



REPUBLIC OF SERBIA

MINISTRY OF MINING AND ENERGY

Based on the Article 17 and Article 21, paragraph 6 of the Law on the Use of Renewable Energy Sources of the Republic of Serbia ("Official Gazette of RS" no. 40/21 and 35/23) (hereinafter: "Law"), Government of the Republic of Serbia's Decision on Maximum Offered Price for Electricity for the purposes of Auctions within the Market Premium System ("Official Gazette of RS" no. 90/2024) from 15.11.2024, Article 7 of the Decree on Market Premium and Feed-in Tariff ("Official Gazette of RS" no. 90/2024) (hereinafter: "FiP Decree") and Decree on determining the quota in the market premium system for wind power plants ("Official Gazette of RS" no. 90/2024) and Decree on determining the quota in the market premium system for solar power plants ("Official Gazette of RS" no. 90/2024), Decision of the Ministry of Mining and Energy no. 003319139 2024 14820 004 000 012 002 from 26.11.2024 on the appointment of the Commission for implementation of the auction (hereinafter: "Commission"), consisting of the following members: Commission President and member Veljko Kovačević, State Secretary, with his deputy Rade Mrdak, Assistant Minister, member Jovana Joksimović, Assistant Minister, with her deputy Tatjana Radukić, Senior Advisor, member Ivana Genčić, Senior Advisor, with her deputy Petar Mihajlović, Advisor, , member Dejan Kocić, Senior Advisor, with his deputy Irena Gajić, Advisor, and member Maja Vukadinović, Assistant Minister, with her deputy Aleksa Terzić, Senior Advisor (hereinafter: "Ministry") hereby publishes this:

PUBLIC CALL

no. 003307089 2024 14820 004 000 000 001

for participation in

the auction for award of the right to the market premium

The Ministry invites all interested legal entities that meet the requirements of this Public Call to participate in this auction for award of the right to the market premium and other incentives available within the market premium system pursuant to the Law.

This auction is performed in accordance with Article 21, paragraph 6 of the Law, as outlined in the further text of this Public Call.

1. Form of implementing the auction

This auction is implemented in the electronic form, through the "RES Portal – Auctions" <https://oieaukcije.mre.gov.rs>.

2. Eligible auction participants

All domestic legal entities or entrepreneurs who meet the conditions for participation in the auction, set out in Article 11 of this Public Call, and whose applications relate to wind power

plant with an approved capacity of 3 MW and above or solar power plants with an approved capacity of 500 kW and above, are entitled to submit the application for participation in this auction.

An entity which has submitted an application for participation in the auction in accordance with Article 8 of this Public Call shall be considered as the auction participant.

3. Application submission deadline

Application submission deadline is 70 days from the date of publication of this Public Call on the Ministry's website. The deadline for submission of applications for this auction expires on 5 February 2025. The deadline for the submission of applications may be extended, up to the maximum deadline for submission of applications prescribed under Article 7, paragraph 6 of the FiP Decree.

In accordance with Article 14, paragraph 5 of the FiP Decree, any application submitted after the expiration of the application submission deadline specified in this article shall be rejected.

4. Auction procedure questions' submission deadline

The auction participants may submit questions or requests for clarification regarding the preparation and submission of application, conditions of this auction or content of this Public Call through the "RES Portal – Auctions".

The questions received by the Commission five (5) days or less before the application submission deadline are considered untimely.

The Ministry responds without delay to all timely posed questions and publishes answers on the "RES Portal – Auctions" not later than three (3) days before the date of expiration of the application submission deadline.

5. Available quota as per type and approved capacity of a power plant

Available quota for this auction is:

- 1) **300 MW for wind power plants with an approved capacity of 3 MW and above;**
and
- 2) **124,8 MW for solar power plants with an approved capacity of 500 kW and above**

The quota is not determined specifically for any geographic area and the right to participate in the auction is therefore granted to applications relating to all wind power plants with an approved capacity of 3 MW and above and all solar power plants with an approved capacity of 500 kW and above, which fulfil the qualification requirements in line with this Public Call, regardless in which geographic area of the Republic of Serbia the construction of these power plants is envisaged.

6. Information on total and maximum part of the quota for solar power plants awarded to participants who are considered related and to single auction participant ("Permitted Capacity")

- 6.1 The total part of the quota for solar power plants specified in Article 5, paragraph 1, item 2) of this Public Call, that can be awarded to auction participants deemed as related parties and/or related market participants under the law, amounts to **105 MW**.

Auction participants shall be considered as the related parties if they qualify as related parties under Article 62 of the Companies Act ("Official Gazette of the RS" nos. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018, 95/2018, 91/2019, and 109/2021).

Auction participants shall be considered as the related market participants if they are considered related market participants under Article 5 of the Competition Protection Act ("Official Gazette of the RS" nos. 51/2009 and 95/2013).

- 6.2 The maximum part of the quota for solar power plants specified in Article 5, paragraph 1, item 2) of this Public Call, that can be awarded to a single auction participant for one or more of its power plants applied for in this auction is **105 MW**.

- 6.3 In accordance with Article 10, paragraph 1, item 22) of the FiP Decree, as part of the auction application filled out and submitted per Article 8 of this Public Call, each auction participant must provide through the application form available on the "RES Portal - Auctions", the following information on whether: (1) another auction participant, considered under the law and this Public Call as a related party and/or related market participant, is participating in the auction process, and if so, (2) exact information on the name of such a related party and/or related market participant, as specified in the application form available on the "RES Portal - Auctions", and whether (3) in auction process an auction participant has submitted more than one application for multiple power plants, and if yes, (4) exact details about such power plants, including their names and the offered capacity for all offered power plants, in accordance with the application form available on the "RES Portal - Auctions".

7. Maximum offered price and fixed percentage from Article 10a of the Law

Maximum offered price for the electricity generated in the **wind power plants with an approved capacity of 3 MW and above** in this auction amounts to **79 €/MWh**.

