

Croatia: Power utility company hydropower and RES projects caught in the Natura 2000 network and its development in question despite spent millions, the report on Croatia RES projects

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With the new management in Croatian power utility company HEP finally happened turnaround in the realization of HE Ombla project and the company is ready to accomplish what the law of nature protection requires. It will take time, and the result is uncertain. The ecological network also includes HE on the Drava River, the project Kosinj-Senj and HE on the Sava River. In the interest of HEP is not to lose so much time straining with the state administration, as it lost with the HE Ombla, where it lost, and still has been losing millions due to procedure contempt.

Ecological network Natura 2000 will largely change the way of energy projects implementation in the future in Croatia, and this is especially related to the large hydropower projects, such as Kosinj -Senj project, construction of hydropower plants on the Drava, and the Sava river, but also on the wind energy projects that are planned. In fact, the current ecological network, which occupies 36.9% of the land territory of Croatia, with the day of Croatia's accession to the European Union, has become a large part of the European Natura 2000 network. It is the largest coordinated network of nature protection areas in the world, and Croatia is among the countries with the highest percentage of protected territories. In development projects that probably will have significant impact on the ecological network, habitats and species for which that habitat is protected need to be taken into account and, where necessary, to undertake mitigation measures. So far, for the past 15 years only 14 projects throughout the all European Union showed confirmation for determining overriding public interest, where it was estimated what was more important nature conservation or the realization of the project.

Although the Environment Minister, Michael Zmajlović, said he did not see a single project that could go to the determination phase of overriding public interest, such projects have already been run in energy and infrastructure construction, and construction of Ombla was pointed out. About the project construction of Ombla, state administration and HEP during the former management of HEP headed by Zlatko Koraćević, had completely different views. In fact, to this ecological network belongs 600 m² rocks affected with project construction of Ombla, and HEP did not show intention to satisfy what the state asked him, and that were previous and main impact assessment on the ecological network. In the HEP point out that the EU did not find a single example of building power plants in the area under the ecological network.

Director of the State Institute for Nature Protection, dr. sc. Matija Franković, points out for Energetika -net that the European Union insists on the impact assessment of this project on

the ecological network, or the European Bank for Reconstruction and Development (EBRD), which finances the construction of hydroelectric power plants. "On impact assessment of HE Ombla on the ecological network insists EBRD, who is interested whether the project passed the analysis of the Natura 2000. HEP even did not ask for any previous impact evaluation of the project on the ecological network for what would spend just a few days. Procedure must be followed" said Frankovic. He explained that the management plan for biodiversity by HEP for HE Ombla is not formally study document that the Ministry of Environment and Nature (MZOIP) requires, and as such is not recognized because on his basis cannot estimate case or issue an approval for continuation of the project. The larger group of experts should need a few months for the main assessment of the impact on the ecological network for HE Ombla, says Frankovic.

In the HEP even recently was unofficially pointed out that they had no intention to ask for the prior assessment of projects on the ecological network from government agencies, or to go to the main assessment procedure as this creditor did not require that. Bank, they said, considers biodiversity management plan as sufficient, whose final version will be soon completed. From the ministry EBRD, it was argued, they sought the approval of positive opinion about the proposed additional measures of protection, prevention and mitigation of the HE Ombla construction, specified in that plan. "We have everything you need. Law cannot be applied retroactively," said unofficially in the HEP, which has legitimate license for the project HE Ombla. However, Tomislav Seric took the management and HEP's position is now changed significantly and compromise could be reached, perhaps even by the end of the year. "Project HE Ombla is one of the strategic investments of the HEP Group in new production facilities and the company is interested in its implementation. For this purpose, HEP is ready to the appropriate adjustments of the project which are assessed useful from the point of environmental protection and biodiversity conservation," says in the HEP and. "HEP's responsible behavior to the nature and the environment contributes to the maintenance of biodiversity. More than a third of produced electric energy by which HEP supplies its customers come from renewable energy sources. Moreover, some of our manufacturing facilities are located right in the Natura 2000 network, such as HPP on the Krka River, which was built more than 100 years ago and HPP on the Drava River whose retentions are habitats of many birds, which confirms HEP 's responsible behavior towards the environment," said spokeswoman Mirela Klanac.

Turnaround in HEP's attitude goes towards respect for the procedure, and that means obtaining of preliminary and main impact assessment on the ecological network. Franković told us that, according to the State Institute for Nature Protection, HEP's request for a preliminary evaluation did not come by 23 May. "HEP will certainly have to make a main assessment. I suppose that they will first have to find a contractor for the study on the public competition. Considering that HEP has a lot of data, but they are not integrated in the official document required by the Environmental Protection Act, I believe that it will not be difficulties in drafting the document. Once when the main assessment would be received, the Commission has 90 days to make a statement," explains Frankovic. If the Commission concludes that the cave fauna is endangered irretrievably or that any mitigation measures cannot save it, in that case the overriding public interest has to be determinate. This procedure could be carried out only under the existing law which did not exist at the time of writing Environmental Impact Study for HE Ombla. This process would extend the start of



construction for at least three years, concerning that his outcome is uncertain, largely because of project changes and obtaining new location and building permits. It should be known that HEP pays 100,000 euros by month just to book loan for the construction of HE Ombla. However, if the Commission rules that overriding public interest needs to be determinate of, then the complications for HEP will be just starting, and the realization will be delayed indefinitely.

