

The project for the construction of 350 MW unit B3 at thermal power plant Kostolac B is moving forward with the issuance of its seventh construction permit, related to the construction and installation of boiler, turbine and generator.

Serbian Minister of Mining and Energy Aleksandar Antic said that the construction of chimney and water processing plant is already ongoing and by obtaining this permit, the construction of the unit's production facilities may begin, which carries about 50 % of the entire investment. He added that unit B3 is of utmost importance for energy stability of the country, which is why the Government will insist on the completion of the project within the set deadlines.

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.