

Third
ENERGYSUMMIT
in Bosnia and Herzegovina



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ON THE ROAD TO REFORM: Increasing the share of renewables in Bosnia and Herzegovina in a cost-efficient manner

5 April 2017 – Part 2

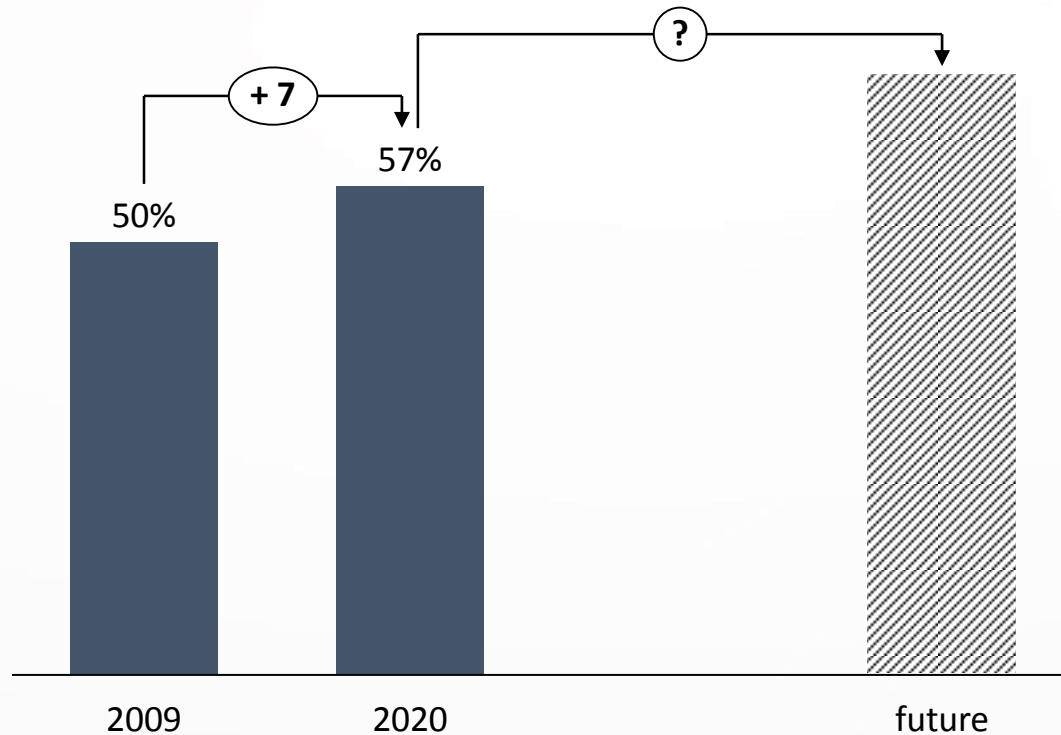
Silvana Tiedemann (Ecofys)

Agenda

- 1) Current state of RES in BiH
- 2) Why is a policy reform needed?
- 3) What does the market look like?
- 4) How can reform be achieved?

Electricity sector targets

The NREAP sets the RES-E target for 2020 (only)

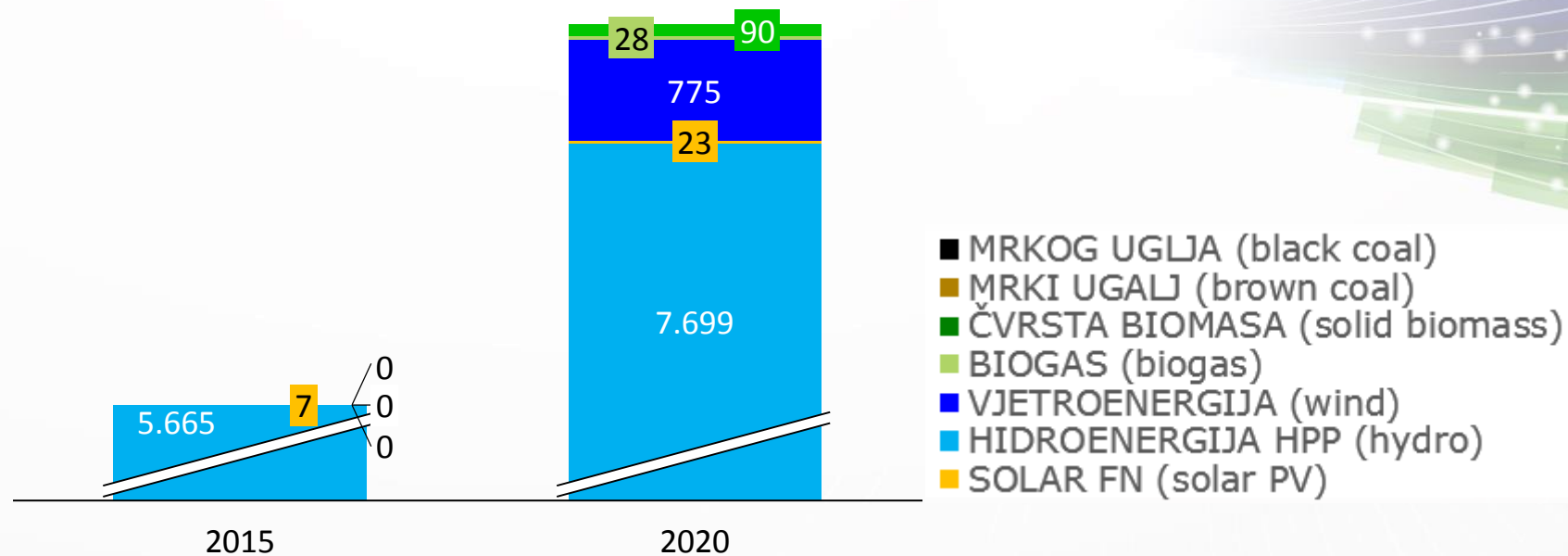


- How can the 2020 target be achieved?
- Which target is to be used beyond 2020?

