

Pursuant to Article 4.8 of the Law on Transmission of Electric Power, Regulator, and System Operator in Bosnia and Herzegovina (“Official Gazette of BiH”, number 7/02, 13/03, 76/09 and 1/11), Article 14 of the Statute (“Official Gazette of BiH”, number 41/03 and 59/04) and Article 13 of the Rule on Tariff Proceedings (“Official Gazette of BiH”, number 44/05), at the session held on 29 December 2014, the State Electricity Regulatory Commission adopted

DECISION

ON EXTENSION OF VALIDITY OF DECISION ON DETERMINATION OF TARIFFS FOR ANCILLARY SERVICES

1. Until the adoption of a new decision on ancillary services, the validity of the previously adopted Decision of the State Electricity Regulatory Commission on determination of tariffs for ancillary services shall be extended (“Official Gazette of BiH”, 104/11 and 8/12).
2. This Decision shall enter into force on the day of the adoption and it shall be published in the “Official Gazette of BiH” and the official gazettes of the entities and Brčko District of Bosnia and Herzegovina.

Statement of Rationale

On 26 March 2014, the State Electricity Regulatory Commission adopted *the Decision defining a concept of ancillary services for the balancing of the power system of Bosnia and Herzegovina* (hereinafter: the Concept), with the aim to effectively implement the solutions defined therein as of 1 January 2015.

Following adoption of the mentioned set of documents, the dynamics of planned activities was seriously disturbed. Although amendments to the *Tariff Pricing Methodology for services of electricity transmission, operation of ISO and ancillary services* were made in a timely manner (16 July 2014), significant slowing down of the dynamics, even a total stalemate in other activities, made the realisation of subsequent phases impossible, including the timely implementation of the dry-run, procurement of secondary and tertiary reserves, adoption of a decision on tariffs for system services etc.

SERC is aware that the effective implementation of solutions as defined by the Concept requires additional time for implementation. With a view to avoiding a gap in the field of ancillary service provision and balancing of the BiH power system, SERC adopted a decision extending the validity of the *Decision on determination of tariffs for ancillary services*. In practice, this means the continued implementation of the previous model for the ancillary service provision based on regulated prices and obligations of ancillary service providers. At the same time, sector participants are given scope and time to intensify their engagement in the creation of condition for the implementations of Concept-based solutions. In this way, it will be possible to commence the effective implementation of Concept-based solutions as of 1 June 2015 in accordance with the ISO BiH’s estimation.

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29. December 2014
Tuzla

Chairman of the Commission
Nikola Pejić