Maximum offered price for the electricity generated in the **solar plants with an approved capacity of 500 kW and above** in this auction amounts to **72 €/MWh**.

Fixed percentage of the maximum offered price paid by the privileged producer to guaranteed supplier on the basis of the fee from Article 10a, paragraph 1 item 1) of the Law amounts to 8.7% for wind power plants and 5.3% for solar power plants per each MWh of production.

8. Manner and form of applying to the auction

Application for the auction is performed by way of submitting of the filled-in application for participation in the auction through the "RES Portal – Auctions" <https://oieaukcije.mre.gov.rs>.

Application consists of the information on the auction participant and the power plant, as further specified in Article 10, paragraph 1 of the FiP Decree.

The application form is available on and it is automatically generated by accessing the "RES Portal – Auctions" by the auction participant. In accordance with Article 14 paragraph 5 of the

FiP Decree, any application which does not correspond in both the content and form to the application form available in the "RES Portal – Auctions", will be rejected.

Auction participant may submit only one application for the same power plant. If an auction participant submits multiple applications for the same power plant, all of those applications will be rejected. Auction participant may submit multiple applications for various power plants. In the case of solar power plants, the bidding process is subject to the limitation stipulated in Article 6.3 of this Public Call.

Instructions for the access and use of the "RES Portal – Auctions" are available at the website of the Ministry, using the following link <https://www.mre.gov.rs/sektori/79/2/3/0>.

Considering that the application on the "RES Portal – Auctions" is done by using electronic certificates (eIDs), it is recommended that all interested auction participants, without delay upon publishing of this Public Call, verify if they can access the "RES Portal – Auctions" using their certificates and, as needed, contact the technical support of the Ministry and competent certification body in order to resolve any potential hindrances before the application submission deadline.

For performing this verification, it is not necessary for auction participants to register with the "RES Portal – Auctions", instead it is sufficient to initiate the login process on the "RES Portal – Auctions" page and pass the "eUprava" control (which involves entering of the PIN and displaying of personal data on the screen – image no. 4 from the Instructions for the access and use of the "RES Portal – Auctions" from this Article).

9. Bids submitted by auction participants in accordance with Article 21, paragraph 6 of the Law

9.1 Financial bid

Through the "RES Portal – Auctions", the auction participants shall submit their financial bid which includes the offered price for electricity generated in their respective power plants from the application and which shall be valid for the duration of the entire incentive period.

The offered price must be expressed in euros per MWh, rounded to two decimal places.

Financial bids submitted through "RES Portal – Auctions" i.e. the amount of the offered price shall be kept in information system with crypto protection, until the moment of opening of the financial bids and beginning of the bidding phase in accordance with this Public Call.

9.2 Offered capacity for supplying end customers in the Republic of Serbia

In the evaluation of auction participants' bids, when ranking bids of the auctions participants and filling of the quota, in addition to the Financial bid from Article 9.1, the percentage of the power plant's capacity offered by the auction participant to the guaranteed supplier for the purpose of guaranteed supply and/or end customers through the renewables power purchase agreement ("PPA Capacity") is also taken into account. As proof of the PPA Capacity, the auction participant submits a preliminary agreement or an agreement concluded with the guaranteed supplier and/or end consumer in the Republic of Serbia, with the signatures of the contracting parties certified by the competent certification authority, which must include the following elements:

- 1) an obligation to deliver electricity generated in the power plant of the auction participant, for which the application has been submitted, to the guaranteed supplier in the Republic of Serbia for the purposes of the guaranteed supply and/or to the end customer in the Republic of Serbia;
- 2) the duration of the power purchase agreement with the guaranteed supplier and/or the renewables power purchase agreement with the end customer, with the minimum three years term starting from the date of commencement of electricity supply, in accordance with regulations governing the energy sector, produced in the power plant of the auction participant for which the application in this auction has been submitted;
- 3) the percentage of the power plant's capacity of the auction participant, expressed in power (MW), offered to the guaranteed supplier for the purposes of the guaranteed supply, or to the end customer during the term of the power purchase agreement with the guaranteed supplier and/or the renewables power purchase agreement with the end consumer; and
- 4) in cases where the auction participant submits a preliminary agreement as proof for the PPA Capacity, such preliminary agreement must also include the obligation of the contracting parties to conclude a contract under the terms of the preliminary agreement regarding the contract duration and the offered power plant's capacity, prior to obtaining the status of a privileged power producer by the auction participant in accordance with Article 21, paragraph 7 of the Law.

In cases of the preliminary power purchase agreement or the power purchase agreement is concluded between the auction participant and the guaranteed supplier, the preliminary agreement or agreement submitted with the auction participant's bid must explicitly state that the offered capacity is being procured for the purposes of guaranteed supply in the Republic of Serbia.

10. Financial security for seriousness of the bid

The financial security for seriousness of the bid is submitted in the form of a bank guarantee or cash deposit, in the amount of 30 euros per kW of the offered capacity of the power plant, i.e. part of the power plant in relation to which the auction participant submitted a financial bid.

Bank guarantee

In case the auction participant submits a financial security for seriousness of the bid in the form of a bank guarantee, such bank guarantee must be in accordance with the model provided in Schedule 1 of the FiP Decree and the conditions provided in Article 13 paragraph 1 item 1) of the FiP Decree.

