

**LAW**  
**ON ELECTRICITY IN THE FEDERATION**  
**OF BOSNIA AND HERZEGOVINA**

(Official Gazette of the Federation of BiH, number 66/13 and 94/15)

-Unofficial consolidated text-

**I. GENERAL PROVISIONS**

Article 1

General Provisions

(1) This Law regulates the functioning of the electric power sector, electric power industry activities, development of the electricity market, regulating of the market, general conditions for electricity delivery, planning and development, construction, reconstruction and maintenance of electric power facilities, supervision over the compliance with the Law and other issues significant for conducting electric power industry activities in the Federation of Bosnia and Herzegovina (hereinafter: the Federation).

(2) Electricity transmission, activities related for the transmission, international trade, managing, leading the electric power system, balancing market and ancillary service market shall not be regulated by this Law.

**II. OBJECTIVES**

Article 2

Objectives

(1) This Law, as a legal framework shall be created conditions for the development of the electricity market.

(2) Taking into consideration the provision of paragraph (1) of this Article, the objectives of this Law shall be:

- 1) ensuring of the continuous, safe and quality electricity supply to the customers;
- 2) incentive to the development in the area of power engineering and diversification of electricity sources;
- 3) incentive for domestic and foreign investments;
- 4) including in the international electricity market, through a unique electricity market in Bosnia and Herzegovina
- 5) cost-effective and rational use of electricity;
- 6) energy efficiency;
- 7) introducing the competition, transparency and prevention of the unwanted effects of the monopol;
- 8) environment protection in accordance with the regulations and domestic international standards;
- 9) protection of the interests of the users' of the system and
- 10) the use of the renewable energy sources.

**III. DEFINITIONS AND TERMS**

Article 3

Definitions

Phrases used in this Law shall have the following meaning:

1) "Direct line" shall mean the transmission line that connects the isolated place of generation with the isolated customer or the transmission line that connects the producer and supplier of electricity for the direct supply of their own facilities, branches and qualified customers.

2) "Distribution" shall mean the transport of electric energy through the low-voltage and medium-voltage distributive network with the objective of delivery to the customers but does not include supplying.

3) "Distributed generation" shall mean the generation of electricity in the facilities for the generation of electricity connected on the distributive system.

4) "Work permit (license)" shall mean the authorization of the competent authority for conducting certain electric power industry activity.

- 5) "Electric power entity" shall mean a legal person founded in accordance with the Law on Companies and which conducts at least one of the following activities: generation, transmission, distribution, supply or trade of electricity.
- 6) "Energy permit" shall mean administrative act which issues the Federal Ministry of Energy, Mining and Industry (hereinafter; the Ministry) to the investor in the procedure of collecting necessary permits for the construction of the generating electric power facility.
- 7) "Energy efficiency/managing of the demand" shall mean a complete or integral access, with the goal of influence on the quantity and time schedule of electricity consumption of the primary energy and peak load, by giving the favor to investments in the energy efficiency measures in or other measures, like supply contracts with interruptions, instead of the investments in the increase of the generation capacities, if the first ones represent the most efficient and the most cost-effective option, taking into consideration the positive influence on the reduction of energy consumption on the environment, as well as the safety of supplying and the aspect of distribution costs which are related and which include also the reduction of the distributive losses.
- 8) "Natural person" shall be the person that is registered in accordance with the Law on Craft for conducting the activities of generation of electric energy in the facilities of the installed power up to 150kW.
- 9) "Horizontally integrated company" shall mean the electric power company or a group of the electric power companies which conduct at least one of the activities of generation for the purpose of selling, or transmission or distribution or the supply of the electricity and some other activity which is not related to electric power industry activity.
- 10) "Integrated business company" shall mean the vertical or horizontal integrated electric power company.
- 11) "Interconnector" shall mean the equipment used for the connection of electric power systems.
- 12) "Public supplier of the qualified customers" (hereinafter: Public supplier) shall mean the supplier with the obligation to supply the qualified customer when it does not select its supplier on electricity market in the manner and under the conditions prescribed by the Regulatory Commission.
- 13) "Concession" shall mean the right of conducting the business activity by using natural resources, goods in general use and conducting the activities of general interest.
- 14) "Commercial customer" shall mean electricity customer which is not from the households and public lighting and whose entities are connected on the distributive system of voltage level lower than 1 kV.
- 15) "System users" shall mean each legal person which supplies, or the legal and natural person that is supplied through a transmission or distribution system.
- 16) "End customer" shall mean the customer that purchases electricity for its own needs.
- 17) "Customer" shall mean the wholesale customer or the final customer of the electricity.
- 18) "Customer from the category of the household" shall mean the customer that purchases the electricity for the use in its own household, including the commercial or professional activities.
- 19) "Customer that is not the household" shall mean each natural or legal entity which purchases the electricity that is not intended for the use in their own household, including the wholesale producers and customers.
- 20) "Wholesale customer" shall mean legal or natural person that purchases electricity for the purpose of resale within or outside of the system in which it was registered.
- 21) "Qualified customer" shall mean the customer which may freely purchase the electricity from the supplier/merchant of his own choice.
- 22) "Qualified producer" shall mean the producer which in the individual facility for the generation of electricity generates electricity, by using waste or renewable energy resources on economic and appropriate manner, including combined cycle of generation of the heat and electricity, that is in compliance with the environment protection and that position may be acquired on the basis of the decision of the competent authority.
- 23) "Small company" shall mean each business company that meets at least two out of three mentioned criteria: to have at least 50 employees and to achieve total annual income less than 2 million BAM and whose value of the business property at the end of the business year is less than 1 million BAM and whose facilities are connected on the distribution system.

- 24) "Unqualified customer" shall mean a customer for which the electricity is procured in the regulated manner and at the regulated prices (tariffs).
- 25) "Independent producer" shall mean the producer which does not perform the activity of generation of electricity as a public service, which possesses its own facilities for the generation of electricity for the purpose of sale on the market.
- 26) "The obligation of the public service" shall mean a guaranteed level of service which the electric power company offers to the customers in a general social and economic interest to ensure security of supply, regularity, quality and the supply price as well as the environment protection, including energy efficiency and the use of energy from the renewable sources.
- 27) "Renewable energy sources" shall mean renewable fossil energy sources (wind, sun, geothermal sources, waves, tidal, hydro energy, biomass, landfill gas, sewage treatment plant gas and biogas).
- 28) "Distribution system operator" shall mean a legal entity that possesses a license-permit for distribution activity and is competent for the drive, management, maintenance, construction and development of electric distribution network and connection of the new customers and producers.
- 29) "Ancillary Services" shall mean all services necessary for the functioning of the transmission or distribution system.
- 30) "Connected systems" shall mean a certain number of the transmission and distribution systems connected through one or more interconnectors.
- 31) "Connection" shall mean a set of power lines and medium and low voltage device, including also the billing measuring point, with which the facility of the customer/producer is connected with distribution network, excluding riser cables which are an integrated part of the building and over which is connected a measuring point of the customer.
- 32) "Generation" shall mean the generation of the electricity.
- 33) "Producer" shall mean a natural or legal entity that generates electricity.
- 34) "Producer for its own needs" shall mean natural or legal entity that generates electricity for its own needs.
- 35) "Reference price of the electricity" shall mean purchase price of electricity from the plants which use renewable sources and cogeneration whose generation is encouraged and used for establishing fees which are paid for renewable sources and is established by the Regulatory Commission.
- 36) "Reserve supplier" shall mean the supplier that has the obligation to supply the qualified customer with electricity in the cases when the selected supplier ceases to supply with the electricity the qualified customer.
- 37) "Supply" shall mean the sale of electricity to the customers, including resale of electricity.
- 38) "Security" shall mean the security of supply, electric power security and technical security.
- 39) "Supplier" shall mean every legal person that possesses a permit for conducting activity of supplying the customers with electricity, issued by the competent regulatory body.
- 40) "Trader" shall mean every legal entity that deals with the trade of electricity and that possesses a permit issued by the competent regulatory authority.
- 41) "Trade" shall mean purchase and sale of electricity, excluding the sale to the end customer.
- 42) "Universal service" shall mean a part of the public service by which is guaranteed the connection and supply by the reasonable, simply and easily comparable and transparent prices to the customers from the category of the household, small enterprises and commercial customers as it is further defined in Article 13 of this Law.
- 43) "Vertically integrated company" shall mean electric power company or a group of electric power companies where the same person or more same persons has the right to directly or indirectly manage the company, where the company or a group of companies performs at least one of the activities of transmission or distribution and at least one of the activities of generation or supply of electricity.

## **IV. ELECTRIC POWER STRATEGY, POLICY AND DEVELOPMENT PLAN**

### **Article 4**

#### **Electric Power Strategy**

- (1) The Ministry shall create, the Government of the Federation of Bosnia and Herzegovina (hereinafter: the Government of the Federation) shall propose and the Parliament of Bosnia and Herzegovina shall pass the Electric Power Strategy of the Federation of Bosnia and Herzegovina (hereinafter: Power Strategy of the Federation).
- (2) The integral part of the Power Strategy of the Federation shall be the Electric Power Strategy of the Federation.
- (3) Electric Power Strategy of the Federation shall consist of:
  - 1) Electric power policy,
  - 2) Strategic development plan of the electric power sector (hereinafter: Strategic Plan)
  - 3) Action Plan that defines strategic activities which need to be implemented (hereinafter: Action Plan).
- (4) Electric power strategy of the Federation shall be passed for the period of at least 20 years.
- (5) The Ministry shall consider and monitor the realization of the Electric Power Strategy of the Federation and the established objectives and if necessary update every three years and the amendments of the same shall be performed by the procedure from paragraph (1) of this Article.
- (6) Electric Power Policy and the Strategic Plan shall be passed on the period of at least twenty (20) years and considered every three years at least and updated if necessary and the amendments of the same shall be performed by the procedure from paragraph (1) of this Article.
- (7) Electric Power Strategy of the Federation shall determine the development of the Electric Power Infrastructure, as the expected level of investments of the domestic and foreign investors in the electric power sector.
- (8) Electric Power Strategy of the Federation shall be created in accordance with the international norms and standards of the European Union, including also the ecological standards and principles of environment protection.
- (9) Electric Power Strategy of the Federation shall be prepared in cooperation with the cantons.

### **Article 5**

#### **Electric Power Policy**

- (1) The Government of the Federation shall conduct electric power policy in accordance with the Electric Power Strategy of the Federation.
- (2) With the electric power policy shall be ensured:
  - 1) the insurance of a safe, reliable and quality supply of electricity;
  - 2) promotion of a development balance of electric power sector in complete taking into consideration modifications in the consumption;
  - 3) increase of use of the available primary energy sources;
  - 4) promotion of use of renewable energy sources and energy efficiency;
  - 5) insurance of the efficient use and electricity generation;
  - 6) protection of rights and interests of all participants in electric power sector;
  - 7) passing the vulnerable customers protection programme;
  - 8) insurance of environment protection (ecological balance) in conducting energy activities;
  - 9) promoting the investments and development insurance of the electric power sector and introduction of new technologies in the electric power sector;
  - 10) promotion of the competition in the electric power sector towards the principles of non-discrimination and transparency and promotion of the competitions at the electricity market;
  - 11) obligations implementation of conducting public and universal service;
  - 12) implementation of the international obligations in electric power sector.

## Article 6

### Strategic development plan of the electric power sector

- (1) Strategic plan shall include the following:
  - 1) Electric power infrastructure development, the construction of the new electric power facilities for ensuring the safety of supply and meeting the electricity consumption, while respecting the technological and economic criteria and also in accordance with the criteria for environment protection;
  - 2) development and measures for encouraging the use of the renewable energy sources and electricity generation from renewable energy sources;
  - 3) measures for efficiency increase in using energy;
  - 4) long-term projection of the electric power balance with the defined dynamics and the manner of realization and monitoring the development from point 1) and 2) of this Article, including also the assessment of the realized effects;
  - 5) introduction of new technologies in the electric power sector;
  - 6) cost-effective and rational use of electricity measures;
  - 7) support measures to the institutions for energy in the Federation and
  - 8) an approximate financial funds for the realization of the Strategic Plan.
- (2) Strategic Plan from paragraph (1) of this Article must be in accordance with the Spatial Plan of the Federation and the Spatial Plans of the cantons.

## Article 7

### Action Plan

- (1) In order to achieve objectives established by Electric Power Policy and Strategic Plan shall be issued an Action Plan at the period of ten years.
- (2) Action Plan from paragraph (1) of this Article shall contain:
  - 1) manner, dynamics and measures for realization of the Strategic Plan;
  - 2) dynamics and construction and reconstruction deadlines of electric power facilities;
  - 3) data on the subjects responsible for realization of the planned programmes and projects;
  - 4) data on the amount of the necessary financial funds, financing sources, including also the assessment of investment levels of the domestic and foreign investors into the electric power sector and
  - 5) other elements significant for implementation of the Strategic Plan.
- (3) The Ministry shall be competent for the supervision over the implementation of the Strategic Plan and the Action Plan.
- (4) The Ministry shall create and submit to the Government of the Federation the Annual Report on the realization of the Strategic Plan and the Action Plan.
- (5) The Report from paragraph (4) of this Article shall consist:
  - 1) results realized in the previous year in relation to the set objectives;
  - 2) evaluation of the influences of the achieved implementation results;
  - 3) proposals of measures for increase of implementation efficiency and
  - 4) the evaluation of the necessity of finishing the Strategic Plan and Action Plan.

