

The Croatian Minister for Economy, Tomislav Panenić, yesterday confirmed that the 500 MW Plomin C coal plant project has been stopped, reports CEEBankwatch NGO.

The announcement comes after months of media reports that the European Commission considers the project to involve incompatible state aid due to the involvement of heavily politicised state electricity company HEP. This was confirmed by Panenić, who also cited low electricity prices as rendering the project uneconomic.

The news was welcomed by environmental campaigners who have led a five-year campaign against the project due to its expected climate and health impacts, as well as its high cost. "This project has proven to be a major distraction for HEP and the Croatian government and has diverted them away from developing a cost-effective and sustainable energy strategy", said Bernard Ivčić from Zelena akcija/Friends of the Earth Croatia. "We now need to make up for lost time and ensure that Croatia develops a new strategy based on energy efficiency and sustainable renewables".

"Croatia has excellent but under-used solar and wind potential and we hope to see a rapid turnaround in the fortunes of these resources during the next few years", added Zoran Tomić of Greenpeace Croatia.

"Plomin C is the latest in a whole series of coal projects being cancelled across Europe and beyond, as renewables become more and more affordable," said Pippa Gallop of CEE Bankwatch Network. "Governments across the Balkans who are largely ignoring this trend need to start paying attention if they are to avoid being left with a series of expensive mistakes on their hands".