

One of the priorities of the Croatian Government is building of the third unit of thermal power plant Plomin, of 500 MW, which will replace the unit A. The start of the construction of TPP Plomin C is scheduled for 2015, and commissioning in 2019. The three consortia have applied for the largest project in Croatia in the last thirty years, worth 800 MEUR.

Model according to which HEP and selected partner would establish a new company which will have a share of 50 percent, is a novelty in Croatia. HEP is obligated to buy half of the total amount of produced electricity, while the other half is sold on the free market. On the other hand, the partner provides guarantees for loans that will be used to build thermal power plant. Plomin C will cover about 25 percent of the Croatian need for electricity. In HEP project are satisfied, because in addition to providing new jobs, they will reduce Croatian dependence on electricity import.

In recent months, there has been a serious controversy over the construction of the mentioned replacement unit. Croatian Electric Power Industry (HEP) rejects all criticisms by various environmental organizations which claim that new power plant is not environmentally, economically or financially based project.

Several non-governmental organizations have sought to exert pressure on the Government to abandon the building of coal-fired thermal power plant Plomin C. The last official information is that this thermal power plant is not in conflict with climate policy.

According to the announcement on the official website of the Croatian Electric Power Industry, Croatia has CO<sub>2</sub> emissions per capita by about 30 percent lower than the EU average. Sector for electricity production in Croatia has significantly fewer greenhouse gas emissions than the EU average, mainly due to the high share of hydro power plants.

The second thing, by commissioning TPP Plomin C, contribution to the increase in CO<sub>2</sub> emissions on a global level of greenhouse gas emissions will amount to only about 0,007 percent.

The third thing, according design solution and the Study of environmental impact, at the location of TPP Plomin has been reserved space for the further construction of a plant for CO<sub>2</sub> capture and storage (CCS), which can reduce CO<sub>2</sub> emissions by 90 to 95 percent.

Another controversy that accompanies this project is the selection of a strategic partner. It turns out that two of three bidders were suspected and convicted for corruption.

According to a study published by CEE Bankwatch Network, except for the Japanese company Marubeni, about whose corrupt scandals already have reported the Croatian media, their French partner Alstom is even better known for corrupt activity.

Alstom and / or its employees have been declared guilty for the criminal offenses of corruption in at least seven cases during seven years on different continents, and they have been under investigation for several cases, including TPP Sostanj in Slovenia. Recently, the British Office accused the British subsidiary company Alstom for paying about 8.5 million dollars in bribes between 2000 and 2006 in order to obtain jobs in India, Poland and

Tunisia. Alstom has been under surveillance by the Norwegian Ministry of Finance in 2011, after their Assembly for ethics recommended Alstom exclusion from the state pension fund in 2010.

Marubeni has been involved in two major cases of corruption within a period of three years, for which it supposed to pay a fine of 88 million dollars and 54.6 million dollars. As a result, the Japanese International Cooperation Agency decided in March this year to withhold lending to the company Marubeni for a period of 9 months.

The latest member of the European Union, Croatia does not produce coal, but it imported 1.3 million tonnes of this fuel in 2012. According to HEP "Supply" in the last year 43 percent of electricity has been produced from hydropower plant, thermal power plants cover 21, and the nuclear power plant "Krsko" 13, while 19 percent is provided from import. The smallest share of only 3.6 percent makes new renewable energy sources - solar and wind farms. Over three-quarters of imported coal is used in thermal power plant "Plomin", of installed capacity of 335 megawatts, which is owned by Croatian Electric Power Industry, and co-owner of the unit B is the German RWE. One of the priorities of the Croatian Government is building of the third unit of 500 megawatts, which will replace the unit A.