

Republika Srpska granted concessions to Reservoir Capital Corp for 18MW HPP projects

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Reservoir Capital Corp obtained from Government of the Republika Srpska 30-year concessions to develop and build three run-of-river hydroelectric power projects on the Cehotina River. The three projects have a combined capacity of 17.76 megawatts ("MW") and an projected output of 69.61 gigawatt hours per annum ("GWh/yr").

The concessions cover a 26 kilometre section of the Cehotina River, which has an elevation drop of 114 metres and median flow rates ranging from 20 cubic metres per second ("m³/s") at the Montenegrin border, to 23 m³/s downstream where it joins the Drina River. The total natural energy capacity for this section of the Cehotina River is 24 MW (211 GWh/yr), from which the Company's consultant, ENCOS Energy Consulting Services D.o.o. ("ENCOS") of Sarajevo, has designed three power plants with installed capacity of 18MW.

The Cehotina Project is located geographically quite close to the Company's flagship Brodarevo Project in Serbia and to the new transmission infrastructure being constructed to better connect the Bosnian and Serbian grids with the Montenegrin coast and Italy. The ENCOS preliminary development and construction cost estimate for the Cehotina Projects is approximately \$58 million (\$3.2 million per installed MW). Unlike Brodarevo, there are no major road displacement costs and the Cehotina Project also benefits from a higher average capacity factor of approximately 56%. Under the terms of the Concession Agreement, the Company will pay a 3% gross revenue concession fee to the government of the Republika Srpska.

Having secured the Cehotina concessions, Reservoir is now in a position to negotiate attractive power purchase agreements and commence work on feasibility studies, further adding to its pipeline of renewable energy projects in the region.



Source Serbia Energy Magazine