



L I C E N S A

ZA OBAVLJANJE DJELATNOSTI
PRIJENOSA ELEKTRIČNE ENERGIJE

Л И Ц Е Н Ц А

ЗА ОБАВЉАЊЕ ДЈЕЛАТНОСТИ
ПРЕНОСА ЕЛЕКТРИЧНЕ ЕНЕРГИЈЕ

Registarski broj licence Регистарски број лиценце	05-28-12-191-21/22
Datum izdavanja licence Датум издавања лиценце	13. 12. 2022.
Naziv vlasnika licence Назив власника лиценце	“Elektroprijenos Bosne i Hercegovine” a.d., Banja Luka “Електропренос Босне и Херцеговине” а.д., Бања Лука
Adresa vlasnika licence Адреса власника лиценце	Marije Bursać 7a, Banja Luka Марије Бурсаћ 7а, Бања Лука
Porezni broj vlasnika licence Порезни број власника лиценце	4402369530009
Period važenja licence Период важења лиценце	1. 2. 2023. – 31. 1. 2033.

Predsjedavajući Komisije/Predsjedatelj Komisije/Предсједавајући Комисије

Suad Zeljković/Суад Зељковић

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LICENCE CONDITIONS FOR PERFORMANCE OF THE ELECTRICITY TRANSMISSION ACTIVITY

Number: 05-28-12-191-22/22

Name of the licensee: “Elektroprenos Bosne i Hercegovine” a.d., Banja Luka

1. General provisions

1.1. The licence number 05-28-12-191-21/22 was issued in accordance with the Licensing Rule – Consolidated Version (Official Gazette of BiH, 63/16), and based on the application number 06-8968-13/22 od 6 July 2022 filed by “Elektroprenos Bosne i Hercegovine” a.d., Banja Luka, which was supplemented by act number 06-8968-15/2022 of 26 August 2022.

1.2. The licence is issued for the period from 1 February 2023 to 31 January 2033.

2. Performance of Licensed Activity

2.1. The licensee shall be authorised to perform the licensed activity in compliance with the provisions 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), the Law Establishing the Company for the Transmission of Electric Power in Bosnia and Herzegovina (Official Gazette of BiH, 35/04, 76/09 and 20/14) hereinafter: the Law Establishing the Transmission Company as well as the provisions defined in the licence. This right shall be granted exclusively to the licensee.

2.2. The licensee shall perform the licenced activity utilising the facilities as given in the annex to these conditions (Annex 1-tabular overview of facilities of the licensee used for performance of the licensed activity). On an exceptional basis, the electricity transmission and electricity transmission activities shall be performed using the facilities that are not owned by the licensee (Annex 2- tabular overview of facilities that are not owned by the licensee but are necessary for performance of the licensed activity).

The licensee shall list in a separate annex the transmission facilities that are not owned by the licensee and are not in the function of electricity transmission in BiH (Annex 3- tabular overview of facilities that are not owned by the licensee and are not in the function of electricity transmission in Bosnia and Herzegovina).

2.3. Unless having an exclusive approval by the State Electricity Regulatory Commission (SERC), the licensee shall be forbidden to perform the activities of generation, supply, trade in or distribution of electricity, or any other activity outside the scope of transmission or transmission related activity, in accordance with the Law Establishing the Transmission Company.

2.4. Obligations defined by the licence shall not minimize other obligations of the licensee defined by the law.

2.5. The licensee must not abandon or modify the licensed activity without prior approval of SERC.

3. Obligations and rights of the licensee

- 3.1. The licensee shall be obligated to permanently work on fulfilment of these conditions as well as the conditions defined in the Licensing Rule. Upon a request of SERC, the licensee shall be obligated to provide evidence on fulfilment of the specific criteria.
- 3.2. The licensee shall be obligated to regularly, or upon a request of SERC, submit financial and other reports in the form and the scope as specified by these conditions or by the request of SERC.
- 3.3. The licensee shall be obligated to keep accounting books and prepare financial reports in a transparent manner in accordance with the accounting standards applicable in Bosnia and Herzegovina as well as in accordance with regulations adopted by SERC.
- 3.4. The licensee shall be obligated to comply with all national, regional and international regulations pertaining to electricity transmission both from technical and commercial aspects and follow developments in the Energy Community. Prior to harmonizing its operation with any changes of national, regional or international commercial or technical requirements related to electricity transmission, the licensee shall be required to report such changes to SERC and obtain approval by SERC therefor.
- 3.5. The licensee shall be obligated to implement the regulations in order to harmonize technical operation of the transmission network with the requirements and standards of the European Network of Transmission System Operators for Electricity (ENTSO-E).
- 3.6. The Licensee shall be obligated to comply with the applicable regulations related to quality of services as well as the regulations in this filed issued by SERC. The licensee shall be obligated to monitor the quality of electricity supply with regard to the voltage quality, that is, its compliance with the applicable standards.
- 3.7. The licensee shall nominate its representatives for the technical committees established by the Independent System Operator in Bosnia and Herzegovina (ISO BIH) pursuant to the Grid Code, Market Rules and rules on technical committees' activities. They actively participate in the work of the technical committees which establish proposals for changes and amendments to the Grid Code, Market Rules and technical standards.
- 3.8. The licensee shall be obligated to perform the licensed activity in accordance with the Grid Code, Market Rules, technical standards, operational planning, dispatching instructions, maintenance plan and network expansion plans.
- 3.9. The licensee shall not be allowed to carry out any anti-competitive activities, misuse market power or manipulate the electricity market.
- 3.10. The licensee shall be obligated to treat market participants in a fair and non-discriminatory manner.
- 3.11. The licensee shall be obligated to comply with the decisions of ISO BIH, when, under exigent circumstances which require undertaking of emergency measures, the Grid Code or the Market Rules are modified, in accordance with the law and the licence for activities of an independent system operator.

