

# October (2) 2006 issue of Balkan Energy NEWS, with limited data

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**Tenders:** (Electricity, Nuclear, Oil and gas, Wind)

## Contacts:

**Balkan Energy News office**  
www.**NEWS**.BalkanEnergy.com  
news@balkanenergy.com

**Subscriptions:**  
news@balkanenergy.com  
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## Balkan Energy NEWS publication

Balkan Energy NEWS service provides energy related news from countries of South East Europe. Covered countries are Albania, Bulgaria, Bosnia & Herzegovina, Croatia, Greece, FYR Macedonia, Montenegro, Romania, Serbia, Slovenia and Turkey. Besides all regional energy related news, we are giving you in each issue one market analysis and review of the tenders announced and held in this area. You will be also able to see review of energy market data and relevant power exchanges.

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The readers who will mostly benefit from the content of Balkan Energy News are: energy trading companies, investors, consulting companies, financial institutions, electricity generation companies, electricity distribution companies, transmission system operators, authorities, etc.

Country	Year	Sum	1	2	3	4
Slovenia	2008	1053	744	975	526	1041
	2010	12287	1083	991	1054	941
	2011	12590	955	1051	1127	997
Bosnia and Herzegovina	2007	11182	1027	891	953	850
	2008	11570	1094	998	1012	911
	2009	10994	1099	932	963	818
Bulgaria	2008	34506	3299	2960	2637	2637
	2009	32722	3196	3196	2636	2636
	2010	31954	3486	3052	3021	2443
Croatia	2008	17842	1680	1543	1570	1599
	2009	17507	1625	1530	1551	1323
	2010	17557	1555	1481	1555	1358
Greece	2008	53504	4652	4271	4401	3894
	2009	53565	4666	4107	4327	3913
	2010	53565	4666	4107	4327	3913
Romania	2008	50636	4736	4268	4473	3903
	2009	53365	4674	4472	4727	4119
	2010	53365	4674	4472	4727	4119

