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Regulatory and Energy Assistance

FEDERATION-SPECIFIC ISSUES TO CREATE PRE-CONDITIONS TO MARKET DESIGN

The market design pilot program will be limited to the resolution of internal Federation issues, the resolution that are pre-conditions to actual market design, as follows:

1. Power balance (generation and demand). At the end of each year, there is a rush and emergency to close the power balance in the Federation, primarily due to the supply imbalance between the two EPs. Resolution of this issue is required in the new Federation Electricity Law and the draft Electricity Policy. To give this process a start, a collective consideration of the issue should be conducted for a long-term power balance (5-10 years.) The analysis should address forecast electricity and demand for each of the two EPs, how the issues impact the annual intercompany exchange, and a realistic generation investment plan in FBiH.
2. Cost reflective tariffs in FBiH
 - a. Cost reflective tariffs in EP BiH;
 - b. Cost reflective tariffs in EP HZHB;
 - c. Single cost reflective tariffs in FBiH and possible impact on customers and EPs;
 - d. Legislative and administrative provisions which define and ensure the Single cost reflective tariffs' implementation in FBiH;
 - e. Transition to reach full cost reflective tariffs in FBiH: timing, support and coordination;
 - f. How do cost reflective tariffs impact on the households and eligible customers in FBiH?
3. Vulnerable customers program as to prevent an impact of cost reflective tariffs to those customers who can't pay them.
 - a. Differences between current and cost reflective tariffs;
 - b. Possible impact to the customers;
 - c. Options to protect vulnerable customers
4. Impact of market prices on the FBiH power balance and intercompany exchange: is there/should there be a requirement to supply before selling from a commercialization point of view;
5. Public service obligation, universal service and supplier of last resort and how to implement these services in FBiH;

6. Unbundling as precondition the electricity market to be established: status of the law and extent of planned unbundling;
7. Other.

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