

## Montenegro: The production price of electricity from TPP Pljevlja is no longer competitive due to rising costs for CO2 emissions

The Montenegrin Ministry of Capital Investments and the management of Elektroprivreda Crne Gore have taken opposing positions on the fate of the Pljevlja thermal power plant in the previous days. While the ministry believes that it is necessary to temporarily extend the operation of TPP Pljevlja and invest the money intended for reconstruction in green projects, the executive director of EPCG estimated that in this case there is a choice between reconstruction worth 54 million euros and electricity imports, which would cost one billion euros for 10 years.

The production price of electricity from the Pljevlja Thermal Power Plant is no longer competitive due to rising costs for CO2 emissions, which is why a strategy is needed to extend the operation of TPP Pljevlja for a limited time and invest the money planned for its reconstruction in green energy, the Montenegrin Ministry announced on Monday. capital investment (MKI).

They state that the consortium of contractors informed them that the planned amount of 54 million euros will not be enough for the reconstruction that would meet the environmental parameters defined by the Energy Community.

“Therefore, the consortium requested additional funds, and the amount of funds is still in the harmonization phase. In addition, a significant problem related to the operation of TPP Pljevlja is CO2 emissions, which we as a country have committed to reduce by opening Chapter 15 for EU accession. Due to current trends on world stock exchanges, the price of CO2 loans has reached a value of more than 60 euros per tonne issued, and futures are moving more than 100 euros per tonne issued, making the production price from TPP Pljevlja absolutely uncompetitive. Therefore, we are of the opinion that, with a detailed economic and social analysis and respect for commitments, with a proposal for a sustainable solution and cooperation with our European partners, we will define a strategy that would, for a limited time, extend the work of TPP Pljevlja under the current regime. ecological reconstruction was invested in green energy production projects and the start of investment activities that would significantly improve the economic position of the inhabitants of Pljevlja “, states the MKI.

On the other hand, the executive director of Elektroprivreda Crne Gore Nikola Rovčanin said in an interview with Vijesti that the work of TPP Pljevlja has no alternative and that there are two scenarios - ecological reconstruction worth 54 million euros, which will meet the standards of strict environmental directives and enable work for at least 10 years. or the purchase of electricity worth over 100 million euros per year in the event that the TPP ceases to operate.

“Overall, an investment of 54 million in environmental reconstruction versus imports of over

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a billion euros over a ten-year period. My proposal is that the rest of the money for the ecological reconstruction be provided through a credit arrangement, so that the installment of that loan is at the level of daily production of TEP. Thus, we would come to the situation that TEP works for itself one day, and for 29 days for the state and citizens, at least until 2030, and I am very optimistic about the possibility of functioning even after that period. If there is no ecological reconstruction, then there is definitely no TEP, 1,200 jobs, or 50 percent of the state's electricity production, not to mention the indirect consequences for the state's economy, closing down numerous companies, growing foreign trade deficit, falling average wages and hundreds of others. negative effects ", said Rovčanin. He added that he expects a positive outcome of negotiations with the Energy Community, after which the continuation of the TPP's work could be ensured.

Source: bankar.me