

Pursuant to Articles 4.2, 4.7 and 7 of the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina (Official Gazette of BiH, 7/02, 13/03, 76/09 and 1/11), Article 36 of the Rule of Practice and Procedure of the State Electricity Regulatory Commission (Official Gazette of BiH, 2/05) and Article 51 of the Licensing Rule - Consolidated version (Official Gazette of BiH, 63/16), at its session held on 9 November 2021 the State Electricity Regulatory Commission, passed a

DECISION

ON SUSPENSION OF LICENCE FOR PERFORMANCE OF THE INTERNATIONAL ELECTRICITY TRADING ACTIVITY

1. The licence for performance of the international electricity trading activity issued to the legal person "LE Trading BH" d.o.o. Banja Luka by Decision number 05-28-12-192-22/20 (Official Gazette of BiH, 48/20) shall be suspended due to specific violations of the Licence Conditions.
2. The licence referred to in point 1 of this Decision shall be suspended from 9 November 2021 until further notice.
3. This Decision shall come into force on the day of adoption and the operative part thereof shall be published in the "Official Gazette of BiH" and the official gazettes of the Entities.

Statement of Rationale

Pursuant to the Decision of the State electricity Regulatory Decision (hereinafter: SERC) number 05-28-12-192-22/20 of 28 July 2020, the legal person "LE Trading BH" d.o.o. Banja Luka was issued a licence for performance of the international electricity trading activity with the term from 1 September 2020 to 31 August 2025.

In its letter number 02-1-2020-1/21 of 27 October 2021, the Operator for Renewable Energy Sources and Efficient Cogeneration of the Federation of Bosnia and Herzegovina informed the licensee, SERC and the Regulatory Commission for Energy of Republika Srpska of blockage of the licensee's account due to non-payment of its obligations under the Agreement Regulating Mutual Relations.

In its letter number 1217-1/21 of 28 October 2021, the Independent System Operator in Bosnia and Herzegovina (NOS BiH) informed SERC that on the same day the licensee was excluded from the electricity market in Bosnia and Herzegovina for a particular period of time due to the non-fulfilment of the financial obligations towards the NOS BiH as defined by the Market Rules, Balance Responsibility Agreement and the relevant SERC decisions.

In addition, the Decision of the issuance of licence for the international electricity trading activity number 05-28-12-192-22/20 of 28 July 2020 prescribes the obligation to pay the regulatory fee during the term of the licence under the terms and conditions as defined in a separate act. In accordance with the Decision on payment of regulatory fee for 2021 number 05-28-12-308-21/20 of 9 December 2020, the licensee was ordered to pay the regulatory fee for 2021 totalling 26,000.00 BAM, which is paid in advance on a quarterly basis in four equal portions of 6,500.00 BAM. With regard to this, the same Decision specifies 31 January 2021, 31 March 2021, 30 June 2021 and 30 September 2021 as the deadlines for payment of the regulatory fee for the first, second, third and fourth quarter of 2021 respectively. However, the licensee did not comply with this Decision regarding payment of the regulatory fee for the fourth quarter of 2021.

The licensee did not provide any information regarding the fulfilment of said obligations. However, on 28 October 2021 the licensee submitted a request for the revocation of the licence for performance of the international electricity trading activity number 05-28-12-192-23/2. As no fee was paid for handling of the application as prescribed under the Decision on the amount of one-off fee for carrying out the procedure pursuant to the Licensing Rule (Official Gazette of BiH, 41/13 and 17/16), the licensee was informed about the payment obligation but as payment was not made until the adoption of this Decision, the request for licence revocation could not be considered as complete.

Under point 2.1 of the Standard licence conditions for performance of the international electricity trading activity (Official Gazette of BiH, 14/16), licensees are obligated to permanently fulfil general and specific criteria determined by the Licensing Rule based on which they are granted licences during the term of the licence and provide relevant evidence thereof to SERC. One of the general criteria for passing a decision on the issuance of a licence, as prescribed in Article 26 of the Licensing Rule – Consolidated version, are economic and financial capacities of the applicant.

In this concrete case, all the facts presented make sufficient grounds to conclude that the licensee lacks financial capacity to perform the licensed activity, that is, that there are specific violations of the provisions of the licence conditions. Taking into consideration that Article 51 paragraph 8 of the Licensing Rule – Consolidated version prescribes that in the given case a licence may be suspended without holding a public hearing, pursuant to Article 51 paragraph 7 of the mentioned Rule, it was decided as provided in the operative part of this Decision.

Pursuant to Article 9.2 of the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina, proceedings may be initiated against this Decision before the Court of Bosnia and Herzegovina by filing a lawsuit within sixty (60) days of receipt thereof.

Number: 05-14-2-165-11/21

9 November 2021

Tuzla

Chairwoman of the Commission

Branislava Milekić