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## Croatian biogas plants face bankruptcies and takeovers

**(Energetika.Net) Most of Croatia's 41 biogas facilities are operating below their 46 MW of total capacity and many may halt operations soon, Marko List, owner of the consulting company Consultare, told Montel on Monday.**

He explained on the sidelines of a meetup of the renewables sector from Croatia and the Netherlands held in Zagreb that these problems are due to a huge increase in the costs of input materials.

One producer, Josip Tesinski from SLK Projekt, believes that most biogas plants will file for bankruptcy by next year and be taken over by foreign investors who will be able to endure losses over prolonged periods.

The sector has the potential to ramp up its power production capacity to 300 MW, according to the renewables association OIEH, but the increase in input prices after the war broke out in Ukraine has already led to the bankruptcy of one 2 MW facility while most others are incurring huge losses.

### State turning a blind eye

Producers sought assistance from the government. However, when amending the ordinance on renewable energy source incentives in June, lawmakers did not accept their proposal to change the tariff system in a way that would help them survive, Maja Pokrovac from OIEH told Montel.

"Croatia would need to increase biogas capacity to 200 MW to help balance the system, but we're now going in the opposite direction," Marijan Cenger, the president of the Croatian biogas producers association (HUPB), [said in June](#).

"In order to make the sector sustainable in the long term we need to move away from corn silage and other plants and turn to food waste," Tesinski told Montel on Monday.

List added that Croatia's annual 400,000 tonnes of biowaste holds the immense potential of producing 100 GWh of power. He noted that the state should encourage public-private partnerships between biogas producers and local waste management companies, as some cities like Vinkovci and Varazdin have already done, so biowaste does not end up in landfills but is rather used to produce energy.

Montel

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## Biomethane a good investment option in Croatia – expert

**(Energetika.Net) As Croatian energy company Ina mulls the transformation of its former Sisak refinery into a green energy hub, a leading local biogas expert has told Montel that liquefied biomethane production is a sound investment opportunity.**

"Production of green liquefied biomethane would be a viable investment as it is something that the EU does not have in sufficient quantities. Biomethane would be transported by trucks to the users in the EU and a producer could achieve guaranteed multi-year contracts with the buyers," Marko List, who is the director in the consulting firm Consultare, told Montel in an e-mail on Thursday.

Currently, in terms of green energy production, there is only a 2.6 MW solar power plant on the site of the former oil refinery. Ina had planned to build a biorefinery there, but now is mulling alternatives which include a biogas plant.

Last month, the business daily newspaper Poslovni Dnevnik reported that Ina had decided to abandon its biorefinery plan after assessing that there was insufficient market demand for bioproducts.

In the meantime, Ina has told Montel that it is evaluating financing options for another clean energy investment in Sisak, for which it wants to draw on EU post-pandemic recovery funds, but did not confirm that it would take the form of biogas plant for liquefied biomethane production.

"In that context, all the procedures are underway and the public will be informed in a timely manner about our plans," Ina's e-mail simply stated.

Meanwhile, the Sisak-based consultancy IPS Konzalting, which specialises in waste and energy management, including biogas plants, has confirmed to Montel that it prepared a study for Ina in relation to the Sisak site, but was not willing to elaborate further.

### Regulatory framework

According to Marko List from Consultare, while there is a case for biomethane production in Croatia, the future of electricity production from biogas plants remains uncertain, given the limited sale price.

"Unfortunately, we still don't have an adequate regulatory framework in that field, but when big players like Ina plan such an [biomethane] investment we can also expect regulatory improvements," he said.

Under the RePowerEU plan, designed to accelerate Europe's independence from Russian fossil fuels, the EU has set an annual production target of 35bcm of biomethane by 2030. By then it should account for 10% of European gas consumption.

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