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Regulatory and Energy Assistance

CASE STUDY INITIAL PRESENTATION

Mostar, 18 March 2011

USAID/BiH REAP

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CASE STUDY

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What the Case study is about?

- **Case Study analyzes various scenarios to determine if processes and other requirements are in place.**
- **In this scenario the following participants are involved:**
 - Independent supplier;
 - 110 kV eligible customer;
 - 35 kV eligible customers;
 - 10 kV eligible customers
 - BRPs
 - ISO
 - Transco
 - DSOs

Why the Case Study?

- **MWG developed Policy Paper**
- **Subgroups have discussed**
 - **Regional Wholesale Market and preconditions**
 - **Extension on the transition period**
 - **SOLR/DS services**
- **When subgroups discussed preconditions regarding market functioning, points of view varied as to whether preconditions had been met or not**
- **The Case Study will pinpoint actual status of market readiness so regulators, at least, can get on the same page**

Example of a possible Scenario to be considered by the Case Study

- **Supplier: Third Party Supplier, other than the incumbent**
- **Customers demand, capacity and cost:**
 - **Cementara Kakanj 100 %: 80,6 GWh (Cementara Kakanj)**
 - **30% of 35 kV EP BiH customers: 100,7 GWh**
 - **30 % of 10 kV ERS customers: 129,1 GWh**
 - **30 % of 10 kV EPHZHB customers: 42 GWh**
 - **In totala: 352,4 GWh.**
 - **Yearly capacity: app 40,2 MW**
- **Cost at the market price of 40 Euro/MWh = 1.174.666 Euros/month**
- **Metering:**
 - **Cementara Kakanj has interval meters,**
 - **Some of 35 kV and 10 kV customers have simple meters that register the monthly peak demand but others have interval meters.**

Examples of Scenarios to be analyzed

A: Is this supply scenario full possible:

- Are all processes clear and transparent ?
- Is the existing metering system adequate to ensure customers pay only the costs they incur?
- Do all needed standard contracts exist?
- Do the Rules on licenses determine concrete characteristics supplier, other than incumbent, must prove to get license?

B: Supplier notified the regulator that it will go out of business in three months. Does the safety net secure further customers'

- Is the SOLR process clear and understandable?
- Are the specific steps for the customer switching process to the SOLR clear and transparent?
- Who, other than incumbent, could be SOLR?
- How to determine SOLR prices?
- Is the existing metering system adequate?

Outcomes from the case Study

- **The above examples are a few of multiple scenarios that could be run in the case study**
- **Product of the case study will be a gap analysis to identify:**
 - missing processes
 - Contracts, and
 - technical issues

The case study should give a clear, realistic and unbiased view of the actual status of the sector's readiness for market opening.

Next Steps

- **Establish the Group with REAP assistance**
- **Group to develop the Scenario and SOW**
- **Group to develop the detailed Work Plan**