

Plomin C coal power plant Croatia

Sectors: Coal Electric Power Generation

● On record

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[Project website](#)

Sector	Coal Electric Power Generation
Location	
Status	Planning Cancelled Agreement Construction Operation Closure Decommission
Website	http://www.hep.hr/hep/en/group/Development/Plomin.aspx

About Plomin C coal power plant

The Croatian electricity company HEP announced on September 2, 2014 that a preferred bidder consortium, consisting of the French energy company Alstom and the Japanese Marubeni Corporation, had been chosen to construct a 500 megawatt third unit at the Plomin coal power plant on the Croatian coast in Istria County. The plant would run on coal, transported by sea to the plant. The project, known as Plomin C, is being presented as a reconstruction of the Plomin 1 unit, even though it is nothing of the kind, having more than four times greater capacity than Plomin 1's 120 megawatt. The investment is estimated at EUR800 million.

June 2016: The Croatian Minister for Economy, Tomislav Panenić, has confirmed that the 500 megawatt [Plomin C coal plant project has been stopped](#). The news was welcomed by environmental campaigners who have led a five-year campaign against the project due to its expected climate and health impacts, as well as its high cost.

Latest developments

Croatia to drop controversial coal plant project, Plomin C, confirms minister

Jun 14 2016

Expert analysis confirms: Plomin C coal plant is economically unfeasible

Mar 3 2016

What must happen

Financial institutions should steer clear of financing this project.

Impacts

Social and human rights impacts

People living in the area of Labin are concerned about the pollution from the Plomin 1 and 2 plants. Although the closure of Plomin 1 will have to take place before the opening of the Plomin C plant, Plomin C's operation would ensure that the pollution continues. In April 2013 Greenpeace Croatia launched a [study](#) that showed that the Plomin C plant would be likely to cause around 680 premature deaths over its lifetime.

The economics of the Plomin C plant are highly uncertain, according to a calculation by Enco Tireli, who was the Construction Manager for the Plomin 2 plant. However his comments have not been publicly addressed by Plomin C's proponents. Any shortfalls in income will presumably be covered by the strategic investor charging higher electricity prices, which would have to be covered by the general public. However no official information about these aspects has been released as yet.

The project, apart from infringing the rights to a clean environment of local people in the Plomin and Labin area, is also likely to be associated with human rights issues connected with the mining of the coal. The coal will be bought on the spot market, and is likely to originate from countries like Indonesia, Colombia and South Africa, where human rights abuses are widespread in the mining sector. According to a presentation by electricity company HEP, around [25 percent](#) of the coal used at Plomin comes from Colombia, making it one of the largest sources of coal for the plant.

Environmental and climate impacts

As Croatia is a small country, constructing Plomin C would effectively prevent it from meeting EU long-term climate goals. This one coal power plant alone would also swallow up a significant portion, if not most, of the country's carbon budget by 2050. According to EU targets, Croatia's entire emissions will be limited between 1.566 and 6.264 million tonnes of CO₂ annually. Plomin C by itself would emit 2.644 million tonnes of CO₂. This leaves hardly any room for other sectors like transport and industry to emit CO₂, even though they are deemed to be much more difficult to decarbonise than the energy sector.

Other impacts

HEP and Croatia's Minister of Economy argue that the plant will decrease dependence on imported electricity. In 2010 Croatia imported 575,000 tonnes of oil equivalent of electricity, but instead it will just increase Croatia's dependence on imported coal, as the country has exhausted its own coal resources.

The Plomin C plant is also in contradiction with the Istria County spatial plan which stipulates that the total capacity at the site with a third block may total only 335 megawatt and that any third block must run on gas. The Ministry of Spatial Planning and Construction's decision to issue a location permit for the plant in contravention of the County spatial plan is currently the subject of a court challenge by the Istria County authorities.

Governance

Brief history

The first 120 megawatt unit at Plomin was built in 1969 when coal was still being produced locally. However by 2000 when the 210 megawatt Plomin 2 was built, coal production had ceased and the project was widely opposed. Although it was finally built, the local spatial plan was changed to include a limit on the plant's future capacity, total 335 megawatt, and to stipulate that any third unit must run on gas, not coal. However in 2011 the public consultation for the Environmental Impact Assessment for Plomin C showed that only a coal variant was seriously being considered. The Croatian government has repeatedly confirmed these plans since 2012.

Timeline

Croatia to drop controversial coal plant project, Plomin C, confirms minister

Jun 14 2016

The Croatian Minister for Economy, Tomislav Panenić, has confirmed that the 500 megawatt [Plomin C coal plant project has been stopped](#). The news was welcomed by environmental campaigners who have led a five-year campaign against the project due to its expected climate and health impacts, as well as its high cost. "This project has proven to be a major distraction for HEP and the Croatian government and has diverted them away from developing a cost-effective and sustainable energy strategy", said Bernard Ivčić from Zelena akcija/Friends of the Earth Croatia.

Expert analysis confirms: Plomin C coal plant is economically unfeasible

Mar 3 2016

The Plomin C coal power plant would bring higher social costs than benefits and is highly sensitive to changes in operational costs, so it is not recommended to continue with the project, according to [a new economic analysis](#) commissioned by Zelena akcija (Friends of the Earth Croatia) and carried out by the Society for Sustainable Development Design (DOOR) using European Commission methodology.

Croatia backs away from plan for new coal-fired power plant

Feb 6 2016

[According to Reuters](#): Croatia is unlikely to go ahead with plans to build a new coal-fired thermal plant in the northern Adriatic for which it entered partnership talks with Japan's Marubeni Corp, the environment minister said.