## Article 8

### Harmonization of plans

- (1) Long-term and short-term plans of the producer, distribution operator, supplier, Regulatory Commission for Energy in the Federation, as well as the other subjects in the electric power sector shall be harmonized with the Electric Power Strategy of the Federation.
- (2) Local and cantonal administration units shall be obligated to harmonize their existing, i.e. new plan documents with the Electric Power Strategy of the Federation.

## Article 9

### Energy Needs Balance

- 1) The Government of the Federation, at the proposal of the Ministry shall pass long-term, three-year and annual balance of energy needs of the Federation that will: anticipate the energy consumption,

sources (types) of energy and measures which will be applied in order to meet the consumption of energy and energy products in the marked period.

(2) Energy needs balance of the Federation shall make one of the starting documents which are use in the preparation of the creation of the Electric Power Strategy of the Federation.

(3) Ministry shall pass the Rulebook on the energy needs balance by which is prescribed the content and the manner of submitting the data, that the institutions of the Federal Government, cantonal authorities and institutions, local self-government units and energy subjects are obligated to submit to the Ministry for establishing the proposals of energy needs balance.

(4) Rulebook from paragraph (3) of this Article shall be defined the obligations of local self-government units and energy subjects for submitting necessary data of the cantonal ministries competent for the creation of cantons' energy needs balance.

#### Article 10

##### Electric Power Balance

(1) Long.-term electric power balance shall be adopted for the period of ten years with the constant annual updating.

(2) Annual electric power balance shall be adopted to 31 October of the current year at latest, for the following year. Annual Electric Power Balance shall include:

- 1) plan of needs according to the individual types of primary energy and energy products;
- 2) insurance plan of the individual types of primary energy and energy products;
- 3) manner on which are insured the needs of supplying of the individual types of energy products including the primary (renewable and non-renewable energy sources) and final energy;
- 4) annual plan, i.e. monthly plans of electricity generation;
- 5) annual plan, i.e. monthly plans of electricity consumption;
- 6) power balance at the transmission network, including also reserves' plans;
- 7) plan of electricity procurement from the industrial power plants and independent producers;
- 8) plan of electricity delivery and procurement according to the Purchase and Sale Agreement, including the electricity plan of import-export;
- 9) plan of electricity losses;
- 10) plan of energy supply in hydroelectric power plants reservoirs;
- 11) plan of procurement and needs for coal and liquid fuels;
- 12) plan of repair, revitalization and reconstruction of generation capacities;
- 13) annual level of spare capacities (margin of reserve) of the electric power plants and facilities;
- 14) required levels of operating reserves each year and demands related to the energy efficiency for each year.

#### Article 11

##### Temporary guidelines of the electric power policy

(1) Until the adopting of the electric power policy, the Ministry shall prepare, the government of the Federation shall issue and the Parliament of the Federation shall give approval on the temporary guidelines of electric power policy for all participants in the electric power sector including also the Regulatory Commission for Energy.

(2) The procedure of amendments of the temporary guidelines for participants in the electric power sector and Regulatory Commission for Energy shall be conducted according to the paragraph (1) of this Article.

## V. ELECTRIC POWER ACTIVITIES

#### Article 12

Electric power activities

(1) Electric power activities, which are the subject of this Law, shall be considered:

- 1) electricity generation;
- 2) electricity distribution;

- 3) electricity supply and
- 4) electricity trade.

(2) Electric power activities from paragraph (1) of this Article shall conduct electric power entities founded in accordance with the Law on Companies (Official Gazette of BiH, number 23/99, 45/00, 2/02, 6/02, 29/03, 68/05, 91/07, 84/08, 88/08, 7/09 and 63/10) and registered for conducting at least one of the mentioned activities from paragraph (1) of this Article, along with the condition to obtain the permit for conducting activities from the Regulatory Commission.

(3) Notwithstanding the provisions from paragraph (2) of this Article, the electricity generation, in the manner and under conditions established by this Law, may engage also the natural persons that are founded in accordance with the Law on Crafts and Related Activities (Official Gazette of the Federation of BiH, number 35/09) which that activity perform in the status of the craftsman, in the facilities of the installed power to 150 kW, under the condition that they obtain permit for conducting the activity of electricity generation established by this law and with the obligation of entry into the Register of Taxpayers in accordance with the Law on Income Tax (Official Gazette of the Federation of BiH, number 10/08, 9/10 and 44/11).

(4) Electricity generation for your own purpose shall not be considered electric power activity.

### Article 13

#### Public service

(1) Electric power entity, in the general economic and social interest may be imposed public service obligation which shall ensure safety of supply, regularity, quality and price of supply as well as the environment protection, including also the energy efficiency, the use of energy from renewable sources and environment protection, and all in accordance with the applicable regulations of the Federation and international agreements concluded by Bosnia and Herzegovina.

(2) The obligation of conducting the public service shall be established in the operating permit issued by the Regulatory Commission.

(3) Obligations of the public service shall be clearly defined, transparent, non-discriminating and verifiable and they will be published.

(4) All domestic and foreign electric power entities shall be guaranteed equality of access to domestic customers under the same conditions and in accordance with this Law.

(5) The Government of the Federation shall pass a programme for protection of vulnerable customers, by which shall be defined the activities that relate to the protection of the vulnerable customers from electricity exclusion as well as the customers protection in remote areas.

(6) Vulnerable customer's protection programme from paragraph (5) of this Article shall make an integral part of the Electric Power Policy and until adopting the same, an integral part of the temporary guidelines of electric power policy.

(7) As a part of the obligation of the public service, electric power entities to which that obligation was imposed in accordance with paragraph (1) of this Article, shall be obligated to provide universal service of electricity supply to all end customers from the household category, to small companies and commercial customers in the area of its operation, in accordance with the Electric Power Policy of the Federation.

(8) Customers from paragraph (7) of this Article shall have the right to be supplied with electricity of certain quality at reasonable, easily and clearly comparable and transparent prices.

(9) Qualified customers that are on the market and the qualified customers that have not selected a supplier on the free market shall have the right of supply by the public supplier in accordance with the provisions of this Law and the Rulebook on supplying the qualified customers with the electricity which shall prescribe Regulatory Commission within six months from the day of entering into force of this Law and which among other things shall include:

- 1) dynamics of canceling the tariff positions for individual categories of customers until the complete opening of the market,
- 2) manner of supplying the qualified customers, the establishment of the public supplier, its rights and obligations.
- 3) rights and obligations of the qualified customers,
- 4) procedure and conditions of change of the supplier,

5) services of the reserve supplier, conditions under which the qualified customer may use services of the reserve supplier, criterion for its selection, as well as the manner of forming the price of electricity of the reserve supplier and the time of duration of the service of the reserve supplier,

6) methodology for establishing the price of supplying from the public supplier.

#### Article 14

##### Division of activities

(1) Electric power entity that performs two or more electric power activities but with the electric power activity performs also the other activity shall be obligated to perform those activities functionally divided.

(2) Functional division from paragraph (1) of this Article shall include:

1) division of the accounts in the internal accounting of the vertically integrated company in the manner that:

1. keeping of business books and the accounting separately for the electric power activities of generation, distribution, supply and trade of electricity,
2. keeping of business books and accounting separately for other non-electric power activities which it performs,
3. makes and publishes a separate financial reports (balance sheet, income statement, report on money flows) and other reports for each electric power activity and non-electric activity separately and in accordance with the regulations by which is regulated the accounting and audit.

2) Division of the business management with the objective:

1. of providing a separate business management of different electric power activities by which is provided separate and independent achievement of the mutual commercial interests,
2. of providing the conditions that the persons that are in the management structure in one electric power activity may not be members in the management structure of the vertically integrated company,
3. providing of conditions that the persons employed in one of the electric power activities may not perform operations in the other electric power activity.

## VI. ELECTRICITY MARKET

#### Article 15

##### Electricity market

(1) In accordance with the provisions of the Treaty establishing Energy Community of the southeast Europe, by the acts of the State Regulatory Commission for Electricity (hereinafter: DERK), by the acts of the Regulatory Commission and with this law shall be established basic guidelines of functioning, development and supervision of electricity market.

(2) Development of the electricity market shall be conducted in accordance with the Electric Power Policy, power sector reform, by this Law, implementing provisions passed on the basis of the law and acts of DERK and the Regulatory Commission.

#### Article 16

(1) Electric power activities established by this law shall be conducted in accordance with the rules by which are regulated relations on the electricity market or as providing a public service.

(2) Electric power activities of electricity generation for the market sale and electricity supply to the qualified customers shall be performed according to the rules by which are regulated market relations in which electric power entities in free manner agree on the quantity, price and conditions of electricity delivery, by concluding a short-term and long-term agreements or by direct participation at the organized market.

(3) Electric power activities of electricity generation for the non-qualified (tariff) customers and for the qualified customers supplied from the public supplier in accordance with Article 13, paragraph (9) of this law, the electricity distribution as well as the electricity supply of the non-qualified (tariff)



customers and qualified customers supplied from the public supplier in accordance with Article 13, paragraph (9) shall be performed in the framework of conducting the obligation of the public service.

## **VII. REGULATORY COMMISSION FOR ENERGY**

### Article 17

#### Regulatory Commission

(1) In order to achieve objectives from Article 2 of this Law and regulating the electricity market in the Federation it is established the Regulatory Commission for Electricity in the Federation of Bosnia and Herzegovina, which shall alter the name in Regulatory Commission for Energy in the Federation of Bosnia and Herzegovina (hereinafter: the Regulatory Commission).

(2) Regulatory Commission shall have three members (the president and two members of the Regulatory Commission).

### Article 18

#### Regulatory Commission legal status

(1) Regulatory Commission is specialized, autonomous, independent and non-profit organization in the Federation.

(2) Regulatory Commission shall have the status of a legal entity.

### Article 19

#### Name and the headquarters of the Regulatory Commission

(1) The name of the Regulatory Commission is: the Regulatory Commission for Energy in the Federation of Bosnia and Herzegovina.

(2) The headquarters of the Regulatory Commission shall be in Mostar.

### Article 20

#### The seal of the Regulatory Commission

Regulatory Commission shall have the seal that is made, used and preserved in accordance with the Law on Seal of the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia, number 2/94, 21/96 and 46/07).

### Article 21

#### Competence of the Regulatory Commission

(1) Regulatory Commission shall have the following competencies:

1) supervision and regulation of the relations between the generation, distribution, supply and electricity customers, including also the traders of electricity in accordance with this Law and implementing acts of the Regulatory Commission;

2) supervision of electricity market;

3) adoption of the methodology and criteria for establishing tariff positions for unqualified customers, implementation of the adopted methodology and performing the supervision over the application of tariff positions for unqualified customers as well as adopting the methodology and criteria for establishing the prices of public supplier's service, the time of duration of public supplier's service and performing supervision over the application of the public supplier's service;

4) adoption of the methodology and establishing tariff positions, deadlines and conditions for using the distribution systems. Tariff positions shall enable necessary investments in distribution network, which should be performed in the manner in which will be ensured sustainability and network development;

5) establishment of tariff positions for unqualified customers;

6) establishment of the prices of public supplier's service until the complete opening of the electricity market or giving the consent on the prices of public supplier's service after the complete opening of the electricity market;

- 7) adopting the methodology for establishing the fee, deadlines and conditions for the connection on the distribution network;
  - 8) giving the consent on the amount of fees for the connection on the distribution network;
  - 9) issuance, renewal, transmission or revoking the permit for generation, distribution, supply, trade of electricity and the operator for renewable energy sources and cogeneration;
  - 10) issuance of the previous approval for construction of direct power lines in accordance with the implementing act;
  - 11) adoption of General Conditions for electricity delivery (hereinafter: General Conditions) and Network rules of distribution;
  - 12) adoption of the methodology on the manner of establishing the guaranteed purchase price of electricity from the plants that use renewable sources and cogeneration;
  - 13) establishment of the reference price of the electricity for the plants that use renewable sources and cogeneration;
  - 14) adoption of the methodology for establishing the cost of coal used for electricity generation until the complete deregulation of generation;
  - 15) establishment of the cost of coal for thermal power plants in accordance with the prescribed methodology for establishing the price of coal used for electricity generation until the complete deregulation of generation;
  - 16) prescribes the procedure and criteria for the selection of Reserve Supplier, including also the time of duration of the Reserve Supplier's service and conducts supervision over the application of the price of Reserve Supplier's service;
  - 17) initiating the procedure for issuing misdemeanor warrant in accordance with the penal provisions of the Law;
  - 18) adopting of the methodology for establishing the quantity and the price for electricity calculation on the basis of unauthorized consumption;
  - 19) conducting of arbitrage, as established by Article 39 and 40.
- (2) Regulatory Commission shall ensure non-discrimination, efficient functioning of electricity market by paying special attention on:
- 1) quality of electricity supplying that relates to the service quality and particularly on:
    1. the time necessary to the Distribution Systems Operators for performing connections and repairs;
    2. continuity of supply;
    3. electricity quality;
  - 2) division of the accounts and management due to avoiding the cross subsidization between the activities of generation, distribution and supply;
  - 3) publishing the appropriate information of the Distribution Systems Operators that relate to the access to the distribution network and the use of distribution network
  - 4) preservation of the confidentiality of the commercial-business information used by the Distribution Systems Operators;
  - 5) conditions, rules and tariffs for connection of the new electricity producers that guarantee objectivity, transparency and equality, specially taking into consideration the costs and benefits of different technologies that use renewable energy sources, from the distributed generation and cogeneration and
  - 6) fulfilling the obligations of the Distribution Systems Operators established by this Law and bylaws.
- (3) Besides the competencies from paragraph (1) and (2) of this Article, the Regulatory Commission shall perform also the operations prescribed by other laws and regulations from the area of energy.
- (4) Regulatory Commission shall perform the operations from its competence from paragraphs (1), (2) and (3) of this Article in accordance with the Electric Power Strategy and Electric Power Policy of the Federation, as well as the temporary guidelines from Article 11 of this Law.