The process of ecological network validation with so-called bio-geographical seminars will begin from day of Croatia accession to the European Union. This procedure evaluate whether the state protected sufficient territories concerning the recent scientific knowledge. Croatia thereat could not "trick", namely to protect less territory than the criteria are because it would quickly backfire, as illustrated by the case of some countries. The trade estimated that the evaluation process of the ecological network in Croatia might take three years. But, what is very important in the case of HE Ombla, during the biogeographic seminars will not be possible to start assessing of prevailing interest for any project that comes to that phase. This could be problematic, if not in relation with HE Ombla, than in other important project for country. Franković says it is not true that during the biogeographic seminars nothing will be build, as it claims Croatian Association of Civil Engineers. "The projects can move forward. Investors who will invest in areas under the ecological network should request the prior assessment of the impact on the ecological network, and if it shows that the effect exists, then they should analyze it through the main impact assessment of the ecological network. If in the project, enter the required measures to mitigate adverse impacts and satisfy conservation objectives, the project goes on. Along with quality mitigation interventions on water, roads and railways in 90% of cases will be able to get the green light," said Frankovic.

All the great hydropower projects in Croatia for whose implementation is interested the HEP are in the ecological network. Besides HE Ombla, this refers to the HE on the Drava River, the project Kosinj-Senj and HE on the Sava River. What happens around the project of construction of Ombla is even more interesting. In the interest of HEP is not to lose so much time on straining with the state administration as he lost with HE Ombla, where he lost and still losing millions due to disrespect of procedure. For example, investors - and it's about the HEP and the waters of Croatia - will have to implement mitigation measures in the construction of multipurpose hydropower system on the Drava River near Osijek, because it is part of biosphere reserve under UNESCO protection named Regional Park Mura - Drava. In the regional park are permitted economic and other activities, and it is managed in accordance with special regulations. The procedure goes into diluvian forests of black and white poplars and willows, than in subpanonian lawns of prairie. There live 42 important animal species and two species of fungi to which they apply the protection objectives. Protection measures in the area of Drava, for example, include avoiding of water courses regulation and changes in water regimes of aquatic and wetland habitats if it is not necessary for the protection of human life and settlements, and many others. Therefore, it is suggested certain slowdown elevation which significantly increases total length of the coast and the water surface. For example, the HEP will have to build fish trails in spawning which provide easy fish migration upstream, and a range of other measures such as water discharge in backwaters and meanders that will make the project less profitable. How much less profitable, it just should be calculated, with a commission that will evaluate the main

assessment and determine what the HEP eventually should make in addition to satisfy the aims of nature conservation and biodiversity. For projects on the Drava River will have to be applied also the Espoo Convention about the environmental impact assessment across national borders, where Hungary has already announced that she could work the problems. In the case of cross-border impact of Environmental Impact Study, should be confirmed that the environmental impact is insignificant, and if it comes to an interstate dispute it is in charge of European Court.

Also the accumulation on HE Kosinj is a part of ecological network approximately 60%. HEP will have to go through the previous and the main assessment of the ecological network, and from naturalists we become informed that in this project do not expect major difficulties when it comes to the conservation objectives of the ecological network. Impact on the ecological network will be impossible to avoid also when it comes to the regulation of the Sava by planned construction of several power plants in the city area of Zagreb because the Sava is upstream and downstream in the ecological network. Namely, with HE Podsused, the first in a series of power plants, it will feel slow down by raising the water level upstream. The problem was also noted with HE Dubrovnik where it had been done the previous impact assessments of the ecological network, or more precisely, the sea in front of Dubrovnik is located inside the ecological network. Study showed that migration way for turtles is not endangered, and that the project will not affect the change in water temperature.

High standards in the protection of nature and biodiversity are very expensive initially and impose restrictions to investors, but Croatia should be aware that it has decided by voting in a referendum to join the European Union. Investors in energy objects need to be aware that, concerning the surface of protected area, in front of them is challenging job of answering on the demands put forward by Natura 2000. This will generally mark more carefully planning and higher initial investment costs and, if necessary, modification projects, that may reduce the profitability in one measure. But on the other hand, it is a high civilizing reach, also long time expected and necessary redefinition of the concept of sustainable development, on which in Croatia, unfortunately, is still worked a little.

What is Natura 2000?

Natura 2000 is oriented to the protection of important bird areas and wild species of plants and animals and habitat types. Each area contains the conservation objectives, and a list of species and habitat types for which is included in the ecological network and the procedure impact should be considered in evaluating acceptability of plans, programs and projects for the ecological network. In addition, each area of the ecological network includes directions for protective measures that are applied to all natural and legal persons that use natural resources and perform actions and interventions in the areas of ecological networks. In Croatia, the impact assessment on the ecological network has been conducted for five years, usually as part of the Environmental Impact Study. Until recently, up to the case of building VE Fužina, no project has got a red light in a way that requires the establishment of overriding public interest. Closest to this was project of the Drava confluence to the Mura, where was predicted the regulation of the Drava river by cutting river isles with channels long several hundred meters, in order to redirect central course of the Drava River that erosion does not endanger the Hungarian railway line. Irritated Hungary has reported Croatia

to Brussels. The project was discontinued before initiating the procedure of overriding public interest, while Hungary was made embankments to protect the railroad.

Source;Energetika-net/Serbia Energy SEE desk/HEP/Agencies