

Bosnia: Consumers prepared for power market liberalization and volatility of prices?

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Bosnia and Herzegovina has ratified Treaty on establishing the Energy Community of South East Europe in 2006th, and therefore accepted the application of the EU directives on energy markets, environmental protection, energy efficiency, competition and renewable energy per time schedule established by the Treaty.

How to be ready for the opening of the electricity market? The Parties to this Treaty commit to establish among themselves the common electricity market which will operate in accordance with the standards and rules of the EU energy market with which it will be integrated.

In accordance with the national agreement with the Energy Community the electricity market in BiH will be open to all customers, including households on 01.01.2015. This means that every customer will be able to purchase electricity at the market from the supplier of their choice. In BiH currently there are 24 registered suppliers.

Prompted by the opening of the electricity market, Center for Education and Raising Awareness of Energy Efficiency – Energis as part of their regular activities conducted a survey among visitors of the portal Energis.ba on the opening of the electricity market in BiH with the aim of assessing the readiness and awareness of citizens on electricity market opening in BiH and on the work of the competent authorities and institutions to prepare people for this significant change.

Is BiH ready for the opening of the electricity market?

On the question “Have you ever met with the preparations for the opening of the electricity market in BiH since January 1st, 2015th?” 33.75% of people responded that they were familiar, while the remaining 66.25% of people were not familiar with or have never heard of the market opening.

This begs the question why no one from the competent institution has made a public campaign at the national level with the aim to raise awareness and inform the citizens about the opening of the electricity market in Bosnia and Herzegovina?

Prompted by possible sanctions of the Energy Community for failure to international obligations of Bosnia and Herzegovina, the respondents were asked: “Do you expect that Bosnia and Herzegovina fulfill obligations under the Treaty on establishing the Energy Community by January 1st 2015th as it is planned?” Only 8.75% of respondents answered “Yes, completely”, while 55% of respondents answered “Yes, in part” and 36.25% “No”. This is an illustration of the level of trust in the institutions of Bosnia and Herzegovina.

In which direction go the electricity prices in BiH?

A representative of the Energy Regulatory Commission in the Federation of Bosnia and Herzegovina – FERC, at a press conference said that the electricity price would depend on the ability of the customer to contract favorable package, but it was unrealistic to expect that there would be a fall in electricity prices. Citizens are skeptical of the electricity price and 25% of them believe that there will be an increase in electricity prices, while 50% of citizens believe that market competitive prices will finally be in BiH, and the remaining 25% believe that prices will remain the same.

In order to reduce the cost of electricity, 68.75% of people would change suppliers if they get better electricity prices than other suppliers. Of the total of respondents, only 7% of them are satisfied with the current supplier and would not have changed it, while 22.50% of the respondents would not change suppliers because they do not want to risk the electricity supply.

The survey results clearly indicate:

- the necessity of conducting a comprehensive ongoing activities at informing users, both households and, more importantly, businesses of all elements of the open market;
- the necessity of presenting registered electricity supplier as a possible alternative choice for citizens;
- the necessity of presenting and explaining the brokers role and importance in the electricity market, it was said from the Energis, Centre for education and raising awareness of the need to increase energy efficiency.