## Article 22

### Obligations of the Regulatory Commission

- (1) In performing its authorizations and conducting its functions according to this Law the Regulatory Commission shall be obligated to:

- 1) ensure gradual introduction, regulation and development of the electricity market and also to ensure transparent and equal relations between all participants on the market, in accordance with the international norms and standards of the European Union, Electric Power Policy, reform of the energy sector, implementing regulations and acts of DERK;
- 2) protect the rights of the participants in the energy sector (customers, operators of the distribution system, producers, suppliers and traders),
- 3) create conditions for efficient, reliable and cost-effective system of generation, distribution and supply of electricity;
- 4) create conditions for competitiveness in generation and supply of electricity;
- 5) create conditions for efficiency, cost-effectiveness and safety in use of electricity;
- 6) create appropriate conditions for sustainability and development of the electric power system (generation and distribution);
- 7) regulate quality of service at all levels as well as tariffs and fees, which are paid for regulated services in distribution, taking into consideration the interests and needs of all users for electricity supply;
- 8) supervise the efficiency of mechanisms and processes due to the insurance of balance between the demand and supply of electricity;
- 9) encourage the participants in electric power sector on the activities related to safety of people and environment protection;
- 10) monitor and supervise the performing of the provisions and conditions from the issued permits and
- 11) adopt implemented regulations for achieving the prescribed competencies.

#### Article 23

##### Reporting and cooperation of the Regulatory Commission

- (1) Regulatory Commission shall submit the report of its work to the Parliament of the Federation at least once a year.
- (2) Regulatory Commission shall cooperate in its work with DERK, Independent operator of the system for Bosnia and Herzegovina (hereinafter: NOS BiH) and unique company for the transmission of electricity in Bosnia and Herzegovina, Elektroprijenos Bosnia and Herzegovina (hereinafter: Elektroprijenos BiH).
- (3) In performing its competencies and obligations, the Regulatory Commission shall cooperate with all entities in the electric power sector of the Federation.

#### Article 24

##### Appointing the members of the Regulatory Commission

- (1) Members of the Regulatory Commission shall be selected in the procedure conducted by the public competition, which is published in two daily newspapers at least and the Official Gazette of the Federation of BiH.
- (2) On the basis of the authorizations of the Government of the Federation, the Ministry shall conduct a public competition from paragraph (1) of this Article.
- (3) Ranking list of the candidates for the members of the Regulatory Commission shall establish the commission for ranking of candidates (hereinafter: the Commission).
- (4) The Commission from paragraph (3) of this Article shall appoint the Government of the Federation.
- (5) The Decision on the appointment of the Commission shall be published in the Official Gazette of the Federation of BiH.
- (6) The Government of the Federation shall establish the proposal for the appointment of the members of the Regulatory Commission and the same with the previous procured consent of the president and the vice president of the Federation shall submit to the Parliament of the Federation, within 30 days from the day of the receipt of the proposal of the ranking list by the Commission.
- (7) Parliament of the Federation shall appoint the members of the Regulatory Commission, on the basis of the proposal from paragraph (6) of this Article.
- (8) When appointing the members of the Regulatory Commission, it must be ensured equal representation of constituent nations in the Federation.

## Article 25

### Management of the Regulatory Commission

- (1) The work of the Regulatory Commission shall manage the president.
- (2) The president of the Regulatory Commission may authorize the other member of the Regulatory Commission to temporarily perform some or all duties of the president.
- (3) The function of the president of the Regulatory Commission shall be replaceable and it lasts for a year.
- (4) The Regulatory Commission shall appoint the secretary of the Regulatory Commission.

## Article 26

Special conditions which must be fulfilled by the members of the Regulatory Commission

(1) In addition to the general conditions, the president and the members of the Regulatory Commission must fulfill, among other things, the following special conditions for the appointment:

- 1) university degree from the area of engineering, economy or law with the appropriate years-long professional experience in the power sector;
- 2) previous experience and knowledge on the issues related for the power activities, particularly on the issues of technology, economy, law or environment protection;
- 3) abilities of the creative contribution in the reform of the power sector;
- 4) proven successful work results during the work experience;
- 5) communication and organizational abilities;
- 6) the ability of managing the financial and human resources and the preference to the team work and
- 7) knowledge of English language or some other international language.

(2) The president and the members of the Regulatory Commission must be citizens of Bosnia and Herzegovina with the permanent residence in the Federation.

## Article 27

### Term of office of the Regulatory Commission

- (1) Term of office of the member of the Regulatory Commission shall last for five years.
- (2) The same person may be appointed in the Regulatory Commission for two times at the most.

## Article 28

Circumstances due to which it may not be possible to perform the function of the member of the Regulatory Commission

(1) Members of the Regulatory Commission may not:

- 1) be in marriage relations or kinship in the first line, in the lateral line up to the third degree as well as by the in-laws up to the second degree;
- 2) be the persons punished by criminal offences or convicted by a final judgment for the criminal offence of abuse of the official duty, corruption, fraud or other criminal offence which makes them unfit for performing the duty in the Regulatory Commission;
- 3) be members of the bodies of the legislative, executive or judicial authority and supervision or management committee of any company;
- 4) perform activities or conduct the activities opposite to the principles of transparency and non-discrimination on the electricity market in the Federation;
- 5) have personal, family or financial interest in the electric power sector;
- 6) be the members of any political party, or to be actively involved in the political activities;
- 7) be the owners of the company/craft or to conduct any kind of the industrial activity;

(2) Circumstances from the paragraph (1) point 2) of this Article shall be documented with the appropriate certificate of the competent judicial authorities and the circumstances from paragraph 3), 5) and 6) by the statement issued under the material and criminal liability.

#### Article 29

##### Termination of the member's position in the Regulatory Commission

- (1) The position of the Regulatory Commission's member shall be terminated:
- 1) if the member of the Regulatory Commission has been absent without justification more than three consecutive sessions of the Regulatory Commission;
  - 2) when the Parliament of the Federation accepts the written resignation from the post of the member in the Regulatory Commission as from the day of its adopting and
  - 3) when the member of the Regulatory Commission is released from its duty due to circumstances from paragraph (2) of this Article and Article 35 of this Law.
- (2) If a member of a Regulatory Commission has become completely or partially incapable of performing the duties or if one of the conditions limiting the appointment for the member of the Regulatory Commission from Article 28 of this Law has been met, if during the term of office he/she is convicted for the committed criminal offence or has been charged for the criminal offence of the abuse of position and jurisdiction or if he/she does not perform the duty of the Regulatory Committee member in accordance with the Law and other regulations which regulate this area, the Government of the Federation shall propose to the Parliament of the Federation the release of such member from the position by emergency procedure.
- (3) Upon the end of the position of the Regulatory Commission member, as a consequence of the circumstances from Article 35 of this Law or the death of the member of the Regulatory Commission shall be appointed another person who must fulfill the conditions prescribed by this Law and other regulations and each person who is appointed shall remain on this position until the end of the term of office of his/her predecessor.
- (4) The secretary of the Regulatory Commission and at least of one of the Regulatory Commission member shall be obligated to notify without delay the Government of the Federation on the occurred circumstances due to the acting in accordance with the paragraph (2) of this Article, in the event of the circumstances from paragraph (1) point 1) and paragraph (2) of this Article.

#### Article 30

##### Initiating the procedure of the selection and the appointment of the member of the Regulatory Commission

- (1) The Ministry, on the basis of the notification of the Regulatory Commission shall initiate the procedure of selection and appointment, within six months before the end of the term of office of the Regulatory Commission member.
- (2) Until the appointment of the other person, for the purpose of disablement of the Regulatory Commission operation blockage, the Government of the Federation shall be obligated that within ten days, from the day of expiration of the term of office of one of the members of the Regulatory Commission to appoint the acting Regulatory Commission member to whom the term of office is terminated, until the Parliament of the Federation does not appoint a new member.
- (3) In the case of the termination of the term of office of the Regulatory Commission member due to the one of the mentioned reasons from Article 29 of this Law for the purpose of disablement of Regulatory Commission operation blockage, the Government of the Federation shall be obligated within ten days, from the day of termination of term of office of that Regulatory Commission member to appoint the acting regulatory Commission member from the employees of the Regulatory Commission, who is the most qualified to perform those functions and he/she is a member of the constituent nation to whom the Regulatory Commission member that has ceased the term of office, belongs, until the Parliament of the Federation does not appoint the new member.
- (4) In the case of appointment from paragraph (2) and (3) of this Article, the Government of the Federation shall notify about the same the Parliament of the Federation by the emergency procedure.

#### Article 31

##### Regulatory Commission financing and budget

- (1) Regulatory Commission shall be financed from the revenues of the regulatory and one-time fees which will charge from the permit holders that perform this activity from Article 12 of this Law and the revenues from the permit fees which it issues, including also the costs fees on the basis of arbitrage.

- (2) Fees from the paragraph (1) of this Article shall be determined in the way that they cover the costs of the Regulatory Commission.
- (3) Revenue surplus from the regulatory and one-time fees from paragraph (1) of this Article as well as other fees realized of the operations from the competence of the Regulatory Commission by comparison with the Regulatory Commission financial plan shall be transferred in the revenue for the next year.
- (4) Regulatory Commission budget shall adopt the Parliament of the Federation before the start of the budget year, at the proposal of the Regulatory Commission.
- (5) Regulatory Commission budget shall be published in the Official Gazette of the Federation BiH.

#### Article 32

##### Regulatory Commission operation

- (1) Sessions of the Regulatory Commission shall be public, except when it is about the confidential information and business secrets, in accordance with the acts of the Regulatory Commission.
- (2) Regulatory Commission shall adopt its decisions by the majority of the votes.
- (3) All decisions from the jurisdiction of the Regulatory Commission shall be in written form and contain basics for adopting decisions.
- (4) Regulatory Commission decisions from paragraph (3) of this Article shall be published in Official Gazette of the Federation BiH”.
- (5) Documentations of the Regulatory Commission, notes from all proceedings and minutes shall be kept in accordance with the acts of the Regulatory Commission.
- (6) Documentations and notes from paragraph (5) of this Article shall be available to the public, except the confidential information and business secrets, which are determined as such in accordance with the acts of the Regulatory Commission.

#### Article 33

##### Conduct of the Regulatory Commission member by the Code of Ethics

The Regulatory Commission member, in accordance with this Law, acts of the Regulatory Commission and Code of Ethics may not participate in voting on issues for which it has some direct or indirect interest.

#### Article 34

##### Notification of the Regulatory Commission member on the conflict of interest

If the conflict of interest occurs in any phase during the operation of the Regulatory Commission, that Regulatory Commission member shall be obligated to immediately and completely disclose the nature of that interest and leave the session in order to enable the other members of Regulatory Commission to discuss this conflict and determine whether that member is prevented from participating on that meeting by reason of conflict of interest.

#### Article 35

##### Sanctions due to failure to comply with the Code of Ethics

Each member of the Regulatory Commission that shall act in contrary with the Code of Ethics and provisions of the Article 33 and 34 of this Law shall cease the term of office in the Regulatory Commission.

