

Slovenia's coal-based thermal power plant Sostanj will most likely have to be closed before 2030 because its financial operation will become unsustainable, warned The Slovenian association for sustainable development Focus.

Focus points out that TPP Sostanj recorded 20 million euros loss in 2019 and 58 million euros loss in 2018, while the profit of nearby Velenje coalmine keeps decreasing year-on-year. Losses are expected in the coming years as well, but it is very likely that with the current trends of rapid growth of CO2 emission allowances, the cost of production from TPP Sostanj will significantly increase.

The prices of CO2 emission allowances are already by 23 euros higher than the projections for 2030 from the sixth revised investment program for TPP Sostanj's unit 6 from 2015. The analysis considering the most probable scenario of future electricity prices and CO2 emission allowances projections show that the total losses of TPP Sostanj from 2021 to 2030 will amount to approximately 870 million euros (including fixed operating and maintenance costs and loan repayment), which amount to 188 million euros under the sixth revised investment program.

Tomislav Tkalec from Focus pointed out that the estimated loss of 870 million euros means unsustainable operation of TPP Sostanj until 2030 and gives a clear signal that an additional scenario needs to be prepared to manage the risk of coal phase-out and fair restructuring of the region until the unannounced premature closure. According to him, this analysis adds weight to the argument that of the proposed scenarios in the national coal phase-out strategy, scenario A is the least financially harmful, which predicts coal phase-out in 2033, because the longer the coal-fired power plant operates, the greater losses it will create.