

Serbian state-owned power utility EPS announced that it has started the second phase of the modernization project of thermal power plant Kostolac B with the start of installation of excavatorconveyor-spreader (ECS) system at Drmno coalmine.

The value of the new system is about 115 million euros and its installation will increase the capacity of coalmine to 12 million tons of coal from the current 9 million tons. The installation of this, 12 kilometers long, system will be completed in 2019.

The project for the modernization of TPP Kostolac B also includes the construction of the new B3 unit with power output of 350 MW. Implementation of the project was officially launched on 4 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. The whole project is worth 712 million dollars.

Kostolac TPPs 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.