

The plan to build the 500 MW Plomin C coal power plant on the Istrian coast is deeply unpopular in Croatia says Pippa Gallop CEE Bankwatch coordinator. Last summer a Croatia-wide opinion poll commissioned by Greenpeace revealed that 64% of respondents opposed the construction of the plant. In February and March of this year, a public consultation conducted across Istria County showed that out of 9085 individual respondents, 92 percent were against a coal plant. Most recently, the local referendum held this week, on 29 March, in the Labin area showed an overwhelming 94 percent of voters opposed to constructing a coal power plant. Local communities' repeated rejection of these plans should be enough of a reason for the government to suspend them.

Plomin C's unpopularity is due to its expected health impacts, dubious economics, contradiction with EU climate goals, and increasing dependence on imported coal. Croatia currently generates around 15 percent of its electricity from coal, with the rest from hydropower, natural gas, fuel oil, and the jointly-owned Krsko nuclear power plant in Slovenia and other imports. But with a 500 MW capacity, Plomin C would be four times larger than the Plomin 1 plant it is supposedly replacing, thus increasing both coal import dependence and Croatia's greenhouse gas emissions.

According to the latest data from Greenpeace, using European Environment Agency methodology, Plomin C would also lead to an average of 17 premature deaths annually as well as 2671 asthma attacks and more than 36 000 cases of respiratory symptoms.

Concerns have also arisen about the involvement of Japan's Marubeni and France's Alstom, who have together been chosen as preferred bidder, despite having been implicated in a number of corruption scandals. All of these issues are clearly in stark contrast with the public interest.

The Croatian government may think it knows better than everyone else and try to push ahead with Plomin C. However there are still a number of obstacles as it negotiates with Marubeni. Media reports have suggested that the sales price from Plomin C will be at least EUR 70/MW, which is close to double current European wholesale market prices. The project so far has no known financing. And the plan to sign a long-term power purchase agreement to buy at least half of the electricity is likely to fall foul of EU state aid rules. Plomin C is not the first coal project in southeast Europe to be pushed through regardless of warnings from NGOs, experts and the public in recent years: The Croatian government would do well to learn from neighbouring Slovenia's disastrous Sostanj unit 6 lignite plant whose construction costs have more than doubled from EUR 600 million to EUR 1.4 billion, and which is also predicted to run up serious operating losses for the foreseeable future. If the Croatian government and potential investors are smart, they will see the recent referendum not as a nuisance but rather an opportunity to pull out of the project while they still can concludes Pippa Gallop CEE Bankwatch coordinator for Serbia Energy Magazine.