



Fourth
ENERGY SUMMIT
Bosnia and Herzegovina



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Implemented by

giz German Development
Cooperation GmbH



Ministry of Foreign Trade and
Economic Relations of BiH



State Electricity Regulatory
Commission



Regulatory Commission for
Energy of BiH



Regulatory Commission for
Energy of BiH



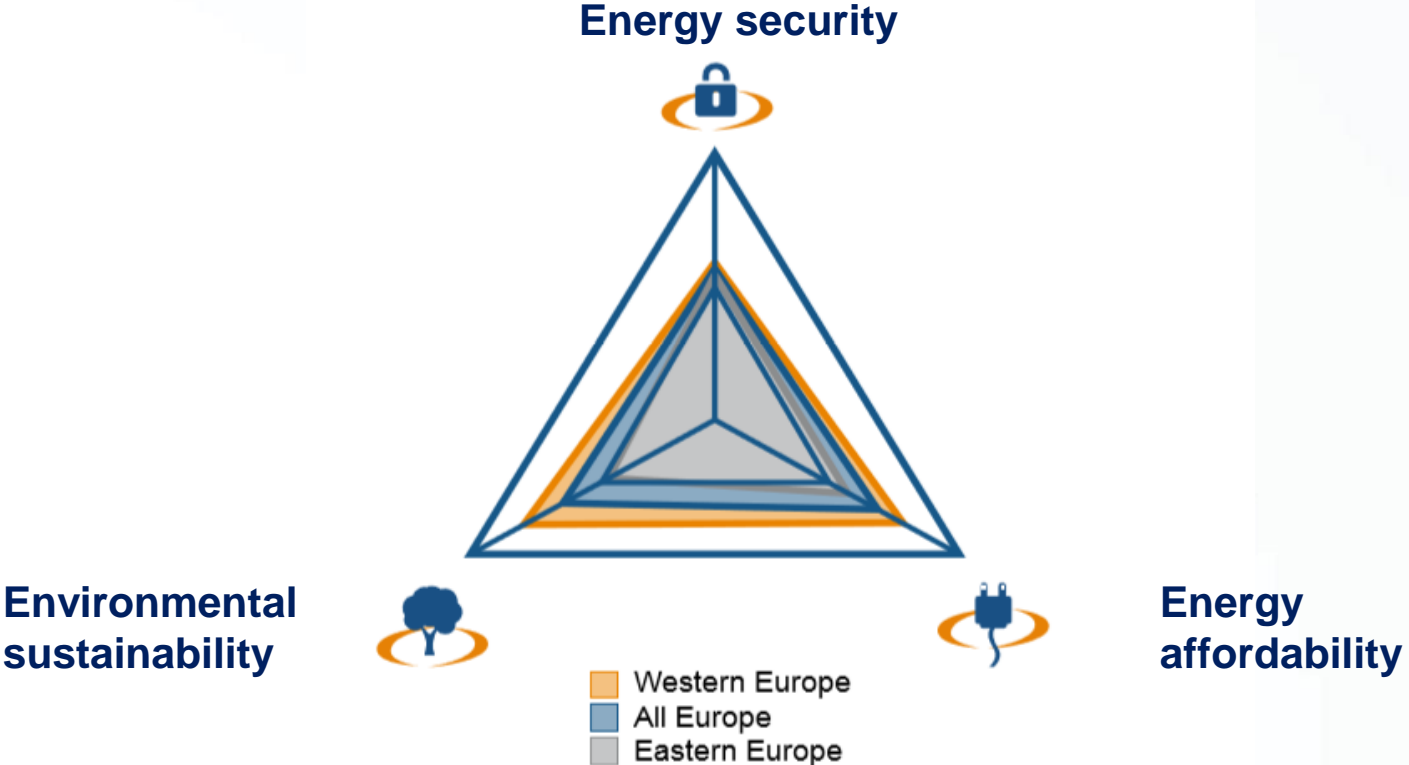
BiH Energy Summit - Key Messages -



The Path to a Sustainable Energy Sector



Trilemma profile: Europe
Source: World Energy Council/Oliver Wyman



The Path to a Sustainable Energy Sector

Voting results

- How do you see the energy sector in Bosnia and Herzegovina in 10 years of time?
 - 24% - uncompetitive, with dependent energy supply and negative environmental impact
 - 24% - competitive with positive impact on other branches
 - 51% - 10 years of time is a too short period to expect the energy sector to be self-sustainable**
- How do you set the order of the following strategic directions, towards a competitive energy sector in Bosnia and Herzegovina ?
 - 62% - energy efficiency, emission reductions, renewable energy sources and gas as a transition fuel**
 - 4% - gas as a transition fuel, energy efficiency, emission reductions and renewable energy sources
 - 16% - renewable energy source, gas as a transition fuel, energy efficiency and emission reductions
 - 18% - emission reductions, renewable energy source, gas as a transition fuel and energy efficiency