## Country Reports on Energy Business in South Eastern Europe

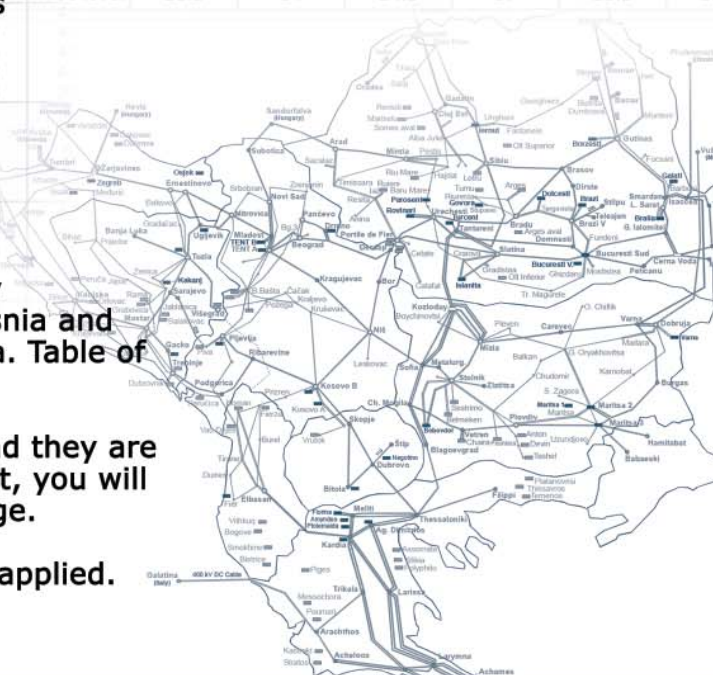
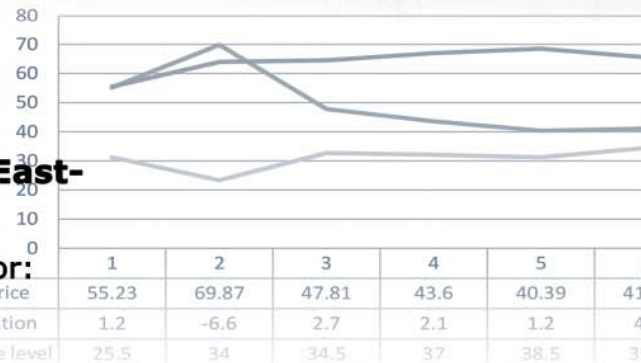
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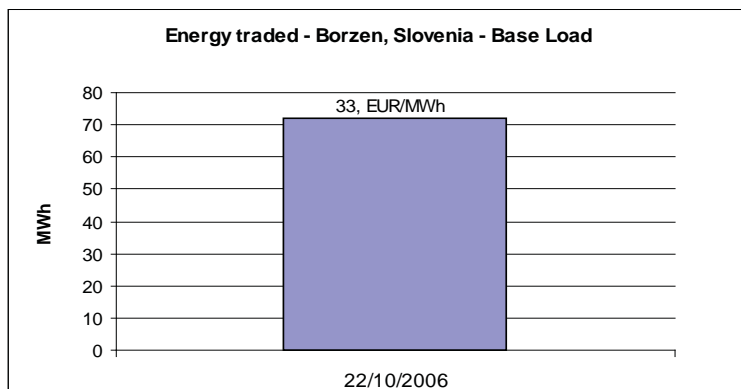
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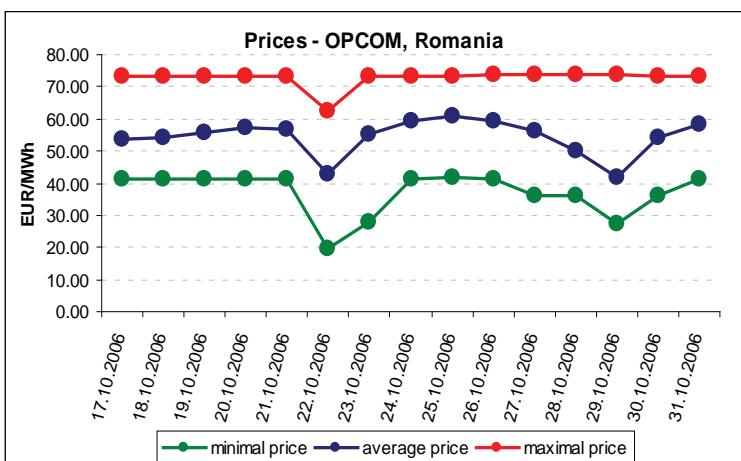
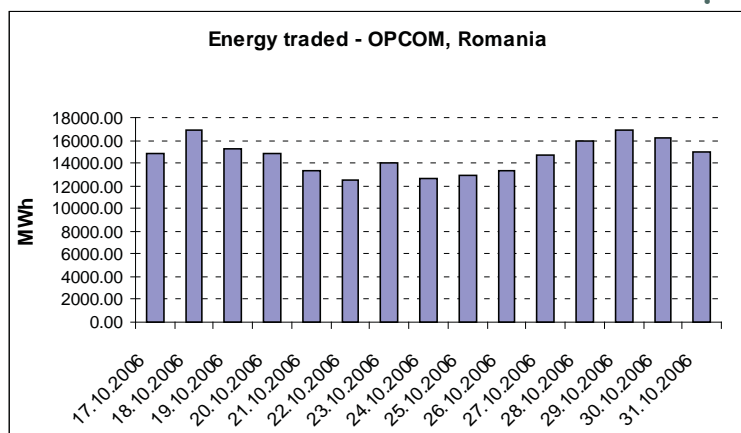
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**Power exchanges data:**

\* In the period from 16.10.2006 till 31.10.2006 no other trades were performed on Borzen

