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Regulatory and Energy Assistance

**Regulatory and Energy Assistance Project in Bosnia and
Herzegovina (BiH) – REAP BiH**
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Quarterly Progress Report
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I. BRIEF OUTLINE OF PROJECT PURPOSE AND APPROACH

On March 12, 2011, the USAID Regulatory and Energy Assistance Project (REAP) was extended to September 30, 2013. The two main objectives of the project activities remain the same: (i) to achieve a fully integrated energy sector into the regional market and the EU; and (ii) the restructuring and commercialization of energy companies. REAP is a market development oriented project that works to open the BiH market, with as many preconditions in place as possible. Market opening involves removing market impediments. To that end, REAP works to harmonize the regulatory work of the three commissions to facilitate integration of the market into the regional and EU markets and assist in the technical and detailed regulatory preparation for market opening. REAP also assists State institutions to facilitate BiH speaking with one voice in internal and international liberalization and to become familiar with and move toward implementation of the EU Third Liberalisation Package. Also, as requested, REAP assists the State Ministry for Foreign Trade and Economic Relations (MOFTER) to continue efforts on the state gas law. Regarding the second Task Objective, restructuring and commercialization of energy companies, REAP works in three areas: (i) assists the Federation to develop the Electricity Law where unbundling of the Federation EPs will be prescribed and where developing an energy policy is required; (ii) comments on the EPs' restructuring documents as requested, along with advising and proposing processes and roles to power utilities to restructure the Distribution System Operators into neutral retail market facilitators; and (iii) assists the EPs to develop and implement solutions to receive revenues through tariffs that reflect their justified costs.

As energy reform technical assistance in BiH, REAP provides advice and assistance as needed to the international community through USAID and to other USAID projects, the EU, and various international projects.

II. BRIEF DESCRIPTION OF SIGNIFICANT ACTIVITIES

Lead Case Study effort, consisting of open market base case and scenarios:

REAP considered the recommendations from the presentations delivered at the Wrap-up Workshop for the Case Study, which took place on June 26 and 27, 2013, on Vlasic Mountain, to be straightforward guidelines for the regulators and electricity industry to create preconditions for full market opening by January 1, 2015. REAP developed Conclusions from the Workshop, which describe: (i) the key identified gaps in local legislation and regulations that define the DSO as the market facilitator and the central party for the metering process, load profiling and contracts; (ii) recommendations to eliminate the gaps; (iii) a proposed methodology to fill the gaps, and (iv) a time schedule within which the stakeholders can fill the identified gaps. The most important conclusion in regard to the question of who should lead the implementation process is that SERC should be the coordination body, with the entity regulators taking the lead in this process. REAP distributed the Conclusions to all the Workshop attendees.

After the Workshop, REAP sent the DSO, Metering and Load profiling presentations to all attendees. In addition, to assist the EPs in drafting contracts for small and industrial customers that are market oriented, REAP adjusted to BiH circumstances and sent the UK electricity market template contract for business premises (these customers are comparable to the BiH small

commercial customers) and industrial customers and business customers (these customers are similar to the BiH industrial customers).

Assist regulators to require Load Research and EPs to implement it:

Since it was agreed that the topic “Load research as a tool for distribution of technical losses in the distribution network” needs to be discussed further, REAP technical assistance analyzed options for the methodology and international practice on the identification and allocation of distribution of losses. The plan is to hold the next Subgroup meeting in October 2013 and present the best practice in regard to this issue. REAP also plans to propose a transfer of leadership over the load research effort to the regulators, since USAID REAP will close in November.

Resolving the difficulties in Ancillary Services and Balancing Settlement:

Technical assistance and REAP developed a Draft report on the Structural Gaps of Current Arrangements for Ancillary Services and Balancing, and a Draft Report on Options for Reforming the Arrangements for Ancillary Services and Balancing. A number of meetings were held with electricity sector stakeholders to discuss the reports and the options that they provide. A total of 40 attendees were present in the meetings, and fruitful discussions took place. After obtaining comments and suggestions from the stakeholders, technical assistance developed the final version of the documents.

The Report on Structural Gaps reflects the status quo of the current power system balancing arrangements in BiH, summarizing current provisions and taking into account where the actual problems with balancing reside in practice. By contrasting it with European best practice and current trends and future requirements of EU regulation, technical assistance derives a structural gap analysis identifying the main areas of concern. In the Draft Report on Options for Reforming the Arrangements for Ancillary Services and Balancing, technical assistance presented possible options to improve the Ancillary Services System and Balancing in Bosnia and Herzegovina.

