



Framework for the Development of Action Plan for the Establishment of Organized Wholesale Electricity Market in Bosnia and Herzegovina

Following the Conclusion from the 2nd joint meeting of the Regulatory Board and the Energy Community Permanent High Level Group in accordance to the Recommendations from the Study on Wholesale Market Opening in SEE, developed under the auspices of the World Bank, the Energy Community Contracting Parties and Slovenia, Hungary, Greece, Bulgaria and Romania shall be obligated to develop local Action plans for the establishment of organized wholesale electricity market.

In the development of this framework, the material that was prepared by the regulatory Subgroup for the development of the document related to the recommendations from the World Bank Study on opening of the wholesale market in SEE which was earlier submitted to all competent ministries, was used.

The table below gives an overview of activities that need to be implemented in BiH, with a view to establish an organized wholesale electricity market:

No	Activity	Description	Deadline	Responsibility
1.	Unbundling activities in electricity sector	Obligation of full unbundling activities in electricity sector, especially in the FBiH	End of 2011	Regulators Entity Governments
2.	Removal of full supply contracts between generator and supplier	Drafting/modification of energy policies that enable replacement of full supply contract with contracts on base load that will be gradually reduced year by year and be replaced by trading in the Day ahead market	End of 2012	Regulators and Entity Governments
3.	Transitional period for regulation of tariffs	Develop the procedure and schedule for transition from regulated to market prices (transitional period)	September 2011	Regulatory commissions and Entity Governments

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No	Activity	Description	Deadline	Responsibility
4.	Balancing responsibility and balancing mechanism	Describe and improve processes for the provision of ancillary services and draft/improve contracts on transmission network: ancillary services, balancing, third party access contract, connection to network	End of 2012	ISO, Elektroprenos BiH EPs, SERC
5.	Creation of local DAM and joining the Regional Electricity Market	Drafting/modification of energy policies that will provide for the creation of local DAM and joining to the Regional market.	September 2011	Council of Ministers and Entity Governments
		Development of legislation for establishment of Market Operator, local DAM and authorization for joining the Regional Market	End of 2011	Council of Ministers and Entity Governments
		Establishment and beginning of operation of Market Operator	01.06.2012	Council of Ministers, Entity Governments and SERC
		Beginning of functioning of the local DAM	01.01.2013	Market Operator and SERC
		Joining the Regional DAM	01.01.2014	Market Operator and SERC
6.	Allocation of cross-border capacity to the Regional DAM	Authorize the system operator to allocate a part of the cross border transmission capacity for regional implicit auctions.	Mid 2013	ISO, Elektroprenos BiH and SERC
7.	Access of large customers to DAM	Enable large eligible customers to actively participate on the DAM	Beginning of 2014	Regulators

No	Activity	Description	Deadline	Responsibility
8.	Covering of transmission losses	Enable that the energy for covering of transmission losses is bought on DAM	Beginning of 2014	ISO and SERC
9.	Transparency of market data	Ensure that all necessary information on wholesale market is easily available to market participants	End of 2012	Market Operator, ISO, Elektroprenos BiH and Regulators
10.	Market monitoring	Establish an efficient system of market monitoring	End of 2012	Market Operator and SERC

Taking into account the fact that the responsibility for development of BiH Action Plan for Establishment of Organized Wholesale Electricity Market lies in the first instance with MOFTER, this material will be submitted to this Ministry in order to initiate and support the activities on development of the Action Plan. Other relevant institutions should be involved in this process as well.