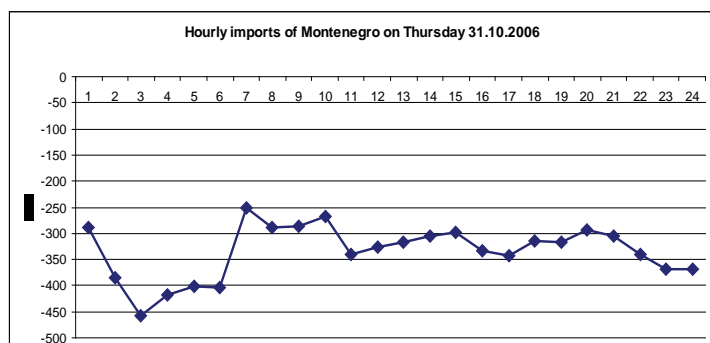
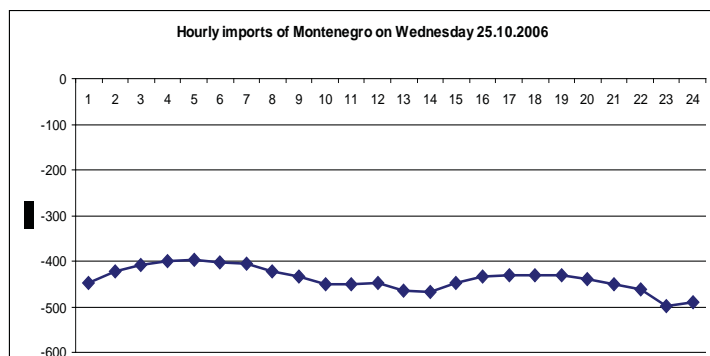
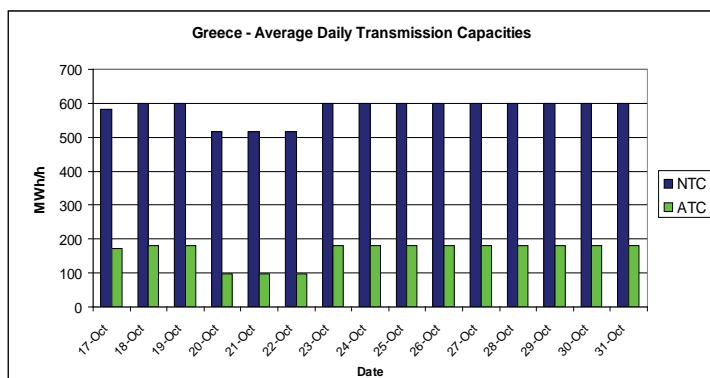


Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	444,048	210.00
2	529,231	170.00
3	550,891	170.00
4	562,227	150.19
5	564,936	150.19
6	495,709	180.00
7	453,593	210.00
8	577,383	226.00
9	542,927	235.19
10	532,876	235.19
11	544,483	235.19
12	527,154	235.19
13	531,279	226.00
14	540,651	226.00
15	555,221	226.00
16	575,968	226.00
17	576,566	226.00
18	585,693	226.00
19	570,706	226.00
20	528,537	265.38
21	512,598	265.38
22	522,160	265.00
23	523,685	265.00
24	574,100	226.00
<b>Total</b>	<b>12,922.62</b>	

Opcom, Romania: Energy Traded on Wednesday, October 25, 2006

Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	540.818	180.00
2	682.218	150.00
3	685.137	150.00
4	709.558	130.00
5	712.853	130.00
6	738.239	130.00
7	720.386	130.00
8	740.668	132.00
9	694.093	120.00
10	668.668	98.00
11	757.742	130.00
12	765.721	130.00
13	761.605	130.00
14	768.095	130.00
15	771.423	150.00
16	784.829	130.00
17	772.729	130.00
18	724.093	130.00
19	733.467	180.00
20	586.817	220.00
21	471.701	266.00
22	460.232	266.00
23	474.582	230.00
24	526.96	199.00
25	610.345	180.00
<b>Total</b>	<b>16,862.98</b>	

Opcom, Romania: Energy Traded on Sunday, October 29, 2006



In the period from 16.10.2006 till 31.10.2006:  
 Montenegro maximum daily consumption: 12,21 GWh  
 Montenegro maximal hourly consumption: 610 MWh  
 Montenegro minimal hourly consumption: 530 MWh