1) Current state of RES

Generation from renewables set to grow, adding also wind, solar and biomass

Electricity generation in 2015 compared to NREAP 2020 targets in XXXX



Policies

Both entities have support schemes in place

- FiT in place in both entities for smaller plants
- FiP in place in the RS for projects intended for self-consumption or selling on the market
- Duration: FBiH 12 years; RS 15 years

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Need for reform

Three factors motivate the reform process

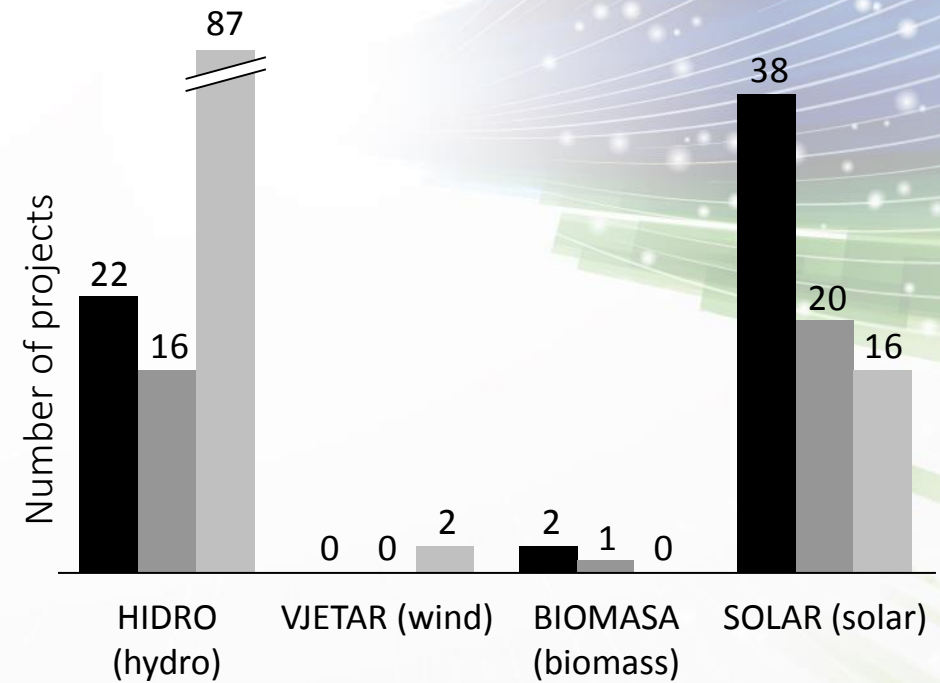
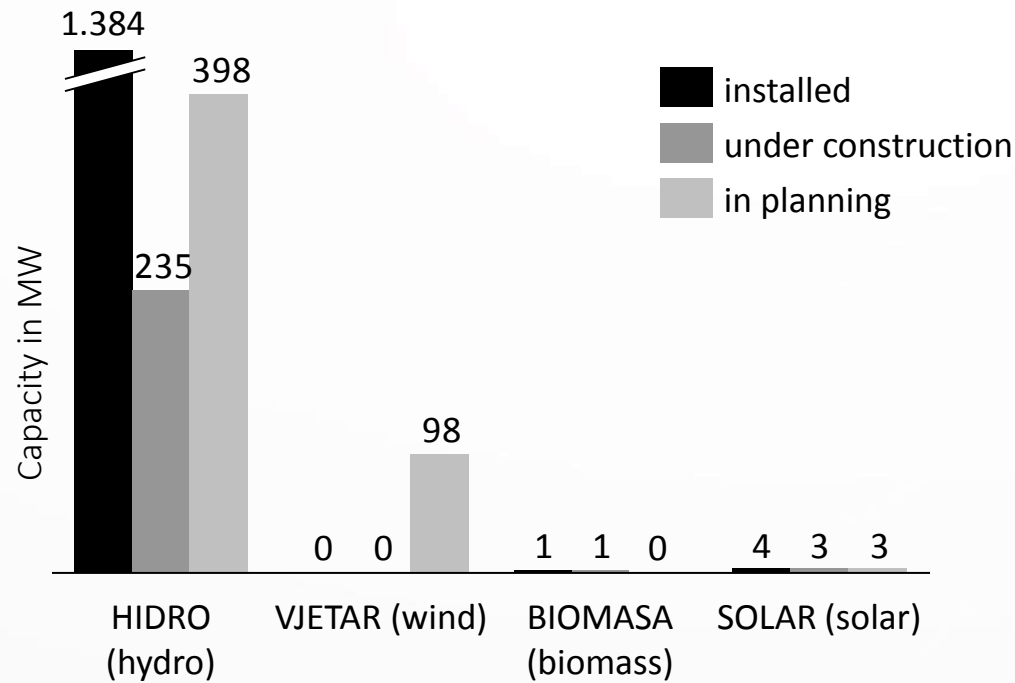
- **Applications** for RES support exceed volume caps
- **Cost** of RES support requires additional funding
- **Benefits** from RES should be wisely leveraged