The bank guarantee, with explicit reference to the number of this Public Call, shall be submitted to the Commission in the original paper form, through the clerk's office of the Directorate for Joint Affairs of the Republic's Authorities at the address Nemanjina 22-26, 11-000 Belgrade, by the application submission deadline. The bank guarantee is submitted in a closed envelope, with the cover letter outside of the envelope on which the auction participant shall obtain a receipt stamp of the authority (cover letter with receipt stamp is further provided as a proof through "RES Portal – Auctions" in accordance with Article 11.1 paragraph 1 point 1) of this Public Call). On the front side of the envelope, the auction participant shall indicate

the following text (in Serbian): "For the Ministry of Mining and Energy, the Commission for implementation of the auction. The bank guarantee as a security for seriousness of the bid in the auction for award of the market premium in accordance with the Public Call number 003307089 2024. Date of submission _____". The envelope must be signed by the statutory representative of the auction participant, with certification by a company's stamp (if existing). In the cover letter it is especially required to indicate the number, date and bank of issuance of the bank guarantee, number of this Public Call and the corporate information of the auction participant. The cover letter must be signed by the statutory representative of the auction participant, with certification by a company's stamp (if existing).

Cash deposit

The cash deposit is paid in dinar countervalue at the middle exchange rate of the National Bank of Serbia on the day of payment to the following sub-account of special deposits of the Ministry:

Sub-account of special deposits: 840-998804-46

Reference number: 14820-430-421211

Recipient: Ministry of Mining and Energy, Public Call no. 003307089 2024

Proof of payment of the cash deposit, in form of a bank confirmation confirming that the funds have been transferred from the account of the auction participant to the sub-account of special deposits, shall be submitted to the Commission along the application for participation in the auction through "RES Portal – Auctions" in accordance with Article 11.1 paragraph 1 point 1) of this Public Call.

Validity term of the financial security

The validity term of the financial security for seriousness of the bid is at least five (5) months after the date of the application submission deadline from Article 3 of this Public Call.

11. List of documents to be submitted with the application and formality requirements

11.1 List of documents

Each auction participant is required to submit the following documents with the application:

- 1) the financial security for seriousness of the bid, in accordance with Article 10 of this Public Call, whereby through "RES Portal – Auctions" the auction participants submits the following proofs/documents along its application: (i) if as financial security for seriousness of the bid the auction participant has submitted a bank guarantee, along its application the auction participant submits the scanned cover letter from Article 10. of this Public Call, which includes the receipt stamp of the Directorate for Joint Affairs of the Republic's Authorities, or (ii) if as financial security for seriousness of the bid the auction participant has paid a cash deposit, along its application the auction participant submits the scanned confirmation of the bank on completed payment of cash deposit from Article 10 of this Public Call;
- 2) the final and legally binding energy permit, if the power plan falls under the energy facilities for which an energy permit is issued in accordance with the law regulating the energy matters, along with a clause i.e. a confirmation of final and legally binding status issued by the Ministry (in case that a clause, i.e. a confirmation has been issued on a

separate document from the decision on issuance of the energy permit, such document must be scanned jointly with the decision as a single .pdf file, unless the energy permit and the clause on legal validity have been issued in the form of electronic document, in which case both documents must be submitted and separately uploaded on the "RES Portal – Auctions";

- 3) valid location conditions or valid construction permit, i.e. decision on approval of execution of works, if issued for the power plant. In case the deadline for notification of works has expired according to the laws under which the construction permit, i.e. approval for execution of works was issued, the auction participant shall also submit a confirmation of the commencement of construction works issued by the competent authority;
- 4) for power plants that shall be connected:
 - (1) to the transmission system: confirmation from the transmission system operator that there is a planning basis for construction of the connection,
 - (2) to the distribution, or on the closed distribution system: conditions for design and connection of a power plant;
- 5) a statement of the auction participant's legal representative, issued in the form of electronic document signed with a qualified electronic signature in accordance with the law governing electronic documents, confirming, under criminal and material liability, the identity of the ultimate beneficial owner of the auction participant in terms of the law governing the prevention of money laundering and financing of terrorism;
- 6) a statement of the auction participant's legal representative, issued in the form of electronic document signed with a qualified electronic signature in accordance with the law governing electronic documents, confirming, under criminal and material liability, that the power plant, or part of the power plant in relation to which the financial proposal was submitted does not benefit from incentives, nor that there is an unresolved request for granting of incentives for the production of electricity from renewable energy sources in accordance with the regulations governing incentives for the production of electricity from renewable energy sources, at the time of publishing of this Public Call and at the time or after application submission deadline provided in this Public Call;
- 7) a statement of the auction participant's legal representative, issued in the form of electronic document signed with a qualified electronic signature in accordance with the law governing electronic documents, confirming, under criminal and material liability, that:
 - i. no request for opening of insolvency proceedings has been filed against the auction participant, nor decision on initiation of liquidation proceedings has been rendered by competent body of the auction participant;
 - ii. the auction participant is not a party to any agreement which is distorting or threatens to distort the competition,
 - iii. the auction participant has not been sanctioned, in the period of three years before the date of this Public Call or from the date of establishment of the auction participant until the date of this Public Call publication, for any violation of law governing protection of competition;

- 8) documents issued by the competent court and the relevant department of the ministry responsible for internal affairs confirming that, according to official records maintained by courts or authorities of the Republic of Serbia, no criminal proceedings or investigations have been initiated against the auction participant and its legal representative nor they have been convicted of criminal offenses against the economy, criminal acts against environmental protection, criminal acts of receiving or giving bribes, or criminal act of fraud, whereby such document cannot be older than three months from the day of issuance until the application submission deadline provided in this Public Call;
- 9) certificates from tax authorities, i.e. the competent bodies of the local self-government unit that the auction participant has no debts on the basis of due tax and contributions in accordance with the regulations governing tax and regulations governing social insurance;
- 10) a statement of the auction participant's legal representative, issued in the form of electronic document signed with a qualified electronic signature in accordance with the law governing electronic documents, confirming, under criminal and material liability, that the power plant in relation to which the financial proposal is submitted is not a power plant for which a certificate of completion of construction works on the foundations has been issued by the competent authority, or that it is not a power plant for which financial resources have been secured for the completion of the construction of the power plant at the time of the expiration of the application submission deadline;
- 11) statement of the auction participant's legal representative, issued in the form of electronic document signed with a qualified electronic signature in accordance with the law governing electronic documents, confirming, under criminal and material liability, that:
(1) no other participant, which is considered as its related party and/or related market participant in accordance with the law and this Public Call, is participating in the auction, or
(2) another participant, which is considered as its related party and/or related market participant in accordance with the law and this Public Call, is participating in the auction, with exact information on the name of such related party and/or market participant; and
(3) they have not submitted more than one application in the auction, i.e., they have submitted only one application for one power plant; or
(4) the auction participant has submitted applications for two or more power plants, with exact information on such power plants, their names, and the offered capacity for all offered power plants;
- 12) confirmation from the National Bank of Serbia that the business accounts of the auction participant have not been blocked due to enforced collection for more than three days, during the three years preceding the date of this Public Call or from the date of establishment of the auction participant until the date of this Public Call;
- 13) an act issued by the competent system operator that determines the approved capacity at the point of delivery. As a proof of fulfilling this requirement, the auction participant submits the opinion of the transmission system operator regarding the conditions and possibilities for connection of the power plant, if the auction participant's power plant shall be connected to the transmission system, or the conditions for the design and connection of the power plant, if the power plant shall be connected to the distribution or closed distribution system;
- 14) a statement of the auction participant's legal representative, issued in the form of an electronic document signed with a qualified electronic signature in accordance with the

