Based on article 75, paragraphs 1 and 2 of the Republic of Macedonia Constitution, the President of the Republic of Macedonia and the President of the Republic of Macedonia Parliament issue a

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FOR DECLARATION OF THE LAW ON ENERGY

The Law on Energy is declared, which is passed by the Parliament of Republic of Macedonia at the session held on 10 September 1997.

Number 08-2828/1 10 September 1997 Skopje

President, Republic of Macedonia Kiro Gligorov, s.d

Chairman,
Parliament of Republic of Macedonia
Tito Petkovski, s.d

LAW ON ENERGY

1. GENERAL PROVISIONS

Article 1

This Law regulates the the founding and operation of a Regulatory Commission on Energy of the Republic of Macedonia, terms and conditions and manner of doing the activities in the field of energy, protection of energy facilities, devices and plants, environment and nature against the harmful effects caused by the operation of energy facilities, devices, plants, and supervision.

Article 2

Activities in the field of energy provided in terms of this Law is the following:

- 1. electric power generation, transmission, and distribution;
- 2. production and processing of coal;
- 3. production, treatment, and transportation of oil and oil derivatives;
- 4. production, transportation, and distribution of natural gas;
- 5. generation, transportation, and distribution of heat and geothermal energy;
- 6. generation of other types of energy.
- 7. transit of energy and energy supplies; and
- 8. trade with energy and energy supplies.

Article 3

Activities listed in Article 2 under this Law may be performed by local and foreign legal and physical entities on the basis of a license and under the conditions and in a manner provided thereof.

Article 4

Activities such as electric power generation, transportation, and distribution, production, transportation, and distribution of natural gas and production, transmission and distribution of heat and geothermal energy, except for internal use, are activities of common interest.

Article 5

To carry out the activities of Article 4 under this Law, public enterprises may be established.

Public enterprises for electric power generation, transmission, and distribution, and production, distribution of natural gas, are established by the Government of Republic of Macedonia.

Public enterprises for generation, transportation, and distribution of heat and geothermal energy, except for internal demands, are also established by the municipality and/or the city of Skopje.

Article 6

Electric power generation is, under this Law, an electricity generation in the hydropower plants, thermal power plants, cycled thermal power plants and other power plants (hereinafter referred to as "power plants").

Electric power transmission is, under this Law, a transmission of electricity from the power plants to the distribution companies and the consumers connected to the transmission grid.

Distribution of electric power, in the context of this Law, is transfer of electric power through the distributive systems of medium and low voltage for its delivery to the buyers.

Article 7

Production of coal is, under this Law, coal mining (coal excavation from the deposit, enrichment and implementation).

Coal treatment is, under this Law, the process of getting coke, semi-coke, briquettes, gas, and other products of coal.

Article 8

Production of oil and natural gas are, under this Law, oil exploitation of oil and natural gas from the oil-gas deposits.

Oil treatment is, under this Law, a refinery processing of crude oil to produce oil derivatives and other chemical products.

Transportation of oil and oil derivatives are, under this Law, loading, unloading and storage of oil and their transportation through oil pipelines, product pipelines, truck reservoirs or rail reservoirs and other transportation means.

Transportation of natural gas is, under this Law, transportation of natural gas in gaseous stage from the oil-gas deposits to the distribution and storage facilities, to the consumers which are connected to the transmission gas network.

Distribution of natural gas is, under this Law, supply of natural gas to the consumers connected to the distribution network.

Article 9

Generation of heat energy is, under this Law, generation of heat (steam, warm and hot water, warm gases and alike), in heat plants, thermal power plants - heat plants and industrial power plants and exploitation of geothermal energy.

Transmission of heat and geothermal energy is, under this Law, transmission of the relevant energy through pipelines from the springs to the distribution facilities. Distribution of heat and geothermal energy is, under this Law, distribution and supply of the relevant energy to the users connected to the distribution network.

Article 10

Generation and use of other energy types, under this Law, are the use of solar energy, wind energy, biomass energy etc.

Article 10-a

Transit of energy and energy supplies, in terms of this Law, is transmission and transportation of energy and energy supplies, respectively, through the territory of Republic of Macedonia.

Article 10-b

Trade with energy and energy supplies, in terms of this Law, *is* buying and selling of energy and energy supplies and providing services relative to it.

The buyer of electric power and energy supplies, in the context of this Law, is a legal or physic person that purchase electric power and energy supplies on wholesale, final buyer of electric power and energy supplies, entrepreneur or distributive enterprise.

Purchaser of energy and energy supplies, in the context of this Law, is a legal or physic person who performs purchase of energy and energy supplies.

Article 11 c

Supply of energy and energy supplies, in the context of this Law, is supply or purchase of energy and energy supplies to the buyers.

Delivery of energy and energy supplies, in the context of this Law, is delivery of energy and energy supplies to the users.

Supplier with energy and energy supplies, in the context of this Law, is supplier and/or purchaser of energy and energy supplies to the buyers.

Article 11

Generators of energy are, under this Law, legal and natural entities, which generate energy.

Suppliers of energy are, under this Law, legal and natural entities, which supply energy.

Users of energy are, under this Law, legal and natural entities and citizens receiving and using energy to meet their demands.

User of the energy system, in the context of this Law, is every legal or physic person, who supply or supply itself with energy through transferal or distributive systems.

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