

Slovenia: Nevertheless construction of TPP Sostanj 6 will continue

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Construction of the largest Slovenian energy project, a new power plant TES 6 in Sostanj will continue despite the suspicion of a failed investment that will, when completed, produce 50 MEUR in losses annually.

Decision to continue construction despite ongoing dilemmas brought the Slovenian government, and the issue will not be a problem in the new coalition agreement of the parties in the government of Prime Minister Alenka Bratusek, announced on Thursday Slovenian media.

Party of the Slovenian Prime Minister Positive Slovenia advocated before to stop the construction, but it was opposed by the Social Democrats (SD) and the Democratic Party of Pensioners arguing that indirect costs of stopping construction were much greater than the negative effects of placing them into operation.

Thermal power plant in Sostanj, with power of 600 MW, on domestic coal, for which the main contractor and equipment supplier is a French company Alstom, is scheduled to begin with a pilot plant at the end of this year. So far, 1.05 billion was invested, and the total investment is estimated at nearly 1.5 billion, and it will ensure a third of the electricity needed to Slovenia. Before the continuation of construction, there was a dilemma whether this large energy facility at the current stage of construction should be stopped, since according to current prices of electricity and the existing price of domestic coal per year, it would have 50 MEUR loss from operations.

Prime Minister Alenka Bratusek said that stopping the construction would be more expensive than its completion, what the country can not afford, due to the fact that penalties to contractors and banks, as well as other indirect costs of stopping the construction would be more expensive than its completion.

Source; Serbia Energy See Desk