

According to the Institute for Protection and Ecology of the Republic of Srpska (RS), which has prepared the Environmental Impact Assessment study for the coal-fired thermal power plant Ugljevik 3, its construction will not have a significant impact on the environment if the prescribed protection measures are implemented.

The draft study submitted to the RS Ministry of Spatial Planning, Construction and Ecology concludes that protection measures, defined by the study, can provide the necessary conditions for environmental protection in terms of impact on flora and fauna, noise, soil pollution and other segments of the environment. Project for construction and operation of thermal power plant, compliant with all proposed environmental protection measures defined in the study, during the construction works as well as during its operation, will reduce all negative effect on the environment to a minimum level.

In March 2011, Government of RS has approved a letter of intent submitted by Comsar Energy Limited regarding construction of second unit in TPP Ugljevik. The investor was selected based on unsolicited bid, without publishing public invitation. TPP Ugljevik 3 will have two 300 MW units and overall cost of the project is estimated at 750 million euros. The joint venture agreement for construction of TPP Ugljevik 3 was signed in July 2011 by the RS Government and Comsar Energy. Comsar Energy is obliged to invest 90 % of the funds, while the coalmine and TPP (RiTE) Ugljevik should invest 10 % of the necessary funds. The government will hold 10 % stake in the joint venture company, by investing the land and existing infrastructure at the site of TPP Ugljevik, while CE will own 90 % stake. TPP Ugljevik 3 would export its entire output to foreign markets and it will not be competitor to local power utility ERS. The construction of the plant has not started yet.

In 2018, Russian company asked RS Government to extend the concession granted for the construction of TPP Ugljevik 3 for an additional 15 year or the company will give up the investment. The request includes the extension of the concession period from 30 to 45 years, because the current concession period of 30 years is deemed unprofitable due to lower electricity prices. At the same time, Comsar Energy requested to reduce the power output of the future plant from 600 to 350 MW. However, in early 2020, Comsar Energy requested that the installed capacity should be increased to 700 MW.

In early 2021, RS Government once again met the request of Comsar Energy and extended the deadline for the construction and usage of coal- fired thermal power plant Ugljevik 3 to 44 years. Previously, Comsar Energy requested for its concession to be extended from 30 to 45 years.

In June, Chinese companies China Electric and Sunningwell International announced that they have signed an agreement on the construction of TPP Ugljevik 3, which would be their first project in the European market. However, It was not clarified whether the Chinese companies will be partners of Comsar Energy, which is the holder of the concession for the

construction of TPP Ugljevik 3, or will take over the project completely. Comsar Energy said that it is currently in negotiations with strategic partners regarding the Ugljevik 3 project, without providing any details.