

Bosnia: Strabag offering settlement for HPP Vranduk

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The works on the construction of hydropower plant Vranduk have stopped, but the companies that signed the contract for its construction, Bosnian power utility EPBiH and Austrian Strabag, are looking for ways to continue with the project.

Although Strabag previously announced that it would terminate the contract with EPBiH, Bosnian media said that the representatives of the Austrian company have discussed the possibility of reaching a settlement with EPBiH. The reasons for the dispute between the investor EPBiH and the contractor Strabag are related to the cost of the project.

Strabag argued that, although construction works on the plant were launched in September last year, the building permit has not been obtained yet. In addition, Strabag tried to increase the price of the project by 2.5 million euros due to additional, unexpected costs. EPBiH dismissed the request, therefore construction works at the site of the future HPP have been suspended since April. In the meantime, EPBiH negotiated with the local company Euro-Asfalt regarding the continuation of construction works on the project.

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. HPP Vranduk will be the first of the 25 cascade HPPs on Bosna river that should be built until 2025 and it should be commissioned by the end of 2019.