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China is not giving up on plans to invest in Bosnia and Herzegovina's coal-fired power system, despite warnings that it could jeopardize plans to reduce carbon dioxide emissions and align with EU environmental policy.

The Chinese companies "China Gezhouba Group Company" (CGGC) and "China Energy Engineering Group" (GEDI), which in 2014 signed a contract with Elektroprivreda BiH on the construction of a new block of thermal power plant in Tuzla with a loan backed by the Chinese government, recently announced not to give up on the project despite the fact that the participation in it was canceled by the American "General Electric" (GE), which was supposed to make and design a key piece of equipment, and the German "Siemens" subsequently left the project.

The American company was supposed to build a boiler and a steam turbine generator, but "General Electric" announced in September last year that it intends to withdraw from such projects due to the global trend of phasing out the production of such energy. The Chinese then looked for an alternative in "Siemens", but that company also rejected them. BiH is among the few European countries that still count on coal in its energy strategy, and the explanation for the new investment in Tuzla was that it was necessary to replace the existing thermal power plant units based on outdated technologies and ensure BiH's energy independence by producing from its own sources.

The investment in Tuzla is estimated at one and a half billion marks, or about 767 million euros, but GE's decision to withdraw from the joint venture with the Chinese questioned the whole project, but the Chinese did not hesitate, so they now offer to continue the project. , and the equipment, instead of the American "General Electric", ie "Siemens", is made and delivered by the Chinese companies "Shanghai Boiler Works" and "Shanghai Electric Group". "We hope that the EP BiH and the authorities in the Federation of BiH will accept this alternative proposal so that the construction of Block 7 can begin as soon as possible, as this project is crucial for the stability of electricity production in BiH," the Chinese companies said in a joint statement. . Amendments to the 2014 agreement would have to be approved by the Parliament of the Federation of BiH at one of its next sessions.

Tuzlak Goran Stojak, who lives near the thermal power plant, hopes that members of the Federal Parliament will vote against, but not only against the contract changes, but against the entire Block 7 project, so the government will look for an alternative to this project on

another side. Stojak finds the reason for such an attitude in the air pollution that the inhabitants of Tuzla and its surroundings suffer from, but also, as he claims, because of the large number of sick and dead Tuzla citizens for whose fate he blames air pollution.

“The whole population here is already ill. We don’t care, spring, autumn, summer or winter, the air is always dirty. Of course, the worst is in winter, when the leaves fall, then the grayness and dirt are even worse. We don’t even invest in afforestation, in our country the forest is cut down, the trees disappear one by one, there is no control. People are sick here. Here, cancer is like a virus “, Stojak tells us.

“For years, landfills of waste material from the thermal power plant have been growing here, now that waste has reached people’s homes. People live here between two slag fields and a thermal power plant. Our children, when they are born, instead of their lungs starting to develop by breathing clean air, they inhale dirt and normally suffer from bronchitis from the early days, and then it develops into asthma. People talk about it among themselves, these are familiar things and there is no one who does not know someone who has fallen ill. We who live around the thermal power plant are just fighting to start treating us, to enter the ambulances and to see what is in the people’s files. We already know that our children will not be able to leave the house for seven days this winter. Our children are watching the snow through the window. ”

Stojak’s claims coincide with a joint report released last week by the CEE Bankwatch Network and the Center for Energy and Clean Air Research (CREA). It summarizes that coal-fired power plants in the Western Balkans continue to pose a serious threat to the environment in all countries in the region, but also in the European Union, after causing the premature death of at least 19,000 people between 2018 and 2020, of which more than 10 thousand in the countries of the Union.

“What is written in this report is data that is compared with the obligations we have undertaken through the agreement on the energy community. By 2018, we should have brought the emission of certain pollutants within the limits defined by one of the European directives. If we had done that, out of those 19 thousand estimated deaths, 12 thousand would still be alive. “Because our authorities did not force the public companies that control those thermal power plants to install desulfurization plants and filters to reduce particles, 12 thousand people died,” Denis Zisko from the Tuzla Center for Ecology and Energy told us, commenting on the allegations in the report.

