

The contract on the concession grant for the construction and operation of 93.52 MW hydropower plant Buk Bijela between the Government of the Republic of Srpska (RS) and the consortium which consists of power utility ERS and its subsidiary —Hidroelektrane na Drini||.

The concession is granted for a period of 50 years and the estimated value of the investment is around 195 million euros. The concession includes the preparatory period of 12 months from the day of contract signing. The preparatory period includes the development of the project documentation and obtaining all necessary permits, followed by the investment of some 21.5 million euros.

The construction period is 60 months and it is split in several phases. In the first phase, which lasts 30 months starting from the expiry of preparatory period, includes performing preliminary and main construction works, with the investment of some 67 million euros. The second phase, which lasts 12 months, envisages the installation of equipment and the investment of additional 50.5 million euros. The last phase should last for 18 months and includes trial operation of the plant, with the investment of 51.5 million euros.

The amount of one-time concession fee, which has to be paid after the conclusion of the concession contract, is around 390,000 euros, while regular usage fee amounts to 3.6 % of the annual revenues generated by performing the concession activities, transmits Serbia-energy.eu