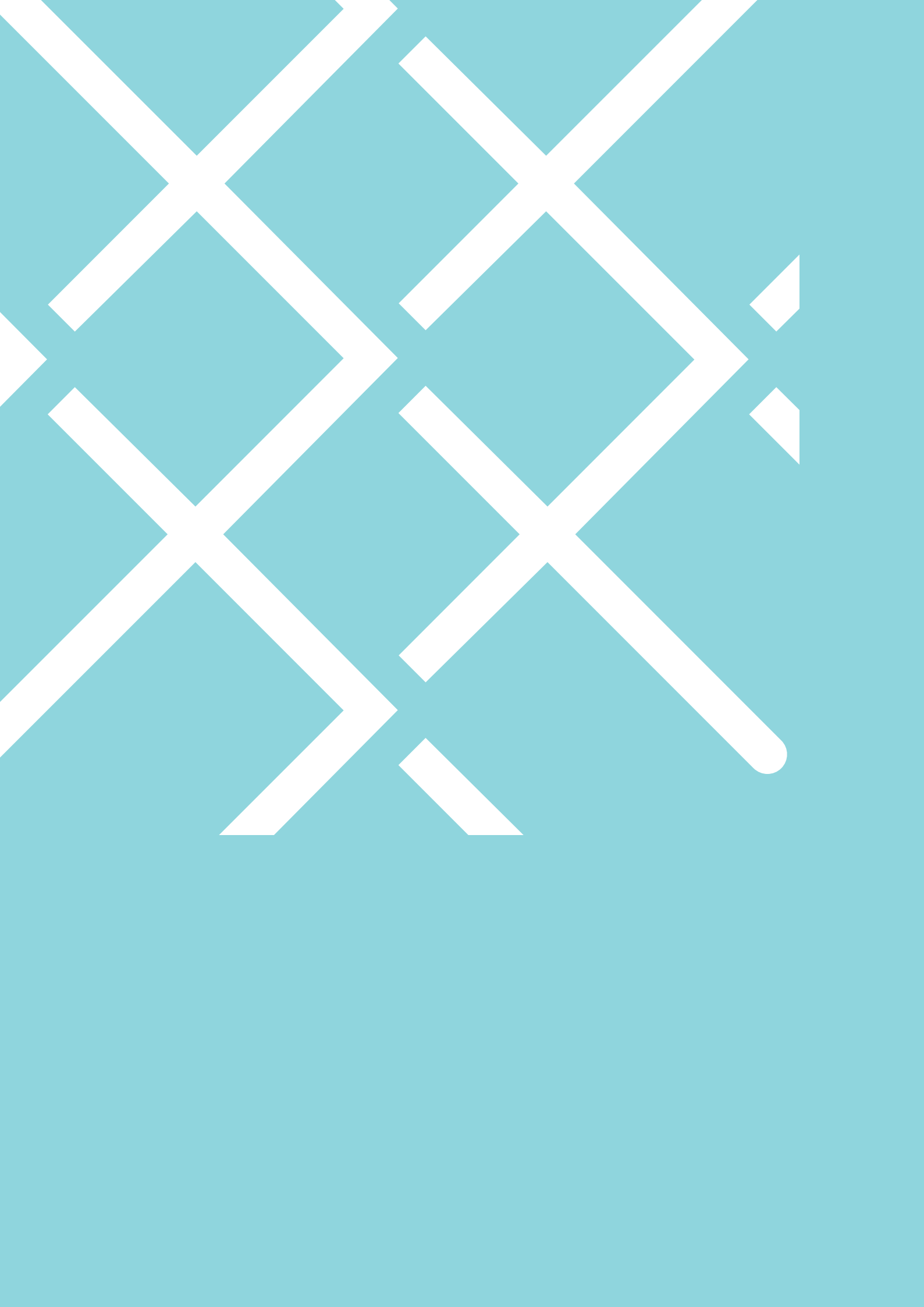




sela
south east legal alliance

Energy, Infrastructure & Mining





What we do

Energy, Infrastructure & Mining

SELA - South East Legal Alliance
January 2018



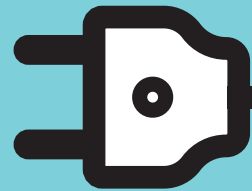
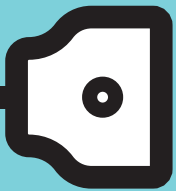
CONTENTS