“The thing is that, unfortunately, it is presented as a spin, that someone imposes those obligations on us. As if it doesn’t matter what it is about human lives and the protection of our citizens, but it is something that is imposed on us and thus creates a bad feeling among

the citizens. And Europe did not do that because of some lobbies, but because it wanted to protect its citizens, because it knows that by investing in pollution protection measures, it also protects its economy because the costs of treatment are lower and there are fewer lost working days. With this, it is obviously irrelevant to us how many people die, just not to get into their dividends that they share from time to time. ”

The European Union is still the main buyer of exported electricity produced by thermal power plants in the Western Balkans, but it accounts for only 0.3 percent of total electricity consumption, which also accounts for almost half of Europe’s air pollution. According to the calculations of analysts of these organizations, 10,800 people died in the EU in the previous three years as a result of air pollution from thermal power plants, while 6,500 died in the Western Balkans.

“Who is guilty? Everyone is to blame for that, except the population, the population is the least to blame. The authorities have not done anything, as soon as the winter passes, we continue as before, no one is doing anything. Elektroprivreda did not do desulphurization, nor did it do any other projects. Everyone is just spinning around and doing nothing. Neither cities nor municipalities have invested in reducing pollution. We are still surrounded by taxi drivers who drive cars with EURO 2 engines, in the houses of the lodge whoever arrives, even those settlements that can be connected to the central heating system are not connected ... ”, says Stojak, who is dealing with problems activated the pollution a few years ago, after his father, who was the owner of the pollution, contracted cancer and died. For years, he has been warning about the difficult life of people near the thermal power plant there. He claims that his neighbors are dying without anyone asking why or trying to help them.

“The key reason for that is the fact that no one wants to invest in order to reduce pollution. The air does not benefit politicians, the air is not visible, and they are not aware that it harms their children as well. We all pay with our health to make our electricity a little cheaper, and in reality it is not about the price of electricity but about the profit that is used for some other things. ”

Last year alone, in 2020, coal-fired power plants in Bosnia and Herzegovina, Serbia, Northern Macedonia, Montenegro and Kosovo emitted two and a half times more sulfur dioxide (SO₂) than all other such power plants still operating in the European Union. . At the same time, they released 1.6 times more dust particles into the air than foreseen in the national plans to reduce harmful emissions (NERP) for the period from 2018 to 2020. The total three-year costs that affected countries have due to air pollution are estimated at 25, 3 to as much as 51.8 billion euros.

Coal-fired power plants in the Western Balkans alone in 2020 caused additional costs for treatment and health care systems and reduced the impact of the local economy to a total of at least six billion euros and potentially up to 12 billion.

“After the signing of the Sofia Declaration in November last year, we undertook the obligation to decarbonise the society by 2050 in accordance with the Green Agenda of the European Union. After that, some public appearances of people from the government and Elektroprivreda began, saying that the mines would be closed by 2050. It is logical that if you close the mines, then the thermal power plants will also close. It is a kind of introduction to what will inevitably happen “, comments Žiško on the data published in the CREA report.

“Some economic estimates say that TPPs can work for another 10-15 years and then they will be closed due to the economy, they will no longer be able to sell electricity on the market because energy from renewable sources is already cheaper than energy from coal. They would know that if all taxes were paid, that is, if they were not subsidized through the budget “, says Žiško, claiming that the fears that the closure of thermal power plants will mean the loss of thousands of jobs are unfounded. “The Sofia Declaration binds the nine billion euros that are available to the countries of the Western Balkans precisely for this just transition. Particularly fair transition in smaller communities that have no other income than those from coal such as Banovići, Breza ... We should start the transition now, withdraw those funds, not give severance pay to miners but create new jobs, retrain and lead the process about ten years. This must be done immediately, not waiting and telling people clearly that there is no future in coal, that the state has seriously started the transition of that sector and that it will help those people. On the other hand, you have thousands of people who are paid in the mines, but a very small number of miners. Most of the coal mined in BiH comes from surface mines and there are not too many employees there. In the Banovici mine, out of 2,700 people who receive a salary, only 320 miners go to the pit. ”

All the countries of the Western Balkans have violated the predictions in the national plans for reducing harmful emissions, so the Secretariat of the Energy Community, which brings together the countries of the EU and the Balkan regions, has initiated legal disputes. The biggest violations were recorded in Serbia, whose thermal power plants emitted more than 333 tons of CO₂ in 2020, which exceeded the amount emitted by as many as 221 thermal power plants that are still operating on the territory of the EU. The largest single pollutant with sulfur dioxide is the thermal power plant in Ugljevik, which emitted more than 107 tons of this harmful substance last year.

