

## **TRANSLATION**

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page 2184

Pursuant to Article 88 of the Constitution of the Republic of Croatia, herewith I pass the

### **DECISION ON PROMULGATION OF THE**

### **LAW ON REGULATION OF ENERGY ACTIVITIES**

I promulgate the Law on Regulation of Energy Activities passed by the Croatian Parliament on its session held on 19 July 2001.

Ref. No. 01-081-01-2394/2  
Zagreb, 24 July 2001

President of the  
Republic of Croatia  
Stjepan Mesić (signed)

### **LAW ON REGULATION OF ENERGY ACTIVITIES**

#### **Article 1**

- (1) For the purpose of issuing licences for carrying out energy activities, activities aimed at ensuring transparent and non-discriminatory functioning of the energy market, activities aimed at ensuring transparent and non-discriminatory performance of energy activities subject to public service obligation, carrying out activities related to regulation of energy prices to be set on the basis of tariff systems, and carrying out other activities within the scope of Energy Law and other laws regulating energy activities performed on free market principles or as public services, the Energy Regulatory Council has been established pursuant to this Law (hereinafter “Energy Regulatory Council”) as an independent legal entity with its registered office in Zagreb.
- (2) The legal entity from point (1) above shall be inscribed in the court register.
- (3) The issues that are not covered by this Law shall be regulated by the provisions of the Law on Public Institutions.

#### **Article 2**

The terms used in this Law shall have the meaning as stipulated in Energy Law and laws regulating the performance of energy activities and their relevant markets.

#### **Article 3**

- (1) The Energy Regulatory Council shall consist of five Commissioners to be appointed by the Croatian Parliament upon the proposal of the Croatian Government. The Parliament shall designate, amongst the five Commissioners, a Chief Commissioner and a Deputy Chief. The Commissioners shall be appointed for the term of office of five years, with the possibility of reappointment for one additional 5-year term. The Chief Commissioner shall be a professional staff, while other Commissioners will be non-professional staff and will receive monthly remuneration to be determined by the Croatian Government. The Statute of the Energy Regulatory Council may stipulate that some other or all Commissioners are engaged as professional staff.
- (2) The Chief Commissioner shall represent the Energy Regulatory Council in accordance with the powers prescribed by the Statute of the Energy Regulatory Council.
- (3) The Chief Commissioner, Deputy Chief and other members of the Energy Regulatory Council must be citizens of the Republic of Croatia with permanent residence in Croatia; they must have university degrees and professional knowledge and work experience in the area of technical sciences, law or economics; and they must have a solid command of the English language. The Chief Commissioner, Deputy Chief and other members of the Energy Regulatory Council may not be government officials, may not perform duties in political parties, nor be employees nor perform any assignments in legal entities on which the provisions of this Law are applied, nor be owners, co-owners, or members of their management or supervisory boards, nor perform any other activities that may give rise to any conflict of interest.
- (4) The Croatian Parliament may dismiss a Chief Commissioner, Deputy Chief and other members of the Energy Regulatory Council before expiration of their terms of office only in following cases:
  1. if they have seriously breached their duty stipulated in the Statute of the Energy Regulatory Council,
  2. if they have been convicted of criminal offence by competent Courts,
  3. if they are not capable of carrying out their duties properly during a period exceeding 6 months,
  4. in case of any circumstance as laid out in point (3) of this Article.

#### Article 4

- (1) The Energy Regulatory Council shall work in sessions and its decisions shall be made by majority of votes of all members.
- (2) Acts to be passed by the Energy Regulatory Council, if provided so by law, shall be published in "Narodne novine" (Official Gazette), and individual acts to be passed by the Energy Regulatory Council within the scope of its powers, as well as other acts when the Energy Regulatory Council so decides, shall be published in the Energy Regulatory Council newsletter. The Chief Commissioner shall be the editor-in-chief of such newsletter.

#### Article 5

- (1) Individual acts passed by the Energy Regulatory Council while exercising the civil services assigned to it according to Energy Law and other laws regulating the performance of energy activities, shall be final if not otherwise prescribed by this Law.

- (2) In case any party is dissatisfied with the acts passed by the Energy Regulatory Council, it may initiate administrative proceeding.

#### Article 6

- (1) The Energy Regulatory Council is entitled to require energy undertakings to submit relevant data, reports and other documents as may be needed for the Energy Regulatory Council's work.
- (2) Energy undertakings are obliged to submit to the Energy Regulatory Council data, reports and other documents as required.

#### Article 7

The Energy Regulatory Council shall at least once a year report to the Croatian Parliament and the Government on its work and observations significant for the development of energy market and public services.

#### Article 8

- (1) The Energy Regulatory Council shall have a department for carrying out administrative-technical tasks as needed by the Energy Regulatory Council. The Chief Commissioner shall have powers and responsibilities with respect to Energy Regulatory Council staff as stipulated in the Statute.
- (2) The Croatian Government shall appoint a non-profit legal entity that will assist the Energy Regulatory Council in preparation of proposals of acts to be passed by the Energy Regulatory Council and to carry out other expert assignments for the Energy Regulatory Council.

#### Article 9

- (1) The work of the Energy Regulatory Council shall be financed from a levy collected on consumer bills. The amount of the levy will be prescribed by the Croatian Government.
- (2) The proceeds as laid out in point (1) above shall be used for financing the operation of the Energy Regulatory Council, the non-profit legal entity providing legal assistance and costs of market research of energy market and public services in the energy sector.
- (3) The Energy Regulatory Council shall promulgate its Statute, subject to prior approval of the Croatian Government. It shall prepare the plans of activities and budgets of its work as well as financial statements.
- (4) The Energy Regulatory Council's annual budget for the following year shall be made public at least by 30 November of the current year.

#### Article 10

- (1) A cash fine ranging from HRK 10,000.00 to 50,000.00 shall be imposed on energy undertakings failing to comply with the Energy Regulatory Council's requirements (Article 6, point (2)).
- (2) A cash fine ranging from HRK 2,000.00 to 10,000.00 shall be imposed on a responsible official of an energy undertaking for an offence related to infringement of the obligation set forth in point (1) of this Article.

#### Article 11

Initial financial resources necessary for the start of the Energy Regulatory Council's work shall be ensured from the Government budget within the funds dedicated for the work of the Ministry of Economy.

#### Article 12

This Law shall come into effect on the eighth day of its publication in Narodne novine – the Official Gazette of the Republic of Croatia.

Class: 310-02/01-01/03

Zagreb, 19 July 2001

#### CROATIAN PARLIAMENT

Chairman  
of the Parliament

Zlatko Tomčić (signed)