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# Asistencija regulativi i reformi energetskog sektora

## Case Study

# RECENT DEVELOPMENT OF THE SUBGROUP WORK

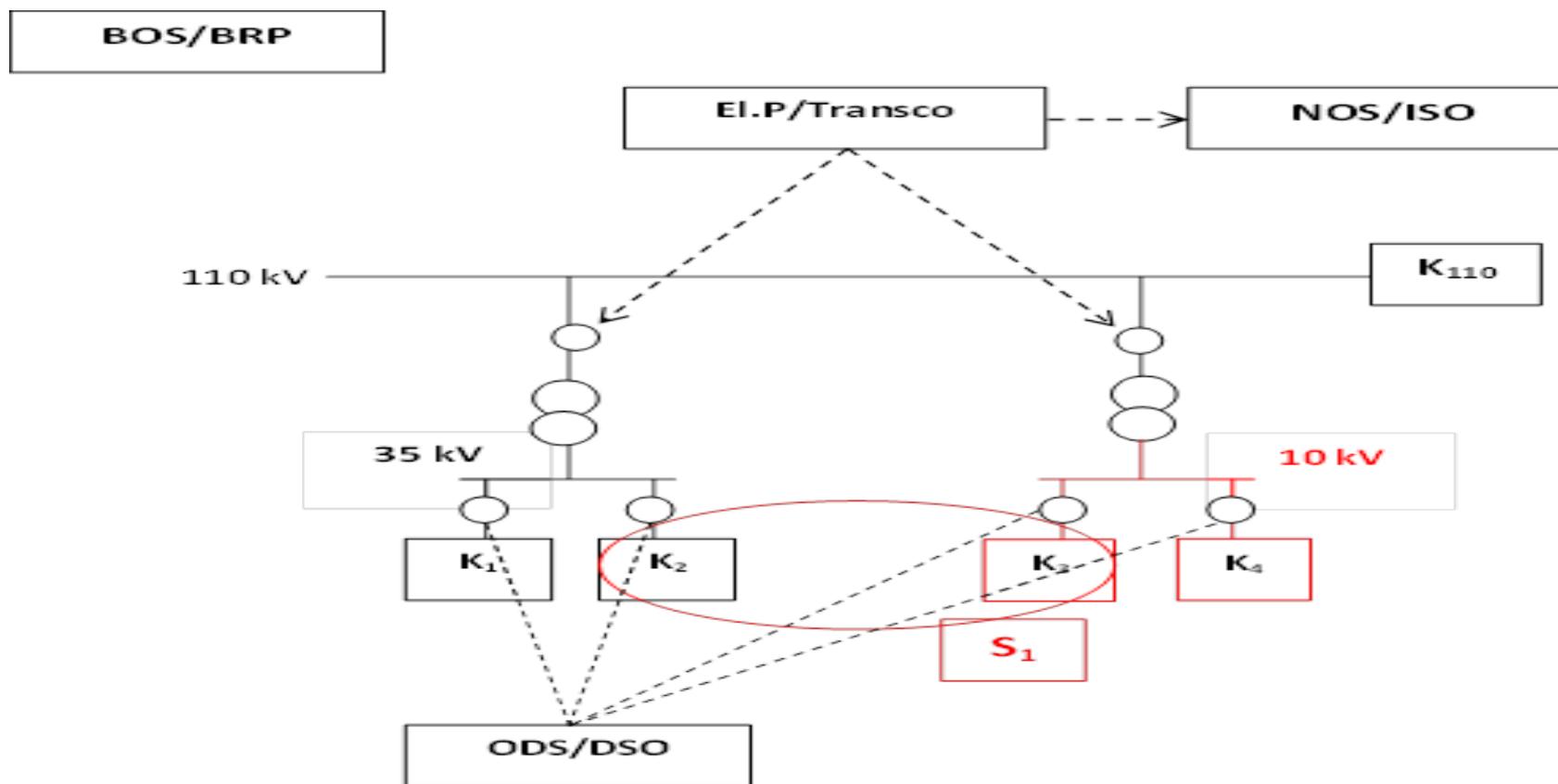
**BiH REAP**  
**Sarajevo, 30 March 2012**

Bosnia and Herzegovina (BiH) Regulatory and Energy Assistance Project (REAP)  
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## Basic Case Study Scenario