Based on the analysis of the current regulatory framework in BiH, European regulatory requirements, best international EU practice, the gap analysis of the current ancillary services arrangement in BiH and two rounds of consultations with different stakeholders from the electricity sector, technical assistance developed Proposed Solutions for Improving Ancillary Services Provision and the Balancing Mechanism in BiH. The suggestions made in this document consider the following areas: (i) Procurement of reserves; (ii) Real time balancing; (iii) Metering and Imbalance Settlement; and (vi) Financial Settlement. Technical assistance proposed a solution that is implementable and market oriented. If applied, it will increase a level of balancing responsibility of the electricity system of BiH towards the Region, and thus operational security.

REAP organized a Workshop on August 28 & 29, 2013, on Vlasica to present technical assistance’s Proposed Solutions to Improve Ancillary Services and Balancing Settlement System in Bosnia and Herzegovina. A total of 50 people participated in the Workshop, where technical assistance delivered presentations on the current status of ancillary services and the proposed solutions for improvement. Very fruitful discussions took place during both days, and at the end of the Workshop, it appeared that all significant concerns of the participants were resolved.

REAP was told that SERC plans to contract the same technical assistance to draft new Market Rules.

Advise and assist FMERI with regard to the new Federation Electricity Law:

Long after the FBiH Government submitted the Draft Law to the Parliament, it was considered and adopted by the Federation Parliament. The Ministry in charge of energy informed the attendees that the draft law had been highly praised by the EC Delegation and the Energy Community Treaty Secretariat as incorporating provisions from the Third Liberalization Package. REAP and FMERI representatives prepared the Draft Electricity Law, which was pending in the Federation Parliament for a long period of time due to political crisis in BiH (and FBiH). After the Draft Law's approval in the FBiH House of People on September 17, 2013, FERC has 60 days to adapt its by-law documents and 12 months to adopt all other rules and decisions with the provisions in the Law. According to the law, within three months after the adoption of the law, the FBiH Government must develop a restructuring plan for the power utilities. Important for the electricity market opening is the fact that the Law's provisions prescribe legal unbundling of the Distribution System Operator from the generation and supply functions in the same vertically integrated company.

Advise and assist MOFTER to undertake actions to implement new obligatory decisions made by the Energy Community Ministerial Council:

REAP notified MOFTER on the adoption of the Rules of Procedure for Dispute Settlement under the Treaty and the Ministerial Council plan to discuss the procedure against BiH due to noncompliance with the Treaty in the gas sector. In May 2013, the Secretariat of the Energy Community submitted the Reasoned Request to the Energy Community Ministerial Council concerning Case ECS-8/11 on gas legislation in Bosnia and Herzegovina to MOFTER. This case is the first-ever case to be decided by the Ministerial Council, scheduled to be considered in its meeting on 24 October this year. REAP notified MOFTER that, as prescribed in Article 92 of the Treaty, the Ministerial Council may determine the existence of a serious and persistent breach by a Party of its obligations under this Treaty and may suspend certain rights deriving from application of this Treaty of the Party concerned, including the suspension of voting rights and exclusion from meetings or mechanisms provided for in the Treaty.

Close out Conference:

The REAP Close-out Conference was held on September 23-24, 2013, Hotel Sunce, Neum. The conference was entitled "Electricity Market in BiH – Next Steps", the purpose of which was to present the final conclusions regarding the achieved accomplishments and recommendations on the next steps that the BiH electricity sector should take in order to prepare itself for full market opening on January 1, 2015. Attending were 130 representatives of different electricity stakeholders, including parliaments, ministries, regulatory commissions for electricity, power utilities, the ISO and Transco. REAP and its expert consultants presented the achievements of REAP during the lifetime of the project, with particular attention paid to the recommendations

developed by REAP for the electric sector in BiH to create preconditions for full market opening by January 1, 2015. Presenters from the Regulatory Commissions from Serbia and Montenegro explained the experiences from their respective countries in the process of market opening. Also, a special overview on the current state of the electricity sector in BiH and the region was given at the Conference by a representative of the Energy Community Secretariat. At the end of the Conference, the three regulatory commissions from Bosnia and Herzegovina delivered presentations on the next steps to create preconditions for full market opening. During the Conference REAP distributed printed booklets containing the reports and the recommendations suggested in regard to all the important issues in BiH electricity sector.

