

Serbia: Power utility EPS prepares for kick of new TPP Kostolac unit construction project

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After 26 years from the construction of the last thermal power plant in Serbia, late this year foundations should finally be laid for the third unit of the Kostolac B TPP. A period of 58 months was foreseen for the construction of this capital facility, while the clock has been ticking from January, when project implementation has finally been initiated. Phase currently in progress involves the preparation of the design documentation in cooperation with the contractor – CMEC. Furthermore, site preparation works have been launched for the new unit.

Željko Lazović, the key investment projects portfolio manager at the Electric Power Industry of Serbia, says that all works are going according to plan defined by the contract signed between the public enterprise and the Chinese company - CMEC. Construction will be carried out in 11 stages, and so far the Chinese partner delivered a draft version of the design documentation for the first three phases.

- The boiler and turbine building is the heart of this project and is most time-consuming - Lazovic explains. - Therefore, we first plan to build numerous ancillary facilities which are not so demanding. According to plans, their construction will start by the end of this year. Deadlines set out in the contract are fully observed, while the first building permits are expected between September and October this year.

Lazovic says that this is a facility of extreme importance for both our power system and the entire country. This unit will have an output of 350 megawatts, and once it has been completed, TE-KO Kostolac and EPS will supply some nine million megawatt-hours of electricity per year.

- Implementation officially began on 4 January, after, according to the contract, an advance payment of 15 percent was paid to the contractor by EPS, and 10 percent by the Exim Bank of China - Lazovic said. - Every project involves documentation preparation, which in this case is in progress, in accordance with the agreed schedule. Having in mind that there has been a change in the applicable legislation, while some permits have expired, such as the one for the environmental impact assessment study, we had to renew them. This, however, does not affect the project implementation, as the contract envisaged 22 months for site preparation and finalization and harmonization of the design documentation. We will, however, finish all these activities early.

The total project value according to the contract is USD 715.6 million, of which 613 million was earmarked for the Unit B3.

Preparations

The area planned for the new Unit B3 was under huge quantities of waste materials. So far, some about 80 percent of this material has been removed - Lazovic says. - Several parallel activities have been under way at the site since the Chinese company has to receive this area in the state stipulated by the contract. This area also includes different structures and a warehouse which also need to be removed. Archaeological investigations set as another obligation by the Ministry of Culture also need to be finalized. When all the materials and structures have been removed, the terrain needs to be levelled to the defined elevation, while the entire area needs to be enclosed and handed over to the contractor.

ECS System

Phase II of the Package Project Kostolac B Power Plant, in addition to the thermal unit also includes the Drmno open cast mine expansion to allow for the increase of its annual production to 12 million tons of coal. This project involves the construction of the new ECS system, together with a substation and a transmission line. Similar to the previous project section, this section also involves documentation preparation and permitting. ECS system implementation period is 47 months, transmits [Serbia-energy.eu](https://serbia-energy.eu)