#### Article 36

##### Statute of the Regulatory Commission

- (1) Regulatory Commission shall adopt the Statute by which shall be regulated the management and organization of the Regulatory Commission.
- (2) Parliament of the Federation shall give the consent for the statute of the Regulatory Commission.
- (3) Statute of the Regulatory Commission shall be published in the Official Gazette of the Federation of BiH.

#### Article 37

##### Individual acts of the Regulatory Commission

- (1) Individual acts which the Regulatory Commission passes in the framework of its jurisdiction shall be final.
- (2) A party may file an administrative dispute at the competent court against the individual acts of the Regulatory Commission
- (3) Administrative dispute shall be initiated by filing a lawsuit at the competent court.
- (4) Lawsuit for initiating the administrative dispute shall not postpone the execution of the individual act against the administrative dispute was initiated, unless the competent court does not decide otherwise.

## **VIII. OBLIGATION OF SUBMITTING THE DATA TO THE REGULATORY COMMISSION AND RESOLVING DISPUTES**

### Article 38

Submitting the data and information to the Regulatory Commission

- (1) Regulatory Commission may demand of all licensees to insure the documentation, data and information, necessary for conducting the operations from its jurisdiction.
- (2) Upon the request of the Regulatory Commission, the licensee shall be obligated to document the credibility of data and information from paragraph (1) of this Article.
- (3) The licensee shall be obligated to deliver the documentation, data and information from paragraph (1) of this Article in the set deadline and to cooperate with the Regulatory Commission.
- (4) The Regulatory Commission shall be obligated to use the information of the licensees only for the purpose of publishing the operations within the statutory established activity.
- (5) The licensee and the Regulatory commission that in conducting their duties obtain data for which it may be reasonably assumed to be of a confidential character, shall be obligated to preserve the confidentiality of such data.

### Article 39

Regulatory commission arbitration in disputes

If the interested parties reach a special agreement and mutually ask, the Regulatory Commission to arbitrate in the disputes between the licensees or the licensee and the customer in connection with the:

- 1) right on electricity supply;
- 2) obligation of electricity supply;
- 3) the tariffs at which the electricity is supplied;
- 4) delays or refusals in electricity supply and
- 5) quality of electricity supply and provision of services in connection with the same.

### Article 40

Arbitrage rules and resolving complaints

- (1) Regulatory Commission shall adopt rules and procedures for conducting arbitration from Article 39 of this Law, as well as resolving complaints of the users of the electric power system in relation to the licensees from the jurisdiction of the Regulatory Commission.
- (2) Regulatory Commission shall be entitled to compensation of costs on the basis of arbitration.

## **IX. ELECTRICITY GENERATION**

### Article 41

Rights and obligations of electricity producers

- (1) Electric power entity, that is, the natural person that conducts the activity of electricity generation shall be entitled to:
  - 1) use the energy sources which he/she considers the most favourable in their generating facilities, generating the necessary energy regarding the technical characteristics and environment protection conditions established in the permit and determined by the regulations;
  - 2) contract deliveries and sales of electricity under the conditions established by this Law and other regulations;

- 3) access the transmission network under the conditions prescribed by the Network Code of the transmission system, i.e.
  - 4) access the distribution networks under the conditions established by Network rules of the distribution system and other regulations.
- (2) Electric power entity, i.e. natural person that conducts the activity of electricity generation shall have the obligations:
- 1) to respect the conditions from the permit for conducting electric power activity;
  - 2) to possess measurement devices by which is enabled the measurement of energy and power which is handed over i.e. taken over from the network;
  - 3) to comply with the market behaviour rules prescribed by the electricity market and
  - 4) to meet and honour the prescribed technical, drive conditions, conditions from the water permit, as well as the environment protection conditions.
- (3) Facilities for the electricity generation must meet the established criteria of environment protection and to ensure the permanent control of the influence to the environment.

#### Article 42

##### Acquiring the status of the qualified producer

- (1) Electric power entity, i.e. natural person which in the individual generating facility generates electricity by using the waste or renewable energy sources or deals with the combined generation of the heat and electric energy in the cost-effective appropriate manner in accordance with the environment protection measures may be acquired the status of the qualified producer.
- (2) The status of the qualified producers from paragraph (1) of this Article shall be acquired on the basis of the decision of the Regulatory Commission and the conditions which by the special rulebook prescribes the Regulatory Commission, in accordance with the electric power strategy.

#### Article 43

##### Generation from the renewable energy sources and cogeneration

- (1) Electricity generation from renewable energy sources and cogeneration shall be of interests for the Federation.
- (2) Questions from the area of electricity generation from renewable energy sources and cogeneration which are not regulated by this law shall be regulated by the other legal acts that regulate the use of the renewable sources and cogeneration.

## **X. ELECTRICITY DISTRIBUTION AND ACCESS TO DISTRIBUTION NETWORK**

#### Article 44

##### Distribution system

- (1) Distribution system shall be consisted of electric power facilities (plants and lines) of low and medium voltage through which is conducted the electricity distribution.
- (2) Distribution system must be available to all users in an objective, transparent and non-discriminatory manner.

#### Article 45

##### Distribution system operator

- (1) For the drive, management, maintenance, construction and development of the distribution system shall be liable electric power entity that possess the permit-license for conducting distribution activity (hereinafter: Distribution System Operator).
- (2) The Distribution System Operator shall be obligated, that on the basis of demands of the distribution system users to enable the transport of electricity through its network and also the electricity distribution on its area of providing services, including also the management of the distribution system and all in accordance with the technical abilities of the distribution system.
- (3) Operator of the distribution system shall be a legal person that conducts the activity of distribution independently from the electric energy activities.

#### Article 46



### Independence of the Distribution System Operator

- (1) Distribution System Operator which is the part of the vertical integrated company shall function independently in respect of its legal form, organization and making decision, from the other activities which do not relate on the distribution activity.
- (2) The independence of the Distribution System Operator from paragraph (1) of this Article does not include the obligation that the ownership over the funds of the distribution system is separated from the vertically integrated company.
- (3) The independence of the Distribution System Operator from Article (1) of this Article shall be insured in the following manner that:
  - 1) the members of the administration may not participate directly and indirectly in managing the other electric power activities of the vertically integrated company;
  - 2) by the application of the appropriate measures to ensure independence, professionalism and responsibility in the work of the administration members;
  - 3) Distribution System Operator is entitled on independent decision-making on the funds necessary for the drive, maintenance and development of the distribution system.
- (4) The independence of the Distribution System Operator from paragraph (1) of this Article shall not relate on the right of the vertically integrated company that the Distribution System Operator approves an annual financial plan and sets or determinates the indebtedness boundaries. The approved financial plan should enable normal functioning of the distribution system.
- (5) Vertically integrated company shall not be entitled to give to the Distribution System Operator instructions in connection with the current business and decides on the investments into the distribution system which do not exceed the conditions from the approved financial plan.

### Article 47

#### Distribution System Operator jurisdiction

Distribution System Operator of electricity shall:

- 1) ensure the reliability of the distribution system operation and the electricity quality in accordance with the regulations that regulate this area;
- 2) ensure harmonized action of the distribution network with the transmission network, power plants connected at the distribution network and the connected networks and plants of the users;
- 3) give information to the NOS BiH which are necessary for conducting the function prescribed by the special Law;
- 4) give information to the distribution system users which are needed due to the efficient access to the network;
- 5) ensure the access to the distribution network for the third parties according to the criteria established in the Network rules and
- 6) shall perform connection on the distribution network.

### Article 48

#### Distribution network development planning

- (1) Distribution System Operator shall prepare the short-term and long-term development and distribution network construction plans, which are harmonized with the spatial, regulatory and urban plans, changes in the consumption, considering the real possibilities of the realization of those plans and the effect on the tariffs for the use of the distribution network.
- (2) Plans from paragraph (1) of this Article shall be performed in accordance with the Strategic Plan of development.
- (3) Distribution System Operator shall be obligated to submit to the NOS BiH the excerpts from the development plans as a basis for the drafting and adopting a ten year plan of the transmission capacities and Indicative development plan of generation in Bosnia and Herzegovina.
- (4) At the proposal of the Distribution System Operator, the Regulatory Commission shall approve the plans for development and construction of the distribution network.
- (5) Distribution System Operator shall be obligated to submit to the Regulatory Commission the short-termed and long-term (innovated) plans of development and construction of distribution network within 30 days after the adoption of the same by the competent authorities of the company.

#### Article 49

##### The secrecy of the confidential data

- (1) The Distribution System Operator shall be obligated to ensure the secrecy of the confidential data that it obtains from the other electric power companies and purchasers, unless a special regulation requires the publication of a certain data or their submission to the competent state and federal bodies.
- (2) Data on the possibilities of using the distribution network shall be public and available to the interested parties.

#### Article 50

##### Access to the distribution network

- (1) The Distribution System Operator shall be obligated to enable to all users of the distribution network an objective, transparent and non-discriminating access to the distribution network, according to the principles of the regulated access of the third party, if there are technical and energy conditions for the same.
- (2) The Distribution System Operator shall be obligated to give priority to the generating plants that use renewable energy sources, or waste or cogeneration plants, when dispatching a distributed generation.

#### Article 51

##### Denial of access to the distribution network

- (1) Distribution System Operator may deny access to the network due to the limited technical or drive capabilities of the network.
- (2) Each third party that has been denied access to the network must be informed on the reasons for denial of access, which must be objective and non-discriminatory also well-founded and properly substantiated.
- (3) The third party that was denied access to the network or is dissatisfied with the access conditions may appeal to the Regulatory Commission.

#### Article 52

##### The construction of the direct transmission line

- (1) In the case of denial of access to distribution network from Article 51 of this Law, may be allowed the construction of the direct transmission line with the purpose of enabling:
  - 1) all producers and suppliers of the electricity in the Federation to supply its facilities, branches and qualified customers and
  - 2) all qualified customers in the Federation, i.e. their suppliers to supply them by the electricity producers and their vendors.
- (2) The electricity power entity, which was denied access, shall be obligatory to procure previous approval issued by the Regulatory Commission, for the construction of the direct transmission line.
- (3) Conditions for the construction, drive, maintenance of the direct transmission lines including also the connection on the direct transmission line shall be prescribed by general conditions for electricity delivery.

#### Article 53

##### Network rules of distribution

- (1) Drive and the manner of managing the distribution network in the electric power system shall be regulated by the Network Rules of Distribution.
- (2) Network rules of distribution shall be specially prescribed:
  - 1) technical and other conditions for the connection of the user on the network;
  - 2) technical and other conditions for the safe operation of the electric power system in order to provide reliable supply of the quality electricity;
  - 3) procedures to be taken during the operation of the electric power system in the critical situations,
  - 4) technical and other conditions for interconnected and functioning of the networks and
  - 5) criteria for the network access.

- (3) Network rules of distribution shall adopt the Regulatory Commission, at the proposal of the Distribution System Operator.
- (4) Network rules of distribution shall be published in the Official Gazette of the Federation of BiH.
- (5) Distribution System Operators shall be obligated to make and publish the minimum criteria regarding the fulfilment of the technical security for the projecting and connection of the customers on the distribution network, for the equipment of the directly connected customers.
- (6) Minimum criteria from paragraph (5) of this Article shall be objective, transparent and non-discriminatory and shall make the integral part of the network rules from paragraph (1) of this Article.

#### Article 54

##### Limitation of electricity distribution

Distributing of the electricity through distribution network, the Distribution System Operator may limit only in the special circumstances:

- 1) when it is justified from the reasons of security of electric power system, drive reasons or the reasons of safety of people, what needs to be specially proven;
- 2) when the regulations on the environment protection demand it and
- 3) when it is endangered the drive of electricity generation from renewable energy sources, combined process of generation of the heat and electricity or the drive of the energy sources from waste materials.

## **XI. SUPPLY AND TRADE OF ELECTRICITY**

#### Article 55

##### Supply and trade of electricity

- (1) Supply of electricity to the qualified and unqualified customers is the activity independent from the activities of distribution and shall include: the purchase for the purpose of sale of electricity to the customers, including the resale of electricity, the processing of the calculation elements due to the delivery of electricity, the calculation of the electricity consumption, invoicing to the customers and the charge of the calculating electricity for each metering point of the electricity consumption.
- (2) Electricity trade is the activity of purchase and sale of electricity, excluding the sale to the end customer.

#### Article 56

##### Supply of unqualified customers

- (1) On the basis of the permit of the Regulatory Commission for conducting activities of electricity supply of the first order, within the conducting the obligation of the public service, the supplier shall provide services of electricity supply of the unqualified /tariff/ customers in the regulated manner and at tariff positions.
- (2) Suppliers from paragraph (1) of this Article, in the operation permit, shall be established the obligation of conducting the public service of electricity supply.
- (3) The supplier shall be obligated to keep separate accounts in the case the supplier of the unqualified customers supplies also the qualified customers in the capacity of the public supplier or the supplier supplies the qualified customers with which contracts the quantities and prices of electricity and sells the electricity on the market at the market principles.

