

The decision to change the ownership structure of HES Gornja Drina, a project company established with Bosnian power utility ERS was made by the Government of the Republic of Srpska (RS), according to which Serbian state-owned power utility EPS will hold 51 % stake and ERS the remaining 49 %. Competition watchdogs in both Serbia and BiH approved this decision.

Last February, Minister of Industry, Energy and Mining of the Republic of Srpska (RS) Petar Djokic and Acting Director of ERS Luka Petrovic have signed a concession agreement for the construction of two hydropower plants on the Drina river - HPP Foca and HPP Paunci. A month earlier, the RS Government announced that it has granted concessions to power utility ERS for the construction of two hydropower plants on the Drina river - HPP Foca and HPP Paunci. The concessionaire will have to pay a one-off fee in the amount of some 600,000 euros for HPP Foca concession and around 620,000 euros for HPP Paunci concession. Total value of investments in the realization of both projects is around 240 million euros. HPP Foca will have installed capacity of 44.15 MW and estimated annual electricity generation of 175.8 GWh, while HPP Paunci will have installed capacity of 43.21 MW and estimated annual electricity generation of 166.9 GWh. HPP Foca is located 10 kilometers downstream from HPP Buk Bijela, while HPP Paunci will be built 10 kilometers downstream of HPP Foca. In June 2016, the contract on the concession grant for the construction and operation of 93.52 MW HPP Buk Bijela between the RS Government and the consortium which consists of power utility ERS and its subsidiary "Hidroelektrane na Drini" has been signed. The concession is granted for a period of 50 years and the estimated value of the investment is around 195 million euros. RS agreed to build these three HPPs in cooperation with neighboring Serbia, while ERS merged two of its subsidiaries "Hidroelektrana Buk Bijela" and "Hidroelektrana Foca i Hidroelektrana Paunci" to establish a new company "Hidroenergetski Sistemi Gornja Drina", which would be co-owned by ERS and Serbian EPS. So-called Upper Drina project consists of HPP Buk Bijela, HPP Foca, HPP Paunci and HPP Sutjeska. According to original plans, overall power output of all four HPPs should be 238 MW, while annual electricity generation should reach 800 GWh (HPP Buk Bijela - 115 MW, HPP Foca - 52 MW, HPP Paunci - 36 MW and HPP Sutjeska - 35 MW).