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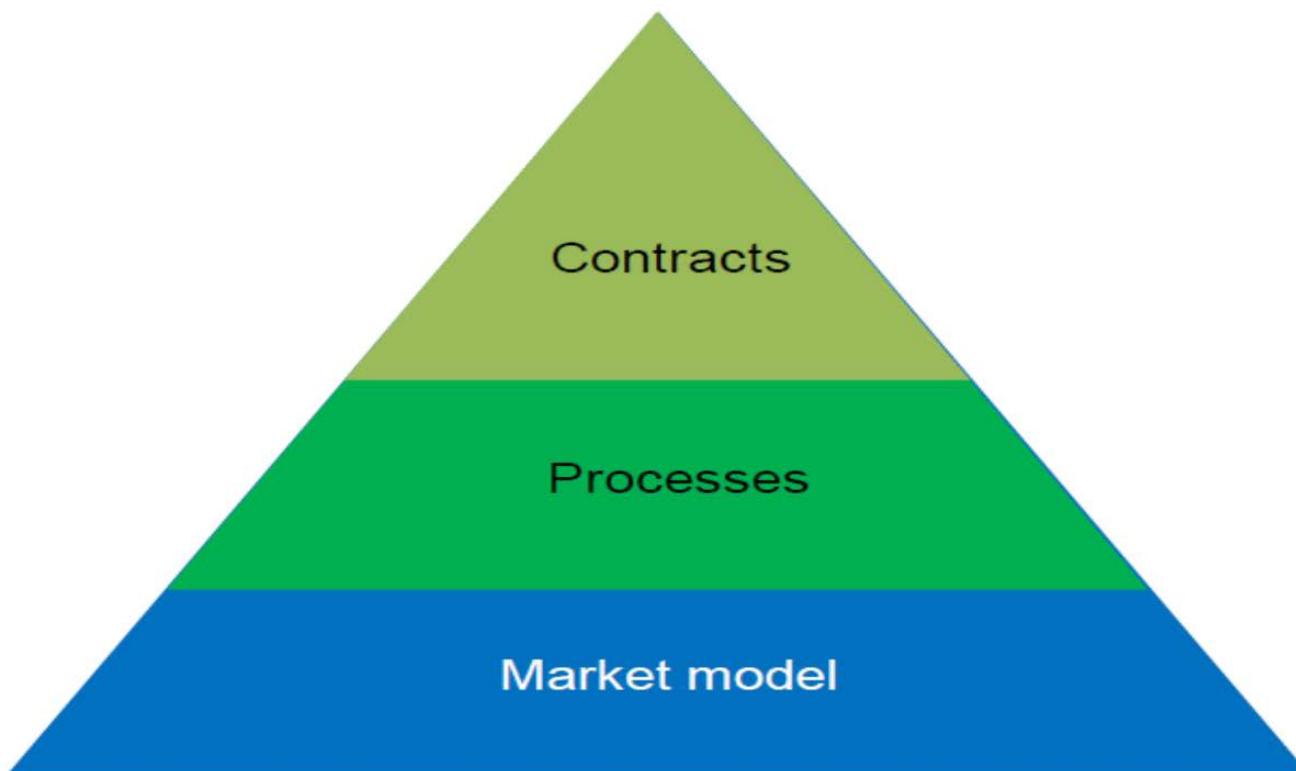
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## **Basic Case Study Scenario - Goals**

- **The goal of the Case Study Subgroup :**
  - **Check whether the laws, regulations and rules describe roles of all market actors and processes**
  - **Develop a Gap analysis**



## Market design has three main layers





## **Definition of the market model and processes**

### **The market model :**

- **defines the roles and responsibilities of different market actors**
- **defines interactions between market actors**
- **includes the definition of the customer interface**

### **The processes:**

- **Processes define: what each market actor should do and when**
- **There are two basic components of the processes:**
  - **Business processes: transactions between business actors operating in wholesale and retail market**
  - **Customer processes: interactions by the customer with market actors**



## **Processes**

**Commonly used list of the most important processes in the market are the following:**

- Licensing**
- Making and terminating contracts**
- Billing**
- Switching**
- Balance settlement**
- Metering**
- Access to customer and supplier data**



