



Peti
ENERGETSKI SAMIT
u Bosni i Hercegovini



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POD POKROVITELJSTVOM



Ministarstvo vanjske trgovine
i ekonomskih odnosa BiH



Državna regulatorna komisija
za električnu energiju (DERK)



Regulatorna komisija za energetiku
Republike Srpske (RERS)



Regulatorna komisija za energiju
u Federaciji BiH (FERK)

ENERGY TRANSITION: MARKET STATUS AND CHALLENGES

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Introduction

This presentation does not necessarily reflect
the official views of the State Electricity
Regulatory Commission

Energy Sector – Keywords

- Reconstruction
- Synchronization
- Reform
- Restructuring (and Privatization)
- Deregulation
- Integration
- (Energy) Community

ENERGY TRANSITION

- Sustainable digitalized system
- Active and protected customers
- Free flow of energy

Energy Union – dimensions

Security, solidarity and trust

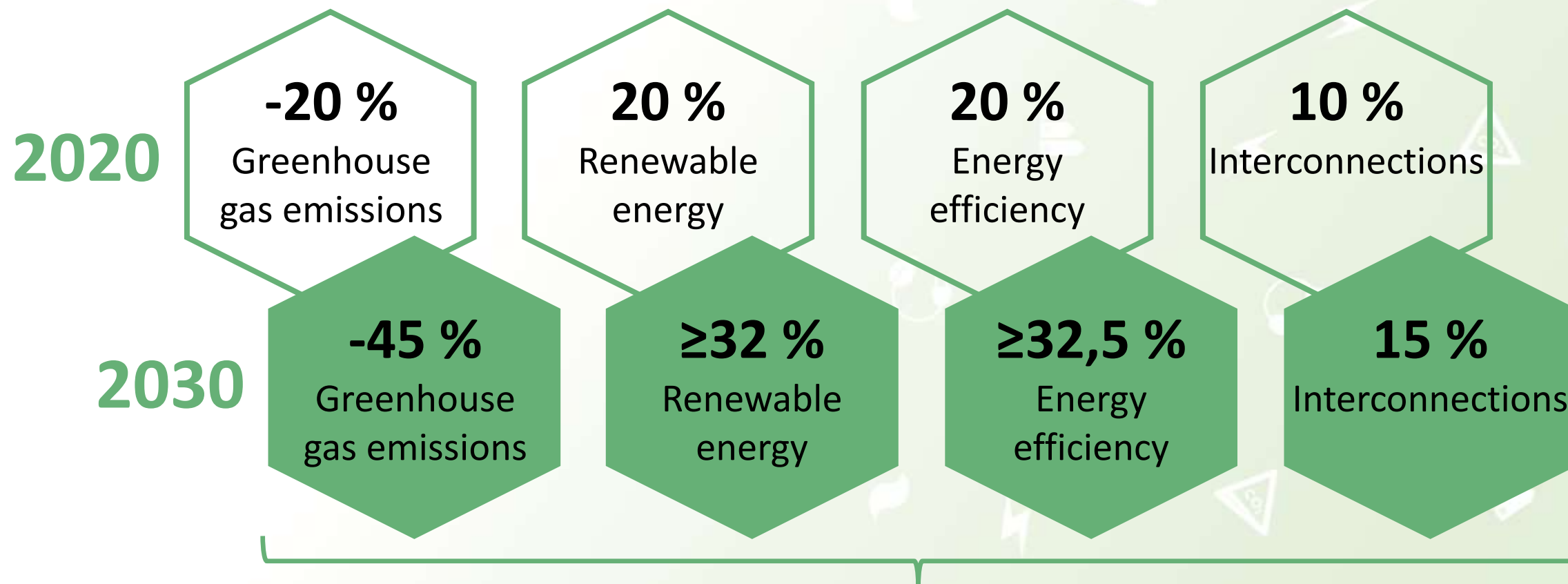
Integrated internal energy market

Energy efficiency

Climate action – decarbonization

Research, innovation and competitiveness

Transition – EU Targets



Regulation (EU) 2018/1999 on governance + indicators

Commitment/Policy (in) BIH

- **Euro-Atlantic integration**, Energy Sector – leading the way
- International agreements
 - **Energy Charter Treaty**
 - Treaty establishing the **Energy Community (EU packages)**
 - **Stabilization and Association Agreement** with the EU
 - **Paris Agreement** on climate change
- Berlin Process – West Balkans 6 Initiative
 - **Road Map** for the implementation of the West Balkans 6 (WB6) Initiative

