

Serbia: Over 85 % of preparations for the construction of TPP Kostolac unit B3 completed

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According to Serbian newspapers, the preparations for the project for the construction of a new unit B3 at coal-fired thermal power plant Kostolac, a project worth 613 million dollars, are over 85 % completed.

The Investment Portfolio Manager at Serbian state -owned power utility EPS Zeljko Lazovic said that the project is split into 14 phases and carried out in three directions: preparation of project documentation and obtaining of permits and authorizations, preparation and delivery of equipment and execution of works. So far, eight building permits have been obtained, which is more than 85 % of the project, which opens the possibility of carrying out substantial works at the construction site. Once the documentation is prepared and the permits are obtained, the construction of the unit B3 will begin.

The construction of the third unit is part of the second phase of a project for the modernization of Kostolac B at a total cost of some 712 million dollars. The construction of unit B3 will cost 520 million euros and it will produce 2.5 billion kWh of electricity per year, thus boosting EPS' production capacity by some 5 %. Implementation of the project for the modernization of TPP Kostolac B was officially launched in January 2016, when EPS made an advance payment to the contractor, China Machinery Engineering Corporation (CMEC). In order to finance this project, EPS obtained a preferential loan from Chinese Exim Bank. The maturity of the loan is 20 years, with a 7-years grace period and fixed interest of 2.5 %. The deadline for the completion of the new unit is five years (until the end of 2020), and since the grace period lasts for another two years the idea is that the unit will partially repay itself if electricity production starts on time.

Kostolac TPP complex consists of two power plants – TPP Kostolac A (unit A1 and unit A2, 310 MW in total) and TPP Kostolac B (unit B1 and B2, 700 MW in total), including Drmno mine which supplies coal for all units.