

CLIMATE CHANGES AND THE ENERGY SECTOR

The stories are more or less the same and are followed by bombastic titles: *Bananas in Kakanj!*, *Walnut Tree Blooming in November*, *Figs on Apple Tree!*.. The first association of the readers of these articles is always similar: „It is all because of climate change... “

Are we even aware what makes climate change and what we can do about it?

High ranking on the list of causes of climate change are electricity plants, first of all thermal power plants. In a recently presented BiH Energy Sector Study, developed by the Institute „Hrvoje Požar“ from Zagreb, it was stated that the influence of energy facilities on the quality of air and quality of surface and underground waters is the biggest influence on the environment.

Lately, in our country there are initiatives for construction of new small and big hydro power plants, thermal power plants and wind farms. The very idea of construction very often causes bitterness and negative reactions of non government organizations, especially by ecologically sensitive citizens. The question is how can the country meet the need for electricity and construct electricity generation facilities with environmental sensitivity.

All relevant analysis shows that by the year 2013, BiH will use more electricity than it can produce. Having in mind the inevitable closing of old power plants and the economic growth and increasing electricity consumption, the conclusion is that BiH, the current exporter of electricity will soon become an importer of electricity. Even that fact alone shows that BiH needs to seriously think about the construction of new capacities for electricity generation, particularly since the lag time between planning an electricity power plant and its initial operation is a period of years (5-10). In Bosnia and Herzegovina, environmentally conscious people can see a conflict between the danger of power plants for global warming, as opposed to the upcoming power shortage.

BiH is a signatory of the Treaty Establishing Energy Community in South East Europe, by which it has legally obligated itself to enhance the environment and adopt and implement a number of the highest environmental standards when it comes to building and operating energy facilities. Also, the Treaty requires Bosnia and Herzegovina to enhance energy efficiency, which may reduce the growth of demand in the future.

Bosnia and Herzegovina, however, is late in multiple aspects of the implementation of Treaty. There are two main documents that define the activities and measures that BiH is obliged to undertake the obligations of the Treaty: (i) the Action Plans approved by the Entity legislative authorities; and (ii) the Electricity and Gas Road Maps prepared for

BiH by the Energy Community Secretariat in 2006. Both documents address these obligations in general, which in practice causes dilemmas and different interpretations, and the end result is failure to meet obligations of the Treaty. BiH, just as other signatory countries, should have met its obligations by July 1, 2008, but it failed to do so.

The Road Map was so general that specifically what needed to be done, by whom and when was not clear. As a result, the proposal of the Internal Action Plan* has been developed. This document elaborates in detail each obligation within the Road Map and to explain it and suggest realistic deadlines for its implementation. This document anticipates that implementation of 150 tasks and the adoption of 200 additional items of secondary environmental legislation will last 4 to 5 years from the date that the activities start. This document is the tool for successful implementation of BiH's obligations from the Treaty.

In order to protect the environment, with simultaneous development of the energy sector, an extraordinary effort is needed by all civil society players within the framework of democratic processes. Thus, the non-governmental sector has to be armed with information and knowledge about energy sector reform, and especially on standards required by Europe in building energy facilities with the goal to protect environment. Insisting on the selection and application of cleaner technologies and implementation of accepted high environmental standards in energy sector and implementation of the Energy Community Treaty, will contribute to the highest environmental standards becoming our reality.

The real dilemma is not whether to build new facilities *or* preserve the environment. The real question is how to build needed new facilities according to the highest European standards in compliance with the Treaty. If in compliance with the Treaty legal requirements, BiH can build new facilities *and* preserve the environment.

USAID Regulatory and Energy Assistance Project (REAP) is a four-year activity that aims to help BiH to fully integrate its energy sector into the regional and European Union markets and to restructure and commercialize its energy companies. To date, the U.S. Government, through USAID, has provided over \$1 billion in assistance to support economic, democratic and social progress in BiH.

*** Internal Action plan is prepared within USAID/REAP, those who are interested in the entire document may contact e-mail address: almah@reap.ba**

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