

Pancevo CHPP is a “green field”. According to GazpromNeft NIS CEO Mr. Kirill Kravchenko project is going to create additional jobs for highly qualified workforce in Serbia. NIS GazpromNeft intend to provide a steady supply of thermal and electrical power that would be consumed by Refinery in Pančevo as well as by company partners in that town. This will enhance company efficiency, while the surplus of electrical power will be offered to the market at large stated Kravchanko.

Drafting drawing is progress and includes required investment and engineering documents as well as changes which are complete and will be introduced in the General Regulation Plan. GazpromNeft NIS plans that construction will start as early as mid-2016, with commissioning set for 2019.

€140 million has been allocated for the investment’s initial stage. “Gazprom Energoholding” will cover the greatest portion of the investment. CHPP Pančevo will become the first project in Serbia of this sort of technological and environmental features.

The thermal plant capacity will amount to 140 MW, which, for the sake of comparison, would be enough to cater to the power needs of around 160.000 average households. There is a possibility to increase the capacity in the second stage of the project, if Azotara plant demonstrates its interest in the project. Should that happen the investment value would reach €183 million, and its capacity 208 MW.

As for the origin of the gas that would power the plant, since the initial ideas to build CHPP Pančevo, it was envisaged that the fuel for the future thermal plant would be a combination of domestic and the gas to be purchased elsewhere.

CHPP Pančevo will be a highly efficient power generating plant. It will have a combined generation of thermal and electrical power and the analyses have shown that this project would be profitable.

As for the market price of the electricity produced at the future plant, at this point Kravchenko say that they will offer a price that would be competitive in the market.

“Gazprom Energoholding” is partner involved in this job. It is a subsidiary of Gazprom. This company operates power generation companies within Gazprom Group. It is important to highlight that they own and operate more than 80 power plants with the total capacity of 38 GW. For the sake of comparison all countries that once were parts of Yugoslavia have the power generation capacity of around 21,7 GW.

GazpromNeft NIS transformation into a power generation company requires a constant consideration of new projects in electrical power generation, however it would be too early to come forward with some specific proposals. GazpromNeft NIS have already built 13 small-scale power plants in the oil and gas fields in Serbia, works have been under way at 12 geothermal wells, and another seven bigger and smaller energy projects are under consideration currently.

According to Kravchenko development plans envisage investments into renewables. This is

exactly about wind power production and in this respect company will focus on the location in Plandište, where they want to put up a wind farm.

However, all this does not depend only on GazpromNeft explains Kravchenko, one of the pivotal prerequisites to continue activities in this project is endorsement of required regulations at the state level pertaining to the purchase of electrical power generated out of renewables. The successful operation of company and the completion of all major projects hinge on the support of our both shareholders, Gazprom Neft and Serbia's Government, we look forward to having all conditions met that would make possible for NIS to successfully develop this particular power generation project.