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Market outlook in the RS

The RES pipeline is significant

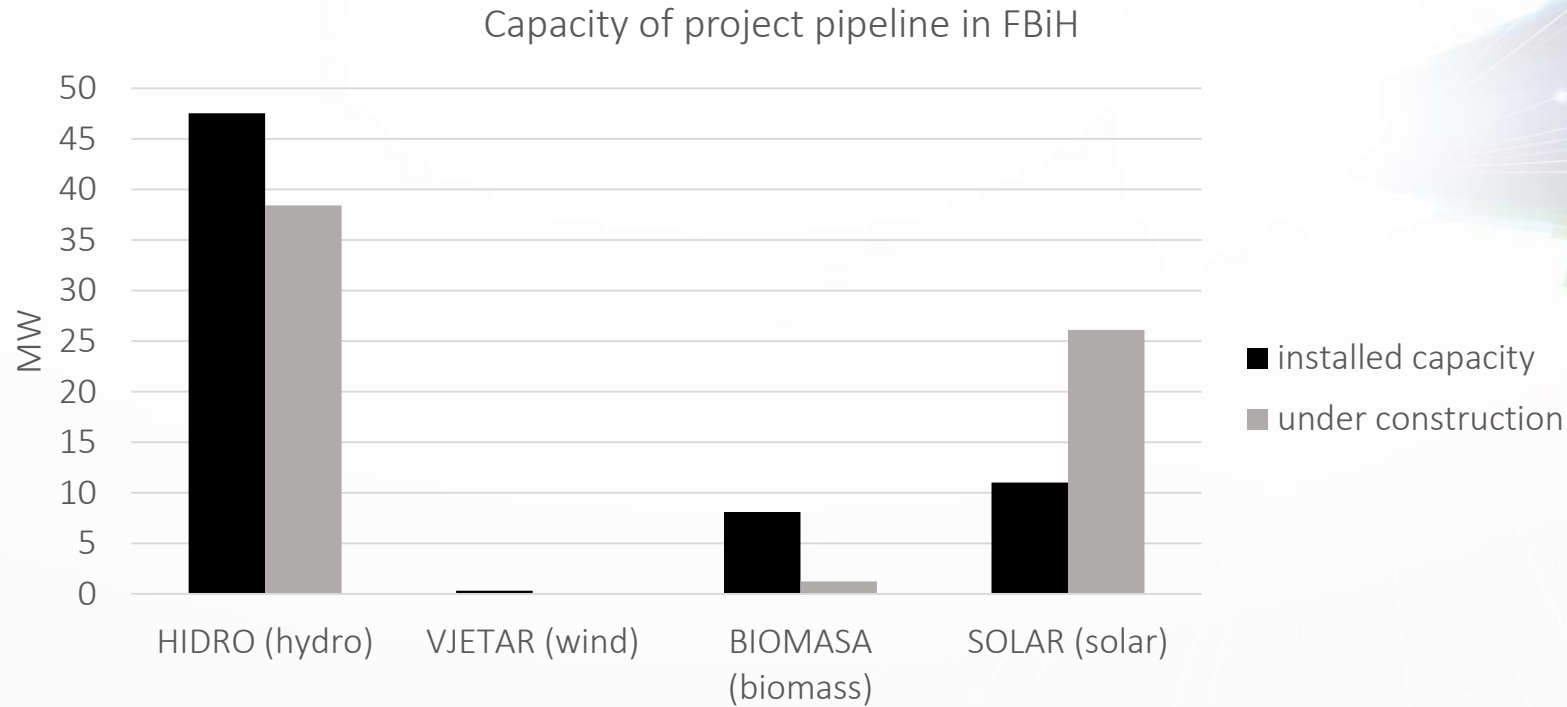


Source: Data provided by the regulator and the ministry of the RS on 31.03.2017.

preliminary data

Market outlook in the FBiH

The pipeline depends on the technology



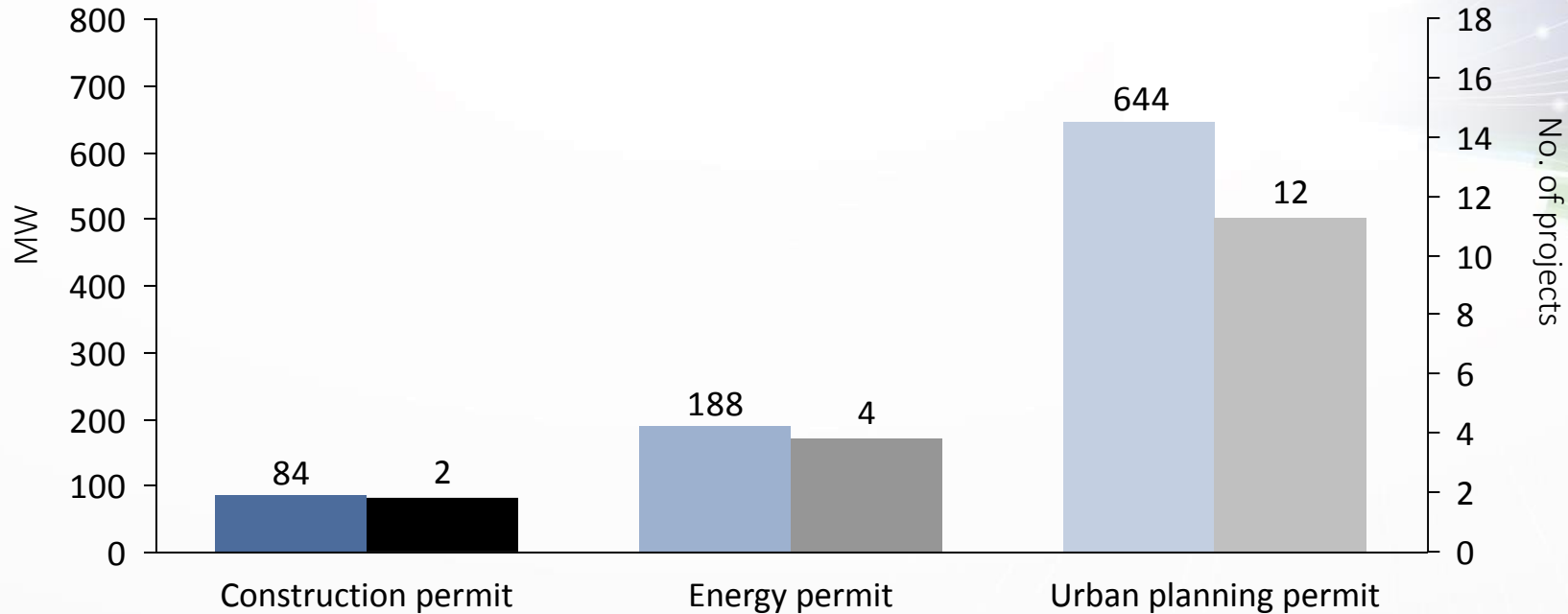
Source: Data provided by the operator in FBiH on 31.03.2017.

