



**USAID**  
FROM THE AMERICAN PEOPLE

## Regulatory and Energy Assistance

### **Regulatory and Energy Assistance Project in Bosnia and Herzegovina (BiH) – REAP BiH**

**IQC Contract # EPP-I-00-03-00004-00**

**Task Order # 05**

### **Work Plan Activity Timetable 2011-2013**

March 24, 2011

Submitted to:

Economic Restructuring Office  
U.S. Agency for International Development  
Hamdije Cemerlica 39a, Sarajevo, 71000, BiH

Implemented by:

Advanced Engineering Associates International, Inc. (AEAI)  
Kulovica 8/II, Sarajevo, 71 000  
Phone/Fax: +387 33 442 313

This report is made possible by support from the American People sponsored by the United States Agency for International Development (USAID). The contents are the sole responsibility of the author/s and do not necessarily reflect the views of USAID or the United States Government.

**REAP WORK PLAN  
2011-2013  
Activity Timetable**

Task Name	2011			2012			2013			2014		
	Q1 <sup>1</sup>	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Task Objective 1: Fully integrated energy sector into the regional and EU markets</b>												
<b>KRA 1 Harmonize the regulatory work of the three commissions to enhance the performance of the market</b>												
KRA 1.1 Assist regulators to further harmonize rules that strengthen market regulation												
KRA 1.2 Assist regulators to revise the rules on tariff methodology to be more cost-based												
KRA 1.3 Provide assistance to the regulators to issue or amend regulations to meet Energy Community Treaty requirements												
KRA 1.3.1 Monitor Treaty Developments and work to transpose into local laws and regulations												
KRA 1.4 Assist regulators, when necessary, to adapt to changing demands [See KRA 2.3.]												
KRA 1.5 Provide assistance in the drafting of commercialized contracts for an open market [See KRA 2.1.4.2]												
<b>KRA 2 Technical and regulatory preparation for market opening</b>												
KRA 2.1 Advise and assist regulators' implementation of the 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 Assist and advise regulators to revise licensing rules to accommodate market opening												
KRA 2.1.3 Advise regulators to require and EPs to implement load research												
KRA 2.1.4 Lead Case Study, consisting of open market base case and scenarios												

<sup>1</sup> Q1 is the first quarter of the REAP contract year, beginning in March

Task Name	2011				2012				2013				2014
	Q1 <sup>1</sup>	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
KRA 2.1.4.1 Work through processes													
KRA 2.1.4.2 Develop commercial contracts													
KRA 2.1.4.3 Write gap analysis													
KRA 2.1.5 Lead/assist Market Working Group (MWG)													
KRA 2.1.5.1 Lead/assist MWG sub-group on assessment of World Bank Wholesale Market Study and implementation in BiH													
KRA 2.1.5.2 Lead/assist MWG sub-group on extension of transition period													
KRA 2.1.5.3 Lead/assist MWG sub-group on Supplier of Last Resort (SOLR)													
KRA 2.1.5.4 Lead/assist MWG sub-group on Default Supplier (DS)													
KRA 2.1.6 Advise regulators to create policy and requirements on a new metering system to meet market opening requirements													
KRA 2.1.7 Research regional and EU best practices on ancillary services and balancing													
KRA 2.2 Advise and assist ministries on tasks needed to remove impediments to market opening													
KRA 2.2.1 Assist MOFTER to communicate the BiH standpoint on the wholesale market and market operator to ECRB and the Secretariat													
KRA 2.2.2 Advise MOFTER and the regulators on developing a road map to implement the proposed regional and local day ahead market (DAM) if BiH accepts the concept													
KRA 2.2.3 Advise and assist MOFTER and regulator on the establishment of the regional Coordinated Auction Office													
KRA 2.2.4 Advise and assist FMERI with regard to new Federation Electricity 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													

Task Name	2011			2012			2013			2014		
	Q1 <sup>1</sup>	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KRA 2.3.1 Assist FERC to implement regulatory policy if and when the new Federation Electricity Law is passed												
KRA 2.4 Advise industrial and commercial customers to be well informed on the status of market opening so they can make appropriate decisions regarding eligibility.												
KRA 2.5 Organize a closing conference on the status of the electricity market in BiH.												
<b>KRA 3 Assist and advise MOFTER with regard to the state gas law</b>												
KRA 3.1 Assist and advise if requested with further developments in the Expert Working Group if it (or another version of it) is restarted												
KRA 3.1.1 If a structure of the transmission sector is agreed in the Expert Group, complete the draft law accordingly												
KRA 3.1.2 Provide assistance and advice to successfully lobby the State gas law in the State Parliament												
<b>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.</b>												
KRA 4.1 Perform a written analysis of the Third Liberalization Package												
KRA 4.1.1 If the Energy Community requires compliance with the Third Package, develop road map to implement it												
KRA 4.2 Follow all activities in the BiH Electric Power sector and Energy Community												
KRA 4.3 Update documentation to include decisions made by the Ministerial Council of the Energy Community Treaty and apprise MOFTER												
KRA 4.4 Advise and assist MOFTER to undertake actions to implement new obligatory decisions made by the Energy Community Ministerial Council												
<b>KRA 5 Initiate a regulatory partnership in cooperation with National Association of Regulatory Utility Commissioners</b>												

Task Name	2011			2012			2013			2014		
	Q1 <sup>1</sup>	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>(NARUC) that will pair the three BiH regulators with a regulatory commission partner in the United States</b>												
KRA 5.1 Advise and assist NARUC, USAID and the regulators in the organization of the partnership												
KRA 5.2 Coordinate the partnership to ensure that the needs of all regulators are met and that the program is structured to provide the regulators with the training and experience most beneficial to the country												
<b>Task Objective 2: Restructured and commercialized energy companies</b>												
<b>KRA 1 Assist as necessary and when requested in restructuring and commercialization of energy companies</b>												
KRA 1.1 Assist Federation to develop an energy policy to prescribe an unbundling deadline for the Federation EPs												
KRA 1.2 Comment on the EPs' draft documents on restructuring, as requested												
KRA 1.3 Assist and advise the EPs to develop and implement processes that ensures every unbundled company receives revenue that reflects its costs												