- 3.12. The licensee shall be obligated to comply with the measures issued by SERC or the Ministry of Foreign Trade and Economic Relations in case of a natural disaster or any other event causing consequences affecting general safety and security.
- 3.13. The licensee shall be obligated to comply with all provisions of the applicable international agreements and treaties signed by Bosnia and Herzegovina pertaining to electricity transmission, including, but not limiting to, applicable rules relating to cross-border electricity trading.
- 3.14. The licensee shall be obligated to provide equal access to the transmission network for all electricity suppliers having a physical access to the system and shall be obligated to follow the applicable rules for access to the system.
- 3.15. The licensee shall be obligated to comply with applicable decisions on tariffs and the Rule on Tariff Proceedings (Official Gazette of BIH, 44/05) and the Tariff Pricing Methodology for Services of Electricity Transmission, and Independent System Operator and Ancillary Services – Second Consolidated Version (Official Gazette of BIH, 68/21).
- 3.16. The licensee shall be obligated to comply with all applicable technical standards and commercial codes. Any of these technical or commercial practices may be expanded, abolished or replaced only with SERC approval.
- 3.17. The licensee may perform the transmission and transmission related activities in the neighbouring electric power systems, providing that those activities are directly related to the improvement of the transmission activity, as well as all other transmission related activities in Bosnia and Herzegovina and the neighbouring electric power systems. The licensee shall be obligated to inform SERC of all activities it performs in the neighbouring electric power systems. This notice must include the explanation justifying the engagement with the neighbouring electric power systems.
- 3.18. The licensee shall be obligated to keep accounts for the transmission activity separately from other activities in the manner and within the scope as specified by this licence and rules prescribed by SERC.
- 3.19. The licensee must not perform changes in the network influencing the compatibility of the network with the generators, distributors and neighbouring transmission networks, as well as the facilities owned by third parties, endangering safety and security of supply.
- 3.20. The licensee shall be obligated, in accordance with the Grid Code, to manage, maintain (including repairs and replacements if needed) and protect its network in order to provide reliable and safe electricity transmission, taking into account the principle of cost-effectiveness and productivity of operations.
- 3.21. The licensee shall be obligated to plan the expansion and development of the system in order to satisfy consumer needs, while harmonising development plans of its network with other networks and the neighbouring systems.
- 3.22. The licensee shall develop a long-term transmission network development plan for a ten-year period that also includes the issue of new interconnection lines, and inform SERC of all phases in a timely and comprehensive manner. This plan shall be submitted to the ISO BIH for review, direct revision and approval.

- 3.23. Prior to approval the licensee, jointly with the ISO BIH, shall organise a public hearing on the revised long-term plan. The plan approved by the Steering Committee of the ISO BIH shall be submitted to SERC for approval by the end of October, and upon SERC approval, it shall be published by the ISO BIH. The indicative generation development plan shall be used as one of the bases to develop a long-term transmission network development plan.
 - 3.24. The licensee shall be obligated to develop an annual investment plan based on the long-term transmission network development plan, and submit it to SERC for approval by the end of November for the following year.
 - 3.25. In cooperation with the ISO BIH, the licensee shall participate in planning and analysing the effects of new interconnectors at regional level and participate in the development of a Ten-Year Network Development Plan (TYNDP). The analyses pertain to the 400 kV and 220 kV voltage levels.
 - 3.26. The licensee shall be obligated to design, construct and utilize facilities and lines, so that the effects of their utilization do not endanger the health of the population of the related area, which shall to the least possible extent modify the environment and the landscape value.
 - 3.27. The licensee shall be obligated to comply with rules or standards related to the safety zone which shall be determined with the aim of protecting facilities and equipment of the licensee, as well as the population.
 - 3.28. The licensee shall be obligated to file an application for update of the annexes referred to in Item 2.2 of these conditions with the status on 31 December of the previous year if their content has been changed. When filing the application for update, the licensee shall be obligated to submit the certificate of occupancy including supporting documentation as well as an updated map of the electric power system. The licensee shall also inform SERC of all modifications of the licence at the time of occurrence of modifications.
 - 3.29. On its web-site the licensee shall be obligated to publish all relevant information and data related to the licensed activity which are needed by market participants or which are of public interest. Any publication on the website shall be done both in the languages officially used in BIH and English.
4. Monitoring of Performance of the Licensed Activities
 - 4.1. SERC shall monitor performance of the licensed activities.
 - 4.2. The Licensee shall submit reports to SERC as stated in these conditions or upon a request of SERC during the validity period of the licence.
 - 4.3. SERC shall monitor all aspects of compliance of the licensee with the licence conditions, as well as with all provisions of the relevant laws and regulations of SERC.
 - 4.4. SERC may initiate emergency proceedings in order to react to any doubt pertaining to violation of obligations from the licence, at its own initiative or as a response to a request of any person.
 - 4.5. SERC shall perform announced and unannounced inspections of the facilities, premises and documents related to the licensed activities. SERC shall be entitled to access any facilities and premises of the licensee, its equipment, documents,