01 Top-notch Legal Advisory.....	6
02 Covering all the Bases.....	7
03 Our Regional Energy, Infrastructure & Mining Team....	16

01

Top-notch Legal Advisory

The South East Legal Alliance (SELA) acts on behalf of numerous companies, investors, financiers and governments involved in the energy, infrastructure and mining sectors. Our practice is characterized by its in-depth understanding of the regional regulations, environmental requirements, financing methods and dispute resolution mechanisms available. We offer the full range of streamlined, tailored services for both contentious and non-contentious matters and have structured our team to provide clients with a depth of service and commercial capability that is unparalleled.



02

Covering all the Bases

Energy

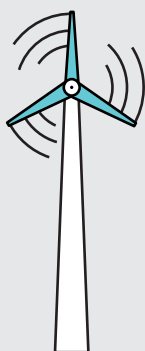
Our clients benefit from the experience of our team. Our team members have worked on energy-specific matters and understand the industry specificities. We advise on the entire lifecycle of an energy project, from planning, construction, financing and operation to exit strategies and sale. We advise buyers and sellers, project developers, investors, contractors, operators, financiers, international agencies and public-sector participants. We have experience drafting and negotiating power purchase agreements (PPA) and other energy related agreements in both renewable energy projects, as well as in standard utilities and have worked on some milestone projects in the region. Our team provides support on a wide range of financing structures, real estate rights, permitting, licensing, applicable regulatory matters, tax matters, energy disputes and other issues, which when combined allow our team to deliver top-notch legal service at every stage of a deal.

Our Services

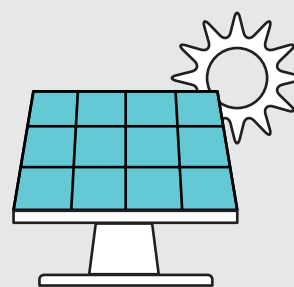
- Power
- Renewable energy and high-efficiency cogeneration
- Electricity
- Oil & Gas
- Nuclear
- Transmission and trade
- Energy regulation
- Energy disputes
- Energy infrastructure

SEE Electricity in Numbers

Feed-in tariffs



Wind



Solar

Country	Installed Capacity	Tariff (€/MW-h)
ALB	< 3MW	76 ¹
FBiH²	-	51.77
BiH RS	< 10 MW	84.47
BG	-	-
CRO	< 1 MW	95
	> 1 MW	93
MAC	< 50 MW	89
MNE	-	96.10
SER	-	92
SLO³	-	-

Country	Installed Capacity	Tariff (€/MW-h)
ALB	< 2 MW	100 ⁴
FBiH	< 10 KW	310.61
	10 KW - 30 KW	273.34
	30 KW - 150 KW	248.49
	150 KW - 1MW	173.94
	1 MW - 10 MW	157.38
BiH RS	> 10 MW	124.24
	< 50 KW	173.74
	50 KW - 250 KW	150.68
	250 KW - 1 MW	120.56
BG	< 250 KW	139.84
	250 KW - 1 MW	111.51
	Facades and roof-top installations < 5 KW	138.90
CRO	Facades and roof-top installations 5 KW - 30 KW	118.21
	< 10 KW	250.33
MAC	10 – 30 KW	222.80
	30 – 300 KW	201.83
MNE	< 50 KW	160.00
	> 50 KW and < 1 MW	120.00
SER	For buildings and engineering constructions	96.10
	Roof: < 0.03 MW	206.6
SLO	Roof: 0.03 – 0.5 MW	209.41 (P*66.33)
	Ground	162.5
SLO	-	-

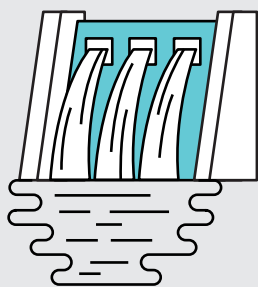
¹ Currently under update review

² Bosnia and Herzegovina ("BiH") has a multi-level government structure and it consists of: two entities, the Republic of Srpska ("RS") and the Federation of Bosnia and Herzegovina ("FBiH"), (collectively referred to as the "Entities") and Brcko District (the "District").

