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BOSNIA-HERZEGOVINA

Energy Investment Activity - EIA

Energy Efficiency Obligation Scheme in Bosnia and Herzegovina

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Agenda

- USAID EIA Project Introduction
- Financing Energy Efficiency Measures
- Energy Efficiency Obligation Schemes
- Economic Benefits of Investing in Energy Efficiency
- Status and Next Steps



USAID Energy Investment Activity (EIA)

Policy and Technical Assistance Project

Total Funding: \$7.17 million

Project Duration: September 2014 - 2019

Implementing Partner:

Advanced Engineering Associates International



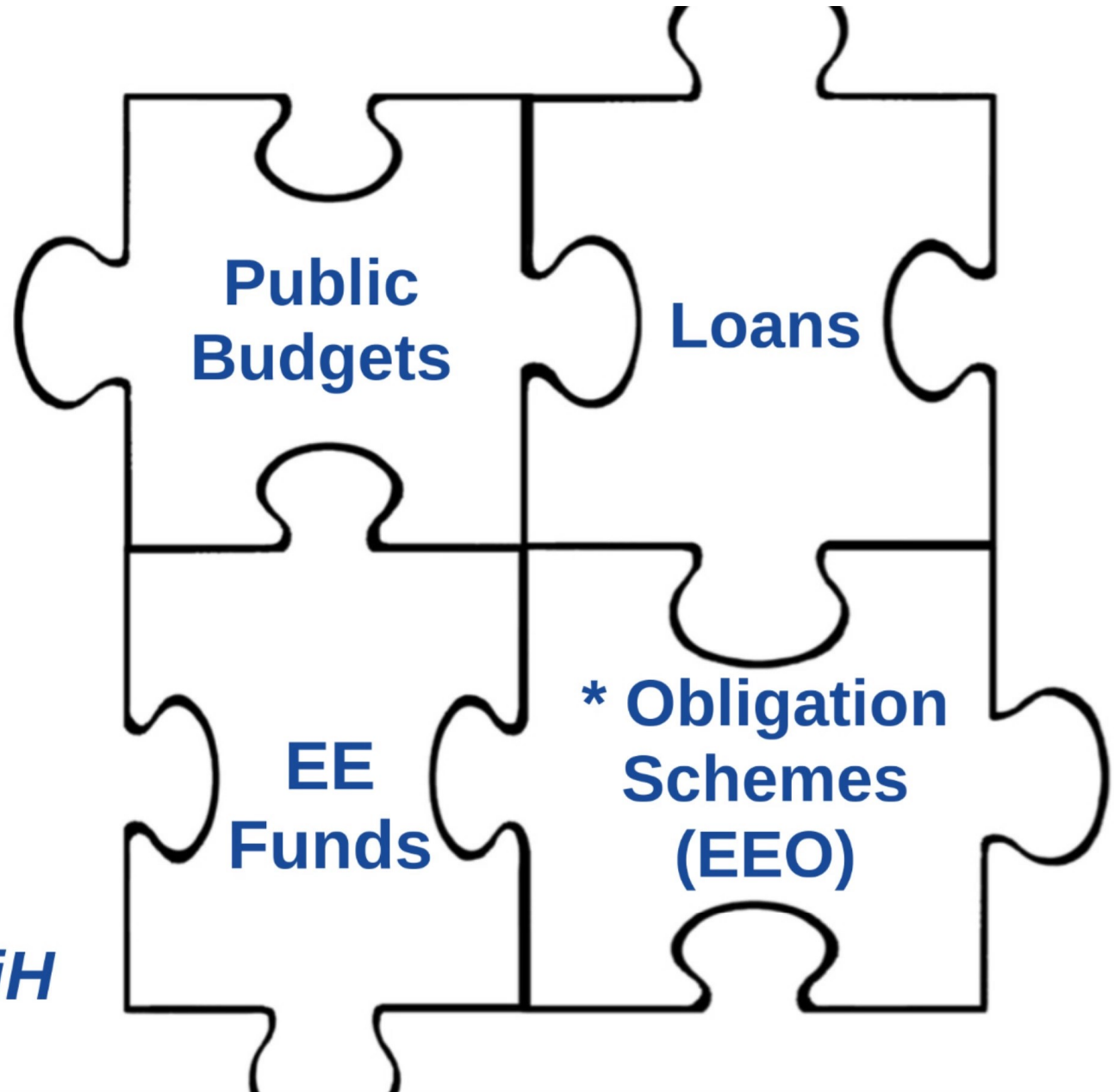
EIA has 7 key activities:

All activities are supporting BiH EU integration and alignment with EU regulations





Financing Energy Efficiency Measures



*Ways of financing
EE measures in BiH*



What are Energy Efficiency Obligation Schemes?



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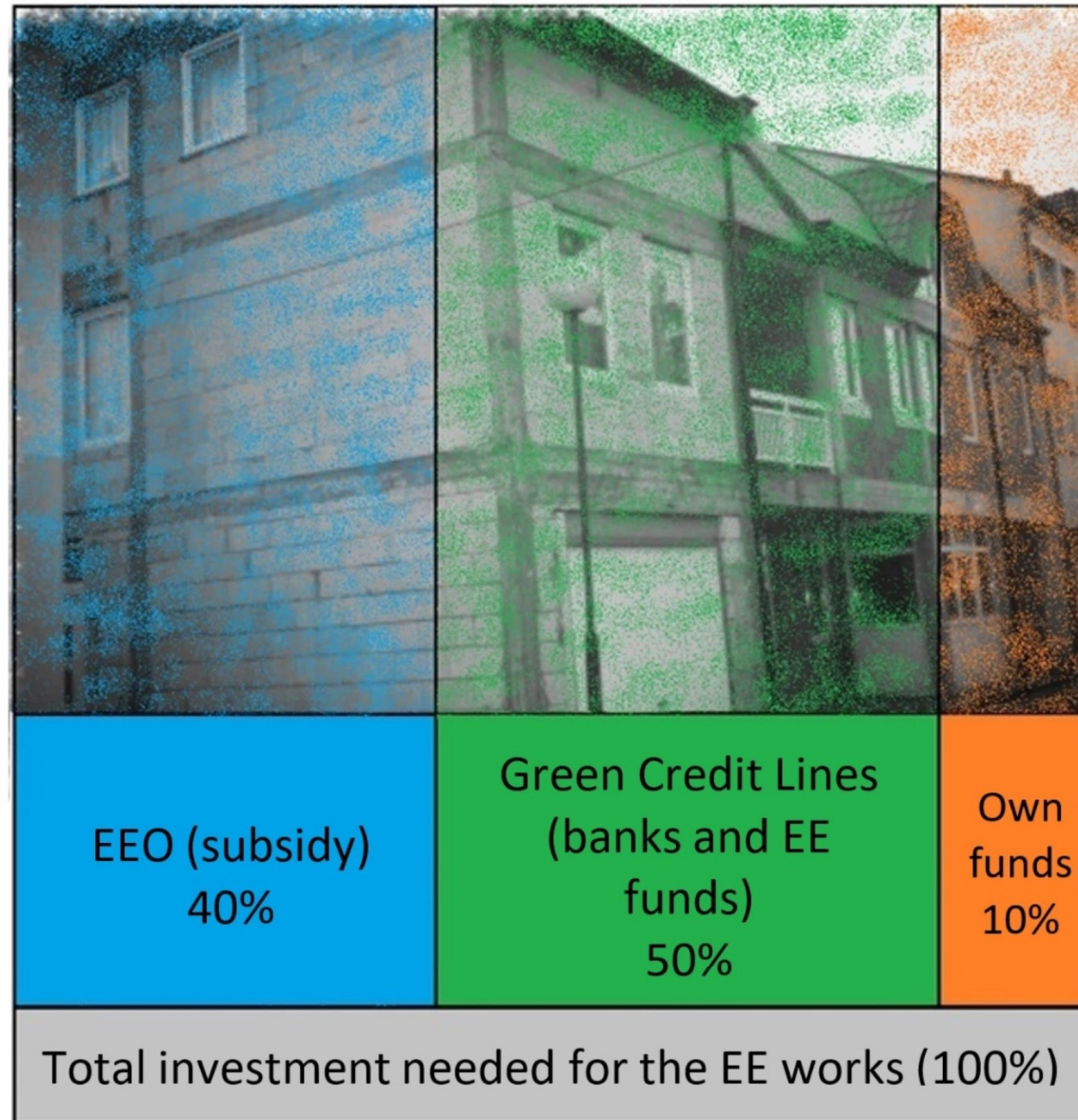
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Energy Efficiency Obligation Schemes