1. Guidelines for Load Research of Electricity Customers in BiH
2. Role of the DSO as the Neutral Retail Market Facilitator and Metering Processes in Retail Electricity Market
3. Gap Analysis of Legal and Regulatory Obstacles for Successful Functioning of Electricity Market in BiH and the Recommended Steps
4. Proposal for Improvement of the Ancillary Services and Balancing Mechanisms in BiH

REAP distributed all presentations delivered at the Conference and the above-listed reports by email.

III. PERFORMANCE PROBLEMS

- **Transmission Company.** The Transco remains blocked in terms of resolving its underlying management issues. Whereas the Entities met in February 2012, announced that the issues as to functioning of Transco were resolved and three ministers in charge of energy met EU representatives and confirmed their commitment to make Transco functional, to date nothing has been done. Generally, the issues agreed were that management decisions would be consensual, the law would be changed to allow distribution of profit after five rather than ten years and consideration would be given to proposed changes to the company's statute, which include reorganizing the operating regions according to Entity borders. In addition, it was agreed that the management team would be replaced, and a public vacancy notice was posted for General Manager. Transco still does not share its metering with the ISO, which means that the load quantities that the ISO publishes are estimated, based on only a few readings. Further, the company has not adopted its business and investment plan for 2011, and has not approved its annual reports for 2007, 2008, 2009 and 2010.
- **Transco-ISO relations.** There is no improvement in communication between the ISO and the Transmission Company. Communication occurs only at the lower levels for essential operations.
- **Unbundling.** The Federation EPs still remain fully bundled, but the recently adopted Electricity Law prescribes functional, operational and legal unbundling of the Public Power Utilities. In particular, this Law prescribes DSO unbundling, an important precondition for retail market functioning. The Federation Ministry for Energy, Mines and Industry has three months to develop the restructuring plan for two Power Utilities in Federation BiH.
- **Investments.** Investment is still problematic in BiH. In spite of the plans to build new power plants in both Entities, very little interest has been shown by investors. High investment risk remains, due to the political situation, the situation with Transco and an unclear investment legal framework.

IV. TWENTY-SIXTH QUARTER DELIVERABLES

Deliverables

- Presentation for 2. Round of KEMA II trips_revised_V2, English and local
- DNV KEMA TEAM II's Technical Assistance on resolving the difficulties in Ancillary Services and Balancing Settlement:
- ISO Comments to KEMA_on AS_Balancing, dated 7-25-13, in English and local language
- REAP Twenty-fifth Quarterly Report, dated 7-31-13, in English language only
- DNV KEMA responses to ISO comments, dated 8-16-13, in English and local language
- EDF Contract for business premises, dated 8-19-13, in English and local language
- Standard Conditions For Supply of Industrial and Commercial Customers, dated 8-19-13, in English and local language
- Summary of Proposed Changes Ancillary Services and Balancing dated 8-21-2013 in English and Local language
- REAP BiH Ancillary services – Introduction, dated 8-26-13, in English and local language
- REAP BiH Ancillary Services – Proposed Solutions, dated 8-26-13, in English and local language
- An example of Invitation for the Conference, dated 8-27-13, in English and local language
- Framework Agenda for the Conference September 23 and 24 2013, in English and local language
- DNV KEMA-Summary of Proposed Changes - EP RS Comments 9-9-13_in English and local language
- DNV KEMA Status Report-Balancing -ISO Comments, dated 9-9-13, in English and local language
- DNV KEMA-Summary of Proposed Changes - ISO Comments, dated 9-9-13, in English and local language
- Framework Agenda for the Conference September 23 and 24 2013, in English and local language
- ISO BiH - An Example for Calculation, dated 9-13-13, in English and local language
- REAP Conference-Introduction, English and local
- REAP Conference - Ancillary Services, English and local
- REAP Conference - DSO, English and local
- REAP Conference - Metering, English and local
- REAP Conference - Agreements, English and local,
- REAP Conference - EC Secretariat, English and local

V. ANTICIPATED ACTIVITIES FOR THE FOLLOWING QUARTER

Since USAID REAP project will finalize its activities on November 28, 2013, there are no activities anticipated in the future.