Major blow for Croatian coal plant as Crédit Agricole announces new coal power policy

Sep 30 2015

The publication of new criteria for coal-fired power plant financing by French bank Crédit Agricole suggests that the bank will not be able to finance the controversial EUR800 million Plomin C coal power plant in Croatia, [believe campaign groups](#). The policy now rules out finance for coal power plants in high-income countries, which includes Croatia.

92% of public consultation respondents against Plomin C coal power plant

Mar 24 2015

The Istria County authorities held a public consultation from 16 February - 15 March with the question: *Are you for or against the Plomin C power plant using coal as a fuel?* The results of the consultation, in which 9085 members of the public and 183 clubs and associations participated, is that 92 percent of respondents stated that they are against a new power plant using coal at Plomin.

Marubeni and Alstom's corruption records cast new doubts on Plomin C coal power project, warns new analysis

Oct 2 2014

A [new briefing paper](#) from CEE Bankwatch Network presents warnings about the suitability of two major international companies now in poll position to develop the controversial 500 megawatt Plomin C coal-fired power plant in Croatia. Japan's Marubeni Corporation and France's Alstom, who have together been chosen as the preferred bidding consortium for the Plomin C coal power project, have a poor integrity record including several convictions for corruption offences which should raise alarm bells and increase vigilance among the Croatian public and potential financiers of the project.

Planned contract for Plomin C most likely illegal state aid, says legal analysis

May 5 2014

A planned long-term power purchase agreement in which Croatian electricity company HEP will commit to buying at least 50% of electricity from the planned Plomin C power plant for 20-30 years will most likely be illegal under EU state aid rules, according to a [new legal analysis](#) by Hungary's Environmental Management and Law Association (EMLA).

EMLA's analysis finds that since HEP is state-owned, a long-term power purchase agreement would be considered state aid. State aid, provided to economic actors, is generally illegal in the EU. However, particular aid can still be allowed in certain circumstances. In the case of Plomin C, EMLA considers it virtually impossible that HEP could fulfil the necessary criteria for the agreement to be considered legal. This could present a serious obstacle to the project's implementation.

New legal complaint on Plomin C

Jan 20 2014

Zelena akcija (Friends of the Earth Croatia) has submitted a complaint to the Croatian Constitutional Court as part of its ongoing campaign to prevent the construction of the Plomin C power plant, which would be run on imported coal.

The complaint challenges the verdict of the Administrative Court in Rijeka. In October this court rejected Zelena akcija's previous complaint, that sought to overturn the project's environmental permit. In the new complaint, Zelena akcija argues that the Administrative Court should not have ignored the fact that the project is in contradiction with the Istria County Spatial Plan.

More specifically, it is legally defined that the Environmental Impact Assessment process should be carried out for projects that are in line with spatial plans. Therefore, Zelena akcija argues that the court ought to have examined the issue of Plomin C's in-compliance with this document. In addition, Zelena akcija argues that the court, de facto, curtailed its right to appeal against the issuing of the permit by failing to systematically consider its arguments.

Location permit challenged in court

Dec 28 2013

The decision to issue a location permit for the Plomin C plant in contravention of the spatial plan is currently being challenged in court by the Istria county authorities, as of December 2013. An earlier attempt to overturn the environmental permit by environmental groups Zelena akcija, Zelena Istria and local inhabitants resulted in the magistrate declining to make a ruling on the spatial plan issue due to the other ongoing court case on the same issue.

Another company withdraws from controversial Plomin C coal plant in Croatia

Oct 11 2013

Korean company KOSEP has confirmed that it no longer intends to participate in bidding for the controversial 500 megawatt Plomin C coal power plant in Croatia. KOSEP is the second of the four strategic bidders shortlisted in September 2012 to pull out of the project, after Polish company POL-MOT withdrew in the spring of this year.

First hearing in legal case against the environmental permit

Jun 19 2013

On 19 June 2013 the Administrative Court in Rijeka, Croatia, held the first hearing in the case against the Croatian Ministry for the Protection of the Environment and Nature on the issuing of the environmental permit for the construction of the Plomin 'C' power plant. The appeal was launched by the NGOs Zelena akcija/Friends of the Earth Croatia and Green Istria, along with several local residents of the Labin area. Istria County has also submitted a complaint against the Ministry. The court accepted the request by the NGOs and residents to invite dr. sc. Davor Skrlec as a witness for the next hearing. Dr Skrlec served as the chair of the commission for the evaluation of the Environmental Impact Assessment for Plomin C. The court also refused a request by the Ministry to exclude a Greenpeace study on the health impacts of the plant as evidence in the case. The next hearing in the process will be held on 11th October 2013.

Environmental Impact assessment

Feb 7 2013

In 2011 an environmental impact assessment was opened for public comments for a 500 megawatt unit running on coal. In September 2012 an environmental permit for the plant was issued. This is being challenged by Zelena akcija (Friends of the Earth Croatia) and Zelena Istria (Green Istria) in court. On October 29, 2012 the Istria County Assembly called for a local referendum on the plant's construction. The County Prefect also submitted a court appeal on the environmental permit.

Financiers

Banks

[Crédit Agricole](#) France [profile](#)

[Details](#) ▼

Advisor

September 2014

source: [link](#)

Crédit Agricole was the financial adviser of the Plomin C project.

In September 2015, Crédit Agricole adopted an updated coal power policy excluding the possible financing of the Plomin C project.

Related companies