

## **Federal Ministry of Energy, Mining and Industry**

### **Comments from Center for Ecology and Energy from Tuzla**

The Draft of the Strategic Plan and Program for Development of the Energy Sector in FBiH is a comprehensive and well done document. Here we are submitting few proposals for improvement of its contents.

#### **1. Renewable energy sources**

According to the Plan and Program for Development of Energy Sector in BiH in the part that addresses the priority activities for renewable sources until 2010 and from 2010 to 2020, it is obvious that the emphasis is on the making of the law, the strategic documents and the analysis of the present condition in the area of renewable energy resources.

BiH institutions will, according to the Plan and Program for Development of Energy Sector until 2020 work only on legal and strategic documents but will not work on the implementation of the projects for energy generation from renewable resources. That alone will not significantly affect the increase of the existing share of generated energy from renewable resources, which is currently 1%.

We think that issuing of the above-mentioned documents is very important but is not enough, having in mind the European regulations which cannot be avoided in the process of joining the European integrations. Namely, the newest policy of the EU is that all members have to attain at least 20% of energy from renewable sources, the fact which will have to be addressed in the BiH strategic documents in the energy area.

We recommend that you amend the document with a specific plan for generation of energy from renewable sources and use it to get closer to the EU policy.

#### **2. Energy efficiency**

Energy efficiency becomes a more and more important issue on the protection of environment and reduction of consumption of energy sources.

An increase of energy efficiency is defined as a reduction of use of energy per product unit without influencing the level of quality of products and services. The benefits of this increase for the community are:

- The rational use of natural resources
- Reduction of energy dependence
- Reduction of necessity of construction of new energy facilities
- Reduction of costs for energy
- The optimum use of energy devices

An increase of energy efficiency can be the most productive energy alternative with unlimited possibilities. Besides that, energy saving significantly stimulates innovations, an increase of the employment rate and economic growth. With relatively small investments, better choice of technological equipment and energy sources, better organization and improvement of quality in usage, we can achieve significant energy and finance savings.

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One of the conditions for achieving the goals of energy efficiency is strategic planning and gradual implementation of institutional, legislative, structural/organizational and financial/economic reform in appropriate segments of the energy sector. Economy-oriented and incentive-giving regulation as well as financial support would create a social milieu for successful implementation of the program for rational use of energy.

Because of all of the above-said we propose that the Plan be amended with specific steps for improvement of energy efficiency in F BiH.

*Comment by OM: The fact is that in the Document, in part 2.8 - Energy Management and Energy Efficiency, item 9, Tasks for Establishment of Energy Management in BiH, the measures for reduction of energy intensity are listed as a part of environment strategy. Whether those proposed measures are adequate is another issue.*

### **3. Treaty on Energy Community**

In 2005, Bosnia and Herzegovina signed the Treaty on Energy Community [which became effective on June 1, 2006](#). With this Treaty, BiH took as its obligation to work with countries from the region on establishment of a common electricity and gas market which will function according to the EU market standards. That can be achieved by accepting the parts of *acquis communautaire* of the EU that address energy, environmental protection and competition. By accepting the *Acquis* on renewable energy sources, specifically Directive 2001/77/EC on promotion of electricity generated from renewable sources, BiH obliged itself to prepare a Plan on Implementation of the *Acquis* by July 1, 2007. The Plan and Program for Development of the Energy Sector should put the making of the Plan on Renewable Sources as one of its priorities in the part that addresses renewable sources. The deadline for making of this document has been prolonged for almost a year now.

In 2007, Bosnia and Herzegovina ratified the Kyoto Protocol. According to this protocol BiH can, for the purpose of reduction of CO<sub>2</sub> emissions use some of the mechanisms and through that, it can influence the reduction of the consequences of global warming. Although entitled to use CDM projects through the Kyoto Protocol, our country cannot use them because a body entitled CDM Bureau has not been formed, the Bureau being the precondition for receiving the assets for implementation of CDM projects. The Plan should anticipate as its priority the establishment of the Bureau and the projects for energy efficiency for industrial facilities which could be implemented within CDM.

*Comment by OM: The Document, in part 2.9 - The Environmental Aspects of Energy Facilities, item 4, Resume and Urgent Tasks for Environmental Protection in BiH/FBiH in the area of energy gave a resume of urgent measures and key steps for completion of infrastructure for environmental protection in BiH and F BiH, including the proposal for establishment of CDM. Because of that, this statement should be checked once again and maybe reformulated.*

### **4. Kyoto protocol**

The plan for construction of new power plants will increase the emission of CO<sub>2</sub> more than two times compared to the emission in 1990. If BiH takes 1990 as the reference year for determining the decrease of CO<sub>2</sub> emissions, that means that with the construction of new power plants, the percentage of emitted CO<sub>2</sub> will be higher; and the obligations from Kyoto protocol will not be fulfilled. This Plan should take into consideration the Kyoto Protocol and the obligations that arise from it.

The Plan and Program for Development of the Energy Sector in BiH is a comprehensive but not clearly defined Plan related to renewable energy sources, while a Plan for Energy Efficiency does not even exist.

The costs for environmental protection should be included as a priority during construction of new energy facilities in the Plan and Program for Development of Electricity Sector.

Tuzla, 02.06.2008.

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