

Montenegro: Pljevlja coalmine has enough reserves for the operation of second unit at TPP Pljevlja

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At the press conference, organized by the Pljevlja coalmine due to different public interpretation of data on the quantity and quality of coal in Pljevlja basin in relation to the project for the construction of second unit at thermal power plant Pljevlja, it was said that the basin has enough coal reserves for the operation of second unit at TPP Pljevlja, namely 65 million tons of appropriate quality, with the additional 25 million tons which needs further research and analysis.

The press conference was attended by the Executive Director of Pljevlja coalmine Slavoljub Popadic and the experts of German company Fichtner, Bernd Vels and David Niggemann. Since last October, Pljevlja coalmine and Fichtner are working on the study which should be completed by the end of June, and should show whether there is enough coal reserves for the operation of second unit at TPP Pljevlja. The study should also offer model of optimization of production costs in such a way that the price of coal would be at the same time acceptable for power utility EPCG, as the investor of the project, and sustainable for the coalmine.

Popadic explained that in the first phase of the study it was found that Pljevlja coalmine has some 65 million tons of coal of appropriate quality and additional 25 million tons of coal which requires further analysis. In the second phase cost optimization model was drafted and in the third phase, which is currently ongoing, a pilot research is being conducted in order to acquire so-called JORC certificate, which is recognized by all financial institutions and foreign investors. The certificate is a guarantee of an independent institution that the available coal reserves are sufficient and that they can be exploited from both technical and financial point of view.

Last year, Montenegrin Government selected the offer of Czech company Skoda Praha as the best on public tender for the construction of the second unit at TPP Pljevlja. Skoda Praha offered to build 254 MW unit for 338.5 million euros, and to secure a loan for 85 % of the required investment. The loan will be provided by the Czech Exim Bank, which previously argued that special purpose vehicle (SPV) company established by the Montenegrin Government and A2A (which jointly own power utility EPCG) was not good enough guarantee for such large investment and insisted that the guarantee for the loan should be either the Montenegrin Government or EPCG.

Pljevlja coalmine achieved a net profit of 4.92 million euros in 2015, which is about two times higher than in the previous year. Montenegrin state owns 31.11 % of the shares in Pljevlja coalmine, Italian company A2A has 39.49 % stake, while Aco Djukanovic owns 11.84 % of the shares of the coalmine, transmits [Serbia-energy.eu](https://serbia-energy.eu)