

Serbia's EPS Agree to Build Five Hydroelectric Plants

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Elektroprivreda Srbije, the Serbian power monopoly known as EPS, and RWE Innogy GmbH signed an agreement worth about 352 million euros (\$496 million) to set up a joint company that will build five hydroelectric power plants.

These power plants on the Velika Morava river will have a total capacity of 150 megawatts and should be completed in about six years, according to a statement given to reporters in Belgrade today. The joint company will operate as an independent electricity producer.

The project is part of the state-owned company's efforts to shift from fossil fuels to cleaner energy sources as it aims to cut carbon-dioxide emissions by 20 percent through 2020. It comes as Serbia aims to align energy laws with European Union standards as the Balkan country seeks to get an invitation to start membership negotiations with the bloc by year-end.

"We signed an agreement today on setting up a joint company, in which RWE will have 51 percent and EPS 49 percent," head of EPS Dragomir Markovic told reporters. The partnership will be formally endorsed by the Serbian government on May 26, he said.

EPS generates 12,471 gigawatt hours of electricity from hydroelectric power plants and 23,162 gigawatt hours from thermal power plants per year.

RWE will also team up with EPS in building Djerdap III, a hydroelectric power plant on the Danube river, Markovic said without giving any details.

Energy projects using water power will require investments of "around 3.9 billion euros" over the next decade, he said without elaborating.

EPS is also developing a series of 34 small hydroelectric power plants, a 90 million euro project financially backed by the European Bank for Reconstruction and Development, Markovic said.

Source sfgate.com