law governing electronic documents, confirming, under criminal and material liability, that the auction participant will ensure the independent delivery of electricity to the system and that, for each point of delivery, the installations are physically and electrically separated from installations connected to other points of delivery;

- 15) a preliminary agreement or agreement as referred to in Article 9.2 of this Public Call, in case the auction participant submits, along with the financial bid, proof on the PPA Capacity; and
- 16) a statement of the auction participant's legal representative, issued in the form of electronic document signed with a qualified electronic signature in accordance with the law governing electronic documents, confirming that the auction participant accepts and agrees to obtain by its own and submit, along with the application, all documents referred to in items 1) to 15) above.

The location conditions from item 3) of this Article shall be considered valid if they are not older than two years from the date of issuance until the application submission deadline.

Statements referred to in items 5), 6), 7), 10), 11), 14) and 16) of this Article should be submitted in the form and content corresponding to the models of these statements available on the "RES Portal – Auctions".

In the event that the legal representative of the auction participant is a foreign national, for the purpose of proving the conditions set out in item 8) of this Article, the Commission will accept certificates issued by the competent judicial and administrative authorities in the country of which the individual is a national or a resident. The Commission will, ex officio, verify the nationality of the legal representative through data published on the website of the Business Registers Agency. If the certificate is issued in another country based on residency, the auction participant is required to provide a proof of the legal representative's residency in that country.

In the event that information on the PPA Capacity, as provided in the auction application form via the 'RES Auction Portal', conflicts with the information from the preliminary agreement or agreement submitted in accordance with paragraph 1, point 15) of this Article, the information in the submitted preliminary agreement or agreement will be prevailing for the purpose of evaluating the PPA capacity criterion set forth in Article 13.4 of this Public Call. If, based on the submitted preliminary agreement or agreement, it is not possible to verify or determine the mandatory information and requirements as outlined in Article 9.2 of this Public Call, the auction participant's bid will be assigned 0 (zero) points for the PPA capacity criterion.

11.2 Requirements regarding the form of documents submitted along the application

Any public document (e.g. any document issued by the state authorities, documents certified before a notary public or a court etc.) issued in a country other than the Republic of Serbia, shall be legalized for its further use in the Republic of Serbia. The applicable legalization process depends on the country of issuance of such public document i.e. if the country is a signatory to the Convention Abolishing the Requirement of Legalization for Foreign Public Documents, executed in Hague on 5 October 1961 and if there is a ratified international agreement on exemption of certain public documents from any kind of legalization executed between origin country and the Republic of Serbia (or its predecessors) in place. Further information on legalization requirements depending on the country of issuance of public

document can be obtained from the official website of the Ministry of Justice of Republic of Serbia at the following link <https://www.mpravde.gov.rs/tekst/861/legalizacija-isprava-.php>.

Any documents within the application that are issued in language other than Serbian must be submitted along with their certified translation of a court sworn interpreter in Republic of Serbia.

The auction participants will be responsible for the accuracy of the Serbian translation of documents originally created in another language.

Documents submitted through the "RES Portal - Auctions" which have been originally issued in electronic form shall be delivered in the electronic form in .pdf format along with qualified electronic signature, i.e. a qualified electronic stamp, all in accordance with the law governing electronic documents, electronic identification and trusted services in electronic business operations.

If the document submitted through the "RES Portal - Auctions" was originally issued in paper form, for the purposes of the auction it shall be delivered in digitized format (scanned) in .pdf format, by way of which such electronic document shall be considered as the copy of the original document and as such shall satisfy the requirements of the form, in accordance with the law governing electronic documents.

12. Qualification phase and qualification requirements

12.1 Qualification requirements

The auction participant passes the qualification phase and qualifies for the bidding phase in the auction if it has submitted all documents in accordance with Article 11.1 of this Public Call and if it meets the following qualification requirements:

- 1) the power plant in relation to which the auction participant has submitted the application is a wind power plant with an approved capacity of 3MW or above or a solar power plant with an approved capacity of 500 kW or above;
- 2) it has submitted the following proofs:
 - i. the final and legally binding energy permit, in accordance with Article 11.1 paragraph 1 point 2) of this Public Call, only if the power plant falls under the energy facilities for which an energy permit is issued in accordance with the law regulating the energy matters,
 - ii. valid location conditions or valid construction permit, i.e. decision on approval of execution of works, if issued for the power plant, in accordance with Article 11.1 paragraph 1 point 3) of this Public Call,
 - iii. planning basis for construction of the connection of the power plant to the electricity system, i.e. conditions for design and connection of the power plant, in accordance with Article 11.1 paragraph 1 point 4) of this Public Call;
- 3) it has submitted a financial security for seriousness of the bid in accordance with Article 10 of this Public Call;
- 4) it is an active legal entity or entrepreneur, duly registered for business operations in the Republic of Serbia;

