

A coal-fired power plant and extended open cast mine project in Serbia has come under the microscope for possible state aid and environmental assessment transgressions.

The Serbian Centre for Investigative Journalism website reports that the new block at Kostolac B lignite coal-fired power plant and Drmno opencast mine is strongly backed by the Serbian government as a means of increasing the country's energy security.

Kostolac coal-fired power plant

The government borrowed \$608.2m from state-backed Chinese Export-Import bank, and Chinese company China Machinery Engineering Corporation is the main contractor for the works.

However Serbia's ministry of agriculture and environmental protection failed to consult neighbouring Romania, when producing its legally-obligated Environmental Impact Assessment.

At the same time the Serbian State Aid Control Commission is looking at whether the government collateral for the loan constitutes a breach of state aid guidelines.

The United Nations Economic Commission has decreed that Serbia needs to consult the neighbouring state as part of the compliance process.

Aphrodite Smagadi, Environmental Affairs Officer at the UN Economic Mission for Europe told Power Engineering International, "There is a currently a case in that regard pending before the Implementation Committee under the UNECE Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention)."

"The committee continues its information gathering with regard to the issues raising concerns on compliance by Serbia with the Protocol. Complete information about the case will become available on the web site only when the Committee has concluded its consideration."

The committee has agreed that likelihood of a significant adverse transboundary impact could not be excluded. A series of questions have been put to the Serbian government on the matter, which were due a response at the end of July.

Analysis of the Serbian response will be presented on the 29th of August. For the committee's consideration.

Kostolac B and thermal power plant Kostolac A, which comprises two blocks with smaller capacity, cover some 14 per cent of the total power consumption in Serbia on a daily basis.

source: powerengineeringint.com