



Peti  
**ENERGETSKI SAMIT**  
*u Bosni i Hercegovini*



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POD POKROVITELJSTVOM



Ministarstvo vanjske trgovine  
i ekonomskih odnosa BiH



Državna regulatorna komisija  
za električnu energiju (DERK)



Regulatorna komisija za energetiku  
Republike Srpske (RERS)



Regulatorna komisija za energiju  
u Federaciji BiH (FERK)

# Revision of Market Rules in Bosnia and Herzegovina

Bozidar Radovic, consultant USAID EIA

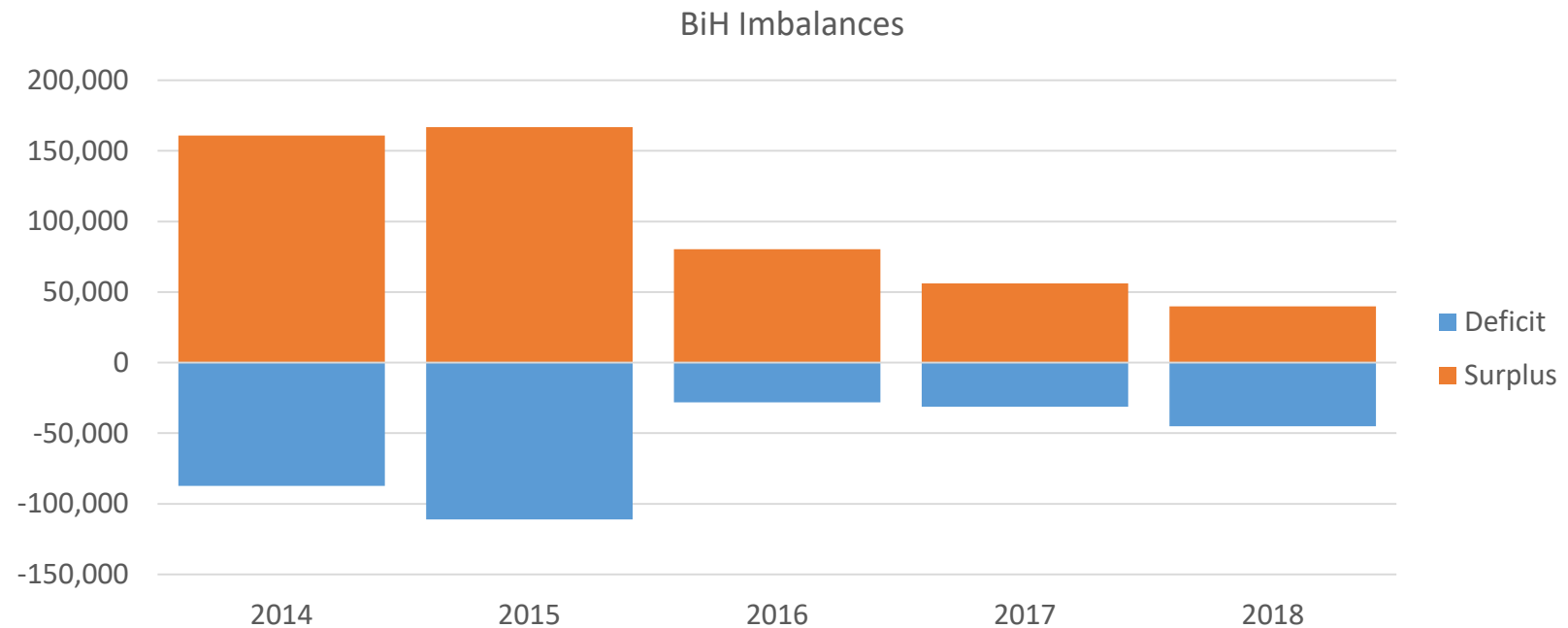
## Existing Market Rules

- In force since 1.1.2016.
- Regulate balancing mechanism and Balancing Market relations in BiH
- There were no revisions of the Market Rules since their entry into force, but there were several revisions of the Procedures for Ancillary Services
- Series of additional documents have been developed:
  - Procedures for Ancillary Services
  - Procedures for data exchange between BiH ISO and DSOs
  - Rulebook on operations of Daily Balancing Energy Market
- Implementation of the balancing mechanism resulted in significant reduction of the BiH power system imbalances towards the control block
- Availability and quality of ancillary services are significantly improved