- 5) no request for opening of the insolvency proceedings has been filed against the auction participant, nor a decision on initiation of liquidation proceedings has been rendered by competent body of the auction participant in accordance with Article 11.1 paragraph 1 point 7) item i. of this Public Call;
- 6) the auction participant and its legal representative/representatives have not been convicted for any criminal act as a member of an organized criminal group, have not been convicted for white collar crimes, criminal acts against environmental protection, criminal acts of receiving or giving bribes or the criminal act of fraud, nor the criminal proceedings or investigations have been initiated against them for these criminal acts, in accordance with Article 11.1 paragraph 1 point 8) of this Public Call;
- 7) it has paid all due taxes, contributions and other public fees, in accordance with Article 11.1 paragraph 1 point 9) of this Public Call;
- 8) the power plant or the part of the power plant in relation to which the financial proposal was submitted does not benefit from incentives for production of electricity from renewable energy sources in accordance with regulations governing incentives for production of electricity from renewable sources nor that in relation to the power plant or part of the power plant there is an unresolved request for granting of incentives in accordance with Article 11.1 paragraph 1 item 6) of this Public Call;
- 9) the auction participant has not been penalised in the period of three years before the date of publication of this Public Call or from the date of establishment of the auction participant to the date of publication of this Public Call, for any violation of the provisions of the law governing the protection of competition in accordance with Article 11.1 paragraph 1 point 7) item iii. of this Public Call;
- 10) the auction participant is not a party to any agreement which is distorting or threatens to distort the competition in accordance with Article 11.1 paragraph 1 point 7) item ii. of this Public Call; and
- 11) the power plant in relation to which the financial proposal was submitted is not a power plant for which a certificate of completion of construction works on the foundations has been issued by the competent authority, or it is not a power plant for which financial resources have been secured for the completion of the construction of the power plant, in accordance with Article 11.1 paragraph 1 point 10) of this Public Call;
- 12) the business accounts of the auction participant have not been blocked due to enforced collection for more than three days, during the three years preceding the date of publication of the Public Call or from the date of establishment of the auction participant until the date of publication of Public Call, in accordance with Article 11.1 paragraph 1 point 12) of this Public Call; and
- 13) that the offered capacity of the power plant is equal to or greater than 70% of the total capacity of the power plant and cannot exceed the prescribed quota. In case the subject of the bid is a power plant for which the auction participant acquired the status of a provisional privileged producer for a portion of the capacity less than 70% of the total capacity of that power plant in the previous auction, due to the fact that in the previous auction only part of the offered capacity of the power plant filled the remaining available quota, the auction participant is required to offer at least the capacity that represents the

difference between 70% of the total capacity of the power plant and the portion of the capacity for which they acquired the status of a provisional privileged producer in the previous auction;

- 14) that the total capacity of the power plant is equal to the approved capacity at the point of delivery, as determined by the system operator in the act referred to in Article 11.1, item 13) of this Public Call.

The auction participant submits all documents listed in Article 11.1 as proof that it meets the qualification requirements from this Article 12.1.

12.2 Opening of the applications

The Commission opens the applications in accordance with Article 16 of the FiP Decree within five (5) working days from the day of expiration of the application submission deadline.

12.3 Implementation and completion of the qualification phase

The qualification phase lasts from the opening of the applications from Article 12.2 of this Public Call until the opening of the financial bids from Article 13.1 of this Public Call, and in any event shall not last longer than five (5) working days from the opening of applications.

The Commission performs the qualification phase by evaluating whether the auction participants meet all the qualification requirements from Article 12.1 of this Public Call and whether all the proofs based on Article 11.1 of this Public Call have been submitted.

The Commission may, if necessary, request additional information or documents from the auction participant in order to clarify the submitted application, i.e., the evidence referred to in Article 11.1 of this Public Call, before the publication of the Report on the fulfillment of the qualification conditions. The Commission will send the request for additional information or documents to the auction participant via email to the email address specified by the participant in the auction application, and the auction participant is obliged to respond within the period specified by the Commission, which may not be shorter than two (2) working days. The information or documents thus submitted will be considered an integral part of the auction participant's application, and as such will be listed and evaluated within the decision of the Ministry on the participant's bid in accordance with Article 14 of this Public Call.

After opening the applications, the Commission prepares and publishes the Report on fulfillment of qualification requirements on the "RES Portal – Auctions", within five (5) working days from the opening of applications. The Report on fulfillment of qualification requirements contains data on the performed qualification phase, as prescribed in more detail by Article 17 paragraph 5 of the FiP Decree. Thereby, the qualification phase will be considered completed.

13. Bidding phase and filling of auction quota

13.1 Opening of the financial bids

Within a maximum of five (5) working days from the end of the qualification phase, the Commission shall open financial bids of those auction participants whose applications have passed the qualification phase in accordance with this Public Call and the FiP Decree.

The applications of the auction participants who meet the qualification requirements and contain the offered price that is higher than the maximum offered price referred to in Article 6 of this Public Call shall be rejected.

13.2 Evaluation of proof on PPA Capacity

Within a maximum of five (5) business days from the completion of the qualification phase, the Commission evaluates whether the auction participant has submitted the proof on PPA Capacity with its application, as referred to in Article 11.1, paragraph 1, point 15 and whether such submitted proof complies with the requirements set out in Article 9.2 of this Public Call.

13.3 Bidding requirements

The auction participants whose applications have passed the qualification phase and whose financial bids do not exceed the maximum offered price referred to in Article 7 of this Public Call meet the requirements for bidding.

