

Bosnia: New gas legal framework to reform and boost the gas market liberalization

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Federal Bosnian Government determined the Gas Law Draft. This draft determines organization and functioning of natural gas sector, rules and conditions for energy activities in sector of natural gas, planning and development of natural gas market, market regulating, activities separation and accession of third side to the system for natural gas, construction and reconstruction of infrastructure objects, technical rules, supervision over law enforcement, related principles, procedures and related rights and obligations of other legal persons and other questions important to gas sector in BiH.

Reasons for adoption of this law are coming from obligations of BiH as a contractor for Energy Community of South East Europe when it took over obligations for implementation of directives and laws from so called "third energy package".

Directive is related to common rules for making internal market of natural gas and it defines obligations of EU countries in accomplishing main goals of this law like security of continual, safe and quality supply to buyers of natural gas, involving in international market of natural gas within unique market of natural gas in BiH, insurance of market compatibility with other regional and European markets and systems.

It also defines stimulation of sustainable development on the market of natural gas, energy efficiency, environmental protection in accordance with rules and domestic and international standards, protection of interest of system users, insurance of transparent and non-discriminatory tariffs for production, distribution and natural gas supply, provision of accession to the system in non-discriminatory, transparent way that reflects real expenses, insurance that distribution and transport systems function like independent subjects according to form, organization and determination of other activities which are not related to distribution and transport.

The Law Draft defines insurance of conditions that enable non-discriminatory approach to gas system to all biogas sources and other types of biomass gas, considering all necessary quality requests, technical and safety standards, obligations of public service of the company for biogas and protection of the rights for socially endangered buyers.

This draft dictates that Regulatory Commission takes over all jurisdictions, authorities and licenses of regulators for gas in BiH and to keep all issued licenses and authorities given by other laws to issue, change and takes away work licenses in order to regulate trade of distribution, storage and directing LNG gas systems. It can take away licenses to energy subjects for energy activities and it leads registers of issued, changed or taken licenses, to follow and control work of energy subjects in view of achieving goals determined by license, to make rules and procedures for arbitrage proceeding and for resolving appeals of gas

system users in relation to licenses' owners. Regulatory commission owns a right for expenses' compensation on the base of arbitrage.

This subject is currently regulated by the Law for Organization and Regulation of Gas Industry Section in BiH that will be invalid after this law enforcement.