

We lagged behind the countries of the region and the European Union (EU). Now, Bosnia and Herzegovina (BiH) has begun the process of the energy transition, and thus the fulfillment of EU directives in this area. The Federation of BiH (FBiH) government has adopted a set of reform laws that bring the energy sector closer to European standards. BiH has so far achieved 39 percent of its planned goals and commitments in the areas of transition.

We have already taken the first step towards market liberalization and clean energy with the adoption of the Draft Law on Electricity and the Law on Regulation of Energy Activities. As announced by the line minister, the laws on renewable energy sources, as well as on gas, and amendments to the Law on Energy Efficiency will soon be sent to the Government of the FBiH.

Only in the energy of the sun and wind, which is the most economically viable, BiH has the potential to produce electricity that is twice as great as our current and future needs in the next 30 years. In the production of electricity, we have 40 percent of production from renewable sources, as well as the use of that energy, experts say. They also emphasize that 'Elektroprivreda BiH' cannot be the bearers of energy transitions, primarily because they are insufficiently financially ready, as well as that they do not have enough knowledge and professional capacities to do the process themselves.

"Currently, the so-called Energy Integrated Climate Plan is being adopted, which must be very ambitious, and given that BiH is a signatory to both the Sofia Treaty and the Paris Agreement, it has committed itself to follow EU directives in the direction of decarbonization and the transition from fossil fuels to renewable energy sources, which means that the construction of new thermal blocks, including Block 7 of the Thermal Power Plant Tuzla, is very questionable, not to mention some other announcements," points out Nihad Harbas, an energy expert.

And during the energy transition, coal mines and thermal power plants will inevitably be closed. Elektroprivreda has already started the process of transforming its product portfolio with the aim of reducing the share of coal production. The process of reorganizing the mine will begin, which Elektroprivreda is working on intensively. The first funds for this purpose in the amount of 125 million BAM have already been allocated. International financial institutions have expressed interest in this direction.

"Although long-term plans for BiH have not yet been adopted, the trend of declining coal use has actually begun. Thus, starting in 2018, Elektroprivreda BiH, in accordance with the National Emission Reduction Plan, started limiting working hours for three units that will be stopped in 2023," Elektroprivreda BiH stated.

"It is important now to adjust the policy of the state regulator, energy regulator, and both ministries so that new production facilities can be placed in space as soon as possible, procedures are complicated, and the second is to adjust the policy of regulated tariffs for the distribution network," points out Janez Kopac, former director of the Energy Community Secretariat.

BiH still has a long way to go to decarbonize the energy sector, ie introduce as many renewable energy sources as possible. But serious consequences await us if we are late in this regard again. The first of the consequences that have been announced for a long time will be the impossibility of exporting electricity from Thermal Power Plants due to too high prices. This was also the case in Macedonia last year when it was left without electricity because of delays in the transition process, BHRT writes.