**Weather conditions**

	1.11.	2.11.	3.11.	4.11.	5.11.
Albania Tirana	T: 8-18 W: W 1-1.5 R: 6.6mm	T: -3-12 W: N 1-3.3 R: -	T: -2-9 W: N 3-5.4 R: -	T: -2-9 W: NW 3-5.4 R: -	T: 0-11 W: SW 1-3.3 R: -
Bosnia and Herzegovina Sarajevo	T: 5-15 W: SW 1-1.5 R: 2 mm	T: -5-5 W: NW 1-3.3 R: -	T: -6-4 W: W 1-1.5 R: -	T: -7-2 W: W 1-3.3 R: -	T: -4-2 W: - R: -
Bulgaria Sofia	T: 0-14 W: N 1-1.5 R: -	T: 3-7 W: W 3-5.4 R: -	T: -4-1 W: W 3-5.4 R: -	T: -4-2 W: W 3.3-5.4 R: -	T: -4-4 W: W 3.3-5.4 R: -
Croatia Zagreb	T: 5-12 W: NE 1-3.3 R: 2 mm	T: -3-7 W: NE 3-5.4 R: -	T: -5-3 W: NE 3-5.4 R: -	T: -3-2 W: SW 3-5.4 R: -	T: 0-4 W: S 1.5-3.3 R: 1.8 mm
Greece Athens	T: 12-20 W: SW 1-3.3 R: -	T: 13-21 W: SW 1-3.3 R: -	T: 12-18 W: N 3.3-5.4 R: -	T: 11-17 W: N 3.3-5.4 R: -	T: 11-17 W: N 3.3-5.4 R: -
Macedonia Skopje	T: 0-15 W: E 1-3.3 R: -	T: -9-1 W: N 3.4-5.4 R: -	T: -8-1 W: N 3.4-5.4 R: -	T: -8-1 W: N 1-3.3 R: -	T: -6-3 W: N 1-3.3 R: -
Montenegro Podgorica	T: 9-17 W: N 1-3.3 R: -	T: 7-16 W: SE 1-1.5 R: -	T: 0-14 W: N 5.5-7.9 R: -	T: -1-10 W: N 3.3-5.4 R: -	T: -1-10 W: N 3.3-5.4 R: -
Romania Bucharest	T: 5-16 W: SW 1-3.3 R: -	T: 0-12 W: SW 3-5.4 R: -	T: -3-7 W: W 1-3.3 R: -	T: -3-7 W: W 3.3-5.4 R: -	T: -2-8 W: W 1.5-3.3 R: -
Serbia Belgrade	T: 3-13 W: NW 1-3.3 R: 4	T: -4-3 W: NW 7.9 R: -	T: -4-3 W: NW 3-5.5 R: -	T: -3-4 W: W 3-5.5 R: -	T: 0-5 W: W 1.5-3.3 R: 2

**Average weater conditions for November**

	Daily Minimum (°C)	Daily Maximum (°C)	Mean total rainfall	Mean number of rain days
Albania Tirana	-	-	-	-
Bosnia and Herzegovina Sarajevo	1.6	9.7	94.0	10.0
Bulgaria Sofia	1.2	9.6	48.0	9.0
Croatia Zagreb	1.8	9.3	84.8	12.2
Greece Athens	9.8	18.1	58.3	9.7
Macedonia Skopje	1.4	11.2	56.0	9.0
Montenegro Podgorica	6.8	15.4	239.0	14.0
Romania Bucharest	1.6	10.0	49.0	6.0
Serbia Belgrade	4.0	11.0	54.0	12.0

T: Ts in Celsius degrees.

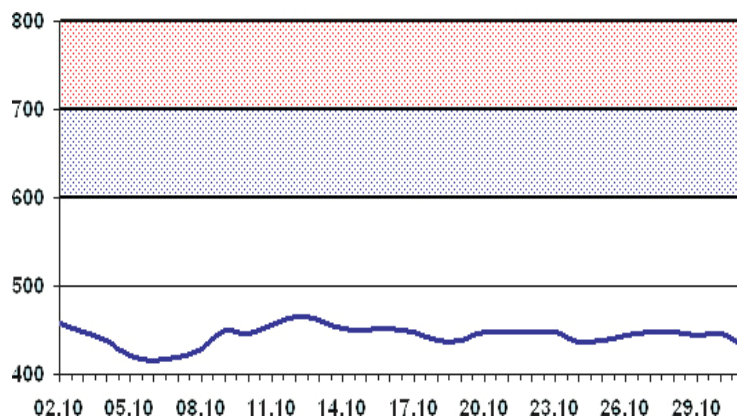
W: Ws in m/s, S – South, W – West, N – North, E – East and variables.

R: Rain in mm

**Danube water-level**

relevant for:

- HPP Portile de Fier I, 1167 MW, Romania
- HPP Portile de Fier II, 270 MW, Romania
- HPP Djerdap I, 1058 MW, Serbia
- HPP Djerdap II, 270 MW Serbia



**Analysis:**

**Analysis of power sector in Kosovo and future investments**

This is short intro-sample of the full report "Analysis of Power Sector in Kosovo" created by SEE Energy Assessment. For more info about full report contact [info@seeea.net](mailto:info@seeea.net)

According to Energy strategy of Kosovo for the next decade, it is foreseen that the power generation in the near future 2006-2015 of at least 1800 MW will be focused on meeting demand of domestic consumers with stable, uninterrupted, and competing prices as well as export of energy surpluses (30-50%) to regional and wider market. For this reason, the following is needed:

- Normal operation of TPP Kosovo B and the HPP Ujmani/Gazivode;
- Rehabilitation of TPP Kosovo A;
- Start of operation of new TPP units with installed capacity of around 1,000 MW in the first phase, through strategic partners, especially with joint investments;
- Construction of HPP Zhur with a concession;
- Stimulation of construction of small HPPs by private investors.

