



Acquis Implementation

After a review of the Document on Implementation of the *Acquis* in BiH, it is clear that MOFTER cannot resolve these issues alone. A team with representatives from the two Entities and MOFTER must be formed to work together. It would not be bad to have representatives from the regulators there.

Below are two tables: one containing Solutions for Implementation Document Issues-Transposition of Directives into legislations and the second containing Solutions for Implementation Document Issues-Transposition of the Directive completed but not implemented.

Solutions for Implementation Document Issues-Transposition of Directives into legislations:

Item (as appearing in document)	Solution	Which Laws/Regs	Responsible Parties
Universal service is not adequately defined.	Adequately define it, according to Directive, Art. 3(3).	State and 2 Entity laws; to be implemented by the regulators in their regulations [market opening rules and conditions of supply]	Three ministries and three regulators to implement in regulations.
Information by the supplier on the fuel mix and environmental impacts is not required. [Labeling]	Require it, according to Directive, Art. 3(6)(a) and (b).	2 Entity Laws and Entity regulators could prescribe in Conditions of Supply	Two ministries and two regulators to implement in regulations.
Procedures and conditions for tendering procedures are not adequately transposed	Transpose, according to Art. 7.	3 laws. Check for harmonization in Business Enterprise Laws.	Three ministries and three regulators to implement in regulations.
Security of supply: responsibilities related to reporting on the security of supply and measures necessary for maintaining long-term balance between supply and demand and the availability of generation capacity are not consistently assigned	Assign it, according to Directive 2003/54, Art. 4 and 2005/89, Art. 7, for monitoring and reporting.	3 laws.	Three ministries and SERC for implementing regulation.

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<p>Responsibility to report on market dominance, predatory and anti-competitive behavior is not assigned.</p>	<p>Assign it to FERC in Federation Law. Specifically require reporting requirement for all three laws according to Art. 23(8). Query: How does this interface with Competition Commission(s)?</p>	<p>Specifically add reporting requirement to State and RS Laws. State Law: Art. 4.2(i)(3) prevention of anti-competitive activity given to SERC. RS Law: Art. 12, RSERC “established for the purpose of regulating monopolistic behavior, and Art. 24, last bullet, RSERC competencies: “to introduce measures for preventing abuse of monopolist behavior by users of licenses issued by the Regulator.” Fed. Law needs assignment of competence to prevent abuse of a dominant position and reporting duty.</p>	<p>Three ministries and implementation regulations by three regulators.</p>
<p>Competence re methodologies for provision of balancing services assigned to SERC inadequate to impose on ISO implementation of balancing services.</p>	<p>Assign competence to SERC regarding balancing according to Article 11(7).</p>	<p>State Law.</p>	<p>Three ministries and three regulators to implement in regulations</p>
<p>Lack of power to establish a methodology, to fix or approve T&C for connection and access to the distribution network and tariffs in the Brcko District.</p>	<p>Political issue, but there are a limited number of options.</p>		
<p>Procedure for exemption of new I/C not transposed.</p>	<p>Unclear. This provision is in the Gas Directive, Art. 22(1). Clarify applicability of this comment.</p>		



Solutions for Implementation Document Issues-Transposition of the Directive completed but not implemented:

Item (as appearing in document)	Solution	Which Laws/Regs	Responsible Parties
The entities' law extended regarding Brcko District but should be scrutinized to comply with provisions on customers eligibility and market opening.	Political issue		
Fee on declared export by SERC.	MOFTER and team to request rationale from SERC. Remove export fee.	SERC tariff methodology	SERC
ISO to coordinate congestion management methods, ensuring required level of transparency.	ISO/Transco to propose and SERC to approve rules on coordinated cross-border capacity allocation between BiH and each neighboring TSO.	Rules on cross-border capacity allocation.	SERC and ISO.
Level of tariffs to allow necessary investments in the network and ensure their viability.	Buy-in on cost based tariffs needed on a policy level by Governments. Tariff methodologies of three regulators.	Amend all three laws to require cost-based tariffs.	All ministries and three regulators to implement in regulations.

GAS			
No gas law	Pass a State and Federation Gas Law	State and Federation Laws with amendment to RS law to harmonize as provided in law, Article 63.	Three ministries