

Bosnia: Austrian investments into small HPPs, expansion of projects

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FBiH i.e. Zavidovici municipality will have three new small HPPs on Gostovic River soon- SHPPs "Cardak", "Rujevica Usce" and "Botasnica Usce". These investments are provided from "EBH" from Sarajevo whose owner is the Company "Energy Eastern Europe Hydro Power". Investors from Austria have also established a company that directs investments in Republika Srpska i.e. "ERS" seated in Banjaluka.

As Adnan Halilovic, Director of Sarajevo's "EBH" says in an interview the main motive for investing in BiH was the fact that our state has a big hydro potential.

-Next to that, we were convinced that this sort of electricity production which is more acceptable than conventional sorts, will be used more and more in the future- Halilovic says.

Domestic and Austrian experiences

Our interlocutor stresses that they use experiences from doing business in Austria, as well as knowledge of domestic companies.

-Performers of construction, electromechanical, electrical and similar works in all our projects are from company from BiH in Federation and RS- Halilovic points.

Joint forces and knowledge will result in objects in Zavidovici so electricity will be produced in three HPPs with 945 KW, 714KW and 921KW strength in the river's basin. Two SHPPs with total power of 2.850 KW are already launched on Sucevka River in Rudo Municipality.

Improvement toward construction and beginning of the hydro energy objects' work can be very difficult and slow, complicated by administrative procedures what represent a big obstacle in all potential investors in this sector in BiH.

"EBH" also confronted this so issuance of all necessary licenses lasted more than 5 years.

-BiH is very familiar to be famous for its giant natural resources and hydro potential which is not used so much because of the policy in the old system which favored only a construction of big electricity production facilities with the reference to the other countries in Europe. This gives a huge chance for investing in this area. However, FBiH has one, little not so clear situation about law regulative that manages this area. Often changes of various laws and often disharmony of laws and bylaws that are connected to the very complex issuance of all necessary things for construction- Halilovic states.

Advantages and stimulation's

Our interlocutor says that the only advantage of investments in HPPs with less power is independence of that resource "what results so electricity price for final buyer is not dependent from some resource we don't have".

-I will mention natural gas as an example. It is familiar that many states in the region cannot directly control gas price for households considering that they are related to purchasing price from the state they get gas from (for example Russia).

Does State Administration recognize and subsidize investments in renewable energy sources?

-There is a Law for Use of Renewable Energy Sources and Co generation (OIEIK) for BiH which was adopted in both houses of federal parliament and it should regulate stimulation's for renewable energy sources production. However, "EBH" has no such influence at the moment so we sell our electricity at so called "floor price" and that is 8 pfennigs per KWH. We'll see how this will look like in the future when this law spreads- Halilovic stresses.

Plans

Launching the SHPPs in Zavidovici is only a beginning of investing in FBiH hydro potential and they hope that former administrative difficulties will be removed.

-As a short-term plan, I can say that it is finishing these three projects with special turn to the environmental protection before all. We are all witnesses to the fact that many projects of small HPPs leave negative influence after the construction what brings to reasonable resistance of local communities when it comes to these projects. Fortunately, we have gotten only praises with our construction work model that includes respect to all EU standards and we are very glad because of it. This gives us a right to continue with investing in other municipalities in FBiH as a long-term plan- Halilovic concludes.

Source; Serbia Energy See desk/EBH