

Since BiH is one of the countries in the region, which plans to continue exporting electricity, including exports to member countries of the EU, BiH authorities should take into account the possibility that the EU will tighten the rules regarding the import of energy from fossil fuels. It is planned as part of a policy to avoid “exporting pollution”. Our coal fired power plants currently generate app. 9500 GWh of electricity annually, casting at the same time in the atmosphere app. 9.5 million tons of carbon dioxide, while new blocks are either under construction or being planned.

Emission of carbon dioxide (CO<sub>2</sub>) has to be paid and this Community, consisting of member states of the EU and the Western Balkan countries, plans to include all members in the Emissions Trading Scheme ETS. Potentially, BiH could become a member of the EU in ten years, but even if we do not become a member, Brussels won't certainly allow the “big chimney” in the heart of Europe. Experts who spoke to “Dnevni list” estimate the bill that BiH should pay out of existing and planned power plants could be around 282 million euros per year, since the price could rise from five to as many as 30 EUR per ton of CO<sub>2</sub>, what is expected already in 2025.

#### Pollution price

These announcements, as many before, are still comprehended with frivolity in BiH. In September last year, Bosnia and Herzegovina narrowly avoided the sanctions that are still “over our head” due to failing to adopt the Law on gas. They could potentially include a ban on exports of electricity, and a ban on access to energy resources of the European energy community members.

What would that mean for Bosnia and Herzegovina, speaks the fact that, in the first quarter of this year, our country exported electricity worth app 105.1 million KM, while simultaneously imported electricity worth 21.3 million KM. However, in BiH 70% of its electricity is produced from coal annually, and 30% is generated by hydro power. In front of our country are the two choices: one is the dependence on fossil fuels, and the other is moving to safe, clean and cheaper systems that the EU is already considerably developing. Despite announcements of CO<sub>2</sub> emissions' price increase, BiH authorities are planning further development of the use of coal by app. 1.95 GW, also because the emissions of CO<sub>2</sub> in BiH is still not paid as much as in the EU. Thermal power plant “Tuzla” is present with the block 7 (450 MW), Kakanj 8 (300 MW) Ugljevik III (600 MW) and Banovici (300 MW), while TPP “Stanari” (300 MW) is already in the final stage of construction.

Coal fired thermal power plants currently generate annually app. 9500 GWh of electricity in Bosnia and Herzegovina and at the same time cast in the atmosphere around 9.5 million tons of carbon dioxide! It is estimated that, basically, the costs of construction of one fossil fuel power plant, including the costs of CO<sub>2</sub> emissions for the first ten years of operation (2020-2030, with an estimated price of EUR 30 per ton that we will have to pay) will exceed 45 billion EUR!

### Blockages in BiH

Due to obligations resulting from the membership in the Energy Community Treaty, by 2020, BiH would have to generate 40% of energy from renewable energy sources.

Regarding these sources, the new plans are based mainly on the construction of new hydroelectric plants, and closest to the realization are the plans for power plants on the river Neretva, Sana, somewhat on Drina and in the canyons of Ljuta and Sutjeska National Park, which faces significant resistance from ecological organizations and local population. The plan is the production of energy from wind, sun and even geothermal sources, but they are developing very slowly.

In the latest European Commission report on BiH is stated that the development of renewable energy sources is hindered by the lack of coordination between the two entities, complex administrative setup and shared responsibility. Moreover, we are still waiting for the authorities to adopt an action plan on how to reach the 2020 planned target of producing 40% of energy from renewable sources. Since the price of electricity in the BiH authorities considered low, it is expected for these costs to be transfer to consumers themselves, through higher electricity prices.