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WEST BALKAN 6 Initiative Challenges for Bosnia & Herzegovina

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WB6?

Berlin Conference on 28 August 2014: Conference on the Western Balkans 2014 – 2018: four years of real progress

- The path to a future in Europe
- Intensifying regional cooperation as essential
- Strengthening good governance
- Increasing prosperity via sustainable economic growth

The Vienna Summit of the Western Balkans 6 Initiative (“Berlin process”) on 27 August 2015 decided to take steps to improve energy connectivity in the region by facilitating investments and prioritizing market development

To complement the infrastructure projects, the Western Balkan countries committed to implementing “energy soft measures” as key preconditions for the development of a regional electricity market:

- Spot Market Development
- Cross-border Balancing
- Regional Capacity Allocation
- Cross-cutting Measures

The general implementation deadline is the next Western Balkans 6 Summit scheduled to take place in France in July 2016.



Challenges for Bosnia & Herzegovina

- Critical
- Significant delay
- Insufficient progress
- Pending
- Progress on track
- Significant progress
- Accomplished

Spot Market Development



- Establishing organized electricity markets and market coupling (March 2016)
- Adhere to a power exchange or create a national power exchange (July 2016)
- Ensure liquidity of the domestic electricity markets by appropriate regulatory measures (July 2016)
- Coupling of organized day-ahead electricity markets with at least one neighboring country (July 2017)

Cross-border Balancing



Regional Capacity Allocation



- Introduction of a coordinated capacity calculation process for the allocation of day-ahead capacities based on a regionally coordinated congestion forecast (July 2016)
- The Western Balkan countries to support signing of agreements between SEE CAO and relevant EU Member States (July 2017)



Cross-cutting Measures

Critical Significant delay Insufficient progress Pending
 Progress on track Significant progress Accomplished

- Eliminate price regulation of generation (January 2016)
- DSO legal and functional unbundling (March 2016)
- Ensure independence of national energy regulatory authorities (January 2016)
- Transmission system operator in line with the Third Energy Package (June 2016)
- Implementation of the Trans-European Network Regulation 347 (January 2017)



Energy Soft Measures Implementation

⚡ Energy Soft Measures Implementation

Measure	Albania	Bosnia and Herzegovina	Kosovo*	FYR of Macedonia	Montenegro	Serbia
Primary Law(s)	▲	▢	▢	▢	▶	▲
Complementary Legal Acts	▶	▶	▶	▶	▶	▶
Organised Day-ahead Market	▶	▢	▢	▢	▶	▶
National Balancing Market	▶	▶	▶	▢	▶	▶
Use of SEE CAO	▶	▶	⏸	◀	▶	◀
Price Deregulation	▶	▢	▢	▶**	▶	▶
DSO Unbundling	▢	▢	▶	▢	▢	▶
TSO Unbundling	▢	▢	▢	▢	▢	▶
NRA Independence	▶	▢	▶	▶	▶	▶

** Except for eligibility

- 🔴 Reverse development
- 🔴 No progress
- 🟡 Pending
- ▶ Progress on track
- ▶ Significant progress
- ▲ Accomplished

* Throughout this Report, this designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

1 Final Declaration of the Western Balkans Summit Vienna 2015

2 Addendum to the Final Declaration of the Western Balkans Summit Vienna 2015

Discussion

1. MOFTER: What is the current status of harmonization of the organization of the transmission system operator with the Third Package (June 2016).
2. EP-e in FBiH: Law on electricity prescribes DSO and Supply unbundling. What is the current status in this regard? What is the time schedule?
3. EPRS: Where does the Draft Electricity Law stand in this regard?
4. CROPEX/ISO: What are priority actions that should be undertaken in order to establish a regional DAM?
5. The same question for the balancing market?



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Thank you for your attention!

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