

The Constitution of Bosnia and Herzegovina prevents the adoption of meaningful energy policy because different instances of government do not necessarily coordinate their decision or policy. Discussions, as well as investments in the sector, mostly glimpse the western neighbors, without taking into account the specificities of BiH.

Coal and salt industries are probably the most shaping of how people like to imagine Tuzla. Without them, the city would simply not be the same, because coal and salt are inseparably related to the circumstances in which the city has developed over the last five decades.

Since the construction of the Tuzla Thermal Power Plant, the energy industry has provided a much-needed safe existence for a significant number of people - the coal, that for decades has been the cheapest energy raw material, has brought countries such as Bosnia and Herzegovina into an economically favorable position, which has largely ignored the public ecological consequences of its exploitation and combustion.

In the last ten years alone, the intensive development of technology has enabled the efficient use of renewable energy sources and a new phase of energy transition, which is aimed at completely abandoning coal as a fuel by 2050. For the electricity sector of Bosnia and Herzegovina, which receives most of the electricity from coal-fired power plants, energy transition is a major challenge.

In the shadow of the interests of the European Union

Although the share of Bosnia and Herzegovina in the greenhouse gas emissions of 0.08 percent is not individually significant, the consequences of the emissions are being sought globally, because countries like Bosnia and Herzegovina, who want to become part of the European Union, are obliged to follow its energy policies. This would in particular mean changing national energy policies, limiting greenhouse gas emissions, and investing in renewable energy sources. The interests of the European Union lie in the most efficient energy transition, with the existing members setting high standards. Seven EU countries have already announced that they will shut down all coal-fired power plants by 2030, while closing more than half of such thermal power stations in Europe by 2030, according to The Guardian, would avoid a loss of around 22 billion euros.

During this time, the energy transition of Bosnia and Herzegovina is taking place in the way that its peripheral position demands - in the shadow of the interests of the European Union.

A significant step in Bosnia and Herzegovina was the signing of the Energy Community Treaty, which made the country part of the European regular framework. The goal of establishing the Energy Community is to create a single electricity market for non-EU countries, which allows free trade in electricity and gas. One of the obligations of non-member countries is the increase in the share of renewable energy sources. Thanks to the

capacity of thermal power plants on biomass and hydroelectric power plants, the current state of the energy sector of Bosnia and Herzegovina currently accounts 34% for renewable energy sources, which, according to BankWatch, should increase to 40% by 2020.

Completed construction of one of the announced construction of a wind farm in Herzegovina shows that, with a better development strategy, the goal is not (was) unachievable, and a gradual energy transition is not feasible. Regardless of the trends, Bosnia and Herzegovina's power sector continues to rely on the construction of coal-fired power plants - more or less seriously considering the construction of eight blocks of thermal power plants that will use the so-called clean coal, which would significantly reduce greenhouse gas emissions, and preserve the mines from closing. But, because of the energy policy of the European institutions, they are not interested in financing the construction of new coal-fired power plants, the authorities of Bosnia and Herzegovina have, not accidentally, found investors in China.

Clean coal and its dirty secrets

Thanks to the collaboration between China and the United States of America to explore coal combustion technologies that date back to the early '90s, and an initiative that has facilitated the simple commercialization of technology, China has become one of the leading countries in the field over the past 20 years. Although research by coal combustion technology has allowed energy expansion, China, as the Guardian says, slowly stops. In October 2017, China announced that it would suspend work on the construction of 151 thermal power plants for coal, with a total power of 50,000 megawatts. The construction of these power plants, due to the way the energy market works, would not directly increase the carbon dioxide emissions, but as a sustainable energy expansion requires an increase in the share of electricity generated from renewable sources, Chinese coal investments are moving to countries like Bosnia and Herzegovina.

The financial viability of these investments is questionable given how clean coal, euphemism that has settled as the name of coal combustion technology in an environmentally more efficient and medically less dangerous way, has its dirty secrets.

Unlike coal, the price of gas and petroleum products, and their distribution depends on unstable political circumstances; nuclear physics technology has never been conventionally available, and the potential danger that nuclear power plants and the storage of waste carry in the eyes of the public has always been greater than the potential of nuclear power. While the security issue is an integral part of, and sometimes, a focus on the use of nuclear energy, the consequences of using coal have not been discussed, and the price of electricity generated by coal combustion has never reflected the effects of exploitation and combustion

on the wider community, nor its environmental costs. Consequently, coal has until recently been a basic energy resource, and the direct costs of electricity generated by coal combustion were considerably lower than those obtained in alternative ways.

This has been favorable to countries such as Bosnia and Herzegovina whose abundant coal deposits, existing thermal power plants and developed electricity and energy infrastructure have enabled the country's energy independence, while transient chaos and cheap labor costs have guaranteed more than competitive electricity prices and profitable trading profits electricity.

The price of transition

Regardless of the fact that the energy sector of Bosnia and Herzegovina is currently stable and that new investments promise to preserve the existing capacities, the global coal market is showing signs of instability. For several years in a row, the global market has stagnated, which last happened in the early '90s, and the Chinese market is conditional on the volatility of the price of this energy source. Since renewable energy sources have become sufficiently efficient, coal, if it used to be, will not be the longest energy source for long.

A key moment in the energy transition of Bosnia and Herzegovina will be the adoption of a system of trade in emissions. Member States of the European Union and several other developed countries have set limits to this system, which functions on the principle of "restrictions and trade", which seek to regulate the emission limit values for greenhouse gases. In theory, this system should function so that the price of electricity generated by the combustion of fossil fuels increases along with the emission of greenhouse gases, and for emissions over set limits, additional charges will be made.

The Treaty establishing the Energy Community does not currently rely on the emissions trading system, so Bosnia and Herzegovina is not yet obligated to respect these limitations, but it is expected, as future members, that its energy policies are in line with the policies of the European Union. With the fees that electricity companies already pay for ecological pollution, the open energy market, and subsidies for the research and use of renewable energy sources, the emissions trading system is the biggest danger that coal investments become so-called stranded assets.

Without a clear strategy, energy transition becomes a perfect illustration of the situation in Bosnia and Herzegovina, a country trapped in post-dictatorial dysfunction, whose state institutions are declaratively committed to implementing progressive energy policies, while those entities provide guarantees for potentially unsustainable investments. The price of these investments, dirty energy and environmental pollution can be significantly higher than

the state and its inhabitants can pay.