13.4 Evaluation of Capacity Criterion

For the purpose of ranking bids and allocating the quota, the Commission determines the value of the capacity criterion for each bid that has passed the qualification phase and calculates the points for the capacity criterion for each bid using the following formula:

Capacity Criterion

$$= \frac{\sum_{g=1}^{15} \min \left(0,3 * \text{Capacity of power plant}, \sum_{u=1}^{M_g} \text{Capacity from Power Purchase Agreement}_{g,u} \right)}{\text{Capacity of power plant} \times 15}$$

Where:

- *Capacity Criterion* represents the value of the capacity criterion offered for supplying end customers in the Republic of Serbia;
- M_g represents the total number of concluded contracts with the guaranteed supplier for the purpose of guaranteed supply and/or with an end consumer in the Republic of Serbia in year g ;
- g represents the time interval of one year and takes values from 1 to 15, where 1 represents the first year of receiving incentives, and 15 represents the fifteenth year of receiving incentives;
- u takes values from 1 to M , representing the serial number of each individual agreement concluded with the guaranteed supplier for the purpose of guaranteed supply and/or with an end consumer in the Republic of Serbia, among the total M concluded contracts with the guaranteed supplier for the purpose of guaranteed supply and/or with an end consumer in year g ;
- *Capacity from Power Purchase Agreement* represents the capacity of the participant's power plant, according to the preliminary agreement or agreement under Article 11.1, paragraph 1, item 15) of this Public Call, provided to the guaranteed supplier for the purpose of guaranteed supply and/or to an end consumer in the Republic of Serbia during

all years of the contract's duration. If the total capacity of the plant offered in a given year to the guaranteed supplier for the purpose of guaranteed supply and/or to an end consumer in the Republic of Serbia, as per the auction participant's bid, exceeds 30% of the plant's total capacity, when calculating the capacity criterion, the capacity from the power purchase agreement will be considered to be 30% of the plant's capacity;

- *Contract Duration* represents the duration of the purchase agreement as per the pre-contract or contract under Article 11.1, paragraph 1, item 15) of this Public Call, submitted with the auction participant's bid;
- *Plant Capacity* refers to the approved capacity of the power plant at the point of delivery, as determined by the relevant system operator;
- The number 15 in the denominator is a constant and corresponds to the maximum duration of the incentive period, expressed in years.

The auction participant's bid will receive 0 (zero) points for the capacity criterion if the auction participant did not submit the proof on the PPA Capacity as per Article 11.1, paragraph 1, item 15) of this Public Call, or if the auction participant has submitted preliminary agreement or agreement that does not meet the requirements from Article 9.2 of this Public Call, or if the auction participant submitted preliminary agreement or agreement from which it is not possible to determine fulfillment of requirements set forth in Article 9.2 of this Public Call.

13.5 Evaluation of Bids and Determination of Total Points for the Bid

The ranking of bids in this auction is performed based on the total points awarded to each participant's bid, which are determined based on the offered price and the points awarded for the capacity criterion, in accordance with Article 13.3 above.

The total points for an auction participant's bid will be awarded by the Commission using the following formula:

$$\begin{aligned} & \text{Total points for Auction Participant's bid} \\ &= \pi \frac{\text{Lowest Offered Price}}{\text{Offered Price for Auction Participant's Bid}_i} \\ &+ (100 - \pi) \frac{\text{Capacity Criteria}_i}{\text{Maximum Capacity Criterion}_{\max}} \end{aligned}$$

Where:

- Capacity Criterion_i represents the value of the capacity criterion achieved based on the bid of auction participant i;
- Capacity Criterion_{max} represents the highest value of the capacity criterion among all auction participants' bids;
- π represents the value of 95 points;
- i represents the unique identifier of the auction participant's bid.

13.6 Filling the Quota and Ranking of Bids

After assigning total points to all auction participants' bids in accordance with Article 13.4 of this Public Call, the Commission ranks the auction participants in order to fill the quota in accordance with the following rules:

- 1) based on the total points for the bid, from the bid with highest total points to the bid with lowest total points, applying the restrictions from Article 6.1 and 6.2 of this Public Call;
- 2) if the offered capacity of a bids of auction participants that are subject to the limitations from Article 6.1 and 6.2 of this Public Call exceeds the prescribed limit from Article 6 of this Public Call, the quota, in line with limitation from Article 6 of this Public Call, is awarded to these participants based on the total points of their bids, from bid with highest total points to bid with lowest total points, whereby these participants do not have the right to state whether they accept or reject such award of the quota;
- 3) if the bids of auction participants to which limitation from Article 6.1 of this Public Call applies have the same number of points, the remaining quota will be allocated pro-rata to the offered capacity, by applying the formula from point 7) of this Article, within the Permitted Capacity from Article 6 of this Public Call, whereby these participants do not have the right to state whether they accept or reject such award of the quota;
- 4) if the bids of auction participants to which limitation from Article 6.2 of this Public Call applies have the same number of points, the remaining quota will be allocated pro-rata to the offered capacity, by applying the formula from point 7) of this Article, within the Permitted Capacity from Article 6 of this Public Call, whereby these participants do not have the right to state whether they accept or reject such award of the quota;
- 5) upon application of the steps from points 1) through 4) above, if any of the bids of two or more auction participants have achieved same number of total points (tied bids), and their total offered capacity exceeds the total auction quota, the remaining quota will be allocated pro-rata to their offered capacity, by applying the formula from point 7) of this Article, whereby these participants will have the right to accept or reject such pro-rata allocated capacity in line with this Public Call;
- 6) if the bids of any two or more auction participants have achieved the same number of total points (tied bids), including the bids of the auction participants to which the limitations from Article 6 have been previously applied in accordance with points 2) through 4) of this Article, all of their power plants will enter the quota if the total offered capacity of their power plants, ie. the Permitted Capacity, is lower or equal to the remaining quota;
- 7) for the purposes of points 3), 4) and 5) above, the remaining quota will be allocated pro-rata to the offered capacities using the following formula:

$$\text{Pro-rata capacity entering the quota (kW)} = \frac{\text{Offered capacity* (kW)} \times \text{Remaining quota** (kW)}}{\text{Total offered capacity of all equal financial proposals (kW)}}$$

* *For the purposes of allocation of the quota from points 3) and 4) above, the offered capacity shall be the offered capacity from the application of the auction participant.*

For the purposes of allocation of the quota from point 5) above, the offered capacity shall be the offered capacity from the application of the auction participant or the capacity that may be awarded to such participant after the application of the rules from the points 2), 3) and 4) above, if it is lower than the capacity from the auction participant's application.