In line with previous goals, Ministry of energy and mining of Kosovo provisional institutions issued in mid August 2006 a Pre-Qualification Memorandum "EXPRESSION OF INTEREST FOR THE DEVELOPMENT OF A NEW LIGNITE MINING FACILITY AND ASSOCIATED NEW ELECTRIC GENERATING AND ASSOCIATED TRANSMISSION CAPACITY AND REHABILITATION OF EXISTING GENERATORS" for which prospective bidders must submit their credentials by October 31, 2006. Announcement of pre-qualified bidders will be no later than the end of the first quarter of 2007. Energy development project, given through the Pre-Qualification Memorandum, encompasses the following components:

- Construction of a new TPP Kosovo C with an estimated installed capacity of up to 2100 MW and associated transmission capacity;
- The development of a new coal mine for existing generation units (Sibovc SW);
- The development of a new mine (the Sibovc mine) for TPP Kosovo C; and
- Rehabilitation of certain units of the existing TPP Kosovo A.

### 1) Rehabilitation of TPP Kosovo A

In order to ensure satisfactory annual electricity production of existing units in TPP Kosovo A and to extend their lifetime for couple of years for A 1 and A 3 and for more than 10 years for units A 4 and A 5, it is necessary to refurbish all units except A 2 that is not discussed as a candidate but left for future economic evaluation. As major overhaul is already done on A 3 during 2005, first planned for rehabilitation is A 4, being put in operation mid 2008, following by rehabilitation of A 5, being put in operation during third quarter of year 2009. Economic evaluation shows that internal rate of return (IRR) in all cases of rehabilitation is always higher than 10%, while best economic results are obtained with capital rehabilitation of A 4 and A 5.

unit (capacity)	Overhaul cost ( million € )	Annual production ( GWh )
A1 (65MW)	9.45	165
A2 (125MW)	-	-
A3 (200MW)	24.4	605
A4 (200MW)	60.3	990
A5 (210MW)	60.3	1023

» Table: Overhaul costs and expected annual production afterwards of units in TPP Kosovo

### 2) New TPP Kosovo C

It is obvious that sufficient supply of coal is a prerequisite for consideration of a new power plant. All analysis show that available indigenous lignite reserves in Kosovo can provide opportunities for the development and for operation of new TPPs. Generation Investment Study (GIS), which is funded by EU and prepared by Price Waterhouse Coopers LLP & Atkins International, identifies Kosovo

as one of the most attractive sites for the development of least-cost base load generation.

The pre-feasibility study on the construction of new TPP Kosovo C (funded by European Agency for Reconstruction - EAR, 2006) estimates that 648-756 million tons of coal will be needed for energy production during the lifetime of the new power plant. Strategy is to expand the planned Sibovc South-West Mine over the whole Sibovc Field to provide coal production for both the existing KEK units and the units of the new TPP Kosovo C until year 2025. After year 2025, this mine will supply the units of TPP Kosovo C only, anticipating the retirement of all existing KEK units by that date. It is anticipated that 140 million ton exploitable lignite in the Sibovc Field will be utilized by existing power plants (KEK), whereas other exploitable 690 million ton could be utilized by new private power producer. Reserves left to private producer are sufficient for generating 15 TWh/year for 40 years.

Thermal power plant design features includes two alternative unit capacities namely 300 and 500 MW. It is assumed that the plant will be built in two phases i.e. 900-1000 MW in the first phase (3 x 300 MW or 2 x 500 MW), the first units running by 2012-2014 and the second phase (4 x 300 MW, alternatively 2 x 600 MW or 2 x 500 MW) would start when the first phase has demonstrated its ability to generate power and sell it to the market. The whole 2000 MW could be completed by 2018-2020. TPP Kosovo C would be expected to fulfill all EU mandated environmental requirements by using advanced and commercially proven technology, either PF (Pulverised Firing) or CFB (Circulated Fluidised Bed) coal burning processes to achieve efficiencies in excess of 40%.

