

Chinese companies are not giving up on plans to invest in the construction of unit 7 at coal-fired thermal power plant Tuzla in the Federation of Bosnia and Herzegovina (FBiH), despite warnings that it could jeopardize plans to reduce carbon dioxide emissions and align with EU environmental policy.

Chinese companies China Gezhouba Group Company (CGGC) and China Energy Engineering Group (GEDI), which signed a contract with state-owned power utility EPBiH in 2014 to build a new unit at TPP Tuzla with a loan backed by the Chinese government, said that they would not give up of this project despite the fact that US General Electric (GE), which was supposed to manufacture and design a key piece of equipment, withdrew from the project, and this was subsequently done by the German Siemens, who was supposed to be the replacement.

The US company was supposed to deliver a boiler and a steam turbine generator, but GE announced that it intends to withdraw from the coal energy market. The Chinese investors then looked for an alternative at Siemens, but the company also turned them down.

However, the Chinese are still not giving up, so they are now offering to continue with the realization of the project, while the equipment should be manufactured and delivered by Shanghai Boiler Works and Shanghai Electric Group instead of western companies.

In the joint press release, the two companies expressed hope that the EPBiH and FBiH authorities will accept the alternative proposal so that the construction of unit 7 can begin as soon as possible, as this project is crucial for the stability of electricity production in BiH. Amendments to the 2014 agreement would have to be approved by the Parliament of the Federation of Bosnia and Herzegovina and it is expected that this will be discussed at one of the first sessions after the summer break.

According to the current plans, three existing units of TPP Tuzla should be shut down by 2025, while the fourth, following its rehabilitation, will continue to operate until 2035, when it would be completely replaced by the planned unit 7.

Coal-fired power plants are currently the source of almost 70 % of BiH's electricity production. After the war, one new coal-fired power plant (Stanari) was built using Chinese technology and was financed by the British-Serbian Energy Finance Team (EFT), which exports and sells all electricity produced there on the European market.