

Energy Community Secretariat will launch an infringement procedure against Montenegro for failure to shut down coal-fired power plant Pljevlja although its allowed operational hours expired in October 2020, said Director of EnC Secretariat Janez Kopac.

Kopac reminded that the EU is going so fast in decarbonization efforts and all countries have already declared the end of coal. Thus, he expressed doubt that the EU Council would give any mandate to the European Commission to envisage an extension for Montenegro.

The Secretariat is obliged to initiate infringement proceedings, which it will surely do.

Earlier this month, Montenegrin Minister of Capital Investments Mladen Bojanic said that the Government is in negotiations with the Energy Community in order to delay the closure of TPP Pljevlja, as its allowed operational hours are expiring soon. According to him, although the previously undertaken obligations to complete the modernization of the plant in 2020 have not been completed, it is unlikely that Montenegro will be asked to close it, because other deadline extensions were already granted to other countries in the region. The result of the negotiations will be known in four to five months.

TPP Pljevlja now accounts for 40 % of Montenegro's electricity production, and in dry periods of the year this number is over 50 %. Its shutdown would mean that Montenegro must import a huge amount of electricity, which would affect the growth of electricity prices for all categories of consumers by 20 to 25 % and the loss of 1,200 jobs in the thermal power plant and adjacent coalmine. In June 2020, EPCG signed a contract for the reconstruction of coal-based thermal power plant Pljevlja with a consortium led by Chinese Dongfang Electric Company (DEC). The deadline for the completion of works is 39 months for the date of signing the contract. The selected consortium offer to perform the reconstruction for around 54.4 million euros including VAT. Project implementation is scheduled to take place in the period 2019-2021, after which the operation of TPP Pljevlja will be enabled to continue for at least 20 years. Reconstruction will assure compliance with the requirements and adherence to the strictest environmental protection parameters as envisaged under the latest EU Decision 2017/1442.