

Pursuant to Article 4.2, 4.7 and 7.5 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 33 of the Rule of Practice and Procedure of SERC (Official Gazette of BiH, 2/05) and Article 51 of the Licensing Rule - Consolidated version (Official Gazette of BiH, 63/16), the State Electricity Regulatory Commission, at the session held on 8 December 2021 passed a

## **DECISION**

### **ON REVOCATION OF LICENSE FOR PERFORMANCE OF INTERNATIONAL ELECTRICITY TRADING ACT**

- (1) The license for performance of the international electricity trading activity granted pursuant to the Decision of the State Electricity Regulatory Commission number 05-28-12-192-22/20 of 28 July 2021 to the legal person "LE Trading BH" d.o.o. Banja Luka shall be revoked at the request of the licensee.
- (2) This decision shall come into force on the day of issuance and shall be published in the Official Gazette of BiH and the official gazettes of the Entities.

#### ***Statement of Rationale***

In line with a business decision by the Company's management structures to cease performing the international electricity trading activity, the legal person "LE Trading BH" d.o.o. Banja Luka (hereinafter: the applicant) submitted to the State Electricity Regulatory Commission (hereinafter: SERC) a request registered under reference number 05-28-12-297-1/21 of 28 October 2021 for revocation of the license the Company currently holds.

Namely, pursuant to the SERC Decision number 05-28-12-192-22/20 of 28 July 2020, the applicant was issued a licence for performance of the international electricity trading activity with the term from 1 September 2020 to 31 August 2025.

No evidence of the previously paid fee for handling of the application was enclosed to the request for licence revocation 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), of which the applicant was informed accordingly.

Since the fee was not paid, and taking into consideration that SERC had noted serious violations of the Standard licence conditions for performance of the international electricity trading activity (Official Gazette of BiH, 14/16), pursuant to SERC Decision number 05-14-2-165-11/21 of 9 November 2021 the licence previously granted to the applicant was suspended. At the same time, at the SERC initiative, the procedure for its revocation was initiated pursuant to Conclusion number 05-28-12-306-1/21. The reasons for this action are based on the fact that 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. Furthermore, 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. The fact that the applicant did not fulfil its obligations towards SERC based on the regulatory fee for the fourth quarter of 2021 was also

conducive to the conclusion that the regulated entity lacks financial stability and the SERC decisions to suspend the licence and initiate the procedure for its revocation. The applicant was informed of the actions undertaken and acts adopted by SERC while a public notice in the procedure for licence revocation was published in daily newspapers and on SERC website, by which all interested parties had been invited to submit their comments regarding the subject of the procedure or requests for acquiring intervener status in the initiated procedure for licence revocation no later than 26 November 2021. SERC did not receive any comment or request for acquiring intervener status within the given deadline.

In the meantime, in the period from 22 to 26 November 2021, the applicant made the required payments for the fee for handling of the previously submitted request for licence revocation and for the debts towards SERC based on the regulatory fee for the fourth quarter of 2021. As the licence revocation procedure at the SERC initiative, under the terms and conditions prescribed in the Licensing Rule – Consolidated version, requires a public hearing to be held with the previous publication of the relevant public notice in a daily newspaper which is distributed on the territory of the whole Bosnia and Herzegovina, it is significantly longer in comparison to the procedure initiated at the licensee's request. Taking this into consideration as well as the interest of the applicant to cease performing the international electricity trading activity, pursuant to Article 51 para 1. point a) of the Licensing Rule – Consolidated version, 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: 05-28-12-297-3/21

8 December 2021

Tuzla

Chairwoman of the Commission

Branislava Milekić