

Alstom in Serbia is interested in the production of electricity from renewable energy sources

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Alstom is present in Serbia for more than 40 years, primarily operating in power plants and power generation sector. However Alstom offers turbines to wind developers in Serbia and will partner with Edison on new thermal power plant Kolubara B, says Miodrag Jelisavcic Alstom Serbia director.

Do you see Serbia as a market where "Alstom" would be able to participate when it comes to renewable energy?

- "Alstom" in the company's strategy and product portfolio pays great attention to this area. Starting from what is now current, to the development of systems for the collection and disposal of carbon dioxide emissions, where we have come a long way in developing new technologies. In Serbia, smaller biomass and mini-hydro power plants are interesting, which are not in the production program of "Alstom". For "Alstom" wind farms in Serbia could be interesting. Turbine "Alstom" ECO122, which is in the phase of certification, is ideal for conditions in Serbia, and in particular for the wind in the Banat. According to technical indicators at the moment, we seem to have a huge advantage over the competition.

Serbia is yet to set any of the scheduled wind farms. How do you see this situation?

- The first question is what exactly Serbia wants. The price of electricity in Serbia does not cover the cost of production in thermal power plants nor in the gas plants, while allowing EPS at the same to plan development and investment. Investments in plants using renewable electricity sources are not small and investors expect them to be viable. Somebody has to pay the price that can justify those investments and it will be the end-user who will pay either through energy prices or the same user, but through the Serbian budget, because the price difference will be covered by EPS, which is owned by the state.

Do you expect the "feed in" tariffs to stay the same, along with the ensured period of 12 years?

- We are interested in what is going on with the movement of "feed in" tariffs, because it determines the level of investment in this area. Price in Serbia is not bad when you look at the situation in Europe and the world, but a period of 12 years is not absolutely favorable to investors. In other countries that have much more installed capacity the period is 20 years. If you reduce the price or shorten the period of guaranteed prices, investors will need to assess whether their investments are profitable or there are markets where they could invest their money better. Here again the basic question is what Serbia wants to achieve in this area and it is up to the state to determine which way this market would go using laws and regulations as well as the "feed in" tariffs.

Is "Alstom" interested in participating in the construction of hydro power plants in Serbia?

- When it comes to hydro power plants we are participating in the bidding for rehabilitation of HPP "Zvornik". Offers were submitted on October 9. Many major international companies participate in the tender and KfW funds the project. The technical proposal evaluation phase is currently in progress and opening of the commercial bid is expected. As the emphasis in the evaluation is on the technical features of the proposed solution, we believe that what we submitted an offer that is very competitive. Personally I would be very happy for us to be involved in the project on Drina.

"Alstom" has been present in Serbia for several decades. First of all, co-operation of your company with TENT is well known. Which projects in the energy sector would you single out as the most important ones?

- "Alstom" has been present in Serbia for about 40 years. Crucial equipment in the form of turbines and generators in almost 70% of thermal power plants in Serbia is produced in "Alstom" factories. Within the service, modernization and increase of the energy efficiency of the units, their strength was increased for about 150 MW in the last 10 years, which is more than the installed capacity of the power plant "Zvornik" or Vlasinske hydro power plants. Based on these results we consider our long-standing relation with the "Electric Power Industry of Serbia" as partnership.

In the market we rarely present those results as our own, instead we allow the client to present its own success. For example, the work has just been completed on block 5 in TENT A, where the block power of 308 MW got increased to 350 MW after reconstruction.

What are your company's plans for Serbia in the next period?

- We are focusing on large projects, we want to be partners with EPS and the state, as well as other investors who would like to do business in areas where we operate in Serbia. Although the situation is difficult, Serbia needs to invest in infrastructure because without it there will be no investors, which should increase employment. Investments in the energy sector should be used so that domestic companies accumulate new knowledge and get references they could use in the foreign markets in this area.

We expect to participate in the construction of the thermal power plant "Kolubara B" which envisages the construction of two blocks of 375 MW. Part of the equipment supplied so far comes from "Alstom". A strategic partnership agreement has been signed between the EPS and the company "Edison" from Italy. We are also interested in the project of the new block in TENT B3, in which case German company RWE, as well as companies from China is interested in partnership with EPS. Currently, evaluation of bids for a strategic partnership in transforming TPP Novi Sad into a co-generative gas-steam block is in progress. If the project comes to life and technical requirements are in terms with what "Alstom" has to offer, we will be present there too.

We should not forget the announced investments in hydro power plants either. All projects mentioned - from hydro power plants on Morava, HPP on Drina, to the plants on Bistrica and "Djerdap 3", must have something in the technical sense, what "Alstom" has to offer.

It is obvious that in the future of Serbia there are major investments and changes in the areas "Alstom" deals with. "Alstom" is willing to participate in shaping a part of this future.

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