

Pursuant to Article 4.2. of the Law on Transmission of Electric Power, Regulator, and System Operator in Bosnia and Herzegovina (Official Gazette of BIH, 7/02, 13/03, 76/09 and 1/11) and Articles 28, 30, 31, 32, 34, 36 and 37 of the Tariff Pricing Methodology for services of electricity transmission, an independent system operator and ancillary services (Official Gazette of BIH, 57/25), at its session held on 11 December 2025, the State Electricity Regulatory Commission passed

## **DECISION**

### **ON AMENDMENTS TO THE DECISION ON DETERMINATION OF COEFFICIENTS AND PRICE CAPS FOR ANCILLARY SERVICES**

#### **Article 1**

In the Decision on determination of coefficients and price caps for ancillary services (Official Gazette of BIH, 64/25), Article 2 shall be replaced by the following:

#### **“Article 2**

*(Automatic Frequency Restoration Reserve)*

The coefficients and price caps for capacity and energy of automatic Frequency Restoration Reserve (aFRR) shall be determined as follows:

- Price coefficient for aFRR capacity amounts to 1.2  
( $k_{aFRRCap} = 1.2$ ),
- The base price of aFRR capacity amounts to 65.00 BAM/MW/h  
( $p_{BaseaFRRCap} = 65.00 \text{ BAM/MW/h}$ ),
- The price cap for aFRR capacity for each month amounts to 78.00 BAM/MW/h  
( $p_{MaxaFRRCap} = 78.00 \text{ BAM/MW/h}$ ),
- Coefficient of charges for non-provided aFRR capacity amounts to 1.1  
( $k_{PenaFRRCap} = 1.1$ ),
- Difference in prices of energy for upward and downward aFRR amounts to 100 BAM/MWh  
( $S = 100 \text{ BAM/MWh}$ ).”

#### **Article 2**

This decision shall enter into force on the day of its adoption and it shall be published in the Official Gazette of BIH.

Number 04-28-5-301-6/25  
11 December 2025  
Tuzla

Chairman of the Commission  
  
Suad Zeljković

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

The coefficients and price caps for ancillary services are determined in accordance with the Tariff Pricing Methodology for services of electricity transmission an independent system operator and ancillary services.

During the implementation of the new market-based electricity system balancing model so far, which has been implemented since 1 January 2016, a significant deficit in the provision of automatic Frequency Restoration Reserve (aFRR) has been present from the beginning. This service is traditionally provided by the hydropower generation facilities which have the technical characteristics of a defined speed of response to the automatic frequency control signal by increasing or decreasing their active power. As their operation in the automatic frequency restoration mode is also determined by other factors which pertain primarily to the hydrological conditions and the related modes of filling and emptying the hydroaccumulation capacities, the provision of the aFRR service in the whole previous period was at a very low level ranging within the scope of 20% to 50 % of the needs required on an annual basis.

A strong dynamic of constructing and connecting the power plants generating electricity from renewable sources, primarily wind and solar, sets the new requirements when it comes to the electricity system control and its balancing. The mode of operation of these sources increase imbalances of balance responsible parties which have these sources in their generation portfolio. Consequently, the balancing of the electricity system becomes more complex, the needs for available balancing capacities increase both in terms of scopes and the quality and speed of response. The requests for connection of electricity storage facilities (large capacity batteries) and their operation in the electricity transmission system, in addition to the provision of aFRR service with a standard product, will enable its provision with a special product – with the quick response, which is very important under the circumstances of growing electricity generation from intermittent renewable resources, such as solar and wind power plants.

With a view to ensuring a proper response to these developments in the electricity system, which requires an increase in the scope of providing standard and special aFRR products, it has been decided to increase the price cap for aFRR capacity to 78 BAM/MW/h and set the difference in prices of energy for upward and downward aFRR to the amount of 100 BAM/MWh. In this manner, all entities providing automatic Frequency Restoration Reserve (aFRR) services are stimulated in financial terms and encouraged to offer their capacities on the balancing services market, which can cover the growing needs for this service in a proper manner.