

Bosnia: Loan agreement for the construction of unit 7 at TPP Tuzla signed

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Bosnian power utility EPBiH said that it has signed a loan agreement with Chinese Exim Bank for the construction of 450 MW unit 7 at coal-fired thermal power plant Tuzla.

The loan agreement was signed on the sidelines of a meeting of the heads of Governments of China and 16 Central and East European countries held in Budapest. The net agreed price under the EPC contract for the construction of unit 7 at TPP Tuzla is 722.35 million euros (without VAT). The maturity of the loan from China's Exim Bank is 20 years, with a 5-years grace period. The loan will cover 85 % of the investment, while the remaining 15 % will be provided from EPBiH's own funds.

Earlier this month, The Government of the Federation of Bosnia and Herzegovina (FBiH) has accepted the final information on the selection of project partner for the construction of 450 MW unit 7 at thermal power plant Tuzla and gave consent to power utility EPBiH to select the consortium led by China Gezhouba Group for the project partner. The Government also gave the Federal Ministry of Energy, Mining and Industry prior consent for the issuing of energy permit to the investor EPBiH for the construction of unit 7 with installed capacity of 450 MW, planned annual production of 2.74 TWh of electricity and 390.9 GWh of thermal energy at the location of the existing TPP Tuzla. Director of EPBiH Bajazit Jasarevic said earlier that, following the signing of the loan agreement, construction works on the new unit could start in early 2018.

TPP Tuzla has 6 units with overall output of 715 MW. New unit 7 will be replacement capacity for units 1 and 2 (32 MW each), which have already been shut down and units 3 (100 MW) and 4 (200 MW) which should be put out of operation in 2018. The future unit 7 will have 450 MW of electric output combined with 300 MW of heat output, with annual generation of 2.75 TWh. When unit 7 is completed, it will provide almost a quarter of electricity produced by EPBiH.