#### Article 57

##### Supply of qualified customers

- (1) Supply of the qualified customers with the electricity is the activity in which the qualified customer and the supplier that possesses the permit for conducting the activity of electricity supply and who he/she selects freely, shall agree on quantity, dynamics and the electricity price, which is the subject of the delivery.
- (2) The supplier of the qualified customer shall be obligated to submit the data on the concluded agreement from paragraph (1) of this Article (agreed quantities and delivery dynamics) to the Distribution System Operator, Regulatory Commission, NOSBiH and DERK, depending on the place of connection of the qualified customer to the electric power network.

(3) In the case when the qualified customer do not use the right to choose its supplier, or when the supplier is not available after the market opening, the qualified customer shall have the right of electricity supply by the public supplier in accordance with Article 13, paragraph (9) of this Law.

(4) Qualified customer shall be entitled on the reserve supplier in accordance with the Article 13, paragraph (9) of this Law in the case when the chosen supplier of the qualified customer ceases to supply from the following reasons:

1) of bankruptcy or liquidation of the supplier that supplied the qualified customer until that time;

2) termination of revoking the permit to the supplier that supplied him/her until that time and

3) he/she did not find a new supplier that shall supply him/her after the termination of the supply agreement with the existing supplier, except when the termination of the agreement is the consequence of unfulfilling the obligation of payment of the delivered electricity.

(5) Relations between the qualified customer and the supplier from paragraph (3) and (4) of this Article shall be regulated by the agreement.

## **XII. QUALIFIED CUSTOMER**

### **Article 58**

Status of the qualified customer shall be acquired in accordance with this Law, applicable regulations that regulate this area, by the acts of DERK and the Regulatory Commission which define the scope, conditions and the time schedule of the market opening.

### **Article 59**

(1) qualified customer shall be entitled to chose freely the electricity supplier.

(2) All customers, except the customers from the category of the household, shall have the status of the qualified customer.

3) Customers from the category of the household shall acquire the status of the qualified customer on 1 January 2015.

4) Qualified customer that is connecting to the distribution network shall be obligated to obtain from the Distribution System Operator, electric power consent for the connection at the network and to conclude the agreements in accordance with the applicable laws and regulations.

5) Qualified customer that is connecting at the transmission network shall be obligated to procure from the Elektroprijenosna BiH electric power consent for the connection on the network and to conclude the appropriate agreements in accordance with the applicable laws and regulations.

(6) Agreements from paragraph (4) of this Article shall particularly relate to:

1) the agreement on the purchase and sale of the electricity with the supplier,

2) the agreement on the use of network with the Distribution System Operator and

3) the agreement on the connection on the network with the Distribution System Operator.

(7) Notwithstanding the provision from Article 57, paragraph (1) of this Law, the qualified customer may perform the purchase of the electricity directly from the import with the condition to possess the permit of DERK for the international trade.

## **XIII. UNQUALIFIED CUSTOMER**

### **Article 60**

(1) Unqualified customers shall be supplied with the electricity in the framework of performing the obligation of the public service, in the regulated manner and by the regulated tariff positions.

(2) The status of the unqualified customer and the right of electricity supply by the regulated tariff positions, in the transition period, may use the qualified customers from the certain categories until the deadlines prescribed by the rulebook of the Regulatory Commission.

(3) Unqualified customer that is connecting on the distribution network shall be obligated to possess the electric power consent for the connection on the network and to conclude:

1) agreement on the purchase and sale of the electricity with the supplier;

2) agreement on the use of the network with the Distribution System Operator and

3) agreement on the connection on the network with the Distribution System Operator.

(4) Necessary quantities of the electricity for the unqualified customers shall ensure the suppliers:

- 1) from the qualified producers;
- 2) from the producers required by the permit to provide public services;
- 3) from the independent producers and
- 4) from electricity market.

#### **XIV. GENERAL CONDITIONS FOR THE DELIVERY OF ELECTRICITY**

##### Article 61

###### General Conditions

(1) General Conditions shall define the energy and technical conditions and the economic relations between the producers, distributors, suppliers, network users and the end customer of the electricity including also the applicant for obtaining the electric power consent.

(2) General Conditions shall contain:

- 1) defined criteria of quality and quantity of electricity;
- 2) manner and the conditions of issuing electric power consent;
- 3) conditions, deadlines and the manner of concluding the contract on the connection/increase/reduction of the connected power, agreement on the electricity supply and the agreement on the use of the distribution network;
- 4) a clear and precise definition of the connection and the measuring point;
- 5) criteria on the manner of connection of the new customer/producer and the point of connection of the customer/producer on the distribution network;
- 6) conditions under which the delivery of the electricity may be terminated or restricted
- 7) manner of billing and calculation of the electricity, including the methodology for establishing the quantities and the price for calculation of electricity on the basis of the unauthorized consumption;
- 8) the right to compensation caused by: interruption in the electricity supply, delivery of the unqualified or restricted electricity delivery;
- 9) provisions which define the relations with the customers whose delivery of electricity may not be interrupted including also the cases when the consumed electricity was not paid and the manner of regulating of the mutual obligations in such cases.
- 10) the conditions and the manner of measuring the electricity and power and
- 11) other relations between the Distribution System Operator and the user of the distribution system as well as other relations between the electric power entities and the customers of the electricity.

##### Article 62

###### Adopting the General Conditions

- (1) General conditions for the area of the Federation shall adopt the Regulatory Commission.
- (2) General conditions shall be published in the Official Gazette of the Federation of BiH.

##### Article 63

###### Interruption of the electricity supply

(1) Electricity supply may be interrupted in the case of:

- 1) if the customer uses electricity without the electric power consent or by evading the measuring devices or if he/she has connected his/her internal electric installations on the network and if he/she has not concluded the agreement on the electricity supply and the agreement on the use of distribution network;
- 2) if the end customer disables a proper metering of the quantities of the consumed electricity;
- 3) if the end customer facility does not meet the prescribed technical conditions or endangers lives of people and property.
- 4) if the facilities, other immovable properties (forest, orchard, stacks of hay and similar) of the end customer disrupt the normal delivery of electricity to the other customers;
- 5) if it, in accordance with the agreement, demands the end customer;
- 6) if the end customer without the permission of the electric power entity, through its own installation enables the consumption of electricity to the other customer;

- 7) if the end customer fails to pay for the delivered electricity in the prescribed i.e. agreed time period
- 8) if the end customer prevents the authorized persons the access to the measuring devices i.e. to the internal electric installations.
- 9) if a customer does not respect and implement the prescribed measures for saving and rational consumption of the electricity;
- 10) if the end user does not pay for the increased connected power in relation to the approved and
- 11) if the end customer uses the electricity against the conditions of the electric power consent.

(2) In the cases from paragraph (1) point from 4) to 11) of this Article, the competent electric energy entity shall be obligated to previously warn in the written form the end customer on the deficiencies i.e. irregularities due to which the delivery of the electricity may be terminated and set the deadline for removing the deficiencies, i.e. irregularities in accordance with the General Conditions.

#### Article 64

##### Compensation of damages

(1) Supplier or the Distribution System Operator shall be obligated to compensate the damages, to the end customers, occurred due to the interruption in the delivery and due to the delivered electricity of the poor quality provided that it can be attributable to the supplier's fault or the Distribution System Operator in accordance with the agreement on supply, by this Law, general conditions, agreements on the connection/increase of the connected power and the agreements on the use of distribution network.

(2) Upon the request of the end customer, the supplier or the Distribution System Operator shall estimate the damages from paragraph (1) of this Article and proposes the end customer the manner and the amount of the compensation for the caused damage.

(3) If the end user is not satisfied with the estimate from paragraph (2) of this Article, upon the request of the Distribution System Operator, the estimate of the damage shall conduct the authorized electrical engineering court expert, i.e. professional institution authorized for that purpose.

(4) If the end customer is not satisfied with the estimate from paragraph (3) of this Article, the end customer shall be entitled to initiate a court proceedings at the competent court.

#### Article 65

##### Restrictive measures

(1) The Ministry shall adopt the rulebook defining the conditions, criteria, manner and the procedure of the application of the restrictive measures.

(2) Upon the proposal of the Ministry and on the basis of the established criteria from paragraph (1) of this Article, the Government of the Federation shall introduce and prescribe restrictive measures for electricity supply for the customers, or introduce special measures for the electric power entities in the Federation, in the case of:

- 1) greater force that endangers the operation of the electric power system;
- 2) event on the drive by which is endangered the safety of people and the reliability of electricity supply and
- 3) unexpected disturbances at the international and internal electricity market by which is endangered the reliability of electricity supply.

(3) Restrictive measures which may be prescribed are:

- 1) delivery restriction of the electricity for all or certain categories of the customers;
- 2) import or export restrictions of electricity or prescribing the special conditions for import or export of electricity and
- 3) prescribing the obligation of conducting the public service of electricity generation and electricity supply.

(4) Restrictive measures shall be adopted by the special act of the Government of the Federation on the certain time period and shall be published in the Official Gazette of the Federation.

## **XV. PROHIBITION OF THE CONNECTION ON THE NETWORK AND ILLEGAL ACTIONS**

### Article 66

#### Prohibition of the connection

It shall be prohibited the connection at the electric power network without the approval.

### Article 67

#### Conditions of connection

Distribution System Operator shall be obligated that on the objective, transparent and non-discriminatory manner to connect on its facilities all interested customers/producers, if for the same exist technical and energy conditions.

### Article 68

#### Temporary connection

- (1) It shall not be allowed the connection on the distribution network of the facilities constructed without the construction permit.
- (2) Notwithstanding from paragraph (1) of this Article , the Distribution System Operator may conduct temporary connection of the illegally constructed facilities in the distribution network, with the written consent of the administration authorities competent for issuing construction permit, in the following cases:
  - 1) if the constructed facility is on the area where there are no planning documents;
  - 2) if the constructed residential facility is inhabited
  - 3) if the constructed facility is in the legalization process.
- (3) Temporary connection from paragraph (2) of this Article shall be conducted by the identical procedure conducted for the permanent connection, until the fulfilment of conditions for the permanent connection, within 12 months, established in the written consent of the administration authorities competent for issuing construction permit.
- (4) The deadline from paragraph (3) of this Article may be extended for additional 12 months.
- (5) In the case that within the deadline from paragraph (3) and (4) of this Article is not fulfilled the conditions for the permanent connection to the facility, upon the request of the administration authority competent for issuing the construction permit shall be performed the disconnection of the facility from paragraph (2) of this Article with no right to the compensation of the damages.

### Article 69

#### Prohibition of the access

It shall be prohibited the unauthorized entrance or access to the electric power facilities, plants or electric power lines prominently marked with the signs of the prohibition of entrance, access or danger.

### Article 70

#### Illegal actions

- (1) Who, without the authorization receives electricity and performs repairs of electric installations or measurement devices of the users by which is disabled a proper registering of the electricity consumption for the purpose of unauthorized use of electricity shall constitute a criminal offence of theft punishable by Criminal Code.
- (2) Who, unauthorised restates electrical devices, measurement devices and installations which are not in the jurisdiction of the user shall make a criminal act punishable by the Criminal Code.
- (3) Obstruction or disabling the authorized persons in the framework of conducting electric power activity shall present illegal action which is subject to sanctioning.

### Article 71

#### Compensation of the damages

Perpetrator shall be obligated to compensate the damages, in accordance with the Law and General Conditions done by illegal actions from Article 69 and 70 of this Law.

## **XVI. CONSTRUCTION, USE AND MAINTENANCE OF THE ELECTRIC POWER FACILITIES**

### Article 72

#### Construction, use and maintenance of electric power facilities

Electric Power facilities, devices, lines and plants of the electric power entities, natural persons and customers shall be constructed, used and maintained in accordance with the applicable regulations, standards and technical normative which relate that type of facilities as well as the regulations by which shall be established conditions regarding the environment protection and shall not endanger the safety of people and property.

### Article 73

#### Resolving the property- legal relations

- (1) Before the beginning of the construction of the electric power facilities, the investor shall be obligated to resolve the property-legal relations.
- (2) Electric power entity shall not be obligated to pay special fees except the fee for the concession and the fees established by other laws, and in the case of occurrence of the harmful event shall be obligated to compensate for the damage done, on the facilities whose property- legal relations are regulated in accordance with the paragraph (1) of this Article.
- (3) Electric power entity performing its activity as a public service shall be entitled to set its installation on the public sites as well as in the road area of the road infrastructure without the compensation in accordance with the applicable technical and other regulations, with the obligation of procuring the consent of the institutions competent for managing the public sites.

