

Porto Romano thermo power plant, Albania



CEE Bankwatch Network's mission is to prevent the environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation

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Summary

The Porto Romano TPP is yet another project that aims to improve energy security in Albania, yet the construction of such a large TPP powered by imported coal can hardly be reckoned to constitute sustainable development. Nevertheless, and despite the fact that coal-fired TPP plants are widely recognised as the most climate-wrecking forms of electricity generation, the governing elite in Albania is determined to have one in its own backyard. The question remains if this determination is based on a strategic assessment of energy generation and efficiency in the country, not to mention due consideration of TPP technologies and responsible deliberation about Albania's long-term carbon emissions.

Given the past and present involvement of the EBRD in other energy generation projects in Albania, such as the combined-cycle power plant in Vlora, Bankwatch and the Albanian Ekolevizija coalition call upon the bank not to consider the Porto Romano TPP for finance.

Background

In December 2007, the Albanian Minister of Economy, Trade and Energy and the CEO of the Italian energy company Enel, Fluvio Conti, together signed a memorandum of understanding (MoU) for the development of the energy sector in Albania. Under the terms of the MoU, Enel agreed to construct a coal fired thermo power plant (TPP) and a transmission line to Italy.

In May 2008, a rapid environmental impact assessment (EIA) for the Industrial and Energetic Park at Porto Romano located near Durres – the second largest city in Albania – was released.¹ According to a study produced by the Landell Mills consultancy company, and co-financed by UNDP Albania and the Delegation of the European Commission to Albania, the energy zone was expected to host a TPP. The authors assess different scenarios depending on the type of TPP to be established in Durres– thus indicating that a specific type has not been selected.

Surprisingly, a month later the executive director of Enel stated publicly that the company was planning to construct a coal-fired TPP in Albania.² In September, the coal-fired TPP's EIA was introduced as part of the framework of an assessment study for the Porto Romano Energy Complex prepared, by the Environmental Resources Management consultancy. Very shortly after, Enel organised a so-called "second" public consultation for the coal-fired TPP in Durres in the village of Katund i Ri near the Porto Romano park borders.³

¹ <http://www.albinvest.gov.al/foto/REAIEP-PRDurres.pdf>

² Enel invests in Albania coal plant, maybe nuclear. Reuters. 24 June 2008.
<http://www.reuters.com/article/rbssUtilitiesElectric/idUSL2414928620080624>

³ The Second Consultation Meeting with the Public on "Porto Romano Energy Complex". Ministry of the Environment.
http://www.moe.gov.al/cms_en/index.php?option=com_content&task=view&id=66&Itemid=1

According to the EIA, the Porto Romano TPP consists of two 800 MW coal-fired units, a jetty for handling the imported coal, a transmission line connecting the local substation to Tirana's main substation and an undersea transmission line linking the facility with Italy. Sixty to seventy percent⁴ of the produced energy will be exported to the Italian market.

The discrepancies and controversies associated with the project

Since the Porto Romano TPP is to be built and operated under a 25-30 year concession agreement, a transparent tender procedure would be expected. In June 2008 a consortium comprised of the Greek Public Power Corporation, the Greek cement group Titan, and the German power utility RWE expressed interest in the Porto Romano TPP. However, Enel has apparently remained as the only racehorse on the track, initiating an EIA process for the project and organising a set of consultation meetings with the public in Durres and neighbouring villages. So far there has been no call for tenders by the Albanian government that would open an international bidding process.

While the decisions of the National Council of Territorial Adjustment and the Albanian government over the project are still pending, the state has indicated its strategic support for connecting the new energy park with the national railway system. In April 2009, the major Albanian industrial association Konfindustria signed an agreement with Enel on building the Porto Romano energy park.

The project has been facing opposition from Albanian environmental groups and the local communities. Ekolevizja, a coalition of Albanian environmental NGOs, objected to the fact that the public hearings on the EIA that Enel prepared originally took place only in the village of Katundi i Ri. Following this the Ministry of Environment, Forestry and Water Administration expanded the hearings to Durres and communities in Manze, Sukth and Ishem.

Most of the people present at the public hearing meetings were not in favour of the project, mostly because of its massive capacity, the use of coal as the fuel and the inappropriate location. People also fear increased air pollution as the EIA commissioned by Enel shows that the high levels of air pollution in Durres and the Porto Romano zones currently exceeds the national standards and would be increased even further by the emissions of the TPP.⁵

An independent quality review of the energy complex EIA⁶ commissioned by Ekolevizja highlighted more than 25 shortcomings in the assessment, including the study's failure to: consider alternative energy scenarios to coal power; analyse properly the carbon dioxide emissions; assess the socio-economic impacts of the project and; provide for management and monitoring plans.

Based on this quality review, as well as the opposition from local communities, the Municipality of Durres declared itself officially against the project in April this year.

As it was used for chemical storage in Communist times, Porto Romano has been deemed by the UN's Environment Programme to be one of the five major environmental hot spots in Albania. Porto Romano has also attracted the attention of the World Bank for natural and cultural heritage protection and coastline management reasons. In 2005, the World Bank provided USD 18 million in financing for a USD 39 million Integrated Coastal Zone Management and Clean-up⁷ project co-financed by the European Commission, Japan, Austria and the Netherlands, that also includes the clean-up of the Porto Romano hot spot. A study prepared by the Ministry of Economy, Trade

⁴ According to an Enel presentation delivered at the public hearing meeting in Durres, 21 January 2009

⁵ Porto Romano – Energy Complex Thermal Power Plant Environmental Impact Assessment Study, September 2008, Environmental Resources Management/ENEL – Porto Romano Thermal Power Plant - PRBCATESVL220 – Page 85

⁶ Quality Review of the EIA For the Porto Romano Thermal Power Plant – April 2009

<http://www.ekolevizja.org/index.php?id=234>

⁷ [http://www-](http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000333038_20080915000158&searchMenuPK=64187283&theSitePK=523679)

[wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000333038_20080915000158&searchMenuPK=64187283&theSitePK=523679](http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000333038_20080915000158&searchMenuPK=64187283&theSitePK=523679)

and Energy shows that the environmental and archaeological complex located in this area has started to become damaged by the industrial works.⁸

Conclusions and recommendations

The Porto Romano TPP is yet another project that aims to improve energy security in Albania, yet the construction of such a large TPP powered by imported coal can hardly be reckoned to constitute sustainable development. The current decision to initiate a centralised coal power plant for the next 30 years will significantly influence Albania's future carbon standing. Not only does coal power generation pose a concern in terms of global carbon emissions, but it is also a source of significant local pollution which harms the

local environment and people's health.

Despite the fact that coal-fired TPP plants are widely recognised as the most climate-wrecking forms of electricity generation, the governing elite in Albania is determined to have one in its own backyard. The question remains if this determination is based on a strategic assessment of energy generation and efficiency in the country, not to mention due consideration of TPP technologies and responsible deliberation about Albania's long-term carbon emissions.

Given the past and present involvement of the EBRD in other energy generation projects in Albania, such as the combined-cycle power plant in Vlora, we, on behalf of the Ekolevizija coalition, call upon the bank:

- Not to consider the Porto Romano TPP for finance.
- To prioritise sustainable energy projects, particularly in the field of renewable energy and energy efficiency, when it comes to review its three-year investment strategy for Albania at the end of this year.
- To encourage the Albanian government to find a solution for the energy security of the country via sustainable investments such as renewable energy and energy efficiency.

For more information

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⁸ Zhvillimi I integruar (në sinergji) I zonës energjitike dhe industrial të Porto Romanos, Durrës, infrastruktura dhe konturet e saj - April 2008 – page 178