- business records and archive in order to inspect the licensed activity. The licensee shall provide any form of assistance requested by SERC during the inspection.
- 4.6. The licensee shall inform SERC of any violation of the licence conditions no later than seven (7) days after realising that the violation has occurred.
5. Submission of Data and Reports
- 5.1. The licensee shall submit reports to SERC as defined in this section and reports upon a special request of SERC, in the manner and format prescribed by SERC.
- 5.2. No later than ninety (90) days after the completion of the fiscal year, the licensee shall submit its annual business report during that fiscal year. Audited financial report shall be distributed within 180 days upon the completion of the fiscal year.
- 5.3. By the end of January, the licensee shall submit to SERC an annual report for the previous year on the Company Management Board Members' personal interests in any other institution, whether by ownership or position, or any other personal interests, whether or not those interests would bring them into conflict with those of the Company, in accordance with Article 34 of the Law Establishing the Transmission Company.
- 5.4. The licensee shall prepare and submit to SERC monthly business report containing, inter alia, report on realization of the maintenance plan, report on realization of the investment plan and report on contingency events, as well as report on operational readiness of facilities for the following month.
- 5.5. By the end of February, the licensee shall prepare and submit to SERC an annual report on activities for the previous year. The annual report shall include summarized monthly reports and an overview of transmission system operation in the previous year.
6. Renewal, Modification, Suspension or Revocation of the Licence
- 6.1. The licensee shall be obligated to file an application for renewal of the licence in accordance with the deadline as defined by the Licensing Rule.
- 6.2. During the validity period of the licence, it shall be possible to re-open the licence upon a request of the licensee or at SERC initiative, in order to change the licence conditions due to the relevant changes in law or factual circumstances in accordance with the Licensing Rule.
- 6.3. Suspension or revocation of the licence shall be performed in accordance with the Licensing Rule.
7. Regulatory Fee
- 7.1. The licensee shall be obligated to pay a regulatory fee during the validity period of the licence in accordance with SERC decisions.
- 7.2. The licensee shall have the right to include the regulatory fee in the tariff for electricity transmission services which is approved by SERC.
8. Sanctions
- 8.1. Penalty provisions stipulated by law shall be applied if the licensee does not comply with the licence conditions or law.

- 8.2. SERC may submit, but shall not be obligated to do so, an administrative notice to the licensee on any violation, and may call it to an administrative settlement due to the violation of the licence by the licensee before the penalty provisions are applied.
 - 8.3. Prior to the application of the measure from Item 8.2, if the circumstances permit, SERC shall warn the licensee in writing, and shall determine deadlines for removal of shortcomings.
 - 8.4. When determining sanctions, SERC may also use the possibility of suspending or revoking the licence pursuant to the Licensing Rule.
9. Dispute Resolution
- 9.1. Disputes related to application of the Licensing Rule shall be resolved in accordance with the SERC Rule of Practice and Procedure (Official Gazette of BIH, 2/05) and the Rule of Public Hearings (Official Gazette of BIH, 38/05).
 - 9.2. The licensee may file a lawsuit against the SERC decision before the Court of Bosnia and Herzegovina, if it is not satisfied with the SERC decision.
10. Provisions on Notification
- 10.1. The address of the licensee used for submission of notifications shall be: “Elektroprenos Bosne i Hercegovine” a.d., Banja Luka, Marije Bursać 7a.
 - 10.2. The licensee may change the address used for submission of notifications, but SERC has to be informed of it in advance. It shall not be necessary to change the licence in case the address for submission of notifications is changed.
11. Annexes
- 11.1. An integral part of these conditions shall be:
 - Annex 1 – Tabular overview of facilities of the licensee used for performance of the licensed activity (lines, transformer stations, and switchyards),
 - Annex 2 – Tabular overview of facilities that are not owned by the licensee but are necessary for performance of the licensed activity, and
 - Annex 3 – Tabular overview of facilities that are not owned by the licensee and are not in the function of electricity transmission in Bosnia and Herzegovina.