³ In Slovenia the feed-in support scheme for electricity produced from renewable energy sources was incorporated with the Energy Act in 2009 (the tariffs were fixed), but this changed with the adoption of the new Energy Act (EZ-1). Now the feed-in the support scheme is based on a public tender for investors to submit proposals for RES (renewable energy sources) generating plants

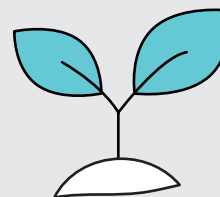
and CHP (high-efficiency cogeneration of electricity and heat). The procedure is now a competitive procedure for the selection of beneficiaries to support (instead of the automatic right to be granted by all investors as was regulated before), which is carried out in the framework of a public tender for investors to register projects. After executing the public tenders there is selection process for projects (in accordance with other determined criteria) to enter the support scheme and be granted support.

⁴ Currently under update review



Hydro

Country	Installed Capacity	Tariff (€/MW-h)
ALB	< 15 MW	68
FBIH	< 150 KW	48.46
	150 KW - 1 MW	41.99
BiH RS	1 - 10 MW	41.83
	< 1 MW	78.79
	1 - 5 MW	67.85
	5 - 10 MW	63.66
BG	-	-
CRO	< 300 KW	140.24
	300 KW – 2 MW	121.89
	2 – 5 MW	115.33
MAC	Produced < 85 MWh	120
	Produced > 85 and < 170 MWh	80
	Produced > 170 and < 350 MWh	60
	Produced > 350 and < 700 MWh	50
	Produced > 700 MWh	45
MNE	Produced < 3.0 GWh	104.40
	Produced 3.0 - 15 GWh	74.40
	Produced > 15 GWh	50.40
SER	New < 0.2 MW	124
	New 0.2 – 0.5 MW	137.27 (P*66.33)
	New 0.5 – 1 MW	104.1
	New 1 – 10 MW	107.47 (P*33.7)
	New 10 – 30 MW	73.8
	Existing < 30 MW	59
SLO	-	-



Biomass

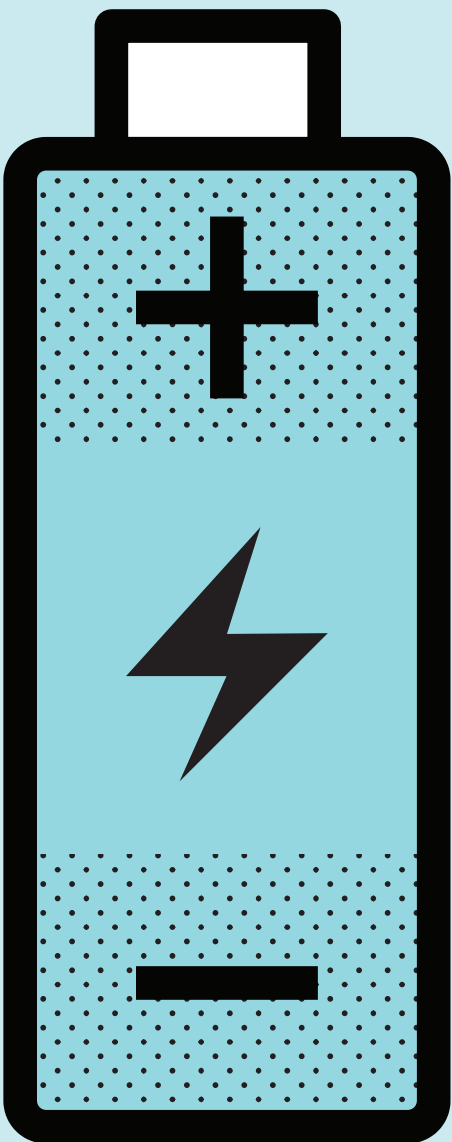
	FROM FORESTRY AND AGRICULTURE		FROM WOOD	
	Installed Capacity	Tariff (€/MW-h)	Installed Capacity	Tariff (€/MW-h)
ALB ⁵	-	-	-	-
FBIH	< 150 KW	60.88	< 150 KW	59.22
	150 KW - 1 MW	60.05	150 KW - 1 MW	58.39
	1 - 10 MW	59.22	1 - 10 MW	57.57
	> 10 MW	58.39	> 10 MW	56.74
BiH RS	< 1 MW	211.16	< 1 MW	211.16
	1 - 5 MW	115.60	1 - 5 MW	115.60
BG	Depending on fuel type	70.55 - 248.59	Depending on fuel type	70.55 - 248.59
CRO	< 300 KW	170.38	< 300 KW	170.38
	300 KW – 2 MW	163.83	300 KW – 2 MW	163.83
	> 2 MW	157.27	> 2 MW	157.27
MAC	< 3 MW	150.00	< 3 MW	150.00
MNE		137.10		123.10
SER	< 1 MW	132.6	< 1 MW	132.6
	1 – 10 MW	138.2 - (P*56)	1 – 10 MW	138.2 - (P*56)
	10 MW	82.2	10 MW	82.2
SLO ⁶	-	-	-	-