VI STATUS OF ACTIVITIES AS DEFINED IN WORK PLAN

TASK OBJECTIVE 1: FULLY INTEGRATED ENERGY SECTOR INTO THE REGIONAL AND EU MARKETS

In the reporting quarter, REAP focused primarily on the Market Working Group active subgroup activities: the Load Research Group, the Case Study and Ancillary Services and Balancing Settlement effort. Additional assistance was given to MOFTER, particularly in the area of the Energy Community Secretariat's activities and the Reasoned Request submitted by the Secretariat to the Ministerial Council for BiH non-compliance with the Treaty on the implementation of the EU Directive in the Gas Sector.

KRA 1. Harmonize regulatory work of the three commissions to enhance performance of the market.

- KRA 1.1. Assist regulators to further harmonize rules that strengthen market regulation.
- KRA 1.2. Assist regulators to refine the model and revise the rules on tariff methodology to be more cost-based.
- KRA 1.3. Assist regulators to issue or amend regulations to meet EC Treaty requirements.
- KRA 1.4. Assist regulators as necessary to adapt to changing demands.
- KRA 1.5. Provide assistance in drafting commercialized contracts for an open market.

KRA 2. Technical and regulatory preparation for market opening.

- KRA 2.1. Advise and assist regulators' implementation of recommendations in the market opening policy paper to eliminate impediments.
 - All REAP's activities in this period were related to this KRA since in this period REAP developed documents where recommendations for the regulator were made and delivered to the three regulatory commissions on how to eliminate the identified gaps in the Policy Paper.
- KRA 2.1.1. Advise regulators on further development of policy paper. As requested, consult with Ministries on same.

- KRA 2.1.2. Advise and assist regulators to revise licensing rules to accommodate market opening.
- KRA 2.1.3. Assist regulators to require and EPs to implement load research.
- REAP technical assistance discussed options for the methodology and international practice on the identification and allocation of distribution of losses.
 - The plan is to hold the next Subgroup meeting in October 2013 and present the best practice in regard to this issue as well as to transfer the leadership over the load research effort to the regulators, since USAID REAP will close in November.
- KRA 2.1.4. Lead Case Study effort, consisting of open market base case and scenarios.
- REAP sent the UK electricity market template contract for business premises (these customers are comparable to the BiH small commercial customers) and industrial customers and business customers (these customers are similar to the BiH industrial customers).
 - REAP developed Conclusions from the Workshop describing the most important issue in the BiH electricity market and recommending the next steps for their implementation and distributed the Conclusions to all the Workshop attendees.
- KRA 2.1.5. Assist/lead Market Working Group.
- KRA 2.1.5.1. Lead and assist sub-group on assessment of World Bank Wholesale Market Study and its implementation in BiH.
- KRA 2.1.5.2. Lead and assist sub-group on extension of transition period.
- KRA 2.1.5.3. Lead/assist sub-group on Supplier of Last Resort (SOLR).
- KRA 2.1.5.4. Lead /assist sub-group on Default Supplier (DS).
- Please see KRA 2.1.5.2.
- KRA 2.1.6. Advise regulators to create policy and requirements on new metering system to meet market opening requirements.
- The DNV KEMA I Team developed a report on the Metering System in BiH, in which a gap analysis on the current metering codes were made and recommendations made on how to create market oriented metering and data exchange systems.