## Balancing mechanism

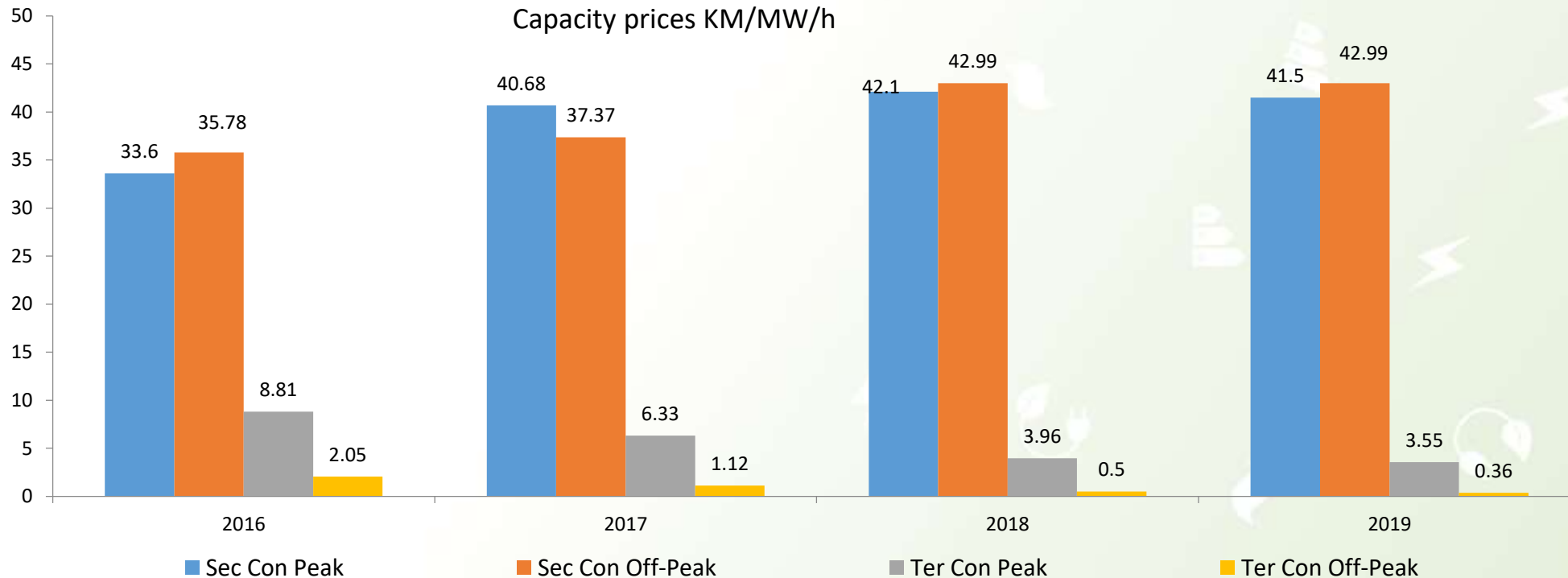
The trend is obvious – consistent implementation of the balancing mechanism significantly reduced overall imbalances in BiH.

In the period 2016-2018 total of 89.74% hourly imbalances were less than 20MWh/h, at the same time there were only 17 hours (0.073%) with imbalances over 100 MWh/h.



- Balance responsibility mechanism in the BiH power system is fully implemented.
- Payments for BRP imbalances significantly contributes to financing of ancillary services in BiH .
- Proposals for improvement are in the direction of introducing mechanisms which reduce possibilities for very high prices of imbalances at activation of the downward tertiary control.

# Balancing Market



- Complete tertiary control reserve and most of the secondary control reserve are procured in the annual and monthly auctions
- Procurement costs for the reserve capacity of the secondary control stabilized over years and costs of the tertiary control reserve capacity are getting lower each year

## Opportunities for improvement

- Enabling secondary reserve capacity during off-peak periods
- Increase in availability of the contracted control capacities, in particular for secondary control
- More frequent tertiary control activation (although available, tertiary control has not been activated in all cases when conditions and needs existed)
- Improvement of the daily tertiary control energy market – the market does not operate as planned and expected (insufficient number of voluntary offers)
- Introduce price caps for downward tertiary control energy
- Increase penalties for non-delivery of the contracted ancillary services
- Remove barriers for acquisition of ancillary services using balancing market software



# Proposals for revision of the Market Rules and Procedures for Ancillary Services ..... (1)

- Complement following sections of the existing Market Rules:
  - Accounting for congestion management
  - Revisions of Market Rules
  - Dispute resolution
  - Provisions for unforeseen circumstances
- Add new section on implementation of monitoring over Market Rules implementation
- Move to 15-minute accounting of imbalances and ancillary services (minor additions to the existing software tools are required)
- Improve existing practice of reporting and publishing of the balancing mechanism and ancillary services procurement results

## Proposals for revision of the Market Rules and Procedures for Ancillary Services ..... (2)

- Harmonize stipulations of the Market Rules and Procedures for Ancillary Services with ENTSO-E documents
- Define new ancillary services products that should improve offer of services and overall effects
- Harmonize calendar for ancillary services procurement auctions with the business dynamics of the service providers
- Auctions for procurement of energy for compensation of network losses should be organized at least twice a year, one of them close to the end of the year
- Analyze possibilities for BiH ISO to take over balance responsibility for the transmission network losses



## Secondary Control

- Introduce consequent market for secondary control – capacity transfer between ASP
  - If ASP cannot provide contracted capacity, it may be transferred to another ASP
  - If ASP has available capacity that has not been contracted, it may be offered
- Raise price caps for secondary control capacity in off-peak hours to increase offers
- Raise penalties for non-delivered secondary control or for the non-satisfactory secondary control quality
- Split penalties for non-nominated (D-1) and non-delivered (D) secondary control capacity – increase penalties for non-delivered secondary control capacity
- Analyze possibilities for introducing asymmetrical secondary control ranges

## Tertiary Control

- Introduce consequent market for tertiary control (transfer between ASPs – if one has no contracted capacity available , may transfer rights to another ASP)
- Act on improving operations of the daily market for tertiary control energy
- Limit prices of energy for the downward tertiary control
- Increase penalties for non-delivered capacity (failure to nominate contracted capacity on D-1) and non-delivered tertiary control energy
- Intensify cooperation in tertiary control exchange at the SHB block level, and with neighboring SMM block – objective is control capacity lease reduction