Electricity Market Transition – Goals

- Connectivity – strengthening security of supply
- Deregulation of generation
- DSO unbundling, new roles
- New players in the sector
- Institutionally organized market and market coupling
- Customer protection and quality of supply



Energy Market Evolution

Significant changes in the energy system – **environmental policy** and **technological development**

- Increased share of (intermittent) renewable energy sources
- Distributed generation, new market players
- Technology: smart meters, smart grids, digitalization
- Security of supply concerns
- Customers: raising awareness (PCT, price, trust, privacy, environment)

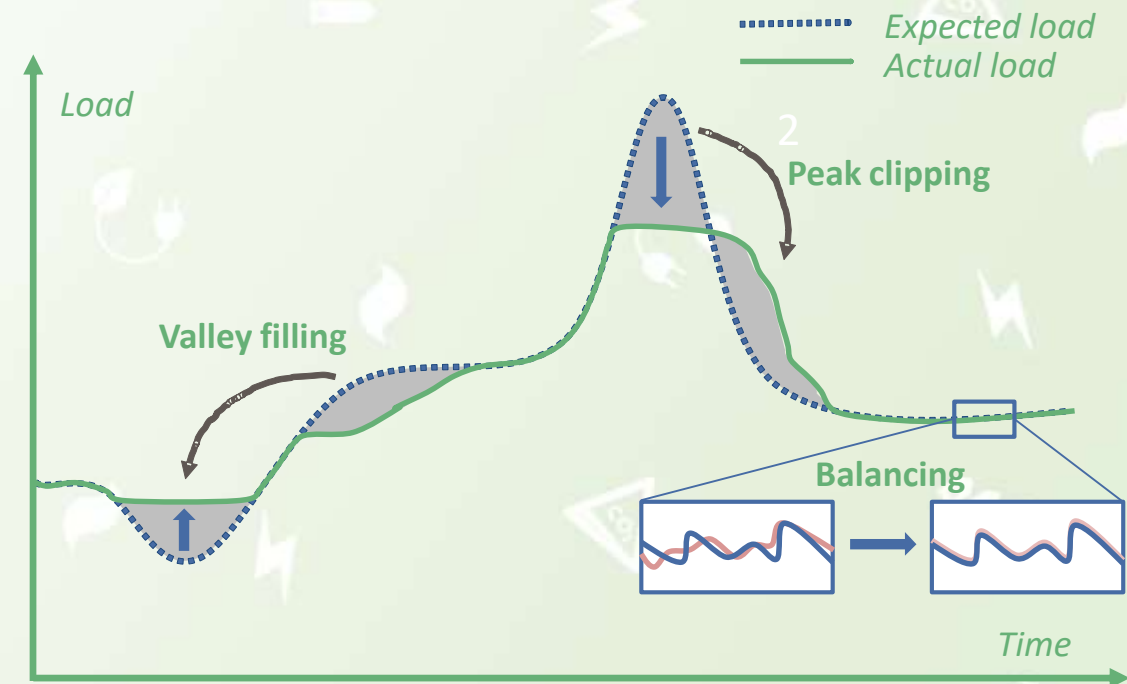
Demand side flexibility (DSF) is part of the answer

