

A report published by the Energy Community (EnC) Secretariat shows that all contracting parties which have coal in their energy mix are not in compliance with the emission ceilings established under their National Emission Reduction Plans (NERPs) for at least one of the three pollutants (nitrogen oxides, sulfur dioxide and dust) of the Large Combustion Plants Directive.

Kosovo failed to comply with the ceilings for all three, while Bosnia and Herzegovina and North Macedonia both failed to reach the ceilings for sulfur dioxide and dust. Given the lack of adoption of the NERP in Serbia, large combustion plants have to comply with the emission limit values of the Directive on an individual basis. For the majority of Serbia's power plants, this is not yet the case with emissions of sulfur dioxide being particularly worrisome.

The Secretariat's assessment also revealed that a number of power plants subject to the Directive's opt-out mechanism, which have to cease operation after 31 December 2023 by reaching 20.000 operating hours after 1 January 2018, may be closing already starting next year. If operated at the same level as in 2018, Montenegro's TPP Pljevlja will have to shut down already next year, unless measures are taken for a technical upgrade to meet the stricter emission limit values. Unit 4 of TPP Tuzla in Bosnia and Herzegovina is next with a foreseeable cease of operation in May 2021, followed by three power plants in Serbia, which would reach the end of their 20.000 hours before December 2023 if operation would continue in the same manner as in 2018.

Director of the Secretariat Janez Kopac said that the clock is ticking for coal-fired power plants in the Energy Community. The situation is especially critical in the Western Balkans as the deadline for some plants to go offline is literally around the corner if they continue to operate at high usage. The Energy Community contracting parties must take urgent action on emissions abatement, renewables and energy efficiency, areas where they need to up their game. The Energy Community does not have time to waste in terms of following in the EU's footsteps with the adoption of 2030 targets on energy efficiency, renewable energy and greenhouse gas emission reduction.

The report also covers the Energy Community's enforcement and dispute resolution activities. Since 2008, the Secretariat has investigated 103 cases, with environmental and state aid cases on the rise. Bosnia and Herzegovina remains the country with the largest number of open infringement cases (9), followed by Ukraine and Serbia (5). In a number of cases, the Ministerial Council has established a serious and persistent breach of the Energy Community Treaty, but the non-compliance has not been rectified. Deputy Director Dirk Buschle explained that this often includes issues which are of critical importance for the development of a country's energy market in line with European energy law, such as Bosnia and Herzegovina's persistent failure to comply with the Third and even the Second Energy Package, and Serbia's failure to unbundle its transmission system operators.

According to Buschle, issues of paramount importance for the entire region, such the resolution of a dispute between the transmission system operators of Kosovo and Serbia or compliance of the TPP Tuzla unit 7 project with state aid rules, can hardly be resolved with the current enforcement mechanism.