

According to daily newspaper Dnevni Avaz, BiH is in danger of sanctions from the Energy Community. The possibility was confirmed by Barbora Poyner, Communication Officer in the Secretariat of the Energy Community.

While power utility Elektroprivreda BiH (EPBiH) is handing over the construction site of the new unit 7 in Tuzla coal power plant to Chinese partners, the Secretariat of the Energy Community is announcing possible sanctions over state aid. EPBiH has initiated the construction of a 450 MW unit to replace obsolete units 3, 4 and 5 at thermal power plant Tuzla. It earlier secured a EUR 614 loan from the Export-Import Bank of China or Chexim – China Exim Bank, and China's Gezhouba consortium was hired to build it. As part of the dispute settlement procedure, a hearing will be held before the advisory board on November 6.

The secretariat claims that the Tuzla 7 project received illegal state aid, so in March last year it initiated a dispute settlement procedure against BiH.

### **BiH may be left without certain rights which derive from the Energy Community Treaty**

According to Poyner, as part of this procedure, a hearing will be held on November 6 before the Advisory Board of the Energy Community, to which BiH representatives have been invited. The hearing is one of the steps in resolving disputes initiated by the secretariat. If it is proven that BiH has breached the state aid acquis regarding the Tuzla 7 project, the country's rights deriving from the Energy Community Treaty could be limited. For example, it could impact the right to vote or the country will be excluded from meetings or mechanisms envisaged by the treaty, she added.

### **EPBiH prepared EUR 200,000 for lawyers**

A few weeks ago, EPBiH announced a tender for the procurement of legal services in the dispute settlement procedure with the secretariat. The estimated value of the procurement is EUR 200,000 while the deadline to submit bids is November 2.

### **Construction site ready for China's Gezhouba consortium**

In the meantime, a consortium of Zenica-based ITC, Integral Inženjering Banja Luka and Prijedor Putevi, selected by EPBiH, is completing preparatory works for the construction of unit 7. The value of the activities that started in November 2019 is almost EUR 9.5 million. Senad Salkić, executive director for capital investments at EPBiH, said the construction site is almost completely ready and that it would be handed over to Chinese partners in the next

few days.

Experts from EPBiH and the partners from China are jointly preparing the basic design of the project. Experts from EPBiH are developing the basic design of the project with representatives of the partners from China. According to Salkić, the Chinese side will then prepare the main project and start obtaining building permits. The preparatory works included cleaning the area between 320,000 and 340,000 square meters, filling about 380,000 cubic meters of material, installing five kilometers of underground pipelines, extending the main collector by almost 800 meters and installing a fence of 1,800 meters around the construction site.

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