

**Second Regional Energy Conference
Establishment of an Organized Electricity Market in Bosnia and Herzegovina
Mostar, October 19 and 20, 2017**

CONCLUSIONS

The second regional energy conference entitled „Establishment of an Organized Electricity Market in Bosnia and Herzegovina“ was held in Mostar on October 19 and 20, 2017. The conference was organized by JP Elektroprivreda Hrvatske zajednice Herceg Bosne d.d. Mostar in partnership with Croatian Power Exchange Ltd. and the Independent System Operator in Bosnia and Herzegovina (NOS BiH), and in co-organization with Večernji list BiH. The aim of the conference was to objectively inform the professional and general public about a range of issues related to the electricity market as well as the whole power system of Bosnia and Herzegovina and the neighboring countries.

The conclusions of the conference given below result from the presentations of eminent experts from BiH and abroad and the debate of the participants. They represent professional arguments that will certainly help the executive and legislative authorities in BiH establish an efficient and organized electricity market in Bosnia and Herzegovina:

1. The interest of the power and overall economy of BiH is further development of the electricity market as well as its integration in the regional and EU market.
2. Integration of renewable energy sources in the power system of Bosnia and Herzegovina should be based on: proven general practice which takes into account the level of integration of renewable energy sources in the power system, the level of development of regulations and operations for the projections and control of renewable energy sources; the need to stimulate the construction of renewable energy sources; solidarity and support for the integration of new renewable energy sources in the power system.
3. The executive and legislative authorities in BiH should give high priority to the implementation of the Western Balkan 6 (WB6) Initiative. This also implies the need for new efforts to harmonize the draft laws at the level of BiH and the Entities in order to create opportunities for the electricity market development.
4. Power exchange is the prevailing EU model of the organized electricity market. BiH should, through implementation of the Third Energy Package, establish an organized electricity market that, under the circumstances, gives BiH advantage to the establishment of a power exchange because of the existence of three power utilities, one big independent producer, significant capacity of a wind farm to be constructed soon, and undoubtedly proven successful establishment and functioning of the balancing market. All the above justifies the establishment of our own power exchange. It is therefore of utmost importance for Bosnia and Herzegovina to start the activities of establishing a power exchange at the state level in the context of the existing legal framework as soon as possible.
5. Renewable energy sources as well as other customers and producers in the power system should have balance responsibility. It is recommended that the costs of balancing renewable energy sources are covered from the funds collected from the fees to encourage the production of renewable energy at this stage of integration of renewable energy in the power system, all in accordance with the laws and regulations of Bosnia and Herzegovina. It should be noted that establishing a balancing energy market in BiH allows transparent distribution of funds from these fees. In the Federation of Bosnia and Herzegovina, the role of a balance responsible party for renewable energy sources should be completely taken over by the Operator for Renewable Energy Sources and Efficient Cogeneration after adequate technical and organizational preparations. It is therefore necessary to immediately adopt the necessary regulations that will enable this.

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