

The reason for the separation is the request of the Energy Community, but it also marks the first step in the establishment of market principles for public supply. At the same time, the distribution activity will continue to be regulated under the supervision of the Regulatory Commission for Energy (RERS).

As of 1 April 2021, Bosnian power utility ERS will effectively separate electricity supply and distribution activities.

Accordingly, ERS started implementing market principles in the public supply since September last year, which generated additional revenues for the company. However, electricity prices for commercial consumers in the Republic of Srpska (RS) are still much lower than market prices and are actually subsidized by the ERS. All this is in line with the policy of the RS Government, which wants the economy in the entity to continue to have the best electricity prices in Southeast Europe.