

Croatia: Power utility HEP seeks the strategic partner for 500MEUR project HPPs Kosinj/ Senj

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Electric Power Industry of Croatia (HEP) announced a call for expression of interest for a strategic partnership for the implementation of the second phase of project Hydropower System (HES) Kosinj/ Senj. Investment value is estimated at 500 MEUR, said Chairman of HEP Management, Tomislav Seric.

HEP will announce a call for expressions of interest tomorrow, the bids will be collected by the end of this year, after which the qualified bidders make a request for the submission of binding bids, said Seric.

A choice of strategic partner is expected in 2015th. In HEP state that the ratio of the partnership was 50-50 percent, similar to the project TPP Plomin C, but they note that all models will be considered.

The HEP objective is, as Seric said, to provide support for a strategic partner for this project implementation, and planned business model of partnership is based on DBMT model (design-build-management-transfer), as the transfer of the entire infrastructure owned by HEP is assumed with the expiration of the period of joint management in the project.

The partnership includes the optimization of the technical concept of the second phase of the system construction, obtaining the necessary permits and the construction of the second system phase in the case of final economic confirmation of the feasibility study.

From the strategic partner are expected the contribution to the professional selection of the optimal design solution, the availability of best available technologies, environmental protection measures, and assuming part of the financial burden.

HES Kosinj / Senj is situated in County of Lika-Senj, present status originates from the sixties of 20th century, and part of the available hydro potential is used for two hydropower plants - HPP Senj and HPP Sklope.

Implementation of the second phase would allow an increase in the electricity production, protection from the frequent floods in Field of Kosinj, improving the water supply of the southern branch of the water supply system of the Croatian coast and improving the quality of water resources utilization.

Referring to the selection of a strategic partner for the construction of TPP Plomin C, in HEP say they were satisfied with the level of the project preparedness and the bids evaluation method, and in September will release with which strategic partner they will build and manage Plomin C and which bidders have been competed for the job. A contract with a

strategic partner should be sign at the beginning of next year.

Asked if there was a chance to drop from Plomin C, Seric said that always existed he possibility of withdrawal while there was no investment decision.