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Platts Power in Europe

## Italy 'needs stimulus of new coal': Assocarboni

Italy must press ahead with new coal projects to create jobs, stimulate the economy and prevent investment capital going abroad, chairman of Italian coal association Assocarboni Andrea Clavarino told Platts on March 4.

"Last year was positive, with Tirreno Power receiving towards the end of 2008 the environmental authorization to build a new 460-MW coal-fired unit at Vado Ligure [in the northwest coastal province of Savona]. The unit will have a very high efficiency of 47%," Clavarino said.

Tirreno's plan includes 180-MW of renewables, "so the total investment will be €800 million, out of which €200 million will be for renewables," Clavarino said. "Globally, although capacity will rise, emissions including CO2 will be reduced." At present the Vado Ligure site has two 330-MW coal units and a new CCGT of 760-MW. With the new coal unit total site capacity will rise to around 1,800-MW.

"Now some local resistance must be addressed, and Tirreno is negotiating terms with local municipalities. We look forward to starting work soon because construction would involve 1,000 workers over four years and provide 250 jobs thereafter," Clavarino said.

The existing infrastructure does not allow for future carbon capture equipment, but Clavarino noted that the new unit would have a beneficial impact on emissions by displacing less efficient plant.

Meanwhile at Porto Tolle, Enel's 2,000-MW oil-to-coal conversion project in Veneto, "we are talking about the potential for 4,000 construction jobs over four years," Clavarino said. After two years' development, however, the project still awaits environmental approval, there are national park restrictions that need to be overcome, and Clavarino is fearful the investment opportunity could be lost. "Italy is 60%-dependent on gas-fired electricity; coal supplies 12% of Italian power

compared to Europe's 33% average. However there is an alternative project Enel is pursuing in Albania, with the aim to have 1,500-MW [of coal-fired capacity] in Albania and an interconnector to Italy. I think we run the risk that, if we don't have environmental authorization for Porto Tolle, our country will be deprived of an important facility and another country will benefit from the investment."

Local trade unions are of the same opinion. Some 3,000 workers protested recently in favour of the project, with a delegation received by the environment ministry. The government supports Porto Tolle but, under regional law, only gas plant can be built in the Po Delta national park, where the oil-to-coal conversion is proposed. "This is a restrictive interpretation of the law that the court has given, and Enel is disputing it," Clavarino said.

Opposition to new coal across Europe is well organized and highly motivated. In December environmental group Greenpeace staged a demonstration at Porto Tolle, painting 'No Carbone' on the stack, as part of its pan-European campaign against construction of coal plant. The action, and rallying of local opposition, has certainly added to development delays if not actual cancellations in Italy, Germany and the UK.

In the short term this has led to gas plant continuing to displace coal in several west European markets. Longer term, nuclear is an option, although Clavarino was cautious on a nuclear power renaissance in Italy. "Let's wait and see how things are going at the end of 2009," he concluded. "New nuclear is a very long way out, I'm not worried that the focus is shifting because economic considerations will dictate choices and we should concentrate for now on less costly oil-to-coal conversion. Once approved, Porto Tolle would take 42 months to complete and could be online during 2013. New nuclear would only become available in 2020."