

Elektroprivreda BiH announced on October 21 that the land on which Block 7 of the Tuzla thermal power plant will be built is almost completely ready for a Chinese investor. Block 7 will be financed by a loan from the Chinese Import and Export Bank (CEXIM) in the amount of 641 million euros. The guarantee for the loan, with the opposition of the Energy Community, was given by the House of Representatives of the Parliament of the Federation of Bosnia and Herzegovina (BiH) last year.

During November this year, within the Energy Community, a hearing will be held on the report against Bosnia and Herzegovina for violating the legal order of the Energy Community in providing a state guarantee for the construction of Block 7 of the Tuzla Thermal Power Plant.

The biggest sanction for BiH is precisely that it proves that it cannot respect the rules of the international organization it is a member of, and it wants to join the European Union (EU), says in an interview with Radio Free Europe the director of the Energy Community Secretariat Janez Kopac and adds:

I think that the Council of Ministers will support our proposal in which this violation is established. We have another session of the Attorney General's Office, which is our body called the Advisory Committee. Both sides, the Secretariat and BiH, must face it once again. I don't think there will be anything new.

This is not the first non-compliance with the rules of the Energy Community by Bosnia and Herzegovina. For us, it is disputable legally and formally, that state guarantee that was issued in the amount of one hundred percent of the investment, and since Elektroprivreda BiH is a market company, it should be a maximum of 80 percent of the investment. This is the most significant violation, that is, in our opinion, non-compliance with the rules of the Energy Community. By the way, which is not formal, my personal opinion is that this investment will be an economically very big burden for the Federation of BiH.

Today, no one builds coal-fired power plants anymore. I think this will be the last in all of Europe, from the Atlantic to the Urals, because it does not pay off, because the construction of new facilities on renewable energy, solar and wind, is cheaper than existing coal-fired power plants, let alone new ones, which must have built-in anti-emission filters.

In addition, Bosnia and Herzegovina will probably have to start taxing carbon dioxide soon. This is the so-called carbon pricing, charging carbon dioxide. In the European Union, it is about 25 euros per tonne, which means that it is approximately 25 euros per MWh. The current price of electricity, if we take into account the price of carbon dioxide, would be so high that many would find it difficult to survive. That awaits Bosnia and Herzegovina. Then that investment will prove to be economically very, very questionable. But that is not up to

us. It is up to those who will pay for it, meaning the citizens of the Federation of BiH. The second procedure is due to the non-separation of Elektroprivreda BiH, where the distribution would have to be separated from the production company, ie. from a thermal power plant. It has not been completed yet, and it should have been completed in 2006. Then, the misdemeanor procedure for non-transposition of legislation at the state level is the well-known law on the electricity regulator and the law on the electricity market, which was written a long time ago in the form of a draft, in some way confirmed by the state and entity ministries, and never adopted. Then there is the misdemeanor procedure related to the Brod Refinery, due to fuel oil that has too much sulfur. Well, misdemeanor procedure due to non-transposition of the directive on energy efficiency, primarily in the territory of the Federation of BiH et. cetera.

### **Consequently high gas prices**

I must say that in Republika Srpska they are not thinking seriously about any new investments in thermal power plants, and they have installed filters in TPP Ugljevik. This has not been done in the Federation yet, so Kakanj and Tuzla, the existing blocs, are all in question, not only because of decarbonisation but also because of compliance with the rules arising from the directive on large fireplaces that came into force in 2018, and Bosnia and Herzegovina would have to install filters against dust, sulfur dioxide, nitrogen oxides or close these thermal power plants. I do not know that, except for Ugljevik, any thermal power plant would now be in the phase of installing these filters.

The biggest sanction is that Bosnia and Herzegovina punishes itself. Due to the lack of gas legislation, there is no competition and it has to pay too high gas prices. If there was competition, gas prices would be much lower today. And there is no investment in the gas sector. Who will invest if there is no legal order? There is no law at all in the Federation of BiH. Republika Srpska at least has its own law, which is pretty good.

Brod Refinery, with too much fuel oil - it harms the health of citizens around Brod, it also harms citizens in neighboring Croatia, as far as health is concerned, but that price is paid by the health system of Bosnia and Herzegovina. Then, non-compliance with the directive on large fireplaces, the victims are again the citizens of Bosnia and Herzegovina, because of all the shows that kill people, send them to hospitals and deprive them of a normal life. All this is in a way a sanction, but the citizens of Bosnia and Herzegovina must understand that no one from outside will pressure them with some punishment, but these changes must take place in the country itself.

Source: [radioslobodnaevropa.org](http://radioslobodnaevropa.org)

Construction of Unit 7 of TPP in Tuzla - Bosnia will have to tax  
carbon dioxide emissions