

## Montenegro: Unacceptable to demand the resolving of the issue of environmental pollution in Pljevlja by construction of the second block of Termo Power Plant Pljevlja

On the occasion of public hearing for Detailed Spatial Plan (DPP) and Strategic Environmental Assessment (SEA) of the second unit of TPP Pljevlja, NGO Green Home prepared comments that were supported by ten organizations from Montenegro and region. Comments state that it is unacceptable to demand the resolving of the issue of environmental pollution in Pljevlja by construction of the second unit, i.e. new GHG emitter and waste producer in situation without adequate analysis of the state of environment and real causes of the pollution and the share of pollutants, as well as the effects of pollution on the health of the citizens of Pljevlja

Draft documents DPP and SPU do not guarantee that the construction of the second unit of TPP Pljevlja will bring the state of environment in Pljevlja in long term acceptable healthy environment or offer improvement of social economic conditions for the citizens of Pljevlja. Taking into account the fact that the effect of existing TPP Pljevlja as well as coal mine Pljevlja on environment is cumulative, we point out that it is not acceptable to conclude that the construction of TPP Pljevlja II is technologically, economically and ecologically acceptable, because from the point of impact on the environment- especially on vulnerable air quality of Pljevlja valley-it makes a positive impact in relation to the current situation. This is a necessary but not sufficient precondition for acceptance of characteristics of the construction of the second unit TPP Pljevlja II.

It is necessary to conceive the construction of the new unit in a way not only to improve impact on environment related to current situation, but also to bring environmental situation in long term acceptable healthy environment. That situation should guarantee healthy life and possibility of economic development to the citizens of Pljevlja and the region, overall population of Montenegro and those neighbouring countries on which the eventual construction of this unit would have impact.

As presently conceived and explained in the DPP and SEA, we do not see the guarantee that this will happen. The issue of district heating system is not discussed in detail in documents, but the assumption that it will be realized has already taken. Given that the project is very uncertain, expensive and that its implementation depends on feasibility study as well as financial capacity of local communities to complete distribution system for district heating for one part of the town by their own means, it is necessary to take into account the option that the project of district heating would not be done, besides the construction of the second unit, and accordingly investigate and analyze the negative impact on the health of residents of Pljevlja.

SPU is biased and inconsistent document, especially in terms of the existing TPP Pljevlja I. Namely, during the consideration of the impact of construction of the second unit on

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environment, there is assumption that the current unit will continue operation as major polluter without rehabilitation and accordingly emphasize the positive effects of the construction of the second unit. However, when considering economic effects of the construction of the second unit, there is assumption that in the case of cancellation of the construction of new unit, we will reach closure of the existing unit which will have negative economic impacts.

The same inconsistencies occur in the case of existing ash and slag landfill Maljevac that is not viewed in the document as an object that must be closed, as it has reached all its limits and that the Government has already taken the credit indebtedness of the World Bank for its rehabilitation, but its closure is seen as a positive contribution to the construction of the second unit.

In addition, the issue of opening a new landfill at the location Sumani is not seriously processed bearing in mind how big the risk to the environment is, and that operation time, capacity, impacts on the environment, as well as the existence of opportunities to continue exploitation of coal on this location are not known. Also, this location is also favorable for the development of agriculture in the buffer zone of 300-600 meters from the landfill as well as the recreational tourist locations on Borovičko lake, which we consider to be unrealistic given the characteristics of waste since that would be deposited in this landfill.

DPP is incomplete document that lacks essential input parameters and data relating to coal reserves, their quality, level of exploration, the estimated cost of opening new mines, estimated number of jobs, the financial costs of re-cultivation of area, environmental protection measures, CO<sub>2</sub> costs, health costs, etc.

It is particularly bad, and on the basis of vague input data processed economy and market projections for the second unit, whereby the estimated future costs of coal are priced considerably lower than the present, while the estimated selling price of 65 € / MWh is extremely high and unrealistic given that the current price in the electricity market is about 32 € / MWh. Besides, the price of possible construction of a new stack for the new unit is not included.

In this regard, the value of the project of construction of a new unit and its associated costs are not realistic and adequately presented and we believe that it will surpass presented figures, and that time of project profitability will be considerably longer than currently estimated, i.e. more than 14 years.

We consider that all of this seriously undermines the competitiveness of future unit in the electricity market, as well as the profitability of the investment, and that it is necessary to do serious or impartial cost-benefit analysis before deciding on the construction of the new



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unit.

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