

Bosnia and Herzegovina committed not to use the environmental permit issued as a result of the non-compliant environmental impact assessment procedure of the planned 600 MW Ugljevik 3 thermal power plant in Republika Srpska, the Energy Community Secretariat said in a press release.

The commitment came as a result of mediation conducted under the auspices of the EnC Secretariat's Dispute Resolution Centre.

The coal-fired power plant is to be constructed by Comsar Energy Group near the existing power plant Ugljevik 1. After receiving a complaint, in July 2017 the Secretariat initiated a dispute settlement procedure claiming that the permitting procedure of the planned TPP Ugljevik 3 failed to comply with the provisions of the Environmental Impact Assessment Directive.

According to the Secretariat, the settlement agreement was signed before the EnC's Ministerial Council, held yesterday in Skopje.

"BiH committed, with the agreement of the investor, Comsar Energy Republika Srpska Ltd. Banja Luka, not to use the environmental permit issued as a result of the non-compliant environmental impact assessment procedure," the Secretariat's press release reads.

The investor has the possibility to initiate a new environmental impact assessment procedure, which will be completed with the support of the Secretariat.

The Ministerial Council was due to take a decision in this case, but the Secretariat withdrew the case from the agenda of the meeting.

Tuzla 7 power plant is a new problem

TPP Ugljevik 3 is not the only coal project which is causing problems in relations between BiH and the Secretariat.

In October, after receiving a complaint, the Secretariat sent a letter to the Parliament of the Federation of Bosnia and Herzegovina in which it raised serious doubts about the State Aid Council decision to back the BiH authorities' decision to approve a state guarantee for the EUR 614 million loan to state-owned power utility Elektroprivreda BiH for the Tuzla 7 project.

The State Aid Council responded that its decision is in line with the BiH and EU state aid regulations.

Public power utility Elektroprivreda Bosne i Hercegovine has signed a loan agreement for financing the construction of a 450 MW coal-fired unit 7 in TPP Tuzla. The project is worth EUR 722 million.

4 coal-fired power plants in the pipeline

BiH gets more than half of its electricity from hydropower plants, but the rest comes from 5

BiH; Ugljevik 3 power plant project not to use approved environmental permit

plants powered by lignite, while the country plans to build 4 more - Ugljevik 3, Tuzla 7, Gacko 2, and Kamengrad. Except Ugljevik 3, all the other will be built with loans and construction companies from China.

Public power utility Elektroprivreda Republike Srpske has set up a joint venture to build a 350 MW coal-fired power plant Gacko 2 with two Chinese companies.

The project Mining and Thermal Power Plant Kamengrad has so far been backed by a memorandum signed by China Energy Group and private company Lager Ltd Posušje.

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