Due to the increase in the price of Russian gas, Germany is the first in a series of European countries to announce the reactivation of closed coal-fired power plants, a random announcement came from Romania, while Italy announced higher electricity production from active coal-fired plants. To what extent can the new situation disrupt the planned rate of coal abandonment in Europe?

It is true that various countries are considering reactivating their coal power units which have been on standby while some others have informally mentioned extending the lifetimes of coal plants beyond the planned closure dates. At the same time, the EU announced new package of sanctions that include a ban on coal imports from Russia. This ban means around 13% of the EU's coal for power will stop, and this is a positive development.

Although it is hard to judge at this stage how much Member States will insist on increasing their coal power production, it is not realistic to expect a new return to coal power production hype in Europe: coal remains expensive, so the majority of economic stakeholders such as investors, financiers and insurance companies have lost their appetite for coal and have made divestment pledges already. Furthermore, EU climate and energy policies, including the EU climate law, that aim to deliver the EU's 2030 climate target, are safeguarding any radical shift towards coal.

The EU and countries in Europe need to accelerate the energy transition based on energy savings and renewables. This is not only to tackle the climate crisis, but also to ensure energy security and as the best insurance against energy price surges, helping protect the most vulnerable.

What does this mean for the global goal of achieving zero net greenhouse gas emissions by 2050?

In order to achieve the goal set by the Paris Agreement – to limit global warming at 1.5C – the EU must be climate neutral by 2040 according to CAN Europe's assessments and achieve at least 65% greenhouse gas emission reductions by 2030. This means that Member States must phase out coal by 2030. Any delay in doing so would risk missing the Paris Agreement objective with significant costs for current and future generations as highlighted in the very recent IPCC report.

The current situation caused by the Russian aggression in Ukraine, EU's sanctions and gas price hikes really strike the moment for a rapid shift to energy savings, efficiency and investments in renewable energy. Fossil fuels, including gas, are not legitimate in any case. Therefore, one cannot single out the potential delay in closure or reactivation for some coal units, from the even bigger potential and concrete incentives to increase renewables deployment and reduce energy consumption, when questioning the impacts on the overall global net zero debate.

So there is a possibility that we don't make. What will happen in the next three

decades if harmful gases stay above the red line?

The IPCC report, released earlier this month, warns that "the continued installation of fossil fuel-based infrastructure will 'lock-in' high GHG emission". CAN Europe asks the EU to phase out coal by 2030 and fossil gas by 2035 to keep in the 1.5 pathways. Coupled with the context of the invasion of Ukraine and the fossil fuels crisis, there has never been a clearer time to accelerate emissions cuts.

Even in the best case scenario, if we manage to keep temperatures around 1.5 degrees Celsius, the Mediterranean area, including the Balkan peninsula will experience harsh climate change effects, such as increased frequency of heat waves. This is all the more reason why the WB should push for climate change mitigation, but also look at ways to adapt to climate change effects through for example applying nature-based solutions. This essentially means using nature's services to dampen potential destructive effects of climate change – such as rehabilitation of river beds and wetlands, allowing for green spaces in urban areas, sustainable farming and others.

Unstable and unpredictable weather patterns are clearly noticeable across the Western Balkans peninsula. This manifests in long periods of droughts, followed by torrential rains that lead to floods, biggest of which Serbia experienced in 2014, forest fires in summer 2021, crop destruction and so on. This poses serious threats to food production, safety and health of human settlements as well as nature/biodiversity that we depend on.

Overall, these effects will intensify if we do not limit global temperature rise to 1.5C. This is why it is crucial to lower our carbon footprint and plan the energy transition in a just way.

Co2 taxes are one of the ways that the EU is cutting down harmful emissions. Can Europe thinks that Western Balkans states should introduce carbon taxes as soon as possible. Why should Serbia do so?

Polluters have first of all social and environmental responsibility. The effects of burning fossil fuels, and in mass, as is the case in Serbia, have a colossal impact on all living beings, public health and the environment. It is a social responsibility of polluters to pay their fair share for the effects deriving from their toxic activity.

Carbon pricing systems help countries, including the EU, implement the polluter pays principle and provide market signals needed to steer investments away from polluting and towards renewable solutions. The EU has established an Emissions Trading System (ETS), which has helped lower emissions particularly in the power sector, making coal burning increasingly costly and uncompetitive.

The introduction of a tax on carbon emissions in Serbia will have an impact on the price of electricity produced from coal. The state utility company, Elektroprivreda Srbije (EPS), must prepare itself for the tax and think as a body independent from the state. Relying on a safety net in the form of state subsidies and support does not incentivise EPS to lower its emissions and diversify energy production capacities. But direct subsidies in coal related

activities in Serbia by the state authorities have cost citizens 388 million EUR from 2015 to 2019. This figure excludes the costs shouldered by the public health sector. So real prices are not reflected, but masked through hefty support from the state. The introduction of a carbon price should be combined with thorough plans for applying energy efficiency measures and deployment of renewable energy sources. Energy systems integration will increase efficiency. As such, it is of fundamental importance that Serbia increases market coupling – namely forming an interconnected (European) market for electricity – as a way of achieving a pan-European energy market to which it has committed by signing the Energy Community Treaty.

Lastly, failing to timely introduce carbon pricing for carbon intensive industries might make it more difficult for Serbia to trade with the EU, its main trading partner. The EU is working to introduce a Carbon Border Adjustment Mechanism (CBAM), under which carbon intensive products will be taxed upon entry to the EU. If Serbia fails to introduce carbon pricing before CBAM is operational, the Serbian products can become less competitive for European markets.

Serbia is currently working on the National Energy and Climate Plan (NECP) which should define the tempo and way for phasing out coal. Which sources of energy should the NECP feature as alternatives? Is energy from small-hydro and nuclear power plants acceptable options?

We need a combination of measures that will help us eventually rely only on renewable energy. We need the integration of power generation systems with systems for heating and cooling, as well as energy storage facilities. This integration would ensure that energy use and distribution is more efficient, which in turn would mean lower energy consumption. Serbia must work in this direction and deploy the full potential of its renewable energy sources, as well as work on reducing energy demand through energy efficiency, for example on building renovations.

It must be underlined that Serbia’s transition must be clean. Coal reserves are running out, unless there is mine expansion at the price of health of people and the natural environment. Namely, no other fossil fuels, like fossil gas, should be used, due to high costs and almost certain possibility that these assets will become obsolete in 10 to 15 years. Therefore, Serbia’s best bet is to work on rapid and extensive deployment of renewable energy.

It is unfortunate that Serbia, as well as other countries of the Western Balkans, allowed the development of small hydro power plants, whose environmental costs outweighed the benefits many times over. Any investments in hydropower must be environmentally sound. Of course, the wind and solar potential must be used thoroughly. But also allow individual consumers – prosumers – to be part of the energy transition, through incentives for individuals and communities who produce energy and feed it to the grid.

Nuclear power is not a viable option either. For example, even if security risks and high

investment costs for this technology were to be reduced, it would be extremely unrealistic to expect nuclear power to grow at the same pace as renewables. Furthermore, Yugoslavia signed the Nuclear Non-Proliferation Treaty (NPT) in 1970, which means that Serbia does not have the capacity nor the legal framework for that, Can Europe reports.