preliminary data

Permits in the FBiH

Wind applications are in various project phases

Permitting stages of wind projects in FBiH



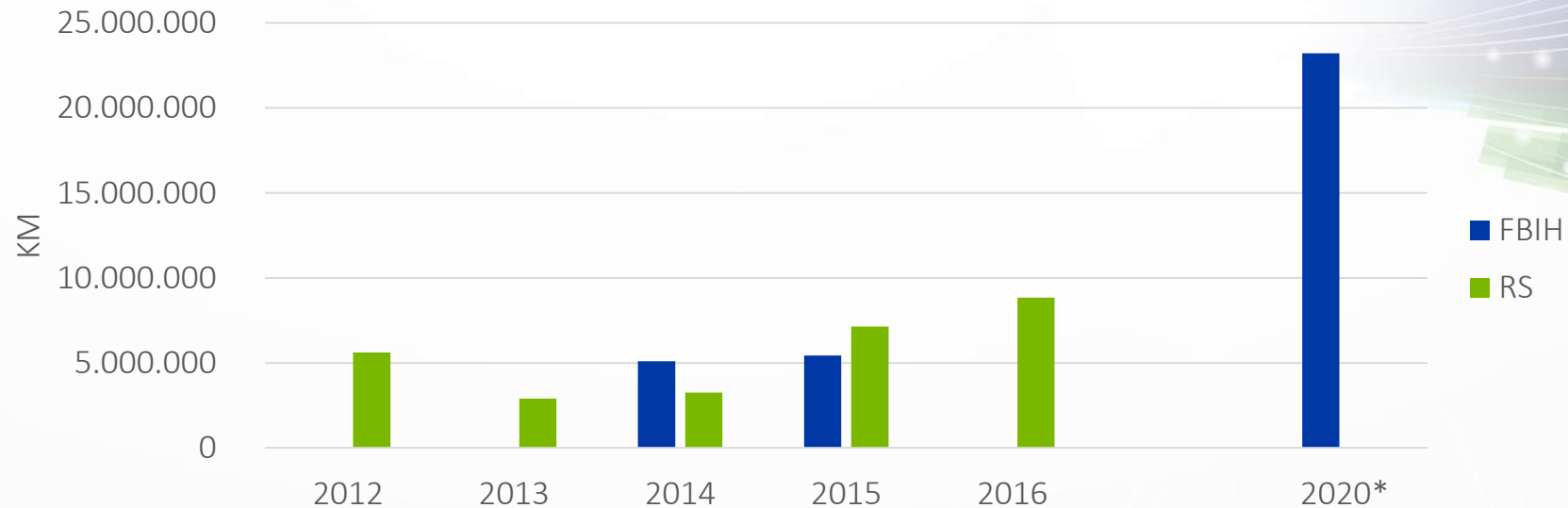
Source: Data provided by the operator in FBiH on 27.03.2017.

preliminary data

Levies

RES require additional financial resources

PREGLED NAPLAĆENIH NAKNADA ZA OIE U PROŠLOSTI PO ENTITETIMA
(overview of collected levies in FBiH and RS)



Sources: Data received by the operators of RS and FBiH on March 31st

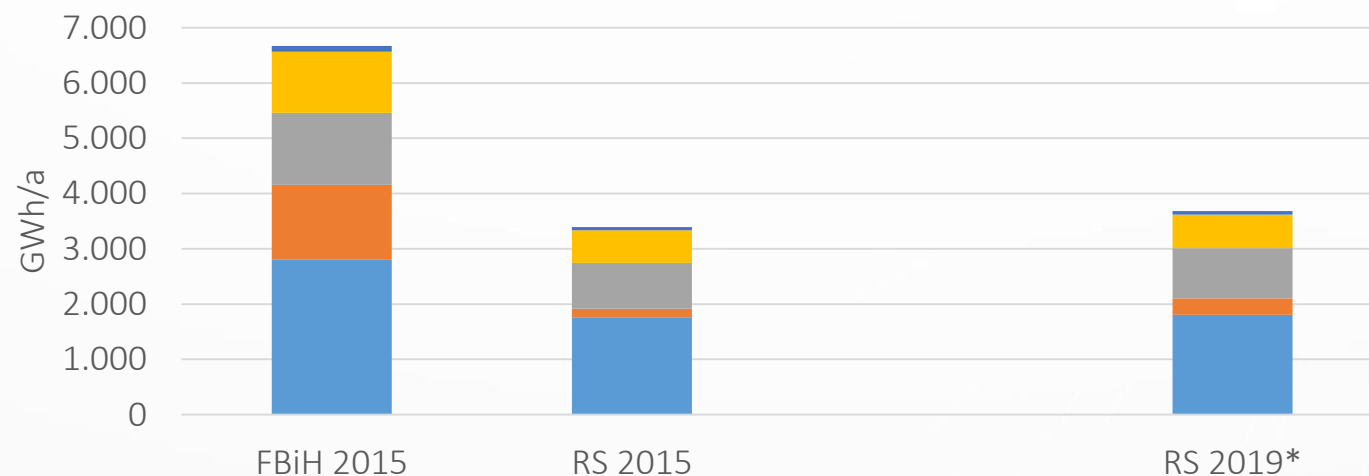
Comments: concerning data for RS: bevor 2014 data are an estimate because levies were collected by elektroprivreda; * projection by the operator of FBiH

preliminary data

Consumers

Households are sensitive to price increases and are the most relevant customer group

