

Head of construction department of thermal power plant Banovici Avdija Mumic said that the long-awaited construction of the power plant should start by the end of this year. Mumic said that preparatory activities on the implementation of the project are progressing according to plan, adding that the financial structure of the project is currently being closed with a consortium of Chinese banks, led by the Industrial and Commercial Bank of China (ICBC). According to him, the value of the entire project is about 305 million euros, of which 85 % will be financed by Chinese banks, while the remaining 15 % will be financed by local banks.

He said that it is envisaged that the construction should last 40 months, and if construction works start within the stipulated deadline, TPP Banovici could be commissioned in 2021, adding that the construction of the plant will enable normal operation of Banovici coalmine, since it has enough reserves to supply two power plants of this size. According to project documentation, the 350 MW coal-fired power plant will satisfy all EU guidelines in the field of ecology and energy efficiency.

TPP Banovici project envisages construction of new 350 MW thermal power plant near Banovici coalmine, which also supplies coal to TPP Tuzla. The cost of the project was initially estimated at some 500 million euros, where the unit was initially supposed to be completed during 2018, but the start of the construction was delayed. The future unit and its output will be owned by the RMU Banovici. It is the largest and most profitable coalmine in Bosnia and Herzegovina. The offer of Chinese company Dongfang Electric Corporation Limited was selected as the best at the tender which concluded in mid-2015. Dongfang was involved in the construction of coal-fired TPP Stanari in the Republic of Srpska as a contractor. According to the director of the coalmine RMU Banovici Munever Cergic, the construction of TPP Banovici should start this year.

However, in early 2017, the Energy Community Secretariat has accepted the appeal launched by environmental non-governmental organization Ekotim, which confirmed that environmental permit for the future coal-fired thermal power plant Banovici is not in accordance with legal obligations undertaken by the authorities in the Federation of Bosnia and Herzegovina (FBiH). The Energy Community Secretariat ordered the Federal Ministry of Environment and Tourism to revise and harmonize the permit in accordance with the prescribed limits regarding air pollution. The EC pointed out that, when it comes to energy projects, all provisions prescribed in environmental legislation should be respected and applied.