The Path to a Sustainable Energy Sector

Key Messages:

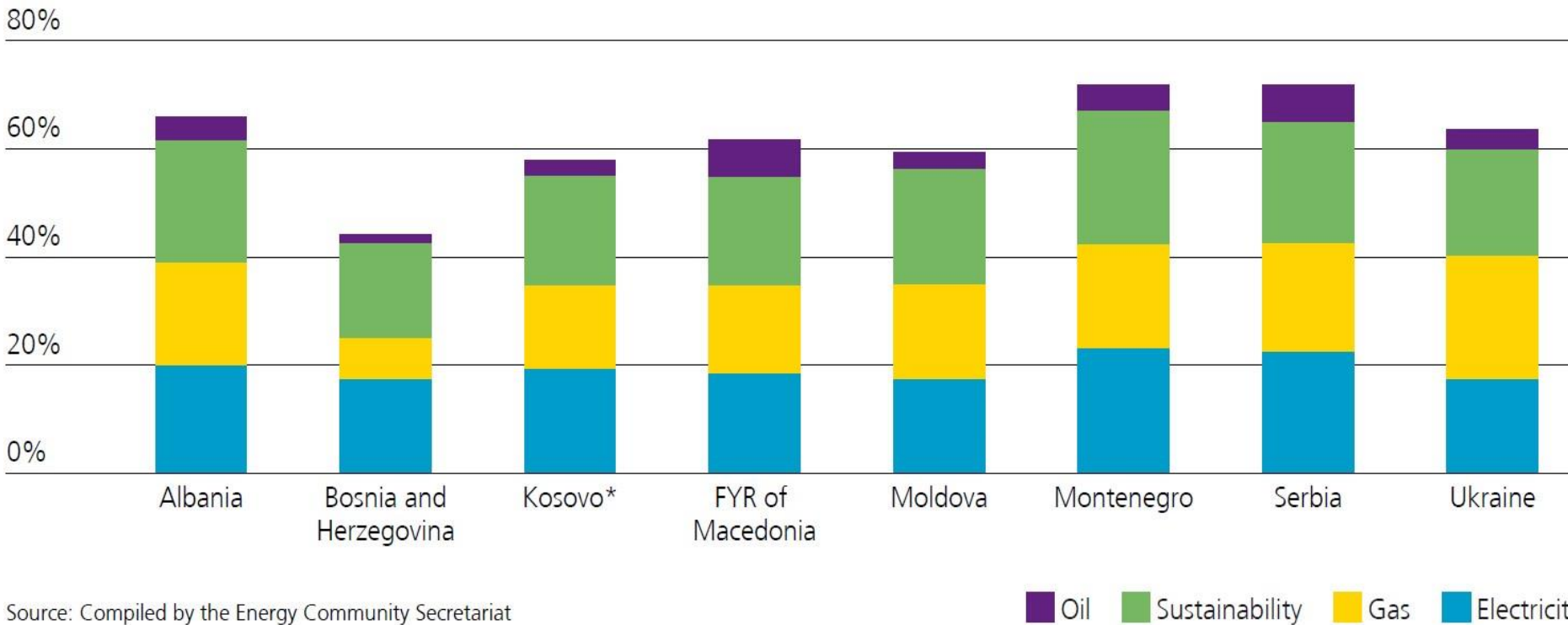
- Sustainable economic development requires a **competitive energy sector** which also increases competitiveness of other branches in the economy.
- A self-sustainable energy sector in Bosnia and Herzegovina should give **priority to energy efficiency, emission reductions, renewable energy sources and gas as a transition fuel.**



Deadlock in the Reform of the Energy Sector – Energy Market in Bosnia and Herzegovina



