

## Energy Community Task Force on Environment, 23<sup>rd</sup> Meeting

13 June 2022  
(WebEx online)

### Conclusions

1. The meeting was held online via WebEx. The Task Force welcomed that representatives of all Contracting Parties, with the exception of Albania, were able to attend the 23<sup>rd</sup> meeting.
2. The Task Force adopted the draft agenda of the meeting without amendments.

#### *I. Implementation of the LCPD – updates on NERP and opt-out*

3. Following the Chair's and Energy Community Secretariat's introductory remarks, the European Environment Agency (EEA) gave a brief update on reported data of emissions, submitted by the Contracting Parties (except for Albania and Moldova, the former of which does not have any large combustion plants in operation) based on the Large Combustion Plants Directive (LCPD). The data showed that there is a general trend of decrease regarding SO<sub>2</sub> and NO<sub>x</sub> emissions. However, dust emissions increased by 8,13% between 2020 and 2021. With regard to the average emission factor (emissions per TJ energy input), SO<sub>2</sub> still remains the main pollutant, followed by NO<sub>x</sub> and dust. According to the submitted data, Montenegro remains to have the highest SO<sub>2</sub> emission factor (2018-2021 average), followed by North Macedonia, Bosnia and Herzegovina and Serbia. If only 2021 is considered, North Macedonia had the highest SO<sub>2</sub> emission factor followed by Montenegro, Bosnia and Herzegovina and Serbia.
4. By comparing reported data from previous years, there is a trend of decrease with regard to SO<sub>2</sub> emissions (tonne/TJ) in all Contracting Parties with exception of North Macedonia. With regard to NO<sub>x</sub> emissions, an increase is shown for Kosovo\*<sup>1</sup> and North Macedonia while the remaining Contracting Parties show a decreasing or consistent trend. The data also indicates that dust emissions have increased in all Contracting Parties, with the exception of Serbia.
5. Focusing on opt-out, it was presented that one plant in Montenegro has already reached its 20,000 hour operating limit while several plants will reach their limit before end 2023, the final end-date for opted-out plants. The EEA also empathized the importance of communicating changes in reporters to continue receiving updates and communications with regard to the submission of data. Contracting Parties will receive the letter on reporting of their 2022 data in January 2023.

#### *II. Round Table – Contributions of Contracting Parties*

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<sup>1</sup> Kosovo\* made a correction to their emissions data following the meeting.

6. In Bosnia and Herzegovina, Tuzla 4 and Kakanj 5 (two thermal power plants which are opted out) have officially used 20,000 hours. On 8 March 2022, the Parliament of the Federation of Bosnia and Herzegovina approved the proposal on the continued operation of TPPs Tuzla 4 and Kakanj 5.
7. In response to the position of Bosnia and Herzegovina, the Secretariat's representative pointed out that continued operation of opted-out plants beyond the 20,000 hours limit is a breach of Energy Community law which may trigger enforcement action.
8. Georgia stated that five large combustion plants are currently operating in the Contracting Party. The obligation of continuous monitoring for emissions of LCPs is in place since 1 June 2021. Two new plants already have a functioning continuous emission monitoring system, while in the case of two old plants, the installation of the monitoring system is associated with some technical difficulties and one plant remains without a monitoring system. The current goal is to install a continuous monitoring system for all LCPs by the end of 2022 and update the current emissions data accordingly.
9. Moldova informed about the advancement with the transposition of the Industrial Emissions Directive. The draft law is currently at the final stage of consultation with the competent authorities, e.g. ministries and relevant stakeholders and will be send to the government for approval by the end of June 2022.
10. The Secretariat reminded that the deadline for compliance with Decision 2021/D5/MC-EnC on the failure of the Republic of Moldova to comply with the Energy Community Treaty in Case ECS-7/18 is 1 July 2022 and urged the Republic of Moldova to adopt the draft law without delay.
11. Montenegro acknowledged the breach of the LCPD's opt-out rules with regard to TPP Pljevlja. The reconstruction of the plant started in April 2022 and is expected to take between 2 and 2,5 years. Montenegro is preparing for receiving the Secretariat's Reasoned Opinion in Case ECS-15/21.
12. North Macedonia stated that due to the current situation in Ukraine, no progress can be made due to the operators of plants facing a major financial crisis. The Secretariat was informed last year about the strategy for the energy development after 2040 which resolved some scenarios in order to achieve better emissions rates. The government of North Macedonia has envisaged investments in renewable energy sector, especially in the development of photovoltaic systems until 2025.
13. Serbia had a meeting with the Secretariat in May 2022 on the NERP. Since the meeting, the report was prepared with completed information on ongoing investments and will be sent with all necessary updated information for 2021 as soon as possible.

14. Ukraine informed that due to the current situation, several thermal power plants have been destroyed or damaged. In 2021, Ukraine did not exceed the amount of emissions set by the NERP. The Ministry of Energy has submitted to the Parliament a new version of the draft law on industrial pollution, which implements and fully responds to the provision of Directive 2010/75/EU. Due to the current situation, the process of the adoption of the law will be delayed until an uncertain date.
15. The EEA and the Secretariat thanked Contracting Parties for their cooperation and for the timely submission of the emissions data. Special credits were given to Ukraine who have also managed a timely submission despite the circumstances.

### ***III. Financial Security – Instruments to cover environmental liability***

16. Olga Kurpisz (DG ENV) presented the financial security instruments under the Environmental Liability Directive (ELD). She gave an overview on the specific objectives that are defined in the ELD to ensure that the costs are borne by the polluter or encourage the availability of financial security at an affordable cost. Furthermore, she presented key elements and criteria of the ELD evaluation currently underway as well as the challenges in establishing mandatory financial security in the EU Member States.
17. Valerie Fogleman (Stevens & Bolton LLP) gave an in-depth presentation about financial security for environmental responsibilities and liabilities, with particular focus on the implementation aspects of the ELD. She showed an overview of the developments in environmental insurance in the EU, types of stand-alone environmental insurance policies and mandatory financial security systems already in place for ELD-related liabilities. According to the presenter, there is an increasing trend towards a mandatory financial security for environmental liabilities and responsibilities. Moreover, she gave practical examples of national mandatory financial security in EU Member States with regard to waste activities.
18. Isaac Sánchez Navarro, Technical Advisor of the Spanish Ministry for the Ecological Transition and the Demographic Challenge introduced the ELD financial security system in Spain. He gave an overview of the main implementation features of the system as well as technical examples, e.g. the use of the environmental liability information system (SIRMA) to gather all the relevant documents as well as for carrying out environmental risk analysis and mandatory financial security.

### ***IV. AOB***

19. The Energy Community Secretariat requested the opinions of Contracting Parties on conducting the next Environmental Task Force meeting in a hybrid format. Contracting

Parties unanimously supported the idea to have the possibility to join the next meeting either in person or online.

20. The next meeting of the EIA Working Group is foreseen for October 2022.