POTROŠNJA PO KATEGORIJAMA
(consumption by category)



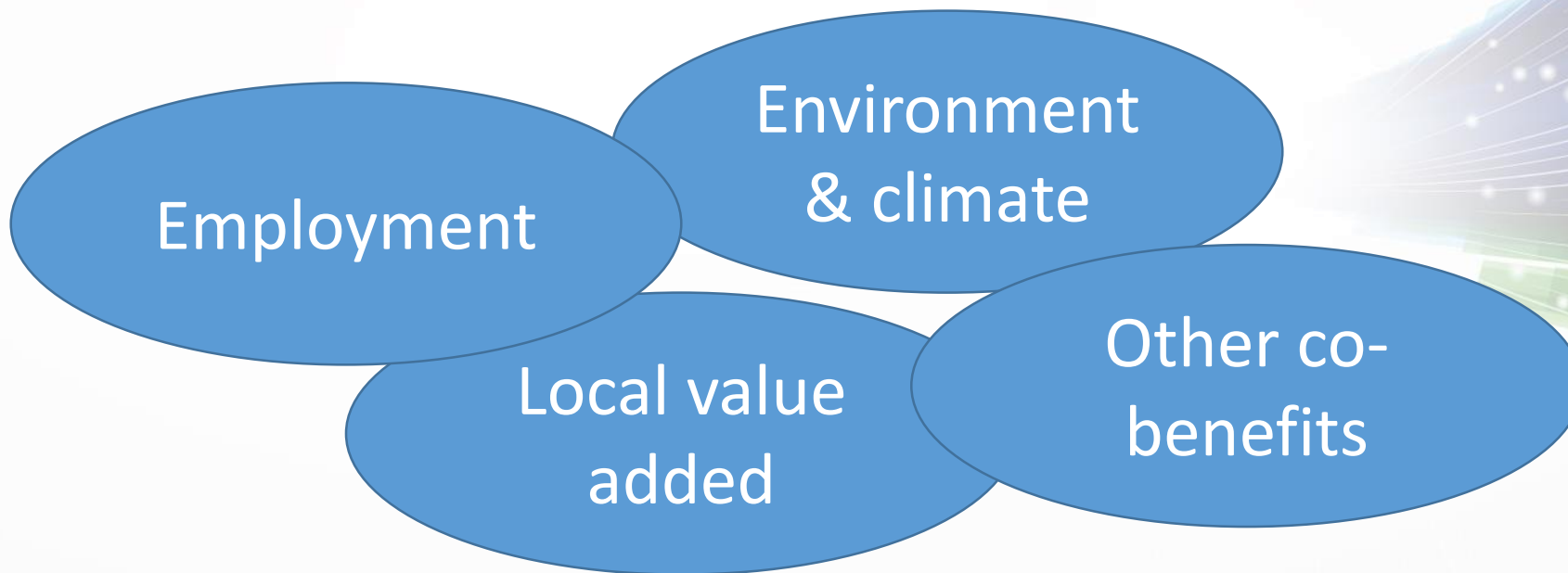
- JAVNA RASVJETA (public lighting)
- OSTALA POTROŠNJA (other consumption)
- SN KUPCI (medium voltage consumers)
- VN KUPCI (high voltage consumers)
- DOMAĆINSTVA (households)

Sources: * Podaci iz EE Bilansa RS za 2019. godinu (* Data from the electricity balance of the RS for 2019 year; FERK)

preliminary data

Benefits

RES brings additional benefits



...but to what extent?

Need for reform

Three factors motivate the reform process

- **Applications** for RES support exceed volume caps
- **Cost** of RES support requires additional funding
- **Benefits** from RES should be wisely leveraged

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Objective

The objective is clearly defined

A working group will design a RES support scheme that

- generates **additional benefits** for BiH,
- complies with the rules defined by the **Energy Community**, and
- increases the RES-E share at **minimal cost**.

Members of the working group

All relevant institutions work on the reform

WORKING GROUP MEMBERS



Оператор система
подстицаја
Републике Српске



Ministarstvo vanjske trgovine
i ekonomskih odnosa
Bosne i Hercegovine



РЕГУЛАТОРНА КОМИСИЈА
ЗА ЕНЕРГЕТИКУ
РЕПУБЛИКЕ СРПСКЕ



Bosna i Hercegovina
Federacija Bosne i Hercegovine
Federalno ministarstvo
energije, rudarstva i industrije