- KRA 2.1.7. Research regional and EU best practices on ancillary services and balancing.
- Technical assistance and REAP developed a Draft report on Structural Gaps of Current Arrangements for Ancillary Services and Balancing and a Draft Report on Options for Reforming the Arrangements for Ancillary Services and Balancing.
 - REAP and technical assistance met with electricity sector stakeholders to discuss the reports and the options that they provide, after which technical assistance developed the final version of the above-mentioned documents.
 - REAP organized a Workshop on August 28 & 29, 2013, on Vlasice to present technical assistance's Proposed Solutions to Improve Ancillary Services and Balancing Settlement System in Bosnia and Herzegovina. Very fruitful discussions took place during both days, and at the end of the Workshop, it appeared that all significant concerns of the participants were resolved. REAP was told that SERC plans to contract the same technical assistance to draft new Market Rules.
- KRA 2.2. Advise and assist ministries on tasks needed to remove impediments to market opening.
- KRA 2.2.1. Assist MOFTER to communicate BiH position on wholesale market and market operator to ECRB and the Secretariat.
- KRA 2.2.2. Develop road-map on regional and local day ahead market (DAM) if BiH accepts the concept.
- KRA 2.2.3. Advise and assist MOFTER and regulators on the establishment of the regional Coordinated Auction Office (CAO).
- KRA 2.2.4. Advise and assist FMERI with regard to new Federation Electricity Law.
- The Draft Electricity Law was adopted by the FBiH Parliament on September 17, 2013.
 - FERC has 60 days to adapt its by-law documents to comport with it and 12 months to adapt all other rules and decisions with the provisions in the Law.
- KRA 2.2.5. If Federation drafts a Federation Gas Law, REAP will assist as requested.
- KRA 2.2.6. Advise and assist Ministries and regulators on needed legislation and amendments for market opening.
- KRA 2.2.7. Assist MOFTER and EPs in the revision of the Procurement Law to allow operational trading of electricity.
- KRA 2.3. Assist regulators to adapt to changing demands, when necessary.

- KRA 2.3.1. Assist FERC to implement regulatory policy.
- KRA 2.4. Advise industrial and commercial customers on the status of market opening.
- KRA 2.5. Organize a closing conference on the status of the electricity market in BiH.

KRA 3. Assist and advise MOFTER with regard to the State Gas Law.

- KRA 3.1. Advise and assist if requested with further developments on drafting State Gas Law.

KRA 4. Strengthen the State Government's role in the energy sector to facilitate BiH speaking with one voice in the internal and international liberalization of the energy sector.

- KRA 4.1. Perform written analysis of Third Liberalisation Package.
- KRA 4.1.1. If the Energy Community requires compliance with the Third Package, develop a road map to implement it.
- KRA 4.2. Follow all activities in BiH Electric Power Sector.
- REAP held a close-out conference entitled "Electricity Market in BiH – Next Steps", the purpose of which was to present the final conclusions regarding the achieved accomplishments and recommendations on the next steps that the BiH electricity sector should take in order to prepare itself for full market opening on January 1, 2015, as prescribed by the Energy Community Treaty and the BiH regulators.
 - REAP and its expert consultants presented the achievements of REAP during the life time of the project, with particular attention paid to the recommendations developed by REAP for the electric sector in BiH to create preconditions for full market opening by January 1, 2015.
 - During the Conference, REAP distributed printed booklets containing the reports and the recommendations suggested in regard to all the important issues in BiH electricity sector.
- KRA 4.3. Monitor decisions made by Energy Community and update implementation.
- KRA 4.4. Advise and assist MOFTER to undertake actions to implement new obligatory decisions made by the Energy Community Ministerial Council.

REAP notified MOFTER on the adoption of the Rules of Procedure for Dispute Settlement under the Treaty and Ministerial Council plan to discuss the procedure against BiH due to noncompliance with the Treaty in

the Gas sector. In May 2013, the Secretariat of the Energy Community submitted the Reasoned Request to the BiH Ministerial Council concerning Case ECS-8/11 on gas legislation in Bosnia and Herzegovina. This case is the first-ever such case to be decided by the Ministerial Council, at its meeting on 24 October this year.

KRA 5. Initiate regulatory partnership in cooperation with NARUC that will pair the three BiH regulators with a U.S. regulatory commission.

KRA 5.1. Advise and assist NARUC, USAID and the regulators in the organization of the partnership.

This activity was discontinued by USAID.

KRA 5.2. Coordinate the partnership.

TASK OBJECTIVE 2: RESTRUCTURED AND COMMERCIALIZED ENERGY COMPANIES

KRA 1. Assist as necessary and when requested in restructuring and commercialization of energy companies.

KRA 1.1. Advise and assist FMERI to develop energy policy that prescribes unbundling deadline for the Federation EPs.

KRA 1.2. Comment on the EPs' draft restructuring documents, as requested.

KRA 1.3. Assist and advise EPs to develop and implement processes that ensure every unbundled company receives revenue that reflects its costs.