** *For the purposes of allocation of the quota from point 3) above, the remaining quota shall be calculated as follows:*

$$\text{Remaining quota} = 105 \text{ MW} - K$$

Where:

K is the sum of capacities of the bids to which the limitation from Article 6.1 of this Public Call applies, and which have achieved higher number of total points than the tied bids to which the limitation from Article 6.1 applies.

For the purposes of allocation of the quota from point 4) above, the remaining quota shall be calculated as follows:

$$\text{Remaining quota} = 105 \text{ MW} - K$$

Where:

K is the sum of capacities of the bids to which the limitation from Article 6.2 of this Public Call applies, and which have achieved higher number of total points than the tied bids to which the limitation from Article 6.2 applies.

For the purposes of allocation of the quota from point 5) above, the remaining quota shall be calculated as follows:

$$\text{Remaining quota} = \text{Total auction quota} - K$$

Where:

K is the sum of all capacities of the bids that have higher number of total points than the tied bids from point 5) of this Article.

The Commission invites auction participants from point 5) of this Article to declare whether they accept the award of market premium for part of the offered capacity of the power plant, by applying the formula for pro-rata capacity entering the quota (kW).

The Commission allocates the remaining quota proportionally to the offered capacities of all auction participants with tied bids who have declared that they accept the award of market premium for part of the offered capacity of the power plant, by applying the formula for pro-rata capacity that entering the quota (kW).

If all auction participants with the tied bids from point 5) of this Article refuse pro-rata allocation of quota based on the offered capacity, i.e. they declare that they do not accept the

award of the market premium for part of the offered capacity of the power plant, the quota will be filled by capacities after the rules from points 3) and 4) of this Article have been applied, as applicable, in such a way that priority in filling the quota is given to the bid of auction participant which, according to the data from the "RES Portal - Auctions", have submitted their application earlier. The information on the exact time of the application submission by all auction participants will be available and transparent to all auction participants and the Commission on the "RES Portal – Auction" immediately after the expiration of the application submission deadlines.

- 8) if the last bid that fills the quota receives a quota for part of the offered capacity of the power plant, the market premium can only be awarded to the auction participant for that part of the capacity, if the auction participant agrees to this in the manner provided in paragraph 2 of this Article. If this auction participant rejects award of the market premium for the part of the offered capacity, the Commission will invite the next auction participant in ranking to declare whether it accepts the award of market premium for part of the offered capacity, until the remaining quota gets filled. If none of the remaining auction participants accepts the award of the market premium for part of the offered capacity, the quota remains unallocated.

The Commission sends a request to the auction participants to declare their statement on the matter of allocating the market premium for part of the offered capacity as outlined in this article, by sending them the request, containing all relevant information and circumstances on which they need to declare their statement, via email to the email address of the auction participant specified in their application for participation in the auction, with a confirmation of email receipt (delivery receipt), or in another suitable manner. Auction participants who have received the request from the Commission are required to respond within three (3) business days from the date of receipt.

If, in any of the cases provided for in this article, the auction participant accepts the allocation of the market premium for part of the offered capacity, the financial instrument used as a guarantee for the seriousness of the bid will be returned to that participant. If an auction participant does not respond within the prescribed deadline to the Commission's request in accordance with this article, it will be considered that they have not accepted the allocation of the market premium for part of the offered capacity. In such cases, the Commission will return the financial instrument used as a guarantee for the seriousness of the bid after the auction procedure is completed.

If an auction participant, in any of the cases provided for in this article, accepts the allocation of the market premium for part of the offered capacity, the participant has the right to a reduction in the amount of the financial instrument used as a guarantee for the seriousness of the bid, so that the final amount will be proportional to the part of the offered capacity of the power plant that has entered the quota. In the case that the participant has deposited a cash deposit as the financial instrument for the seriousness of the bid, the Ministry will be obligated to release part of the deposit proportional to the part of the offered capacity that did not enter the quota within 10 business days of receiving the participant's request. If the participant has provided a bank guarantee as the financial instrument, the auction participant is required to submit an annex to the bank guarantee with the reduced amount in accordance with this paragraph or a new bank guarantee with the reduced amount in the case of replacing the bank guarantee. The Ministry will return the original bank guarantee to the participant within five

(5) business days after receiving the new bank guarantee with the reduced amount from this paragraph. The return of the financial instrument used as a guarantee or the release of part of the cash deposit by the Ministry to the auction participant in accordance with this paragraph does not affect the further course of the auction process and the deadlines for the decision on the conducted auction.

The part of the quota that remains undistributed in the auction process may be allocated in the next auction.

13.7 Completion of the bidding phase and preparing of a ranking list

After completion of the bidding phase and filling of the quota, the Commission concludes the ranking list for the award of the market premium with the report on the performed auction and submits them to the Ministry.

14. Award of market premium and rendering of decisions on the performed auction

Within 15 days from the day of submitting the ranking list, with the report on the performed auction by the Commission, on the basis of such ranking list and the report on the performed auction, the Ministry shall issue decisions on awarding the right to market premium, or decisions on rejection of the right to market premium pursuant to Article 23 of the FiP Decree, to each auction participant that has submitted the application in this auction.

The Ministry publishes decisions on the performed auction on the "RES Portal – Auctions" without delay after the expiration of the deadline for rendering decisions from paragraph 1 of this Article.

Publication of decisions on the performed auction in the manner specified in this Article shall be considered as delivery of decisions to the auction participants.

