

Because of the lack of effective unbundling of electricity distribution system operators (DSOs), by way of a Reasoned Opinion, The Energy Community (EnC) Secretariat launched the next step in the dispute settlement procedure against Bosnia and Herzegovina (BiH) opened in January 2018.

Bosnia and Herzegovina has not remedied the concerns raised in the Secretariat's Opening Letter regarding the failure to correctly transpose the requirements for unbundling of electricity DSOs into national legislation, and to take measures to effectively implement their legal and functional unbundling.

In its Opening Letter from January 2018, the Secretariat took the view that BiH failed to comply with its obligations under the Energy Community Treaty by not having transposed the unbundling requirements of the Third Energy Package into national legislation and not having taken measures to implement legal and functional unbundling of its national electricity distribution system operators in practice.

Unbundling of distribution system operators is one of the central elements of electricity market liberalization and has been obligatory in the Energy Community since 2015. Only when separated from other segments of the energy supply chain can distribution system operators act independently and consumers benefit from greater choice of electricity supply companies, which in turn offer improved services at a fair price.