### Article 74

#### Rights and duties of the owners of real estates on which are being constructed or are constructed the facilities

- (1) Owners of the real estates on which are being constructed or the electric power facilities are constructed in the case of occurrence of the damages, shall be entitled at the compensation for the same in accordance with the Law.
- (2) Owners, legal user and possessors of the real estates shall be obligated to enable to the electric power entities the access to the real estate and at the real estate on which are located or constructed electric power facilities or their parts, due to the conducting of works on the construction, reconstruction, maintenance, control of the correctness of the facilities, devices, plants and equipment or conducting the other necessary operations including also the operations on removing the malfunctions, maintenance of the route and protective corridors of the transmission lines and clearing and removing the trees and other vegetation that endangers the safety and operation of the electric power system.
- (3) If the electric power entity from paragraph (2) of this Article by performing the operations and by passing through the real estate to the facility makes some damage, it shall be obligated to compensate the same.
- (4) Electric power entity from paragraph (2) and (3) of this Article shall estimate the damage from paragraph (3) of this Article and propose the owner of the real estate the amount of the compensation.
- (5) If the owner of the real estate is not satisfied with the estimation and the amount of the proposed compensation from paragraph (4) of this Article, and upon the request of the electric power entity, the estimation of the damages shall perform the authorized court expert of the appropriate profession, i.e. authorized expert institution for the same.
- (6) If the owner of the real estate is not satisfied with the estimation from paragraph (5) of this Article he/she shall have the right to initiate a court proceeding at the competent court.

### Article 75

#### The right of access to the electric power facilities and maintenance of the route

- (1) Due to the maintenance or removing the malfunctions on the electric power facilities constructed at the real estate which does not have the direct access from the public road, the electric power entities shall have the right of passage over that land in accordance with the paragraphs (2) and (3) Article 74 of this Law.



(2) Due to the safe operation and use of the constructed electric power facilities, the electric power entity shall be entitled on the maintenance of the same, including also the operations on the maintenance of the route and the protection corridors of the power lines by clearing or removing the trees and other vegetation without the compensation to the owner.

(3) In order to carry out the activities from paragraph (2) of this Article on the land where earlier was conducted clear logging and removing trees and other vegetation, the electric power entity shall not be necessary to procure a new permit for logging.

#### Article 76

The prohibition of performing the operations that disrupt the conducting the electric power activities

(1) It shall be prohibited the construction of the facilities which are not in the function of conducting the electric power activities as well as the conducting of other operations below, above and beside the electric power facilities by which is disrupted and disabled the performing of activities of production or the transmission or the distribution of electricity or is endangered the operation and the functioning of the electric power facilities.

(2) The owners, users and possessors of the real estates who are located below, above and besides the electric power facilities may not perform operations or other actions with which is disrupted and disabled the performing of the activity from the paragraph (1) of this Article (generation or transmission of the distribution of the electricity) or it is endangered the operation and functioning of the electric power facilities, without the previous approval of the electric power entity, which is the owner, i.e. the user of the electric power facility.

(3) If it is at the inappropriate distance constructed the facility without the consent of the electric power entity, the same shall be obligated to demand the removal of the facility, from the competent authority of the local administration.

(4) In the case that the competent authority of the local administration does not execute the removal of the facility from the paragraph (3) of this Article, the electric power entity may initiate lawsuit at the competent court.

#### Article 77

Prohibited activities in the area of the electric power facilities

It shall be prohibited the planting of trees and other vegetation on the land, above, below, in the route or at the distance from which it may be endangered the safety of the electric power facilities, electric power lines, plants and devices as well as the human lives and property.

#### Article 78

The construction of the generating facilities

(1) Facilities and plants for electricity generation may build domestic and foreign legal and natural persons under the conditions prescribed by this and other laws.

(2) Electric power facilities shall be build in accordance with the Law on the Spatial Planning and the Use of Land at the level of the Federation of the Bosnia and Herzegovina (Official Gazette of the Federation of BiH, number 2/06, 72/07,32/08, 4/10, 13/10 and 45/10) technical and other regulations and regulations established by this Law.

(3) The construction of the new and the reconstruction of the existing facilities for the electricity generation from the competence of the Federation shall include:

1) hydropower facilities of the installed power above 5MW and for the several hydropower facilities of the installed power greater than 20MW each, that follow one behind the other at the distance of 2km,

2) thermal power plant and the other facilities with the combustion and the heat output from 50 MWt and more,

3) plants for exploitation of the driving power of the wind of the installed power from 2 MW and more,

4) plants for the exploitation of the sun energy of the installed power from 2MW and more,

5) the other power plants of the installed power 5MW and more.

(4) The construction of the generating electric power facilities shall precede the issuing of the Energy Permit established by this Law.

(5) For the generating electric power facilities which are in the competence of the cantons, the Energy Permit shall issue the Ministry.

(6) For the generating electric power facilities from paragraph (3) and whose installed power is equal or greater than 30MW, the Energy Permit shall issue the Ministry with the previous procured consent of the Government of the Federation and the Parliament of the Federation.

(7) For the generating electric power facilities, from paragraph (3) whose installed power is less than 30MW, the Energy Permit shall issue the Ministry with the previous procured consent of the Government of the Federation.

#### Article 79

##### Issuing of the Energy Permit

(1) At the proposal of the Ministry, the Government of the Federation shall issue the ordinance by which shall be regulated and defined the procedure, criteria, form and the content of the application for issuing the Energy Permit.

(2) Regulation from paragraph (1) of this Article shall issue the Government of the Federation within not longer than six months from the day of entering into force of this Law.

(3) The procedure of issuing Energy Permit shall be conducted in accordance with the criteria which are transparent and non-discriminatory.

(4) The applicants for issuing Energy Permit shall be notified in the written form of the reasons in the case of refusing to issue the permit.

(5) Reasons from paragraph (4) of this Article must be objective and non-discriminatory, solidly founded and duly substantiated.

(6) With the Energy Permit, to the holder of the permit shall be established the obligation to apply contemporary technologies in the construction and use of the electric power facility.

#### Article 80

##### Public bidding

(1) Public bidding for the construction of the new generating facilities shall be initiated in the case when by the issuing of the Energy Permit may not be ensured a planned realization and dynamics foreseen by the Strategic Plan and development programme and the use of the renewable energy sources (hereinafter: OIE) in the Federation and when the public bidding is established in the issued Energy Permit.

(2) At the proposal of the Ministry, the Government of the Federation shall adopt the regulation by which shall be defined and regulated the procedure of public bidding from paragraph (1) of this Article.

(3) Decisions on the selection of the investor and the awarding of the right of the construction shall issue the Government of the Federation with the consent of the Parliament of the Federation.

#### Article 81

##### Reconstruction of the electric power facilities

(1) Reconstruction of the electric power facilities and plants shall be conducted in accordance with the Law on Spatial Planning and Use of Land at the level of the Federation of Bosnia and Herzegovina, technical regulations and this Law as well as the law regulations of the cantons.

(2) Reconstruction of the electric power facilities shall not consider:

1) the replacement of the machines and devices without the change of power and voltage;

2) replacement of the overhead line conductors with conductors of the same cross-section or by one cross-section higher complying with the technical regulations;

3) replacement of one or more poles if the new poles are set at the location –place of the poles that are being replaced;

4) the replacement of the energy cables without the alteration of the voltage level;

5) installation of the devices in the existing facilities by which is ensured the managing, signalization, measurement and protection and

6) performing also the other operations set out by the regulations established by the Federal Ministry.

(3) Performing the operations from paragraph (2) of this Article, as well as the creation of the connection and the measuring point on the low-voltage network, shall not be the subject of the obligation of procuring construction permit.

## **XVII. CONNECTION ON THE ELECTRIC DISTRIBUTION NETWORK**

### Article 82

Connection on the network, the access to the measuring point and taking over the measuring device

(1) The end customer/producer may connect its facility, devices or consumers only on the basis of the electric power consent which, at the submitted request shall issue the competent Distribution System Operator, in accordance with the General Conditions.

(2) The end customer/ electricity producer shall be obligated to enable the authorized persons the unhindered accesses for the purpose of installation and sealing of the measuring devices, reading the state of the meter, replacement of the measuring devices and equipment and the control of the measuring devices and equipment.

(3) The Distribution System Operator may take into ownership the measuring devices from paragraph (2) of this Article, which is in the ownership of the customers and when the existing end customer offers it to them, in accordance with the General Conditions.

(4) If the existing end customer that has invested in the connection and the measuring point does not want to take over the ownership over the connection and the associated measuring point, he/she shall be obligated to the Distribution System Operator:

- 1) bear costs of the regular and investment maintenance of its own connection,
- 2) bear costs of maintenance and calibration of the measuring devices,
- 3) by written request ask for the intervention of removing of any kind of malfunction at the connection and bears the costs of the removing of the malfunctions.

(5) Maintenance of the connection from paragraph (4) of this Article shall perform the Distribution System Operator.

### Article 83

#### Fees for the connection on the distribution network

(1) For the connection of the new facility on the distribution network or the increase of the connected power of the existing facility, the end customer/producer shall pay the Distribution System Operator the fee for the connection or the increase of the connected power of the existing facility.

(2) Manner for establishing the fee for the connection shall be established by the General Conditions and the Methodology for calculating the fees and defining the deadlines and conditions for the connection on the distribution network adopted by the Regulatory Commission.

(3) The amount of fees for the connection according to the methodology from paragraph (2) of this Article shall establish the Regulatory Commission.

(4) The issue of integration and connection of the new facility on the transmission network or the increase of the connected power of the end customer/producer's existing facility connected on the transmission network shall be in the competence of NOSBiH and the company Elektroprijenos BiH.

(5) The end customer shall be entitled to ask for the reduction of the previously approved connected power and the Distribution System Operator may enable that right without paying the fee in accordance with the provisions of the General Conditions.

## **XVIII. ISSUANCE OF THE PERMIT**

### **A. / Permit for activity performance - work permit**

### Article 84

(1) Regulatory Commission shall prescribe criteria, conditions and procedures for issuing permits for performing electric power activities from Article 12, paragraph (1) of this Law (hereinafter: the work permit).

(2) Regulatory Commission shall issue the work permit based on submitted application and necessary documentation.

(3) The holder of the work permit shall be obligated to fulfill obligations of its work permit.

### Article 85

(1) Electric power entities that perform or want to perform one or more activities of electric power industry, as well as natural persons that want to perform electricity production are obligated to own, or to provide the work permit.

(2) Notwithstanding the provisions of paragraph (1) of this Article, natural persons from Article 12, paragraph (3) of this Law that are established in accordance with the Law on Craft and Related Activities (Official Gazette of the Federation of BiH, number 35/09), and that shall perform that activity in the status of craftsmen, in the facilities of installed capacity to 23 kW are obligated to obtain the work permit for performing electricity generation, on a shortened procedure that is prescribed by the Regulatory Commission.

(3) Notwithstanding the provisions of paragraph (1) of this Article, electricity generation for personal needs from Article 12, paragraph (4) of this Law shall not require obtaining the work permit for performing electricity generation.

#### Article 86

(1) Electric power entity that performs one or more activities of electric power activity from Article 12, paragraph (1) of this Law is the holder of work permit for each individual activity.

(2) The holder of the work permit from paragraph (1) of this Article may, pursuant to act on the establishment or contract, transfer his work licence to one or more companies in his ownership, that perform the same activity and he/she is previously obligated to request by application and to obtain the consent of the Regulatory Commission.

(3) If the holder of work permit from paragraph (1) of this Article intends to transfer his/her permit to another legal entity, he/she is required to submit the request for transfer of the permit to the Regulatory Commission.

(4) Another legal entity from paragraph (3) of this Article shall be required to obtain work permit or consent for transfer from the Regulatory Commission.

(5) The holder of work permit from paragraph (1) of this Article, that concluded a concession agreement, may transfer work licence to another legal entity from paragraph (4) of this Article only if the issue of transfer of the contract for the concession was previously resolved pursuant to the Law on Concessions.

#### Article 87

(1) The work permit is issued if electric power entity or natural person shall:

- 1) dispose of facilities, devices and equipment, fulfill technical, economic and financial, security, ecological and other conditions, and according to its capacity provide safe supply of customers with high quality electricity;
- 2) employ professionally trained staff to perform activities;
- 3) and meets the other prescribed requirements.

(2) The Regulatory Commission shall issue, renew, transfer or revoke work permits in accordance with the procedures prescribed by special acts of the Regulatory Commission, respecting the principles of urgency.

(3) The Regulatory Commission shall monitor and supervise execution of regulations and conditions of issued work permits.

(4) The work permit for generation shall be issued for the period of 30 years, and the work permit for distribution is issued for a period up to 50 years.

(5) After the expiry date from paragraph (4) of this Article, if the permit is not renewed or transferred or if the facility is used for other purposes, holder of the permit shall be obligated to disassemble and remove all facilities and to return land to its original state in accordance with the conditions from the work permit.

(6) If the holder of the permit shall not act in accordance with paragraph (5) of this Article he/she shall be obligated to provide funds or to provide guarantees for the funds with which disassembly and removal of all facilities and returning land to its original state shall be conducted.

(7) The amount of funds necessary for the purpose from paragraph (5) of this Article is determined by the Ministry.