VII STATUS OF OVERALL PROJECT PROGRESS PER IMPACT INDICATORS

No	Indicator	Achieved Units of Measurement in this Quarter	Cumulative Total Fiscal Year 2013
1.	Clean Energy related measure	1	29
2.	Number of policy reforms/laws/regulations/administrative procedures drafted and presented for public/stakeholder consultation to enhance sector governance and/or facilitate private sector participation and competitive markets as a result of USG assistance	15	49
3.	Number of days of technical assistance trade and investment environment provided to counterparts or stakeholders	64	408 ¹
4.	Number of days of USG funded technical assistance in technical energy fields provided to counterparts or stakeholders	140	287
5.	Number of new legislative, policy reforms and regulatory practices initiated to strengthen economic governance at all levels	0	13
6.	Number of public sector officials trained with USG assistance	150	150 ²
7.	Support for International Standards	0	1

¹ This number includes not only the days allocated to USAID REAP key staff but also the STTA that worked on the related tasks and therefore the number of days exceeds the average number of working days in a year.

² This number is an estimate of the number of public sector officials trained during FY 2013, because the cumulative number would include overlapping and double-counting of some persons who attended multiple trainings and conferences.

VIII OVERALL TASK PROGRESS CHART

ACTIVITIES & DELIVERABLES Scheduled For This Period	PROGRESS TO DATE		
	Completed	In Progress	Deferred
Contract signature and authorization to start work	•		
Inception meetings with USAID CTO, March; project briefing with USAID Mission BiH	•		
Install REAP systems and equipment in local office	•		
Introduce project to the stakeholder	•		
Review and finalize Annual Work Plan and PBMS with USAID performance indicators with CTO	•		
PBMS and R-4 reporting to USAID	•		
Annual and Completion Reports	•		
Demobilization Plan		•	
TO 1: BIH ENERGY SECTOR FULLY INTEGRATED INTO THE REGIONAL MARKET AND THE EU			
KRA 1. Harmonize regulatory work of the three commissions to enhance performance of the market.	•		
KRA 1.1. Assist regulators to further harmonize rules that strengthen market regulation.	•		
KRA 1.2. Assist regulators to refine the model and revise the rules on tariff methodology to be more cost-based.	•		
KRA 1.3. Assist regulators to issue or amend regulations to meet EC Treaty requirements.	•		
KRA 1.4. Assist regulators as necessary to adapt to changing demands.	•		
KRA 1.5. Provide assistance in drafting commercialized contracts for an open market.	•		
KRA 2. Technical and regulatory preparation for market opening.	•		
KRA 2.1. Advise and assist regulators' implementation of recommendations in the market opening policy paper to eliminate impediments.	•		
KRA 2.1.1. Advise regulators on further development of policy paper. As requested, consult with Ministries on same.	•		
KRA 2.1.2. Advise and assist regulators to revise licensing rules to accommodate market opening.	•		
KRA 2.1.3. Assist regulators to require and EPs to implement load research.	•		

KRA 3. Assist and advise MOFTER with regard to the State Gas Law.

KRA 3.1. Advise and assist if requested with further developments on drafting State Gas Law.

KRA 4. Strengthen the State Government’s role in the energy sector to facilitate BiH speaking with one voice in the internal and international liberalization of the energy sector.

KRA 4.1. Perform written analysis of Third Liberalization Package.

KRA 4.1.1. If the Energy Community requires compliance with the Third Package, develop a road map to implement it.

KRA 4.2. Follow all activities in BiH Electric Power Sector.

KRA 4.3. Monitor decisions made by Energy Community and update implementation.

KRA 4.4. Advise and assist MOFTER to undertake actions to implement new obligatory decisions made by the Energy Community Ministerial Council.

KRA 5. Initiate regulatory partnership in cooperation with NARUC that will pair the three BiH regulators with a U.S. regulatory commission.

KRA 5.1. Advise and assist NARUC, USAID and the regulators in the organization of the partnership.

KRA 5.2. Coordinate the partnership.

TO 2 RESTRUCTURED AND COMMERCIALIZED ENERGY COMPANIES

KRA 1. Assist as necessary and when requested in restructuring and commercialization of energy companies.

KRA 1.1. Advise and assist FMERI to develop energy policy that prescribes unbundling deadline for the Federation EPs.

KRA 1.2. Comment on the EPs’ draft restructuring documents, as requested.

KRA 1.3. Assist and advise EPs to develop and implement processes that ensure every unbundled company receives revenue that reflects its costs.

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