Overview of Implementation Performance by Contracting Parties



Source: Compiled by the Energy Community Secretariat

Deadlock in the Reform of the Energy Sector – Energy Market in Bosnia and Herzegovina

Voting results:

- In your opinion is the reform of the energy sector in BiH (as a part of integration of the BiH to the EU):
 - 97% - Delayed**
 - 3% - Progressing as planned
- What needs to be done to break the deadlock and continue the reform of the energy sector?
 - 89% - Adopt and implement the necessary laws and programs for completing the reforms (by the legislative and executive authorities)**
 - 11% - Wait for the other Energy Community Treaty signers to complete their reforms so that we can take over their experience



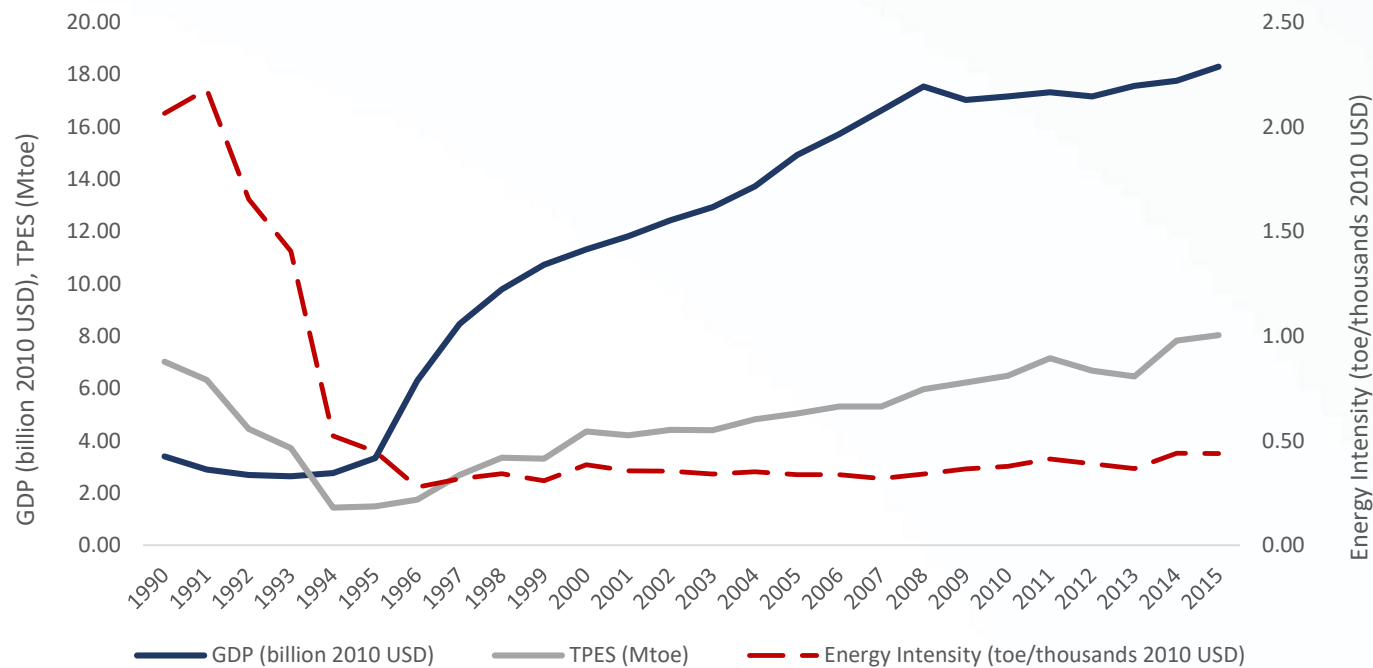
Deadlock in the Reform of the Energy Sector – Energy Market in Bosnia and Herzegovina