⁵ Biomass is allowed as generation source but to date there is no specific framework/tariff approved

⁶ Please note that in Slovenia the feed-in support scheme for electricity produced from renewable energy sources was incorporated with the Energy Act in 2009 (the tariffs were fixed), but this changed with the adoption of the new Energy Act (EZ-1). Now the feed-in the support scheme is based on a public tender for investors to submit proposals for RES (renewable energy sources) generating plants and CHP (high-efficiency cogeneration of electricity and heat). The procedure is now a competitive procedure for the selection of beneficiaries to support (instead of the automatic right to be granted by all investors as was regulated before), which is carried out in the framework of a public tender for investors to register projects. After executing the public tenders there is selection process for projects (in accordance with other determined criteria) to enter the support scheme and be granted support.

Get Started Investing

Governing Legislation



Country	Regulatory Authorities	Energy Market	Power Purchase Agreement
ALB	<ul style="list-style-type: none"> Energy Regulator (ERE)⁷ 	<ul style="list-style-type: none"> Law on electrical energy sector Law on renewable sources of energy Law on the sector of natural gas 	PPA Package ⁸
FBiH	<ul style="list-style-type: none"> State Electricity Regulatory Commissions (SERC)⁹ ERCFBiH¹⁰ 	<ul style="list-style-type: none"> Act on Transmission of Electric Power Regulator and Electricity Market in Bosnia & Herzegovina 	-
BiH RS	<ul style="list-style-type: none"> State Electricity Regulatory Commissions (SERC) ERCRS¹¹ 	<ul style="list-style-type: none"> Electricity Act of Republika Srpska Renewable Energy Sources and Efficient Cogeneration Act 	
BG	<ul style="list-style-type: none"> Ministry of Energy EWRC¹² 	<ul style="list-style-type: none"> Energy Act (EA)¹³ Energy from Renewable Sources Act (ERSA)¹⁴ Energy Efficiency Act Ordinance N^o 3 from March 21st, 2013 on Licensing the Activities in the Energy Sector Electricity Market Rules Electricity Metering Rules 	Energy Act (EA) ¹⁵
CRO	<ul style="list-style-type: none"> Ministry of Environment Protection and Energy Ministry of Economy, Entrepreneurship and Crafts (MELE) Croatian Energy Regulatory Agency (HERA) 	<ul style="list-style-type: none"> Strategy of Energy Development Energy Act 	Renewable Energy and High Efficiency Cogeneration Act
MAC	<ul style="list-style-type: none"> Energy Regulatory Commission 	<ul style="list-style-type: none"> Act of the FYR Macedonia "On Energy" Electricity Market Rules (MK) Strategy for Energy Development in the FYR Macedonia until 2030 Strategy for the Utilization of Renewable Energy Sources in FYR Macedonia for the period to 2020 Strategy for Improving Energy Efficiency in FYR Macedonia to 2020 	-
MNE	<ul style="list-style-type: none"> Ministry of Economy 	<ul style="list-style-type: none"> Energy Act Energy Policy of Montenegro until 2030 Energy Development Strategy of Montenegro by 2030 	Energy Act
SER	<ul style="list-style-type: none"> Energy Agency of the Republic of Serbia Ministry of Mining and Energy 	<ul style="list-style-type: none"> Energy Act 	PPA Package ¹⁶
SLO	<ul style="list-style-type: none"> Ministry of Infrastructure 	<ul style="list-style-type: none"> Energy Act 	Energy Act

7 Enti Rregulator i Energjisë <http://ere.gov.al/> - with jurisdiction for the electricity and natural gas sectors.

8 Consists of a number of government decrees, RERE decisions and template PPA forms.

9 The State Energy Regulatory Commission SERC has jurisdiction over the transmission of electricity, transmission system operation and international trade in electricity.

