

Germany's RWE eyes \$718 mln Bosnia hydro project

Categories : [Uncategorized](#)

Date : July 29, 2011

RWE Innogy, a subsidiary of German utility RWE , has filed bid to build four hydro-power plants on the Drina river with a combined capacity of 238 MW, a Bosnian Serb minister said on Friday.

"RWE is one of six international energy companies that took over a tender documentation for the construction of hydro-power plants under the Upper Drina project," said Bosnia's Serb Republic Energy and Industry Minister Zeljko Kovacevic.

The ministry late in June invited international firms to bid for the project on the Upper Drina river at an estimated cost of 500 million euros (\$718.1 million).

The Serb Republic (Republika Srpska) is an autonomous region that makes up Bosnia along with the Muslim-Croat federation.

"The Republika Srpska government decided to extend the deadline for bids due to strong interest for this project," Kovacevic told Reuters. He said that RWE Innogy has filed a bid and a banking guarantee but declined to name other bidders.

RWE Innogy, which handles hydro-power projects, declined to comment on what they said were "pending procedures".

The tender failed last year after the government had rejected the sole bid from Greek state energy utility PPC ([DEHr.AT](#)), which has now provided a banking guarantee and is expected to submit a formal bid, according to local media.

Kovacevic has said that [China](#) National Electric Equipment Corporation (CNEEC) had expressed interest for the project.

Under the tender terms, an interested company must have annual revenues of at least 5 billion euros, capital of 3 billion euros and consolidated profit of minimum 400 million euros over the past three years.

It also must own energy plants with installed capacity of over 2,000 MW, of which at least a half is in hydro-power plants, and must provide a banking guarantee of one million euro.

In line with an earlier government decision, the successful bidder will hold a 51 percent stake in a joint venture to be set up with the Serb Republic power utility Elektroprivreda RS (EPRS) and Serbia's power utility Elektroprivreda Srbije (EPS).

In 2009 EPRS and EPS agreed to jointly build four plants on the Drina river bordering Serbia and Bosnia, which after the 1992-95 war was split into two autonomous regions, the Serb Republic and the Muslim-Croat federation.

Bosnia gets 40 percent of its electricity from hydropower with the rest coming from coal-fired plants, making the Balkan country one of the few in the region capable of exporting power. Its neighbours rely on imports to cover between 30 and 50 percent of consumption. (Reporting by Gordana Katana and [Maja Zuvela](#); Editing by Daria Sito-Sucic and [Jason Neely](#)) (\$1=.6963 Euro)