All temporary privileged producers who have been granted the right to a market premium in the auction process acquire the status of a temporary privileged producer on the day the decision on the granting of the market premium becomes final. The day the decision becomes final is the day the decision is published on the "RES Portal – Auctions".

15. Conclusion of a market premium agreement

Within 30 days from the day on which the decision on award of the right to market premium from Article 14 of this Public Call becomes final, in terms of the administrative procedure law, the auction participant to which market premium was awarded is obliged to submit a request for conclusion of the market premium agreement to the authorised contractual party in accordance with the Law.

16. Financial security for acquiring the privileged producer status

The auction participants which have been awarded with the right to market premium and which have accordingly acquired the temporary privileged producer status shall submit to the Ministry a financial security for acquiring of the privileged power producer status, within 30 days as of the day on which the decision on award of the right to market premium becomes final i.e. as of acquiring the temporary privileged producer status.

The financial security for acquiring the privileged producer status shall be submitted in the form of a bank guarantee or cash deposit, in the amount of 60 euros per kW of the capacity of

the power plant, i.e. part of the power plant for which the auction participant has acquired the right to market premium.

Bank guarantee

In case the auction participant i.e the temporary privileged producer submits a financial security for acquiring the privileged producer status in the form of a bank guarantee, such bank guarantee must be in accordance with the model provided for in Schedule 2 of the FiP Decree and the conditions provided for in Article 28 paragraph 1 item 2) of the FiP Decree

The bank guarantee is submitted by expiry of the deadline from paragraph 1 of this Article to the Ministry in the original paper form, through the clerk's office of the Directorate for Joint Affairs of the Republic's Authorities at the address Nemanjina 22-26, 11-000 Belgrade. The bank guarantee is submitted in a closed envelope, with the cover letter outside of the envelope on which the temporary privileged producer shall obtain a receipt stamp of the authority. On the front side of the envelope, the auction participant shall indicate the following text (in Serbian): "For the Ministry of Mining and Energy. The bank guarantee as a security for acquiring privileged producer status in accordance with the decision on award of the market premium i.e. granting of the temporary privileged producer status no. _____, from _____. Date of submission _____". The envelope must be signed by the statutory representative of the temporary privileged producer, with certification by a company's stamp (if existing). In the cover letter it is especially required to indicate the number, date and bank of issuance of the bank guarantee, number and date of the decision on award of the market premium i.e. granting of the temporary privileged producer status and the company information of the temporary privileged producer status which has submitted the bank guarantee. The cover letter must be signed by the statutory representative of the temporary privileged producer, with certification by a company's stamp (if existing).

Cash deposit

The cash deposit is paid in dinar equivalent at the middle exchange rate of the National Bank of Serbia on the day of payment to the following sub-account of special deposits of the Ministry:

Sub-account of special deposits no.: 840-998804-46

Reference number: 14820-430-421211

Recipient: Ministry of Mining and Energy

Proof of payment of the cash deposit, in form of an original bank confirmation confirming that the funds have been transferred from the account of the temporary privileged producer to the sub-account of special deposits, shall be submitted to the Ministry through the clerk's office of the Directorate for Joint Affairs of the Republic's Authorities at the address Nemanjina 22-26, 11-000 Belgrade, by expiry of the deadline from paragraph 1 of this Article.

Validity term of the financial security

The validity term of the financial security for acquiring the status of a privileged producer is at least two (2) months longer than the duration of the term of the temporary privileged producer status.

Grounds and manner of payment under financial security

Reasons for and consequences of triggering the payments under the financial security for acquiring the privileged producer status are provided for in Article 29 of the FiP Decree.

Right to change type of financial security for acquiring privileged producer status and right to top-up financial security for seriousness of the bid

The temporary privileged power producer is entitled to switch the type of financial security for acquiring the status of privileged producer during the term of the temporary privileged producer status (switch cash deposit for bank guarantee and vice versa), as well as to top-up the amount of financial security for seriousness of the bid up to the amount required for financial security for acquiring privileged producer status in the manner prescribed in Article 28 paragraphs 4 and 5 of the FiP Decree.

17. Expected deadline for completion of projects for which the right to market premium was awarded

Bearing in mind the maximum duration of the temporary privileged producer status from Article 26 of the Law, the completion of projects in relation to which the auction participants acquired the right to a market premium in this auction is expected within maximum of four years as of the date on which the auction participants have acquired temporary privileged producer status, for the power plants for which a construction permit was obtained before acquiring the temporary privileged producer status, or within maximum of six years as of the date on which the auction participants have acquired temporary privileged producer status, for power plants for which a construction permit was not obtained before acquiring the temporary privileged producer status. In case of occurrence of a force majeure event during the validity of the temporary privileged producer status, the completion of the projects may be expected within the additional one year.

18. Legal remedies in the auction procedure

The decision on award of the right to market premium, i.e. the decision on rejecting the right to market premium is final in the administrative procedure. Each auction participant has the right to initiate an administrative dispute against the decision resolving its own right i.e. the decision resolving its own application, within 30 days from the day of receiving the decision on award of the right to market premium, i.e. the decision on rejecting the right to market premium. The instruction on the legal remedy with the necessary information will be specified in the decision on award of the right to market premium, i.e. in the decision on rejecting the right to market premium.

The rights of other auction participants will remain unchanged and in force regardless of the outcome of the administrative dispute initiated by another auction participant against the decision of the Ministry resolving the rights i.e. the application of that auction participant.

If the outcome of the final and legally binding decision in the administrative dispute is such that the auction participant who initiated the administrative dispute is entitled to a market premium, the Ministry will award to that auction participant the right to a market premium outside the quota of this auction, all in accordance with the Law.

This Public Call is prepared and published in Serbian and English language. In case of discrepancy between the two language versions, the Serbian language version shall prevail.

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In Belgrade, 27 November 2024

MINISTER

Dubravka Đedović Handanović