10 ERCFBiH has jurisdiction over the generation, distribution and trading of electricity in the Federation of Bosnia & Herzegovina.

11 ERCRS has jurisdiction over the generation, distribution and trading of electricity in Republika Srpska.

12 Former State Energy and Water Regulatory Commission.

13 Regulatory implementation is the responsibility of the Energy and Water Regulatory Commission (EWRC).

14 Regulatory implementation is the responsibility of the Energy and Water Regulatory Commission (EWRC).

15 Regulatory implementation is the responsibility of the Energy and Water Regulatory Commission (EWRC).

16 Consists of the following three decrees: Decree on Incentive Measures for Electricity Generation from Renewable Energy Sources and High-Efficiency Cogeneration of Electricity and Heat ("Incentive Decree"); Decree on Conditions of and Procedure for Obtaining of the Status of a Privileged Power Producer, Preliminary Privileged Power Producer and Producer from Renewable Energy Sources ("Status Decree"); and Decree on the Power Purchase Agreement ("PPA Decree").

Infrastructure

Insufficient and outdated regional infrastructure across South East Europe makes investments in this sector an ongoing necessity. As regional governments make infrastructure projects a priority, significant investments are needed for the construction of new capacities and for the upgrade or revitalization of outdated assets. These types of projects have traditionally been funded by public budgets, however with monetary constraints, governments are increasingly looking to private capital for funding. Our lawyers have experience working on public procurements, public-private partnerships (PPP), project financing and privately financed projects, including FIDIC based construction contracts. Our infrastructure legal experts provide practical, high-quality advice to clients involved in projects across multiple sectors, including aviation, shipping, river and maritime ports, social infrastructure, road development, railway, energy, water and waste management. Our industry expertise means that clients receive advice that takes the commercial implications of their project into consideration, which is why clients rely on us to help them meet their business objectives for both their domestic and cross-border projects.

Our Services

Transport infrastructure

- Aviation
- Shipping, ports and maritime
- Roads, bridges and railway

Social Infrastructure

- Schools and educational facilities
- Hospitals and healthcare facilities
- Municipal facilities
- Waste and water treatment
- Leisure and sporting facilities

Infrastructure finance and PPP

Balancing Modernization and Risk

Country	PPP and Concessions	Access to Finance
ALB	<ul style="list-style-type: none"> • Law on Concessions and Public Private Partnerships • Law on Public Procurements 	<ul style="list-style-type: none"> • Civil Code • Law on Securing Charges • Law on the Financial Collateral • Law on Immovable Properties • Law on Securities • Law on Investment Funds • Company Law
FBiH	<ul style="list-style-type: none"> • Concession Act of FBH • Concession Act of BH 	<ul style="list-style-type: none"> • Framework Pledge Act¹⁷ • Protection of Personal Data Act • Act on Enforcement Procedure in the FBH • Obligations Act • Property Rights Act • Leasing Act • Securities Act
BiH RS	<ul style="list-style-type: none"> • Concession Act of RS • Concession Act of BH • PPP Act 	<ul style="list-style-type: none"> • Framework Pledge Act¹⁸ • Protection of Personal Data Act • Obligations Act • Business Companies Act • Property Rights Act • Act on Leasing in the Republic of Srpska • Securities Act • Enforcement Procedure Act
BG	<ul style="list-style-type: none"> • Concessions Act • Public-Private Partnership Act • Public Procurements Act 	<ul style="list-style-type: none"> • Obligations and Contracts Act • Registered Pledges Act • Code of Civil Procedure • Commercial Act • Credit Institutions Act
CRO	<ul style="list-style-type: none"> • Concessions Act • Maritime Domain and Maritime Ports Act¹⁹ 	<ul style="list-style-type: none"> • Obligations Act • Act on Ownership and Other Proprietary Rights • Maritime Domain and Maritime Ports Act • Land Registry Act • Enforcement Act • Act on the Registry of Court and Notary Public created Security • Leasing Act
MAC	<ul style="list-style-type: none"> • Concession and Public Private Partnership Act (PPP Act) 	<ul style="list-style-type: none"> • Civil Code • Securities Act • Investment Funds Act • Company Act • Macedonian Bankruptcy Act
MNE	<ul style="list-style-type: none"> • Law on Concessions 	<ul style="list-style-type: none"> • Property Rights Act • Act on Secured Transactions • Act on Financial Leasing • Banking Act
SER	<ul style="list-style-type: none"> • Public-Private Partnership and Concessions Act 	<ul style="list-style-type: none"> • Act on Mortgages • Financial Leasing Act • Factoring Act • Act on the Market of Securities and Other Financial Instruments • Capital Markets Act • Bankruptcy Act
SLO	<ul style="list-style-type: none"> • Ministry of Infrastructure 	<ul style="list-style-type: none"> • Energy Act

