

The new block of the Rovinari coal power plant was unprofitable from the beginning and could not work with the lignite prices that were predicted, and the assumptions used to calculate the profitability were also incorrect. For example, the fee for carbon dioxide (CO<sub>2</sub>) that must be paid in the European Union was estimated at 21 EUR / t, but the fee is already higher than 27 EUR / t. The company Complexul Energetic Oltenia already has big economic problems. The company did not go bankrupt, only thanks to the one-time state aid it received this year for restructuring, even without the costs of building the new block. Stories about Kostolac B3 in Serbia and Tuzla 7 in Bosnia and Herzegovina could have a similar epilogue, with severe consequences for state-owned companies that promote them, as Majda Ibrakovic from Center for Environment points out.

After the Romanian Minister of Economy, Energy and Business Environment last week confirmed that Romania will no longer build new coal-fired power plants, Serbia and Bosnia and Herzegovina remain the only countries in Southeast Europe still planning to build them. With this decision, the project of building a replacement block of 600 MW in the thermal power plant Rovinari, in Romania, was canceled. This project was planned in cooperation with the state company Complexul Energetic Oltenia and Chinese partners since 2012. "Exactly the case of TPP Rovinari shows what awaits BiH and Serbia in the near future, if they do not follow the process of decarbonisation. We need to give up harmful thermal power plants at the same time and redirect all our resources to the energy transition, otherwise – our society could equally end up in failure. ", says Majda Ibrakovic.

A feasibility study for TPP Kostolac B3 omitted CO<sub>2</sub> prices, stating – without any legal basis – that if introduced, they would be paid by the government. The feasibility study for Tuzla 7 also unrealistically estimated that the CO<sub>2</sub> fee will not be introduced until 2034, at an unsubstantially low price of 7.10 euros. However, it is clear that these countries cannot continue to trade electricity with the EU without playing by the same rules as EU operators. Therefore, the EU is currently planning to introduce a customs tax on imports from countries that do not have a CO<sub>2</sub> trading system(ETS), and the Energy Community is exploring the possibility of introducing a CO<sub>2</sub> trading system in the region.

"The Green Agenda for the Western Balkans, signed by the region's governments last week, means that we will stop using fossil fuels – coal, oil and gas – in the near future. It is a strong political message which, together with encouraging news from Romania, is a clear indication that it is high time to abandon the construction of new coal-fired power units in the Western Balkans, "said Denis Zisko from the Center for Ecology and Energy.

The failure of the new project at the Rovinari thermal power plant is a strong message to Serbia and Bosnia and Herzegovina, which, in addition to the Kostolac B3 and Tuzla 7

## Serbia and Bosnia only countries in the region that plan new coal-fired thermal power plants

thermal power plants, are planning several more such projects: Kolubara B, Kakanj 8, Banovici, Gacko II and Ugljevik III. Like Serbia and Bosnia and Herzegovina, Romania hoped it could benefit from Chinese funding to build new coal-fired units, but did not take into account today's economic reality, which makes coal uncompetitive.

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