(8) In exceptional cases and if that is in the general interest of the Federation, the Government of Federation, at the proposal of the Ministry, may release the holder of permit of obligations from paragraph (5) of this Article.

(9) The conditions under which the holder of permit is released from obligations from paragraph (5) of this Article shall prescribe the Ministry.

#### Article 88

(1) Request for issuance, renewal, change, amendment or transfer of the work permit shall be submitted to the Regulatory Commission.

(2) The period of time in which holder of licence is obligated to start to perform activities for which the permit is issued shall be determined by the permit.

### **B./Preliminary consent for the construction of direct transmission line**

#### Article 89

(1) Construction of direct transmission line from Article 52 of this Law shall be subjected to the issuance of a preliminary consent for the construction issued by the Regulatory Commission in accordance with the law.

(2) Preliminary approval for the construction of direct power line precedes the issuance of building permits by competent administration authority.

#### Article 90

(1) Conditions and criteria for issuance of preliminary consent from Article 89, paragraph (1) of this Law shall adopt the Regulatory Commission.

(2) Conditions and criteria from paragraph (1) of this Article are objective, transparent and non-discriminatory.

### **C./Permit for trade and supply**

#### Article 91

(1) Permit for trade and supply of electricity is issued as:

- 1) Permit for electricity supply – First Order Permit
- 2) Permit for electricity supply – Second Order Permit.

(2) First Order Permit shall be issued to the applicants, or electric power entities from Article 12, paragraph (2) of this Law, that are established in accordance with the Law on Companies, for the supply of unqualified customers and for the supply of qualified customers through a public supplier.

(3) Second Order Permit shall be issued to the applicants, or electric power entities from Article 12, paragraph (2) of this Law, that are established in accordance with the Law on Companies and that perform activities of:

- 1) electricity generation and sale of electricity,
- 2) the supply of qualified customers and electricity trade in the internal market.

(4) Second Order Permit may be issued to the holder of First Order Permit provided that the related activities are accounted separately.

(5) Second Order Permit shall be applicable for the entire territory of Bosnia and Herzegovina.

(6) Permits from paragraph (1) of this Article shall be issued for the period of five years.

(7) After termination of the permit from paragraph (6) of this Article, and at the request of holder of permit, the Regulatory Commission may grant its approval.

(8) First Order Permit shall contain obligations related to :

- 1) regular supply of electricity to unqualified/tariff customers as well as qualified customers through a public supplier, including users of the universal service;
- 2) contracting the electricity supply of standard quality;
- 3) compliance with prescribed electricity tariffs to customers from point 1) of this paragraph and economical purchase of electricity;
- 4) providing informations for the Regulatory Commission and
- 5) constant improvement of function of the retail of electricity.

(9) Second Order Permit shall contain obligations related to :

- 1) providing information for Distribution System Operator and Independent System Operator in Bosnia and Herzegovina on the purchase and sale of electricity;
- 2) contracting the electricity supply of standard quality and
- 3) providing information for the Regulatory Commission and State Regulatory Commission for Electricity.

(10) The holder of permit of first and second order shall be authorised to suspend electricity supply to customers who do not pay their dues related to those supplies, except for the customers that are in the Program of Protection of Vulnerable Customers, as it was determined by the Regulatory Commission.

#### **D. / The procedure for issuing permits**

##### Article 92

(1) The procedure for issuing permits shall be public and it shall be performed in accordance with the objective and publicly recognized criteria on a non-discriminatory and transparent manner for the public.

(2) Before issuing a licence, the Regulatory Commission shall be obligated to perform consultations with interested parties, through the public hearing process, about conditions prescribed in draft permit.

(3) Holder of permit must be informed about the reasons for refusal of the permit. The reasons must be objective, non-discriminatory, firmly grounded and duly substantiated.

##### Article 93

(1) On special occasions when it is in the public interest, the Regulatory Commission may change the conditions prescribed by the permit.

(2) The Regulatory Commission shall be obligated, by its act, to prescribe special cases that change the conditions stipulated in the permit.

(3) Before adopting a decision on changing conditions in the permit, the Regulatory Commission shall consider its effects, i.e. benefits and deficiencies that this change may cause to the holder of permit.

(4) The Regulatory Commission may change the conditions in permit based on the submitted application of the holder of permit or on its own initiative.

### **XIX. ADMINISTRATIVE SUPERVISION AND INSPECTION**

##### Article 94

###### Administrative Supervision

Administrative supervision shall include supervision of the application of regulations of this Law and other rules, supervision on performing the activities regulated by this Law, supervision over the legality of administrative and other acts adopted by competent authorities as well as supervision over their actions performed by the Ministry and the Regulatory Commission, each within its competence, in accordance with the authorization prescribed by this Law and the Law on Organization of the Administration Bodies in the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of BiH, number 35/05) and the Law on Administrative Procedure (Official Gazette of the Federation of BiH, number 2/98 and 48/99). This does not exclude cooperation with other competent bodies and organizations.

##### Article 95

###### Inspection supervision

(1) This Law shall regulate the affairs of inspection supervision on law execution and other rules from the area of power engineering that are implemented on the territory of Federation (hereinafter: the inspection).

(2) The inspection supervision shall include supervision of implementation of this Law, other rules and general acts, standards, technical and quality norms that relate to design, construction, or reconstruction, repair, maintenance and use of electric power facilities, installations, plants and equipment in these facilities, as well as the quality of supply of electricity.

(3) The inspection supervision shall include control of construction of facility, technical accuracy, driving safety of electric power facilities and plants, human security in electric power facilities, as well as insight into technical and operational documentation.

(4) Tasks of inspection are performed with the equipment producer, contractor and user of the electric power facilities, plants and devices that make technological unity together with electrical installations and are intended for production, transmission, distribution and use of electricity (hereinafter: the electric power facilities and plants).

#### Article 96

(1) Tasks of inspection supervision over the electric power facilities and plants from Article 98 of this Law shall be performed during the planning, design, production, construction, reconstruction, repair of the electric power facilities and plants, installation of electrical devices, installations and consumers and their use.

(2) Tasks of inspection supervision shall include control of quality of electricity, maintenance and use of electric power facilities in order to assess their technical correctness, driving readiness, safety of machinery, machinery and other staff, rational use of electricity and implementation of restrictions on electricity consumption.

#### Article 97

(1) Tasks of inspection from Article 96 of this Law are performed by the Federal Inspection Administration and cantonal administrative bodies responsible for tasks of inspection on the electric power facilities and plants, in accordance with this Law, the Law on Inspections of the Federation of Bosnia and Herzegovina (Official Gazette of Federation of BiH, number 69/05), appropriate cantonal laws, the Law on Organization of the Administration Bodies in the Federation of Bosnia and Herzegovina, and by the procedure determined with the Law on Administrative Procedure.

(2) Operations of inspection supervision from the competence of the Federation shall perform the Federal Inspection Administration, the Inspectorate of Technical Inspection, or federal inspectors of power engineering (hereinafter: federal inspector), and tasks that are responsibilities of cantonal bodies are performed by cantonal administration for inspection, or cantonal inspectors of power engineering (hereinafter: cantonal inspector).

#### Article 98

##### Responsibilities during the inspection supervision

(1) Federal inspector shall perform tasks of inspection on :

- 1) the electric power facilities and plants for production of electricity from Article 78, paragraph (3) of this Law,
- 2) the electric power facilities and plants for transmission and distribution of electricity with voltage of 35 kV and more,
- 3) the electric power facilities and plants with voltage of 20 and 10 kV and lower, that are located in facilities that belong to them by responsibility, with a primary voltage of 35 kV and more,
- 4) consumers of electricity with power of 3,5 MVA and more,
- 5) technical management of electric power system,
- 6) users of electricity connected to transmission network.

(2) Other electric power facilities and plants, except the electric power facilities and plants from paragraph (1) of this Article shall be considered a local electric power facilities and plants, in accordance with this Law, and they are the responsibility of the cantonal inspector.

#### Article 99

(1) Federal and cantonal inspectors are appointed in accordance with the Law on Civil Service of the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of BiH, No. 29/03, 23/04, 39/04, 54/04, 67/05, 8/06 and 4/12).

(2) A person who has, in addition to the conditions prescribed by the Law on Inspections in the Federation of Bosnia and Herzegovina, completed faculty, with respect to VII/1 level of qualification or higher education of second cycle of Bologna Process of study of the department of electric power

engineering, with professional exam and work experience of at least 3 years in designing, production, installation or exploitation of electric power facilities and plants after he has passed professional exam, may be appointed as federal or cantonal inspector of electric power engineering (hereinafter: competent inspector).

#### Article 100

Federal inspectors, by performing inspection supervision shall cooperate with cantonal inspectors in matters of common interest during the inspection of electric power facilities and plants and provide their expertises.

#### Article 101

##### Duties of users or investors of electric power facilities and plants

- (1) The user or investor of electric power facilities and plants shall be obligated, in the process of granting permission for construction of electric power facilities and plants, to deliver project documentation to the Ministry or cantonal administrative body competent for the energy that, by its act, determines the compliance of documents with this Law and other rules.
- (2) The user or investor of electric power facilities and plants shall be obligated in the procedure of repair, sanation and reconstruction of electric power facilities and plants from Article 98, paragraph (1) of this Law, within 15 days before the commencement of works, to inform federal administrative body responsible for the tasks of electric power inspection about planned work, installing the new, reconstruction, change of use or to put permanently out of operation of whole or part of the facility and plant.
- (3) Notification from paragraph (2) of this Article, inter alia, should contain the description of planned work and basic technical characteristics of new, that is, the cause of putting out of operation of whole or part of the facility and plant.
- (4) For other local electric power facilities and plants, the user, or investor shall submit notification to cantonal administrative body responsible for the tasks of electric power inspection in the manner and within seven days before commencement of works.

#### Article 102

- (1) User, or investor of electric power facilities and plants shall be obligated, before applying for approval for use of facilities and plants, to notify the competent inspector in writing on completion of construction.
- (2) User, or investor may not begin to use facilities and plants before performed technical acceptance and issuance of approval for use, in accordance with the law.
- (3) If competent inspector determines, after performed technical acceptance, that constructed facility or reconstructed plant does not meet requirements set by law, he/she shall be obligated to inform the body responsible for the approval for use about it.
- (4) The user, or investor or entity that imports or places on the market electric power equipment, appliances and devices that are not manufactured on the territory of Bosnia and Herzegovina, that serve the needs of electric power facilities or plants, shall be obligated, within 15 days from the day of custom clearance of equipment, appliances and devices to inform federal inspector and to show report on executed quality control and evidence that the product meets the requirements of international standards and technical rules that are applied on the territory of the Federation of Bosnia and Herzegovina.
- (5) The Minister shall issue the instruction on the manner of control from paragraph (4) of this Article.

#### Article 103

- (1) Regular examination of electric power facilities or plants from Article 98, paragraph (1) of this Law shall be performed at least once in twelve months.
- (2) In the case of damage, average, or explosion of electric power facilities or plants and if human lives and environment are endangered because of that, if it threatens to cause or has already caused material damage, user, owner, or investor of electric power facility or plant shall be obligated immediately, and no later than 12 hours of the occurrence of these circumstances, to inform administrative body responsible for tasks of electric power inspection.



#### Article 104

##### Rights and Duties of Electric Power Inspector

By performing tasks of inspection supervision from Article 98 of this Law competent inspector shall be especially obligated to check:

- 1) if there are technical documentation and required documents for the plant that is being built or that was built and for equipment that is built issued by authorised bodies, in accordance with the law and other rules.
- 2) Whether the user properly and in accordance with the technical rules and guidelines for the operation and handling uses and maintains electric power plants and technical documentation of the plant in proper and safe condition,
- 3) if the persons that perform designing, construction, operation and maintenance of electric power plant have proper qualifications, capability and certificate of professional exam,
- 4) if the records of work of electric power plant are properly kept and regularly verified by the responsible worker,
- 5) If the technical measures for restriction and limitation in the supply of electric power and quality assurance of supplied electricity are properly implemented,
- 6) If the electric power plants, energy and energy for operation of plant are used in accordance with the rules and standards.

#### Article 105

##### Rights of Electric Power Inspector

- (1) Competent inspector, by performing tasks of inspection, shall be authorised, by issuing a decision, to order the user of electric power plant to perform appropriate inspection by authorised, independent professional organization for the purpose of determining technical correctness, cause of damage or average of plants, in the cases where that cannot be determined with on-site inspection.
- (2) The user of the plant shall be obligated to inform administrative body responsible for tasks of electric power inspection about results from paragraph (1) of this Article within three days from the date of obtaining results.
- (3) The user of the plant shall be obligated to bear the costs of inspection from paragraph (1) of this Article.

#### Article 106

- (1) Competent inspector shall, for the purpose of eliminating determined defects and irregularities, issue a decision ordering measures that have to be done within the time limit and determine the time limit within which the administrative body has to be informed about the elimination of defects and irregularities.
- (2) An appeal may be filed with the Ministry or cantonal administrative body responsible for energy against the decision from paragraph (1) of this Article, that was adopted by competent inspector, within eight days from receipt of the decision.

