

Bosnia and Herzegovina: TPP Stanari recorded 39 million euros profit in 2018

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Coal-fired thermal power plant Stanari, owned and operated by Swiss-based EFT Group, recorded a profit of some 39 million euros in 2018.

The plant continued with positive financial results, even better compared to 2017, which was the first full year of its operation, when net profit amounted to 18 million euros. Total revenues in 2018 increased by 2.9 million euros and amounted to 100.5 million euros. The company also increased the number of employees in 2018, from 813 to 855.

On the contrary, two other thermal power plants in the Republic of Srpska (RS) – Ugljevik and Gacko, operated by state-owned power utility ERS, recorded far poorer financial results in the previous year. Although TPP Gacko recorded a net profit of almost a million euros, it is burdened by losses from previous years and its accumulated loss amounted to 7 million euros at the end of 2018. TPP Ugljevik recorded a loss of 1.6 million euros in 2018.

In early 2019, RS Government approved the request of EFT Group for the extension of concession for thermal power plant and nearby coalmine Stanari until 2055. According to the decision, the current concession contract is extended by additional 12 years. For the extended concession period, EFT Group will pay one-time concession fee in the amount of some 400,000 euros plus the fee for coal exploitation in the amount of 1.3 euros per excavated ton. Although previous concession extension decision included electricity production fee in the amount of 0.17 eurocents per kWh, new decision did not define the amount of this fee.

TPP Stanari is the first private investment in large conventional power production facility in former Yugoslavia. The project started in 2004, when EFT was selected as the best bidder on the international tender for the selection of strategic partner for coalmine Stanari. Since the demand of lignite in the region was in decline, EFT decided to build a thermal power plant near the coalmine. Initial plans envisaged the construction of 400 MW unit that was supposed to produce some 3 TWh of electricity per year, project was financially supported by the European Bank for Reconstruction and Development (EBRD) and the equipment was to be delivered by French Alstom.

However, the final agreement was not reached, EFT turned to Chinese company Dongfang and reduced the output of the plant to 300 MW, planned production to 2 TWh of electricity per year and gross efficiency from 43 % to 38.5 %. TPP Stanari was officially commissioned on 20 September 2016, the cost of the project totaled some 550 million euros, while most of the funds were provided by China Development Bank.