Distributors and/or suppliers are obligated to achieve energy savings by investing in their end-users' energy efficiency measures



An example of the financial structure for a single user:



Energy Regulatory
commissions

Electricity distribution
companies

EEO Financial Architecture

All energy customers pay
the EEO fee



Pay a share
for their EE
measures

Pay for the
EEO subsidy

Energy customers



EEO
Beneficiaries

Implement
subsidized EE
measures



Contractors

Energy customers



EEO Beneficiaries

EEO Beneficiaries

- Residential sector
- Focus on vulnerable customers
- Funds are invested where they are collected

Transparency

- EEO schemes provide better transparency. Independent Regulators monitor the implementation.

Lower costs

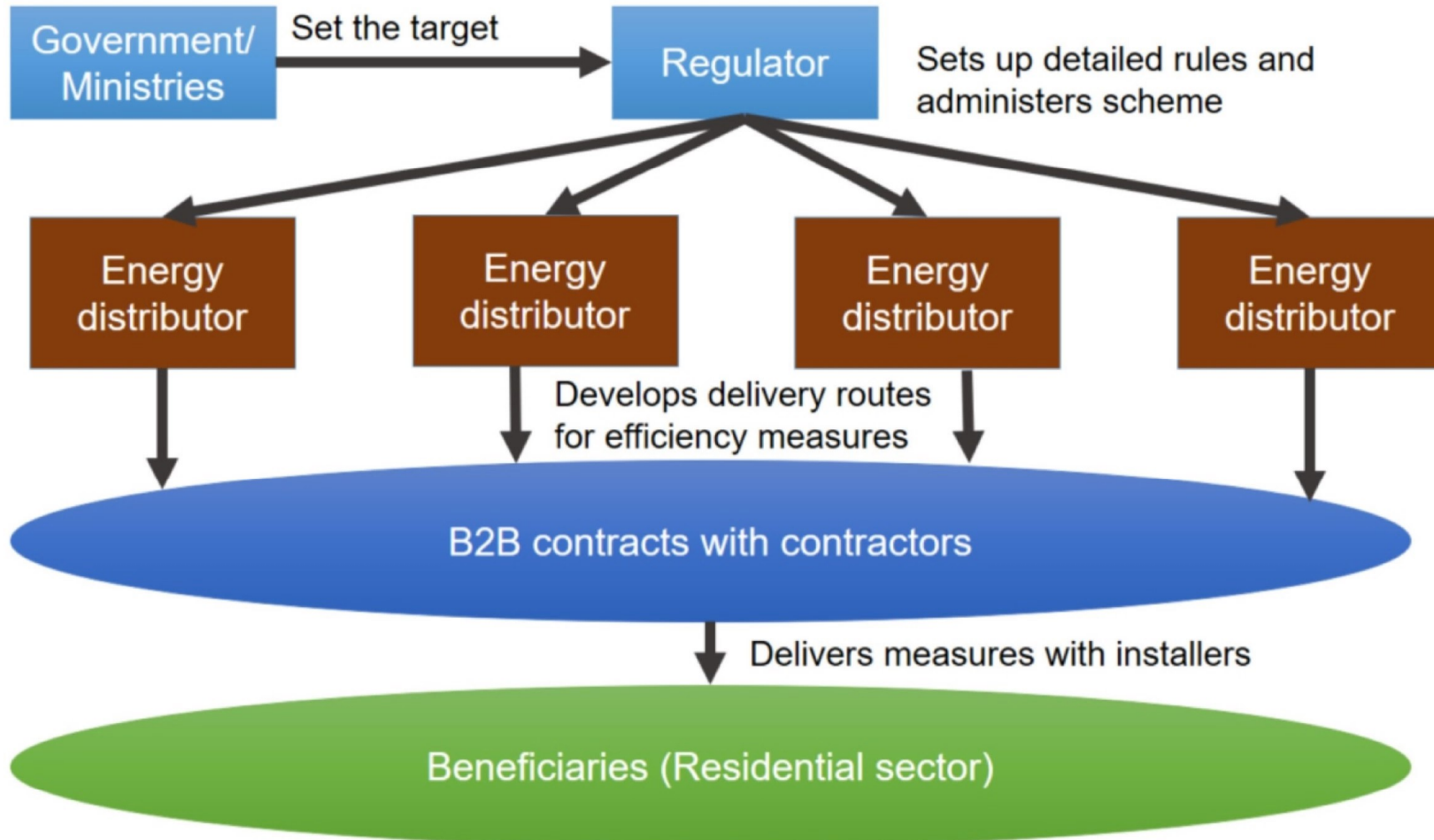
- By using the existing infrastructure of distribution companies and contacts with end customers.

