

The Croatian and German power companies HEP and RWE have established a joint company to run renewable energy projects, the two companies announced in a press release on Thursday. The name of the joint company is Novenerg.

HEP and RWE will use the new company to develop renewable energy projects in Croatia, and plan to expand to other countries in Southeast Europe as well.

The joint company, with headquarters in Zagreb, will make strategic assessments and analyses of potential investments in the production of electricity from renewable energy sources, develop decentralised projects, deal with acquisitions, develop projects based on the use of waste from energy production, increase the effectiveness of the existing plants and provide consulting services.

The agreement to establish the joint company was signed in Zagreb on Wednesday by HEP CEO Perica Jukic and RWE Croatia CEO Karl Kraus. HEP and RWE will each control 50% of the new company's stock capital, and each partner will appoint one member of the board. HEP and RWE have been collaborating since 1996, when the agreement on the construction and management of the Plomin 2 thermal power plant was signed. The power plant was put in operation in 2000 and the agreement the two parties signed on a BOT (build-own-transfer) basis expired in May this year, after which Plomin 2 passed into full ownership of HEP.