Load Curve Flattening

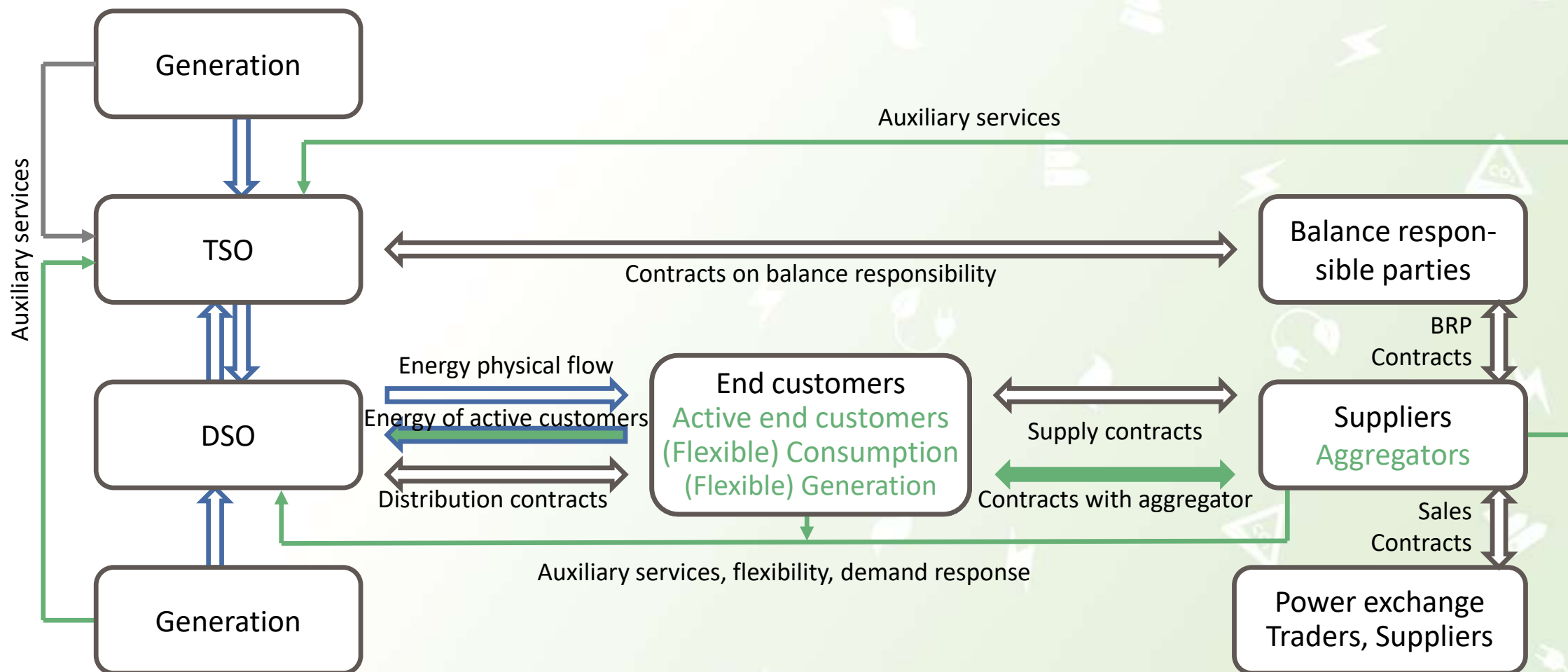
Flexibility – ability of (active) consumers to change their electricity usage in response to some form of signal

Benefits of DSF:

- Balancing
- Capacity
- Generation
- Grid



Example of Model Market – New Players



Change of Role of DSOs

Neutral market facilitators – development of new market based services by third parties and secure system operation

- Active management of its networks – innovative and smart solutions
- Coordination between DSOs and TSOs
- Increased resilience to new threats (cyber security)
- Ensuring customer data privacy
- Adaptations due to new players and services (active customers, aggregators, local energy communities, energy storage, auxiliary services, electro-mobility integration, distributed generation, etc.)



Integrated BIH Energy and Climate Plan – NECP

- Regulation (EU) 2018/1999 on the Governance of the Energy Union
- EnC Ministerial Council (January 2018): **Recommendation for NECP**
- Cover all five dimensions of the Energy Union
- Common template
 - Overview and process of plan establishing
 - National objectives and targets
 - Policies and measures
 - Current situation and projections with existing policies and measures
 - Impact assessment of planned policies and measures

Energy Union

Security, solidarity...

Integrated energy market

Energy efficiency

Decarbonization

Research, competitiveness

BIH NECP – Market Dimension

- **National objectives and targets**
 - **Interconnectors**, Key infrastructure **projects**, Institutionally **organized market**, Regional **integration** and market **coupling**, Increasing system flexibility and adequacy, **DSO unbundling** and new roles, **New market players** and services, Customer **protection**, National targets of reducing energy poverty
- **Policies and measures**
 - Aligning legislation with the EU *acquis*, Regional cooperation
- **Current situation & projections** with existing policies and measures (2040)
- **Impact assessment of planned policies and measures**
 - Needed investments (existing flows, investment assumptions, sector or market risk factors and barriers, additional financial support analysis)

Concluding Messages

- **Complexity** of the electricity sector (multidimensional and layered problems)
- Significant activities to liberalize the electricity **market** in BIH accomplished, however, further action is needed
- Challenges: further **legislative alignment**, institutional strengthening/capacity building, energy **policy** harmonization, drafting and implementing strategic documents (**NECP**, etc.)
- Information, education, knowledge, **understanding**

Continuing the energy transition,
Continuing the EU integration process
because it is, above all, the **interest**,
but also the **obligation**
of the electricity sector
of Bosnia and Herzegovina!