Влада Републике Српске
МИНИСТАРСТВО ИНДУСТРИЈЕ,
ЕНЕРГЕТИКЕ И РУДАРСТВА



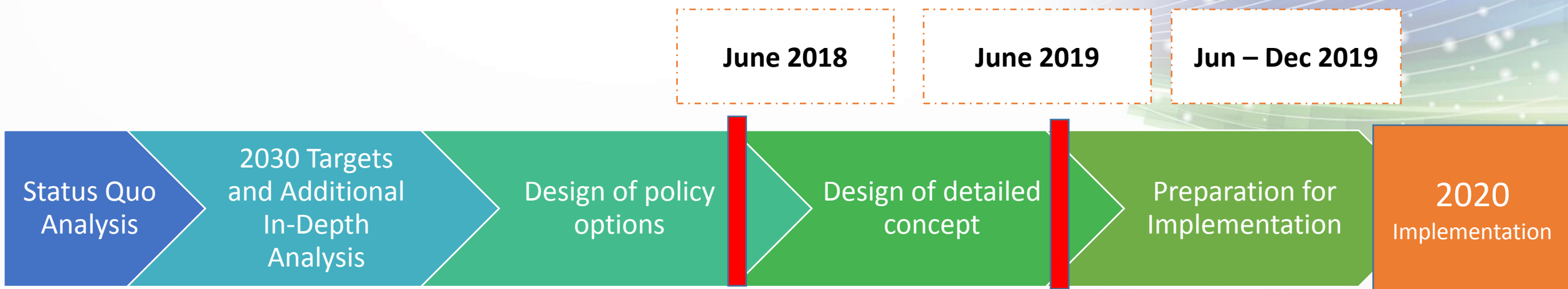
FEDERACIJA BOSNE I HERCEGOVINE
OPERATOR ZA OBNOVLJIVE IZVORE ENERGIJE
I EFIKASNU KOGENERACIJU



Bosna i Hercegovina
DRŽAVNA REGULATORNA KOMISIJA
ZA ELEKTRIČNU ENERGIJU

Next steps

The reform targets the post-2020 period



Energy Community

The Energy Community sets the corner stones of the new support scheme

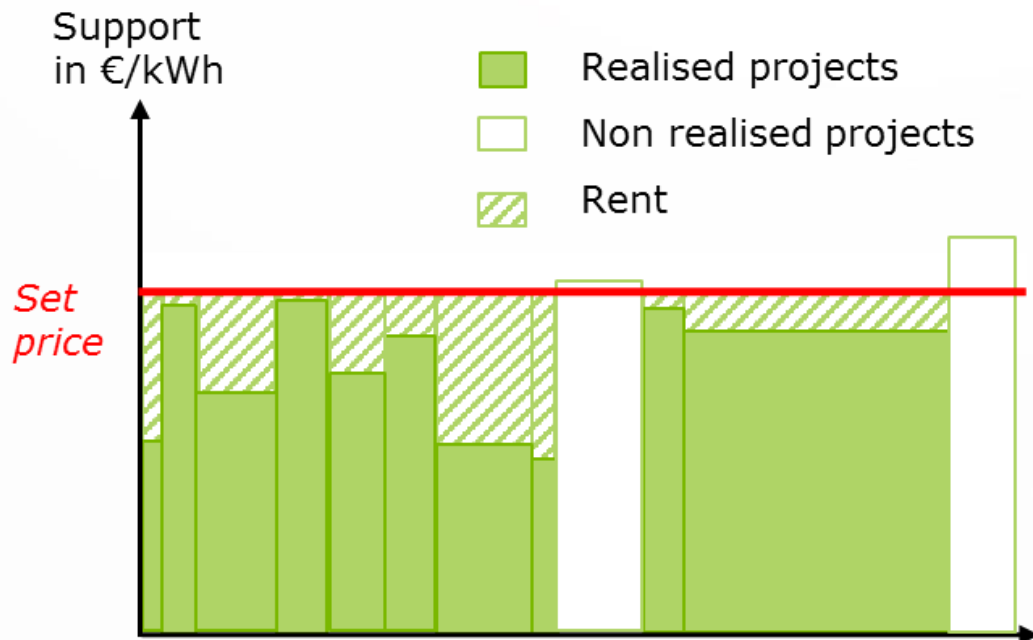
- Auctions are required for large-scale RES
- FiP shall replace FiT

