

The Vienna-based Energy Community has initiated proceedings for “non-compliance of the issued guarantee with the state aid rules, which was approved in favor of the Chinese Export-Import Bank for a loan to Elektroprivreda BiH d.d. Sarajevo for the project of construction of Block 7 of TPP Tuzla “.

Senad Salkic, Executive Director for Capital Investments in Elektroprivreda BiH, stated that the procedure before the Energy Community against Bosnia and Herzegovina in the case of state aid to Elektroprivreda BiH in the project of construction of Block 7 of Tuzla Thermal Power Plant was reversed after a hearing in Vienna ten days ago.

“At the Advisory Committee of the European Commission, which was held ten days ago, it was decided to go back the whole procedure and wait for the opinion of the Advisory Commission, which will give its opinion on the whole case - whether there are any violations, ie whether there are state help in the guarantee issued by the BiH government and only then will it decide on the next steps, ie whether the procedure will go before the EU Council of Ministers “, said Salkic and expressed hope that the procedure against BiH will be suspended.

Salkic says that Elektroprivreda BiH, as a public company, pointed out that it has nothing against the competencies of the European Energy Community and that it is firmly committed to respecting all directives prescribed by the EU and the Energy Community. “But, in this case, we have clearly said from the beginning that the Secretariat of the Energy Community is committing procedural violations through a tendentious, aggressive approach to the entire project and trying to break this case” over the knee “and impose sanctions on BiH, without a real reason.” Salkic pointed out.

Stating that before the hearing, a confirmation was received from the market, more precisely from Raiffeisen Bank, Salkic explains that the conditions under which the Government of the Federation of BiH paid the guarantee to Elektroprivreda BiH are the same conditions under which such a guarantee could be obtained on the open market. The BiH State Aid Council approved state aid to Elektroprivreda BiH in the form of a loan guarantee in the amount of EUR 614 million for the construction of Unit 7 of TPP Tuzla. For the Energy Community, this is state aid and a deviation from the Energy Community acquis on competition, and is a violation of the provisions of the Energy Community Treaty.

When asked when the final outcome could be known, Senad Salkic, who was a guest of the BHT1 live show with Branko Maric, the legal representative of the EP BiH, said that the situation was strange.

“The mandate of the EU Advisory Board expires on December 31, 2020. The competition for new members has not been announced yet. When a decision will be made depends on

whether there will be existing or new board members. We hope that they, whoever they are, will make the final decision on the basis of the law “, said Salkic, emphasizing that the Secretariat of the Energy Community proposes these members while they are confirmed by the Council of the European Union. “We stand for everything that is the legal acquis of the EU, our insistence is in the background of the fight for the rights of all members.” We have an ongoing project, EP BiH and the FBiH Government have committed themselves and the position of the Secretariat should not stop the construction of Block 7. EP BiH wants to get time to build renewable energy sources. ”

Salkic says that the preparatory phase for the construction of Block 7 has been completed. “Around January 15, we will hand over the construction site to the Chinese, and in the second half of next year we expect bigger works,” says Salkic, denying the announcements from the media about the withdrawal of Chinese partners.

According to Salkic, there is no doubt that Block 7 will be energetically acceptable.

“The question is whether the state helped the EP BiH in any way or not. Illegal state aid exists only if the competition law is violated, to which the whole of Europe is extremely sensitive. In simple words: Someone’s interests should be endangered because the FBiH Government gave a legal guarantee to Exin Bank, a competitor should appear for that bank, but there was no other offer on the table “, explains the legal representative of the EP BiH Branko Maric.

According to him, the EP BiH would be happy if some players from America or the West appeared, who would finance the project from 600 to 700 million euros. Emphasizing that the Secretariat of the Energy Community should have done its job by reviewing all the evidence, Maric commented that “based on that, they should have given an expert opinion on the basis of which the Ministerial Council of the Energy Community will determine whether something has been violated.” They constantly prevent us from showing that there is no state aid, “said Maric, emphasizing that there were no procedural possibilities for the EP BiH to emphasize everything it wants.

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