¹⁷ Adopted on 21 May 2004, and subsequently amended in November 2004.

¹⁸ Adopted on 21 May 2004, and subsequently amended in November 2004.

¹⁹ Adopted on 15 October 2003, amended since 5 times, last amended in 2016.

Mining

While mining and natural resources make up a significant portion of the economies of the countries of South East Europe, this is a sector that requires specific attention. The region boasts some of the largest companies and investors active in the global mining industry and is rich in base metals, ferrous metals, silver, gold, coal, oil and gas. Our lawyers have a strong legal and commercial understanding of the industry and the environmental legislation surrounding it. We support clients on mine related mergers and acquisitions, regulatory compliance, commercial agreement support, licensing, project financing, disputes, collective bargaining and labor law procedures. We advise some of the leading global mining companies, investors, governments and financial institutions on the full complement of legal services in this sector.

Our Services

- Exploration and development
- Financing
- Environmental management
- Acquisitions and sales
- Operation and commercial contracts
- Mine closures and revitalizations

Put your mining hat on

Country	Governing Legislation
ALB	<ul style="list-style-type: none">• Law on the mining sector in the republic of Albania• Law on hydrocarbons
FBiH	<ul style="list-style-type: none">• Mining Act• Act on Geological Survey• Concessions Act
BiH RS	<ul style="list-style-type: none">• Mining Act• Energy Act• Act on Geological Survey• Concessions Act
BG	<ul style="list-style-type: none">• Underground Resources Act
CRO	<ul style="list-style-type: none">• Mining Act• Act on the Exploration and Exploitation of Hydrocarbons• Concessions Act
MAC	<ul style="list-style-type: none">• Act on Minerals²⁰
MNE	<ul style="list-style-type: none">• Mining Act• Act on State Property• Concessions Act• Act on Geological Explorations• Act on the Assessment of Environmental Impact
SER	<ul style="list-style-type: none">• Act on Mining and Geological Explorations
SLO	<ul style="list-style-type: none">• Mining Act²¹• Energy Act• Environmental Protection Act• Construction Act²²• Building Act²³

20 The Act on Minerals is a *lex specialis* regulating the types of exploration and exploitation of different types of minerals, the processes for obtaining each of the required concessions and permits and their revocation and defining the main, general liabilities and obligations of both the concessionaire and the conceding authority.

21 Amendments to the Mining Act were adopted on 17 November 2017 but will enter into force on 01 June 2018.

22 Amendments to the Construction Act were adopted on 17 November 2017 but will enter into force on 01 June 2018.

23 Building Act was adopted on 17 November 2017 but will enter into force on 01 June 2018.

03

Our Regional Energy, Infrastructure & Mining Team

Key Contacts

Cross-border transactions and knowledge sharing are the heart of our alliance. To ensure top quality service and a unified approach we have established practice area/industry specific teams spanning across the region. This allows us to deliver commercial and cost-effective advice and to provide a unique service that other legal networks don't offer.



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