#### Article 107

##### Rights and Duties Related to Disciplinary Measures

- (1) Competent inspector shall have the right and duty to order the following measures by issuing decision:
  - 1) Suspension of construction of electric power facilities and plants in following cases:
    1. if operations are not performed according to approved project documentation, technical rules, standards and norms what may jeopardize the safety of the plant, lives of people and cause serious damage,
    2. if determined defects and irregularities are not eliminated within the time limit,
  - 2) Prohibition of use of electric power facilities and plants if their operation or use may jeopardize life or health of people, or if their operation may cause serious damage or interfere proper operation of other plants and systems,
  - 3) Prohibition of execution of operations and the use of improperly built facilities near, besides, above or below electric power facilities and plants whose execution or use endanger their proper operation or jeopardize life or health of people, or if that may cause damage of larger scale.

(2) In the cases of paragraph (1) of this Article the appeal does not have suspensive effect.

## **XX. PENAL PROVISIONS**

### Article 108

(1) Electric power entity shall be fined for offense with penalty in the amount from 5, 000.00 BAM to 15,000.00 BAM:

- 1) if it fails to submit the requested data and information to the Regulatory Commission ( Article 38);
- 2) if unjustifiably refuses to issue electric power permits or to connect a new customer ( Article 61, paragraph (2), point 2));
- 3) if unjustifiably suspends supply of electricity (Article 61, paragraph (2), point 6));
- 4) if it builds and connects facilities in the electricity system of the Federation that are not in accordance with regulations and determined standards (Article 72)
- 5) if as the holder of permit does not fulfill the obligations determined with permit (Article 84, paragraph (3));
- 6) if it starts operation and construction without the permit prescribed by Article 85 - 90 of this Law and
- 7) if it performs supply or is engaged in the trade of electricity without a permit prescribed by Article 91 of this Law.

(2) Responsible person in the company shall be fined for the offense from paragraph (1) of this Article in the amount from 1,000.00 BAM to 3,000.00 BAM.

### Article 109

Legal entity shall be fined for offense with penalty in the amount from 3,000.00 BAM to 15,000.00 BAM:

- 1) if it illegally uses electricity, changes electrical appliances, measuring devices and installations without the approval of Distribution System Operator, and distracts and disables authorised persons in performing activities related to electric power industry (Article 70);
- 2) if its facilities are not in accordance with regulations and standards and if it jeopardizes electric power system (Article 72);
- 3) if it disables access and maintenance of electric power facilities on its property (Article 74, paragraph (2));
- 4) if it uses electricity without or past measuring devices and if it disables inspection of its facility (Article 82);
- 5) if without approval of electric power company it connects its facility to electric power system (Article 82, paragraph (1));
- 6) if it plants trees and other vegetation on the land over, under, in the route or at distance from which the safety of electric power facilities, electric power lines, plants and devices, as well as human lives and property can be compromised (Articles 77 and 107, paragraph (1), point 2));
- 7) if it builds facilities that are not intended for activities of electric power activities, and if it performs other operations under, above and besides electric power facilities that obstruct and prevent performance of generation or transmission or distribution of electricity or jeopardize the operation and functioning of the electric power facilities (Article 76, paragraph (1) and Article 107, paragraph (1), point 3))

(2) Responsible person in the company shall be fined for the offense from paragraph (1) of this Article with penalty in the amount from 1,000.00 BAM to 3,000.00 BAM.

### Article 110

(1) Natural person shall be fined for offense with penalty in the amount from 200.00 BAM to 1,500.00 BAM:

- 1) if it illegally uses electricity, changes electrical appliances, measuring devices and installations without the approval of Distribution System Operator, and distracts and disables authorised persons in performing activities related to electric power industry (Article 70);

- 2) if it disables access and maintenance of electric power facilities on its property (Article 74, paragraph (2));
- 3) if without approval of electric power company it connects its facility to electric power system (Article 82, paragraph (1));
- 4) if it uses electricity without or past measuring devices and if it disables access to the measuring device (Article 82);
- 5) if it plants trees and other vegetation on the land over, under, in the route or at distance from which the safety of electric power facilities, electric power lines, plants and devices, as well as human lives and property can be compromised (Articles 77 and 107, paragraph (1), point 2));
- 6) if it builds facilities that are not intended for activities of electric power industry, and if it performs other operations under, above and besides electric power facilities that obstruct and prevent performance of generation or transmission or distribution of electricity or jeopardize the operation and functioning of the electric power facilities (Article 76, paragraph (1) and Article 107, paragraph (1), point 3)) and
- 7) for unauthorised entry or access to electric power facilities, plants or electric power lines that are clearly marked with no entry sign, restraining order or danger (Article 69).

#### Article 111

(1) Electric power entity or other legal entity shall be fined for offense with penalty in the amount from 3,000.00 BAM to 15,000.00 BAM:

- 1) if it fails to inform the competent inspector about damages, averages and explosions of electric power facilities and plants (Article 103),
- 2) if does not act by the orders of competent inspector to perform appropriate inspection (Article 105),
- 3) if it continues to operate or to use the electric power facility and plant contrary to orders of competent inspector (Article 107, paragraph (1), point 1), line 1 and points 2) and 3)).

(2) Responsible person within electric power entity or another legal entity shall be fined for the offense from paragraph (1) with penalty in the amount from 1,000.00 BAM to 3,000.00 BAM.

(3) Protective measures of closing the electric power facility or plant within the time period from three months to one year shall be issued to electric power entity or other legal entity:

- 1) if it fails to inform the competent inspector about damages, averages and explosions of electric power facilities and plants (Article 103),
- 2) if does not act by the orders of competent inspector to perform appropriate inspection (Article 105),
- 3) if it continues to operate or to use the electric power facility and plant contrary to orders of competent inspector (Article 107, paragraph (1), point 1), line 1 and points 2) and 3)).

#### Article 112

(1) Electric power entity, other legal entity or carrier of action shall be fined for offense with penalty in the amount from 7,000.00 BAM to 35,000.00 BAM:

- 1) if it does not act pursuant to Article 101, paragraph (1) of this Law,
- 2) if it fails to inform the competent inspector about planned operations on repair, reconstruction or decommissioning of electric power facilities or plants (Article 101, paragraph (2)),
- 3) if it fails to inform the competent inspector in writing about the completion of the electric power facility or plan or if it starts to use the electric power facility or plant before the technical acceptance certificate or issuance of approval for use (Article 102, paragraph (1) and (2)),
- 4) if it fails to inform the competent inspector in writing and if it does not submit a report on quality control (Article 102, paragraph (4)),
- 5) if it does not possess the technical documentation (Article 104, paragraph (1), point 1)),
- 6) if it fails to comply with technical regulations, standards and other acts in the work, maintenance and operation of electric power facilities or plants or keeps messy records of the operations of electric power facilities (Article 104, paragraph (1), points 2), 4) and 6)),
- 7) if it fails to correct the deficiencies or irregularities on the electric power facility or plant, according to the decision of the competent inspector, or fails to inform competent authority of

electric power inspection, within determined time period, on correction of the deficiencies or irregularities (Articles 106 and 107, paragraph (1), point 1), line 2).

(2) Responsible person within electric power entity or another legal entity shall be fined for the offense from paragraph (1) of this Article with penalty in the amount from 500,00 BAM to 2,000.00 BAM.

(3) Protective measures of closing the electric power facility or plant within the time period from three months to one year shall be issued to electric power entity, other legal entity or holder of action:

- 1) if it fails to comply with technical regulations, standards and other acts in the work, maintenance and operation with electric power facilities or plants (Article 104, paragraph (1), points 2), 4) and 6)),
- 2) if it fails to correct the deficiencies or irregularities on the electric power facility or plant, according to the decision of the competent inspector, or fail to inform competent authority of electric power inspection, within determined time period, on correction of the deficiencies or irregularities (Articles 106 and 107, paragraph (1), point 1), line 2).

## **XXI. REPORTING ON SECURITY OF SUPPLY**

### Article 113

#### Security of Supply

(1) Annual report on security of electricity supply and expected consumption is prepared by the Ministry and it is submitted to the Government of the Federation till June 30<sup>th</sup> of the current year.

(2) The report from paragraph (1) of this Article contains:

- 1) operational (driving) safety of distributional systems for electricity;
- 2) description (overview) of implemented restrictive measures that are taken pursuant to Article 65 of this Law;
- 3) prognosis for generation and consumption balance for the period from three to ten years;
- 4) expected terms of security of supply in the following three to ten years;
- 5) Applied principles in the management of congestion in distributive systems in accordance with international regulations;
- 6) expected development of generation, supply and consumption considering demand-side management measures and
- 7) local, national and European goals related to sustainable development.

(3) The report from paragraph (1) of this Article is published on the website of the Ministry.

## **XXII. RESTRUCTURING OF ELECTRIC POWER SECTOR**

### Article 114

#### Programme of Restructuring of the Electric Power Sector

(1) Restructuring of the existing electric power companies shall be performed in accordance with the programme on restructuring of the electric power sector in the Federation and on the basis of the applicable regulations, with the approval of the Parliament of the Federation.

(2) Programme on restructuring of the electric power sector in the Federation, at the proposal of the Ministry shall adopt the Government of the Federation within three months of the day of entering into force of this Law.

(3) The privatisation of the electric power companies may be performed only in accordance with the special Law.

### Article 115

(1) The Regulatory Commission for electricity established by the Law on Electricity (Official Gazette of the Federation of BiH, number 41/02, 24/05, 38/05, 61/09 and 83/11) shall continue to work pursuant to the regulations of this Law.

(2) Members of the Regulatory Commission appointed in accordance with the previous Law on Electricity (Official Gazette of the Federation of BiH, number 41/02, 24/05, 38/05, 61/09 and 83/11), shall continue to perform its function until the end of allocated mandate.

(3) The Regulatory Commission is obligated to align regulations of the Statute with the regulations of this Law within the period of 60 days from the date of entry into force of this Law.

### Article 116

- (1) Until adoption of subordinate legislation based on this Law current subordinate legislation shall apply.
- (2) Until adoption of Methodology for determining the fees, terms and conditions for connection to the distribution network, and determining the amount of the connection fee or increase in connecting power, valid regulations on connection approved by the Regulatory Commission shall apply.
- (3) Subordinate legislation from paragraph (2) of this Article, shall be harmonized with this Law within the period of six months from the date of entry into force of this Law.
- (4) Subordinate legislation arising from the provisions of this Law shall be adopted not later than 12 months from the date of entry into force of this Law.
- (5) Requests that are received prior to the entry into force of this Law shall be settled according to the regulations that were in force at the time of application, if that is more favorable for the applicant.
- (6) In accordance with the Decision of the High Representative from September 18<sup>th</sup>, 2009, by which the Law on Amendments to the Law on Electricity (Official Gazette of the Federation of Bosnia and Herzegovina, number 61/09) was adopted, and which was adopted by the Parliament of the Federation (Official Gazette of the Federation of BiH, number 83/11), JP Elektroprivreda BiH shall continue to supply Brčko District by the time when the conditions of electricity market in Bosnia and Herzegovina stop to require that.
- (7) In accordance with development of the electricity market in Bosnia nad Herzegovina, existing electric power companies in the Federation shall continue with the generation of electricity for unqualified customers and supply of unqualified customers, and all within the exercise of public service obligations.
- (8) Existing electric power companies in the Federation shall perform activities of distribution of electricity within the exercise of public service obligations.
- (9) The Minister shall, within four months from the date of entry into force of this Law, adopt the rules on review and compliance of project documentation pursuant to Article 101, paragraph (1) of this Law.
- (10) The Ministry shall, within four months from the date of entry into force of this Law, adopt the rules on conditions related to personnel, technical equipment that business organizations and other legal entities that perform montage, repair, revision and testing of electric power plants and installations have to fulfill.
- (11) The Minister shall, within five months from the date of entry into force of this Law, adopt the rules on governing the requirements for performing periodic inspection, measurements and tests on electric power plants, electric equipment electric installations and issuance of documents.
- (12) The Minister shall, within six months from the date of entry into force of this Law, adopt the rules on conditions and methods of taking professional exams for employees that work on operation and maintenance of electric power plants, installation and equipment that are used for production, transmission and distribution of electricity.

#### Article 117

- (1) Implementation of the Law on Electricity (Official Gazette of the Federation of BiH, No. 41/02 and 38/05) in the Federation, shall terminate on the date of entry into force of this Law.
- (2) Implementation of the Law on Electric Power Inspection (Official Gazette of the Federation of BiH, number 8/02) in the Federation, shall be terminated on the date of entry into force of this Law.

#### Article 118

This Law enters into force on the eight day from the date of its publishing in Official Gazette of the Federation of BiH.