“The reason why Ugljevik appears in reports as the biggest polluter is because of the coal used there because it has the highest amounts of sulfur. That is why the shows from Ugljevik are always very high “, explains Žiško.

“The authorities in the RS entity installed a desulphurization plant at TPP Ugljevik last year, but that plant is not working properly because some previous interventions at TPPs have not been done properly. Consequently, they risk destroying that plant if they do not bring the level of PM particles to the permitted level. We have such an illogicality that TPP Ugljevik is the only older power plant that has installed a desulphurization plant, but that plant is not working. We have a similar case with one TPP in Serbia. The installation of a desulphurization plant entails an increase in the price of electricity. And here again we come to weighing profit – health. For now, profits prevail. There is not much thought about health “, claims Žiško, who believes that investing in coal-based energy would be not only harmful to the environment but also unprofitable, because BiH will have to pay penalties for CO2 emissions, so the electricity they would eventually export would be too expensive.

Warnings about the need for a more decisive EU approach to the problem of air pollution in the Western Balkans came at a time when Bosnia and Herzegovina is still considering the possibility of building new coal-fired power plants. There are plans to build eight new blocks of coal-fired power plants, one block each at the Gacko, Kakanj, Tuzla and Ugljevik thermal power plants, and a thermal power plant at the Banovići, Kongora and Sanski Most mines. All these blocks are accompanied by Chinese investors and Chinese technology. Currently, 70 percent of BiH’s electricity production is coal-based, and the mines employ about 14,000 people.

The project that causes the most attention, conflicts and doubts is certainly the construction of Block 7 of TPP Tuzla. Elektroprivreda BiH, with the support of the Government of the Federation of BiH, despite the opposition of EU structures, started the construction of a new block of TPP in Tuzla in cooperation with Chinese companies. Three existing units of TPP Tuzla should be shut down by 2025, and the fourth would continue to operate until 2035 after the overhaul, when it would be replaced by Unit 7.

“The Block 7 project is not on the verge of collapse. We do not want changes in the agreement with the Chinese, we have informed the FBiH Government and the FBiH Parliament. We insist that the subcontractors be from Europe. BiH has not given up on Block 7. The Management Board and the Supervisory Board of EPBiH are working on a proposal that will be sent in the coming days to the Government of the Federation of BiH, ie the Parliament of FBiH. We want this document to cover all aspects of this project. EPBiH is in favor of continuing the project, but without changing the items in the contract as

proposed by the contractor, a consortium of Chinese companies “, Izet Žigić, President of the Supervisory Board of EPBiH, told Faktor last week.

According to the official data of Elektroprivreda BiH, in June 2020, by paying an advance to Chinese contractors in the amount of 214 million marks, the company fulfilled the last obligation under the Contract on Engineering, Procurement and Construction of Block 7 of the Tuzla Thermal Power Plant, which practically started all construction deadlines. in which about a thousand workers will participate, it is stated on the official website of this public company.

Although more than a year has passed since the advance payment, work on the 612m-euro project has not even begun. Only Elektroprivreda BiH has completed the preparatory works worth 19 million KM. The Chinese have requested changes to the agreement, which are not agreed to by the Government of the Federation of BiH, ie EPBiH, and now the entire project has been stalled.

“In the feasibility study for Block 7, in the calculation they had in 2015, the calculation that brought the project to a positive zero, it was calculated with a price of 7.2 euros 2035 per ton of CO₂. In August this year, the price was 61 euros! The papers of Elektroprivreda BiH say that, if any CO₂ emission tax is introduced, it will bring the whole project into question “, says Denis Žiško, concluding:” That project has been dead for five years. ‘General Electric’ withdrew from the project in November last year, they made a strategic decision that they will no longer be involved in coal-related projects. ‘Siemens’ has also withdrawn, and the equipment of ‘Siemens’ and GE is clearly defined in the tender documents of the contract signed with the Chinese company that won the job. In my opinion, that contract is no longer valid. ”

Source: stav.ba.