

A billion euros worth project for the construction of coal-fired thermal power plant Plomin C, jointly developed by Croatian state-owned power utility HEP and Japanese Marubeni, is currently on hold, and one of possible outcomes is that Marubeni could sue HEP for the development of project in bad faith.

In response to media enquiry, the representatives of HEP that the redefinition of relations between the power utility and Marubeni is currently ongoing and that the final status of TPP Plomic C project will be known in the next three months.

On the other hand, President of Marubeni Europower Hiroshi Tachigami said that the company is still working with HEP on TPP Plomin C project, but refused to discuss the possible lawsuit. Marubeni believes that the project is beneficial to Croatia regarding the environment, the economy and energy security and the company wants to realize the project in order to expand its investments in Croatia. Tachigami concluded that he personally believes in successful implementation of TPP Plomin C project.

TPP Plomin C project envisages the construction of 500 MW unit C which would be a replacement for the obsolete unit A. Japanese Marubeni should build the power plant in four years, and after its commission HEP will be obliged, through a longterm power purchasing agreement, to purchase half of the electricity produced by the plant, while the other half will be sold on the market. However, the European Commission found that the cooperation between HEP and Japanese Marubeni on the realization of TPP Plomin C project is unacceptable as it constitutes as state aid.

In late 2016, the sources from the newly established Ministry of Energy confirmed that the Ministry is working on the new energy strategy, namely low-carbon Croatian energy strategy until 2030, which does not provide the use of fossil fuel for the production of electricity or the construction of any large-scale gas or coal powered plants. This means that the new Government will withdraw from the project for the construction of coal-fired TPP Plomin C, and it will not allow the construction of gas-fired power plants with the output larger than 20 MW.