

Capital Investment for EPS Development

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In the first quarter of 2019, Elektroprivreda Srbije produced three percent more coal and one percent more electricity than in the same period last year, said Aleksandar Antic, Minister of Mining and Energy, during the visit of EPS' industrial pier in Kostolac on 4 April 2019.

The pier was built as one of the five projects covered by Phase I of the credit arrangement between Serbia and China.

- EPS is successfully implementing the project in TPP Kostolac B, developed together with our Chinese friends. In Phase I, we have already utilised USD 338 million by modernizing Units B1 and B2 of TPP Kostolac B, by building a flue gas desulphurization plant and accompanying projects, with the pier being one of the most important ones - Antic said. Some 157.000 tons of ash and 105.000 tons of gypsum (a by-product of the desulphurization system in the Kostolac B thermal power plant) will be shipped from the docks in Kostolac, while limestone will be delivered to the same docks. The entire project is implemented in accordance with the highest European and international environmental and technological standards.

Antic particularly pointed out that the Serbian companies were working on pier construction and added everything necessary to construct Unit B3 would be delivered through the said pier, thus accelerating Unit B3 construction.

- Both the management of EPS and I will now focus on building the Kostolac B3 Unit, because it is important for the long-term stability of the Serbian power system - Antic said. Milorad Grcic, acting director of EPS, pointed out that the construction of the pier in Kostolac was one of the most difficult ventures since it was built on a river often changing its level throughout the year and added that this was the first of three such projects to be implemented by EPS, considering that TENT A and TENT B ports are also planned.

- Some USD 15.8 million was invested in the construction of the pier, which will be used exclusively by EPS. This is another in a series of projects showing that EPS is taking big steps forward - Grcic said.

He added that for EPS it is significant that the new pier would allow Kostolac to transport small quantities of high calorific value coal to the Nikola Tesla thermal power plant and announced that the coal transport would start in a month and a half at the latest.

Grcic congratulated the miners of Drmno and Kolubara, for managing to raise coal production by 10 percent from February 1 to April 1, which means that in the first quarter they produced three percent more coal than in the same period of 2018.

The Kostolac pier is located in the Dunavac backwater, which is connected with the Danube by the Kostolac channel, and it is planned for the river transport of the TE-KO Kostolac. It covers some 5.7 hectares, of which 2.6 are aquatic and 3.1 hectares of land areas. It consists of a bank, embankment on other bank section. These are followed by the quay and pier areas for cargo loading and pier traffic. It also includes pier facilities, two groups of two silos for ash and gypsum transfer, pier installations, navigation labels, navigation and other equipment. Furthermore, 50,000 tons of equipment for the TE-KO Kostolac will be shipped, as bulk, general cargo delivered by river, and will be further shipped by road vehicles to the intended location. The planned amount of coal, which would be transported every year over the pier, between April and September, is some 50,000 tons.

Construction of the Kostolac pier were carried out by a consortium consisting of the Belgrade-based companies *Akvamont Servis* and *Hidrotehnika Hidroenergetika, Juzna Backa* from Novi Sad and Smederevo's *Tomi Trade*.

Phase I Project

The construction of the pier in Kostolac belongs to Phase I of the credit arrangement between Serbia and China. As part of this phase, units B1 and B2 of the Kostolac B thermal power plant were revitalised. This enabled the power plant to start operating with the projected capacity of 700 megawatts. The desulphurization system of the TPP Kostolac B was built, while the construction of the railway line are also coming to an end.

Phase II of the credit arrangement between Serbia and China enabled the Kostolac branch of EPS to build a new unit B3 and the sixth ECS system, which has already been completed and needs to raise coal production of the Drmno mine from 9 to 12 million tons of coal a year.