Change of approach

- Companies that sell energy to end customers have an obligation to invest in energy efficiency measures.

**Energy Regulatory
commissions**

**Electricity distribution
companies**



EEO Administrative Architecture



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Economic Benefits of Investing in Energy Efficiency

The GDP multiplier for EE investments is up to 3.7 times

1 KM (Bosnian Currency) EE Investment



GDP impact



Annual EE investment of
100 million KM
=
GDP increase in BiH of
aproximately 1%



New jobs!



**Near 5,000 new jobs in
manufacturing and
service sectors**

**Doubled or tripled demand
for materials and
equipment**



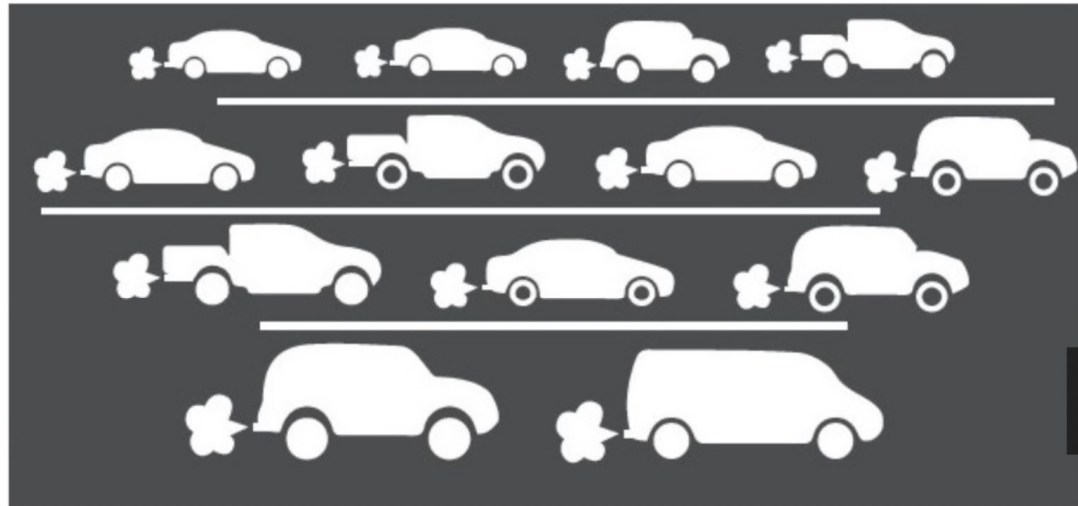


Energy saving and pollution reduction!



**Annual energy savings
equal to the annual
electricity consumption of
17,000 average households**

**Annual reduction of CO2
emissions equal to the
annual emissions of 19,000
vehicles**





Status and Next Steps

- Finalization of the BiH EEO Model with the EEO Working Group and Experts
 - EEO Model Outline
 - Guidelines for Legislation Development
 - EEO Decree
 - Amendments to Laws
 - Methodologies
 - EEO Rulebook
- Work with key stakeholders to lobby for the implementation of the EEO



Thank you!

USAID Energy Investment Activity
www.usaideia.ba