

Pursuant to Article 4.2 and 4.8 of the Law on Transmission, Regulator and Electricity System Operator in Bosnia and Herzegovina (Official Gazette of BiH, 7/02, 13/03, 76/09 and 1/11) and Article 36 of the Rules of Practice and Procedure of the State Electricity Regulatory Commission (Official Gazette of BiH, 2/05), at the session of the State Electricity Regulatory Commission issues, held on 15 December 2016, the following decision was adopted:

## DECISION

### ON AMENDMENTS TO THE TARIFF PRICING METHODOLOGY FOR SERVICES OF ELECTRICITY TRANSMISSION, INDEPENDENT SYSTEM OPERATOR AND ANCILLARY SERVICES

#### Article 1

In Article 3 of the Tariff Pricing Methodology for services of electricity transmission, independent system operator and ancillary services – consolidated text (Official Gazette of BiH, 93/11 and 61/14), the abbreviation " $C_{Pen}$ " shall be replaced by the abbreviation " $C_{PenSec}$ ".

In the same Article, after the abbreviation " $C_{Pen}$ ", which has been changed in the abbreviation " $C_{PenSec}$ ", the new abbreviations shall be added as follows:

" $C_{PenTer}$  – value of charges for non-provision of tertiary control capacity

$k_{PenTerCap}$  – coefficient of charges for non-provided tertiary control capacity"

#### Article 2

In Article 26 paragraph (5) shall be amended to read:

"Exceptionally, in case of impossibility to complete the procurement of ancillary services through public bidding, the missing share of ancillary services shall be provided in a regulated manner. In that case, the ISO shall determine the missing scope and entities to provide the service with related volumes for each ancillary service. The price of providing the missing volumes shall be equal to weighted average prices of offers accepted in public procurement procedures for the stated services. The information on provision of ancillary services for each month shall be submitted to SERC."

#### Article 3

In Article 28 paragraph (12) the words: "shall be higher than" shall be replaced by the words: "shall be in the function of".

Paragraph (13) shall be amended to read:

"(13) The price cap for secondary control reserve capacity (KM/MW/h) shall be determined for each calendar month. If the provider cannot provide the allocated compulsory quantity of secondary control reserve capacity or the provider which contracted the provision of reserve capacity does not nominate that reserve to the ISO on day D-1, the price of charge shall amount:

$$p_{PenSecCap} = (k_{PenSecCap} - 1) * \max(p_{MaxSecCapYear}, p_{MaxSecCapMont}); 1.1 \leq k_{PenSecCap} \leq 1.25"$$

Paragraph (14) shall be amended to read:

“(14) Total financial value of the charge for non-provision of allocated quantities of secondary control reserve capacity shall equal to the product of the non-provided reserve ( $P_{FalSec}$ ) and the price of charge ( $p_{PenSecCap}$ ) for non-provided reserve:

$$C_{PenSec} = P_{FalSec} * p_{PenSecCap}$$

#### Article 4

In Article 28b. after paragraph (8), the new paragraphs (9), (10) and (11) shall be added reading as follows:

“(9) The price cap for tertiary control reserve capacity (KM/MW/h) shall be determined for each calendar month. If the provider cannot provide the allocated compulsory quantity of secondary control reserve capacity or the provider which contracted the provision of reserve capacity does not nominate that reserve to the ISO on day D-1, the price of charge shall amount:

$$p_{PenTerCap} = (k_{PenTerCap} - 1) * p_{MaxTerCap}; 1.1 \leq k_{PenTerCap} \leq 1.25$$

(10) Total financial value of the charge for non-provision of allocated quantities of tertiary control reserve capacity shall equal to the product of the non-provided reserve ( $P_{FalTer}$ ) and the price of charge ( $p_{PenTerCap}$ ) for non-provided reserve:

$$C_{PenTer} = P_{FalTer} * p_{PenTerCap}$$

(11) The value of the coefficient  $k_{PenTerCap}$  shall be determined by SERC upon an ISO's proposal in accordance with the behaviour of market participants, that is, the level of non-provided allocated quantities of reserve capacity.”

#### Article 5

This Decision shall enter into force on the next day following its publication in the Official Gazette of Bosnia and Herzegovina.

Number: 04-28-5-313-5/16

15. December 2016

Tuzla

Chairman of the Commission

Suad Zeljković