

The opening of electricity market in Bosnia and Herzegovina (BiH) has started, and the Energy Community says that the space for the “developing” complex retail market is still narrow. How the power utilities in BiH will handle in the new circumstances will depend on it.

Security of supply and investments are priorities that the power utility Elektroprivreda Republike Srpske (ERS) will be guided by in the future, which in terms of market opening managed to keep the customers owing to the price.

The executive director for technical affairs of power utility ERS, Maksim Skoko, says that the price policy is such that it provides a minimum profit for ERS, and that it is likely to be the same in the future. He points out that the electricity in Republika Srpska is the cheapest in the region.

From Sarajevo power utility Elektroprivreda BiH it is insisted that three power utilities in BiH are protected in the process of market liberalization – to set the economically acceptable price for households, and that entity governments determine the fund for subsidizing.

General Manager of power utility Elektroprivreda BiH, Bajazit Jasarevic, says that power companies also carry social burden due to which they jeopardize its own development, and that these power utilities in BiH keep the price of electricity at an acceptable market level with its production.

In the context of market liberalization, there are currently amendments to the Law on Electricity in Republika Srpska, which include reforms to strengthen power utility ERS and make it more efficient for the implementation of large-scale projects, but also to keep it competitive when the market is fully open.

The Minister of Industry, Energy and Mining of Republika Srpska, Petar Djokic said that “Republika Srpska still has no feeling of competition pressure, because we still have really low price of electricity, but the question is how long we will be able to function in this way, and whether in such way and with this policy we can contribute to the growth and development of the ERS”.

Everybody sees the future in investments, and it is stated from ERS that the development of the electricity market cannot be considered partially but regionally. With reference to this, its entry on power exchange in Serbia is significant.

Skoko says that the surplus of electricity is marketed on a daily basis through the power exchange SEEPEX in Belgrade and that it is absolutely the most transparent and the best way of daily surplus placement.

Considering that in addition to this power exchange, there is a power exchange in Croatia, and the reference exchange in Hungary, the power utility ERS finds the story of establishing the third power exchange in BiH to be unrealistic and it would be, as they point out, illiquid.