

Bosnia and Herzegovina: Electricity - Market and Regulatory Framework

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Responsibilities for the electricity sector are divided between the central government and the entities - Republika Srpska and the Federation of B&H. At the central level, the State Electricity Regulatory Commission regulates the transmission of electricity throughout B&H, as well as the export, together with supply and distribution in the Brcko District.

At the entity level, the governments of Republika Srpska and the Federation of B&H adopt policies, while the RS and B&H Ministries of Industry, Energy and Mining are responsible for implementing energy policies; The Republika Srpska Regulatory Commission and the Federal Energy Commission represent the independent regulatory bodies of the entities deciding on licensing and regulated tariffs.

As of 1 January 2015, consumers can choose their supplier. Directive 2009/72/EC relating to common rules for the internal market in electricity has not been implemented by the deadline of 1 January 2015. The FB&H Law on Electricity is generally in line with the Directive, but it has not been fully implemented. State-owned companies are major players in all sub-sectors.

Despite opposition from the Energy Community Secretariat, the FB&H has approved loan guarantees of EUR 614 million issued to China's Export-Import Bank for the construction of a 450 MW block of thermal power plants, prompting the Secretariat to initiate misdemeanour proceedings.

The generation structure in 2017 is dominated by thermal power plants, generating 12,019 GWh, followed by hydropower plants, with 3,987 GWh, while other producers generated 432 GWh. Exports and imports amounted to 5,187 GWh and 3,346 GWh, respectively.