## REAP's approach

- **Analyze laws, regulations and rules to determine whether they:**
  - **Define role of each actors in the processes**
  - **Describe processes that describe Who-What-When-Where-How**
- **REAP created questions to describe actors' roles and processes and searched for the answers in laws, regulations and rules**



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## **Analyzed processes at the last meeting**

- **Billing**
- **Switching**
- **Balance settlement**
- **Metering**
- **Access to customer and supplier data**



## **Questions to describe metering process and roles**

- 1. Responsible parties to provide metering data**
- 2. Technical characteristics of the metering system**
- 3. Metering data acquisition**
  - a. Transmission of metering data**
  - b. Means of data transmission**
  - c. Time schedule**
- 4. Processing of the metering data**
  - a. Recipient who processes metering data**
  - b. Checking of the collected data and creation the final load curve**
  - c. Load curves and billing data as the results from the processing**
- 5. Data storage**
  - a. Data base characteristics**
  - b. Keeping data in the data base**
- 6. Delivery of billing data**
  - a. Billing Data delivering format**
  - b. Means to deliver billing data**
  - c. Recipients of the billing data and the list of delivering data per each recipient**
- 7. Time schedule to deliver data**



## Gap Analyses-metering Process and Roles

Issue		Document	Articles/Item	Responsible Party	Note
Data storage	Data base characteristics	Rule on Metering point	Rule on Metering point: Art.31	DSO	Gap: No details on the database.
	Keeping data in the database				
Delivery of metering data	Billing Data delivering format	– General Conditions of Supply Distribution Code			Gap: This issue is nowhere addressed.
	Means to deliver data				Gap: This issue is nowhere addressed.
	Recipients of the metering data and the list of delivery of data per recipient	– General Conditions of Supply: Art. 38: relations between power utilities will be defined by with separate contracts. – Distribution Code: Art. 79 Transco and DSO will agree data exchange on the operational and billing measurement data			Gap: A DSO-Transco Contract does not exist. Gap: No other recipients are envisaged, but there is a general statement in the General Conditions stating that relations between participants will be defined by separate contracts. These contracts include mutual communication and data exchange and issues related to accounting metering.
	Time schedule to deliver data				Gap: This issue is nowhere addressed.



## **Conclusions: Key Market Actors in the Retail Market**

- **DSO acts as a:**
  - neutral market facilitator should ensure a fair playing field
  - data information hub and market facilitator, given its primary access to customer data
    - Meter reading responsibility
    - Database and access to consumption data
    - Share information in standardized form with market actors
- **Supplier**
  - Is the main interface with the customer – Supplier-centric market model
  - First point of contact regarding switching and billing



## **Conclusions: Metering**

- **Should be regulated**
- **Data (database and secondary data) must be:**
  - **Standardized**
  - **Harmonized**
- **Available to all market actors who needs it**
- **Changes necessary to comply with needs and international practice**



## **Conclusions: Supplier Switching**

- **All switching processes should be regulated**
- **Strong trend toward supplier-centric model, especially for switching (and billing)**
- **Processes should make switching easy for customers**



## **Conclusions: Billing**

- **Mandatory combined billing provided by the supplier**
- **Customer should be offered at least two different payment methods:**
  - **Easily accessible**
  - **At least one should be free of charge**
- **Customer should have a choice of a minimum set of different billing and payment frequencies, including monthly**



## **Conclusions: Balance Settlement**

- **Absence of a balancing energy market**
- **Imperfections in the metering process**
- **Missing load profile curves for non-incrementally metered customers**
- **Method to allocate imbalances to supplier/eligible customers at DSO level is needed**



## **Conclusions: Access to Information**

### **Supplier's access to customer information**

- **Suppliers need authorization from customers to access customer information**
- **DSOs provide information to suppliers**
- **Need clear rules**

### **Customer Access to Supplier Information**

- **Supplier pricing should be publicly available and be required by regulators**
- **Customers should be able to compare new price offers with their existing contract price**



## **Homework**

- **Sub-group members are supposed to analyze the suggested gaps, revise and sent revisions back**
- **When commenting or revising, the citation of relevant document is needed and a flow chart to illustrate the process**
- **REAP will prepare the gap analyses for remained two processes:**
  - **Licensing and**
  - **Making and terminating contracts**



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# Hvala!