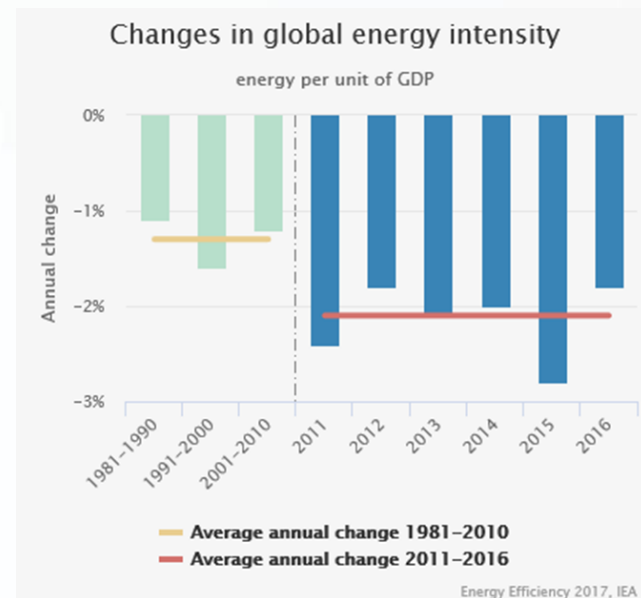
Key Messages:

- The deadlock in the reform of the electricity and gas market in BiH is evident.
- There is a reform implementation plan, but the executive and legislative authorities should actively work to implement it and lead the reforms.

Energy Efficiency: How to Reduce Energy Consumption First



Source: Energy International Agency (IEA)



Energy Efficiency 2017, IEA

Energy Efficiency: How to Reduce Energy Consumption First

Voting results

- How do you evaluate the potential of energy efficiency for the economic development in BiH?
 - 45% - Very high**
 - 33% - High
 - 15% - Low
 - 7% - Very low
- How important do you consider the potential of the building sector to reduce energy consumption?
 - 77% - Very important**
 - 23% - Important
 - 0% - Low importance
 - 0% - Not important
- Can the involvement of the regulators achieve more transparency and ensure a systematic approach to the implementation of Energy Efficiency?
 - 81% - Yes**
 - 6% - No
 - 13% - I don't know



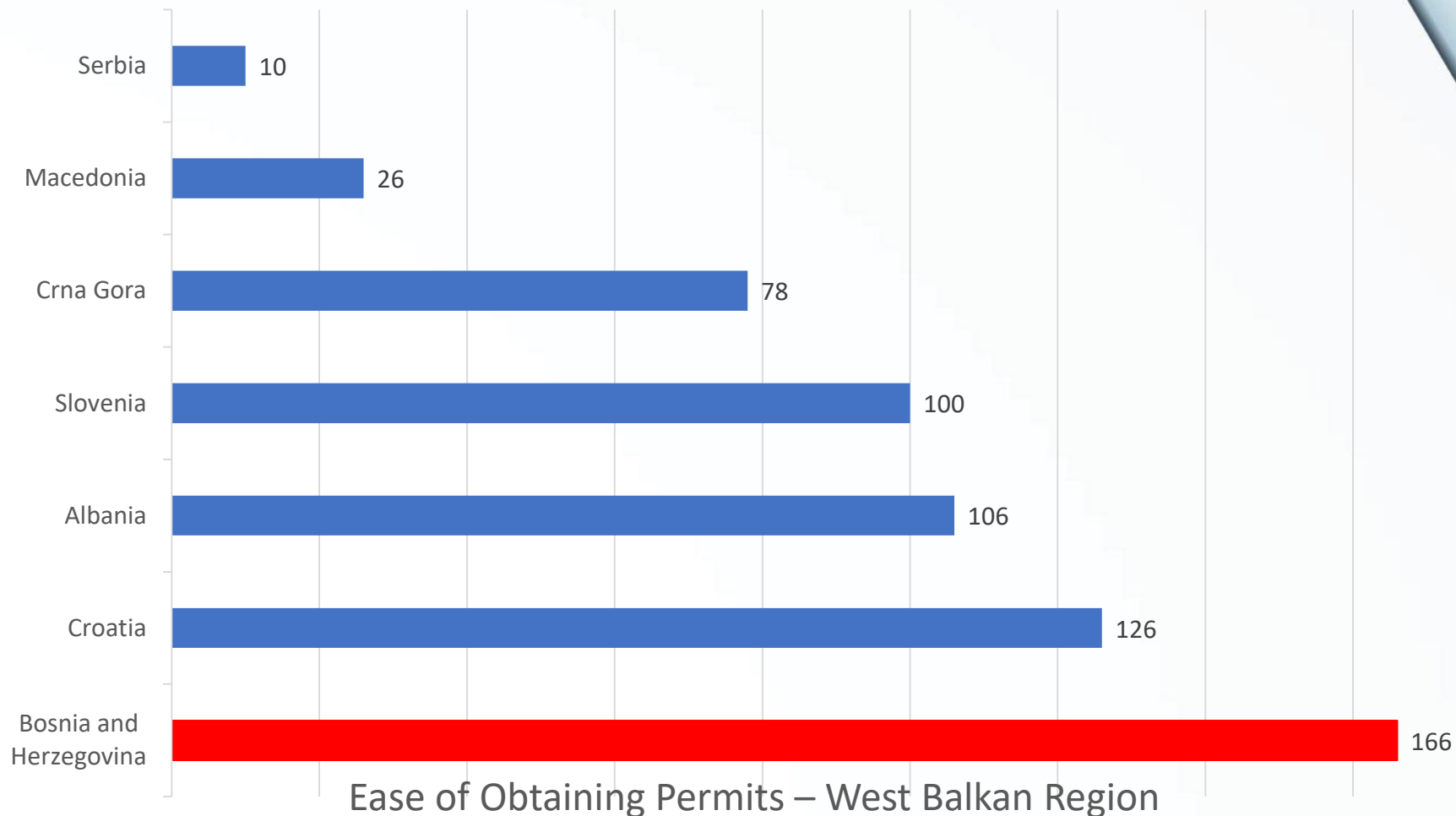
Energy Efficiency: How to Reduce Energy Consumption First