= „market-based support schemes“

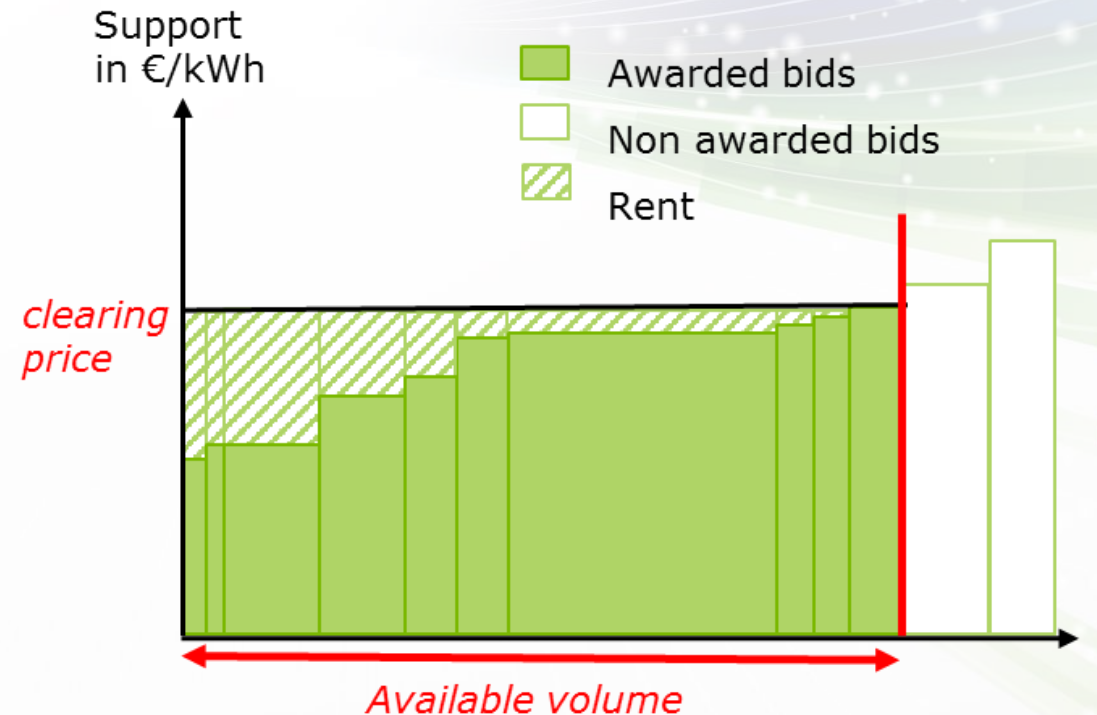
Auctions

An auction creates a market for RES support

Government sets price, market determines volume

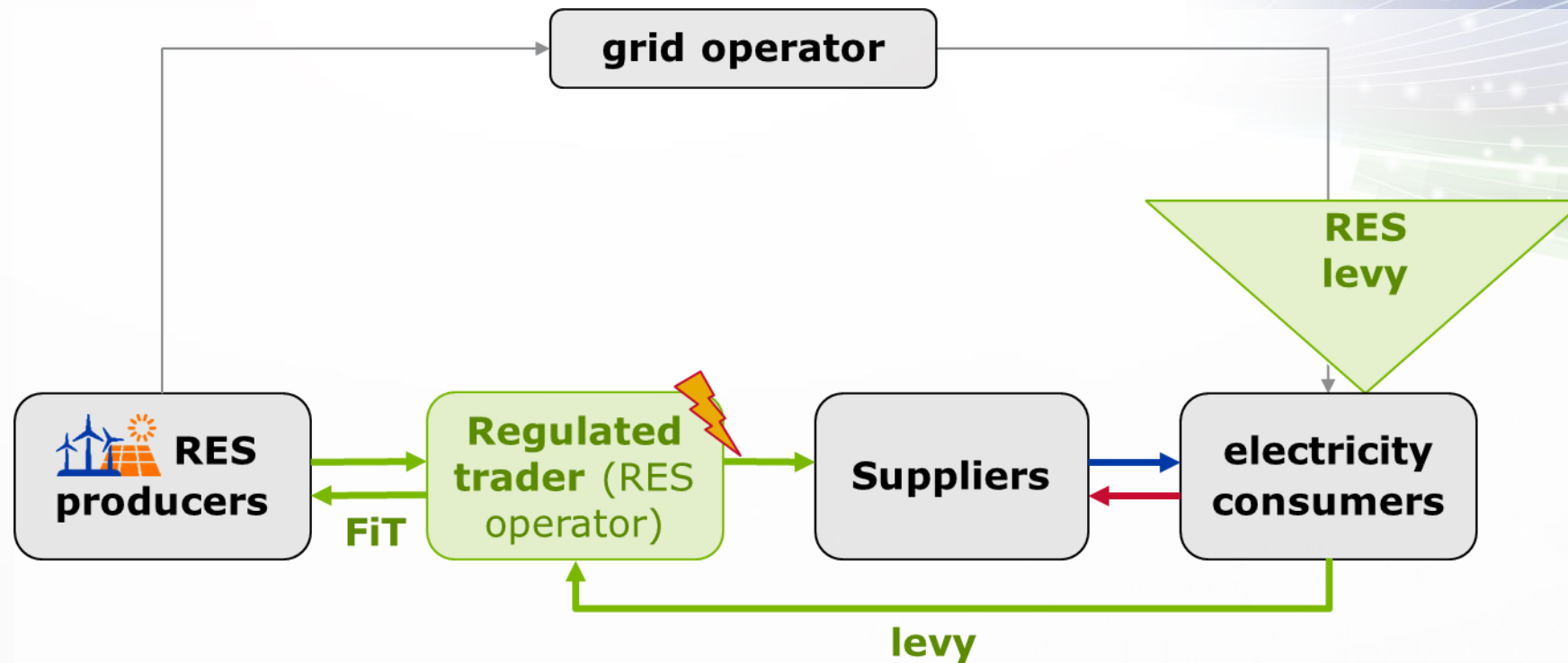


Government sets volume, market determines price



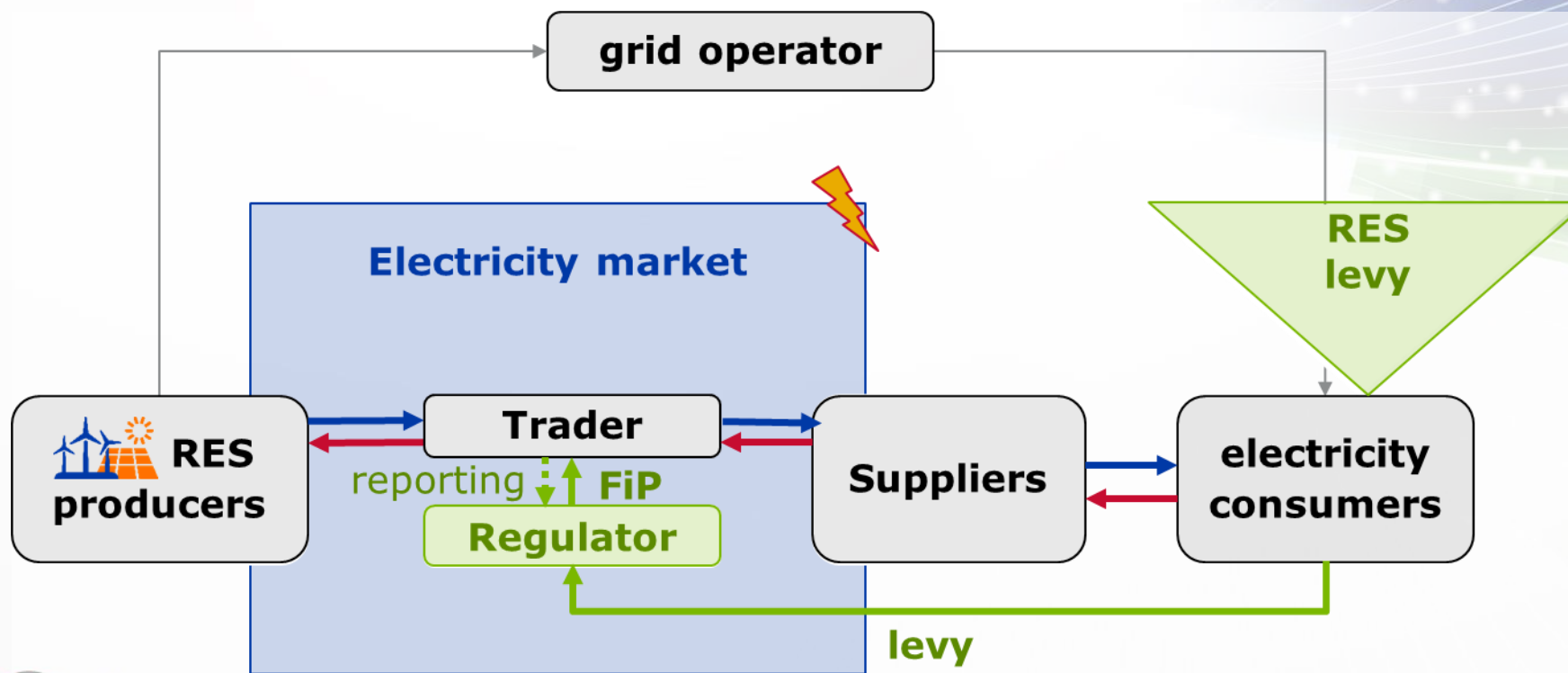
FiT

A feed-in-premium “integrates” RES into the electricity market



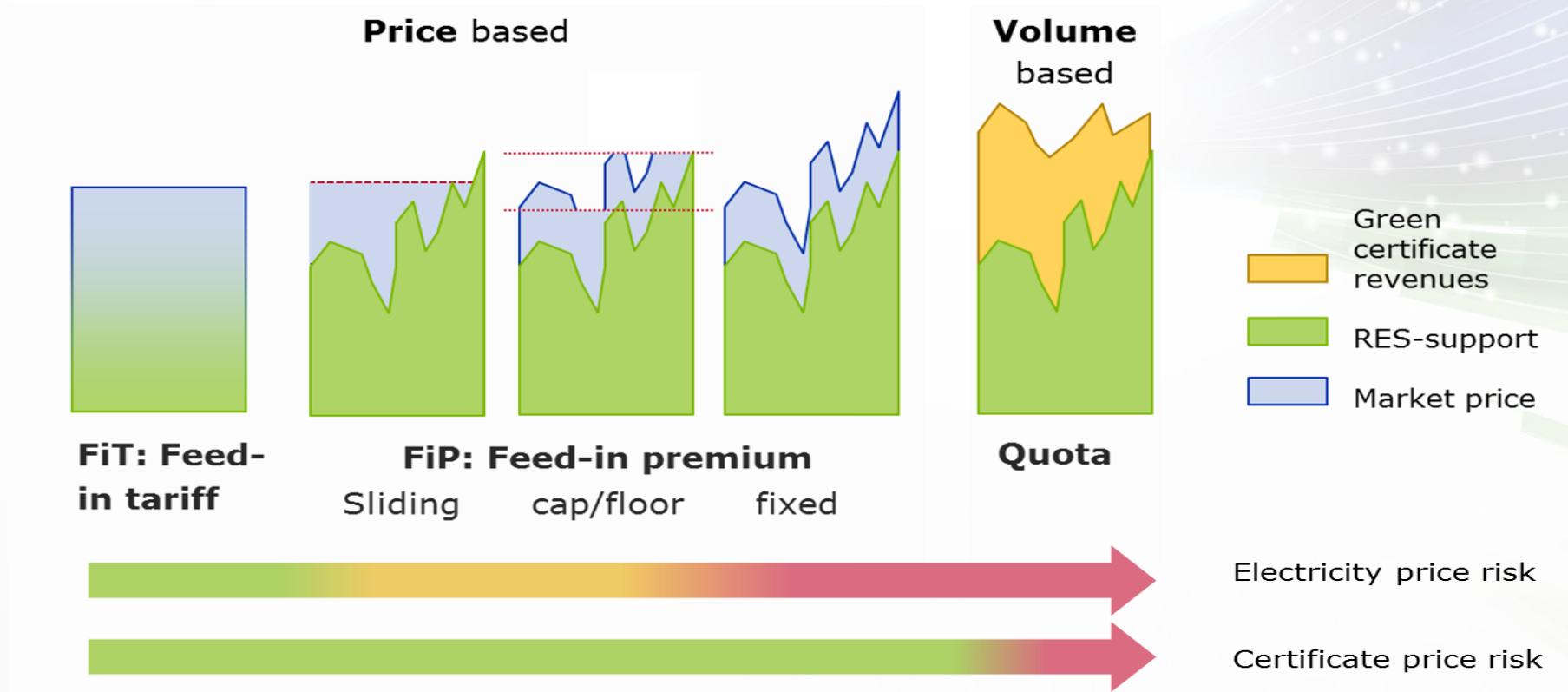
FiP

A feed-in-premium “integrates” RES into the electricity market



FiP

Different FiP schemes lead to different levels of risk



Questions for the discussion

Bringing down cost requires more than just auctions and FiP

- How to involve all relevant stakeholders in the reform process?
- How to make sure that all stakeholders benefit?
- How to reduce transaction cost for stakeholders?
- How to minimise risk for stakeholders?

Thank you for your attention!

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