

Bosnia: Federal Parliament approved energy permit for TPP Banovici

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At the extraordinary session of the House of Representatives of the Parliament of the Federation of Bosnia and Herzegovina (FBiH), the information on activities in the process of issuing the energy permit for the construction of thermal power plant Banovici has been approved.

On this occasion, Prime Minister Fadil Novalic expressed his belief that in the next 15 days, power utility EPBiH will complete its part of the deal related to the construction of the new TPP. Last week, Federal Government has given its approval to the Ministry of Energy to issue an energy permit for the construction of 350 MW TPP Banovici.

Director of the coalmine RMU Banovici Munever Cergic said earlier that the construction of thermal power plant Banovici, a project worth over 500 million euros, will start by the end of this year. According to him, the decision on the start of construction depends not only on RMU Banovici, but also on the Government of the Federation of Bosnia and Herzegovina (FBiH). As soon as guarantees are provided by the Government the design stage that will last about six months will start, after which the construction works could start. Cergic added that the company and the Government are negotiating with banks since January and it was agreed that Chinese banks will provide about 85 % of the funds needed for the construction. Given that the Federal Government has already provided a guarantee for the project, the Industrial and Commercial Bank of China (ICBC) will review the Government's ability to provide such guarantee. He added that he expects that the agreement with the bank will be signed by the end of the year, which would create conditions for the official start of this project.

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 is 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.