Key Messages:

- Energy Efficiency offers a wide range of benefits to final users and can be a **driver for different branches of the local economy**.
- Especially in the **building sector** an **effective strategy** is needed.
- The **role of regulators** in the implementation of energy efficiency is of crucial importance.



Secure and Affordable Energy: How to Mobilize Investments in the Energy Sector



Ranking out of 190 economies of the world

Secure and Affordable Energy: How to Mobilize Investments in the Energy Sector

Voting results:

- Do you believe that BiH has a favourable investment environment?
 - 8% - Yes
 - 89% - No**
 - 3% - I don't know
- What would you say is the main characteristic of the current investment environment?
 - 34% - Unclear, incomplete, contradictory and non-harmonized legal framework
 - 24% - Lack of know-how within permitting authorities and inefficient internal procedures
 - 2% - High administrative and investment costs
 - 40% - All of the above**
- Should the political parties include recommendations for simplifying the permitting regime in their policies and plans?
 - 81% - Yes**
 - 13% - No
 - 6% - I don't know



Secure and Affordable Energy: How to Mobilize Investments in the Energy Sector

Key Messages:

- BiH does not have a favorable investment environment. Governments and Parliaments should start working to make the BiH energy sector more transparent and investor friendly.
- BiH should improve the efficiency of the permitting process for energy facilities, increase the knowhow of the administration, and through clear guidelines prepare the investors for investments.



Efficient Use of Resources: How To Increase the Share of Renewable Energy



Figure 1 Average prices resulting from auctions, 2010-16



Source: IRENA, 2017.

Efficient Use of Resources: How To Increase the Share of Renewable Energy

Voting results:

- Should Bosnia and Herzegovina reform its support system?
100% - Yes
0% - No

- What are the main benefits of renewable energy auctions:
 - 7% - Allocation of real cost for each technology
 - 27% - Creation of a competitive renewable energy market
 - 34% - Higher transparency in allocation of support**
 - 32% - Reduction of support costs



