

Bosnia: HPP Vranduk project stalled

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The construction of hydropower plant Vranduk is currently on hold due to problems between the investor Bosnian power utility EPBiH and the contractor Strabag. Main reason for the stall is that the construction costs of the project have been exceeded. Strabag seeks to modify the project documentation in parallel with the construction, but the supervisory authority does not allow that.

According to Bosnian media, the construction costs are exceeded by some 6.5 million euros. In addition, EPBiH is dissatisfied because Strabag failed to complete the preparation of project documentation, to which supervisors have a number of objections. Therefore, Strabag suspended the works on the largest post-war energy investment in the Federation of Bosnia and Herzegovina (FBiH). EPBiH did not confirm this information, but did not deny it either.

The construction of the dam started without proper project documentation, which Strabag planned to develop in parallel to the construction. However, numerous objections by the supervisory authority have been placed, both currently and at the start of construction last year, which resulted in the fact that construction permit for the plant is still not issued. After the start of preparatory construction works last October, EPBiH said that they will subsequently apply for the construction permit, which should have been issued by February 2017. But, since project documentation for HPP Vranduk has not been completed, the permit has not been issued.

In January 2016, Bosnian power utility EPBiH has signed a contract worth 57.4 million euros with the joint venture of Austrian Strabag and Croatian Koncar. The signed turnkey contract includes the development of project documentation, production, delivery and installation of equipment, construction works and testing and commissioning of the plant. The construction of HPP Vranduk was officially launched on 8 September 2016.

According to the concession agreement from August 2012, EPBiH will design, build and operate the plant. The concession period will be 30 years, with extension option. EPBiH is obliged to pay onetime concession fee of 1.1 million euros, while annual concession fee will be 2.43 % of the annual income. HPP Vranduk will be built on Bosna river near Zenica and will have power output of 19.6 MW, while its annual electricity production should reach 97 GWh.