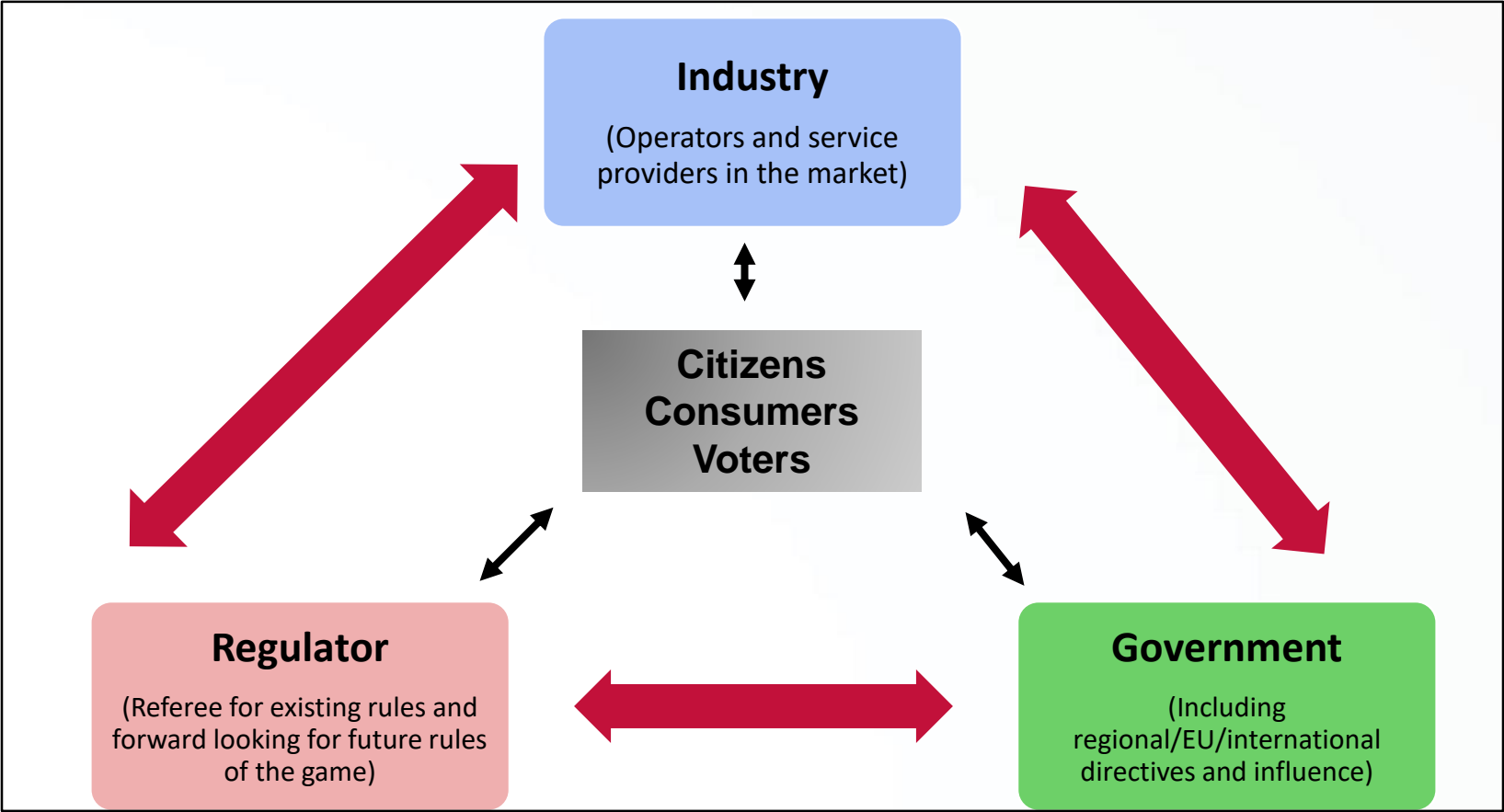
Efficient Use of Resources: How To Increase the Share of Renewable Energy



Key Messages:

- A reform of the current support system can create a **competitive renewable energy market** in BiH.
- To efficiently exploit the renewable energy potential of BiH (bioenergy included) **strategic planning** is required.

Institutional Landscape and Framework: The Position of the Regulatory Commissions



Mark Vannoy, Chairman, Maine PUC, USA – presentation BiH Energy Summit 2018

Institutional Landscape and Framework: The Position of the Regulatory Commissions

Voting results:

- Do you think that independence of regulatory commissions is important for a stable and transparent energy sector?
93% - Yes
4% - No
3% - I don't know
- Do you think that politics should interfere in the work of Regulators?
3% - Yes
93% - No
4% - I don't know
- Do you agree that the inclusion of regulators can achieve greater transparency and provide a systemic approach to energy efficiency implementation?
81% - Yes
6% - No
13% - I don't know



Institutional Landscape and Framework: The Position of the Regulatory Commissions



Key Messages:

- Independence of Regulatory Commissions is crucial for the stable and transparent energy sector.
- Regulatory Commissions should have an active role and be given jurisdiction in energy efficiency.



Thank you for your attention!