Large-scale lignite utilization has to take place close to the mine as it has low calorific value per weight and results in high transportation cost. The 690 million tons of lignite will gradually be converted into 600 TWh electricity and 100 million tons of ash over 40 years of plant's operation. Three potential sites around the Sibovc field for new TPP location has been analyzed: Kosovo B, Bivolak and the valley north of Grabovc on the western side of the field. All those sites are within 3 kilometers from the field and can be used. Kosovo B site is recommended because sufficient assurances can be given to the foreign investor that he will not be liable for any existing contamination of the site and because existing infrastructure (land, network utilities, water supply, infrastructure transport, etc.) can also be used to support the new plant.

Final selection of the site for the new TPP will be subject also to decision of the development of the new mine in Sibovc and will be done with consultancy of all major stakeholders in the project.

The new TPP is estimated to cost 1.1-1.3 billion € in the first phase plus the development cost of the associated mine estimated at 240-300 million €. The second phase is approximately 10% less expensive. Building two 300 MW units into one 600 MW plant in the second phase saves an additional 15%.

With the assumed lignite purchase price of 7 €/ton to 9 €/ton, price of electricity is considered to be 35 €/MWh up to 42 €/MWh, also depending on applied technology and rate of return of an investor. Operating cost of new power plant, excluding cost of capital, would be in a range of 10-14 €/MWh. This compares well with the estimated system marginal prices of the South East European electricity market in future, where even the lowest system marginal prices are around 17 €/MWh in case of low demand growth and ample rainfall. This illustrates the high competitiveness of the lignite deposits in Kosovo. For comparison, current recorded market prices are 40 €/MWh and over. For example, the plant operating cost by using €4/ton direct lignite mining expenditure (with additional lignite fee) is estimated and presented in the following table.

TPP type and size	Operating cost excluding capital in €/MWh
300 MW CFB	10.26
500 MW PF	10.46
300 MW PF	10.72
The financial evaluation assumed following input data:	
Interest on cash assets	10%
Electricity market price	40 €/MWh
Tax rate	20% (VAT)
Depreciation	5% annually
Amortisation period	9.5 years
Rest value	20% of total investment
Inflation	4%
Interest on debt	10%
Lignite fee	3 €/ton

» Table: Operating cost of the TPP Kosovo C

The power plant would be profitable at the assumed market price of 40 €/MWh using any of the technical options. Debt repayment within 10 years from the start of construction of each unit is feasible. Plant would be very profitable using any of the technical options if the electricity sales price goes up to 60 €/MWh, and makes a loss (after financing costs, also all technical options) if the price is at 20 €/MWh. After the completion of TPP Kosovo C at an installed capacity of 2000 MW, gross revenues from the sale of energy are estimated to be approximately 600 million € based on a sales price of 40 €/MWh and annual energy production of about 15 TWh.

## News:

### Macedonia and Albania agreed on AMBO pipeline route (Region)

Officials from Macedonia and Albania have signed the agreement which has defined the entry and exit points of AMBO oil pipeline on territory of two countries

The pipeline will leave Macedonian territory near village Lakajc and it will enter Albania at Elbasan municipality. In the same time, the pipeline will enter Macedonian territory near village Deve Bair, on Macedonian – Bulgarian border. Bulgaria still has not determined exit point of the pipeline toward Macedonia, which should be determined until the end of November.

When this happens, Macedonia and Bulgaria should sign bilateral agreement, while trilateral agreement between Macedonia, Bulgaria and Albania should be signed by the end of the year.

The project for construction of AMBO pipeline was initiated in 1994th by investors from USA. Until 2000th, three studies have been made for construction of 900 km long oil pipeline, which should connect Bulgarian port Burgas and Albanian port Valona.

The worth of the project is estimated at 1.2 billion euros, and construction works should last some 2.5 years. The daily capacity of the pipeline should reach 750,000 barrels, while annual transport capacity should reach 30 to 40 million barrels.

Macedonia expects that 273 km long portion of the pipeline, which should be built on its territory, will bring some 30 million dollars of direct profit and some 80 million euros from state taxes per year.

§ § §

### Albania and UNMIK signed two energy cooperation agreements (Albania)

Albania and Kosovo province, i.e. UNMIK administration, have signed the cooperation agreement regarding mutual assistance in energy supplier in cases of disturbances and crises. Also, two sides agreed to build new 400 kV transmission power line.

Agreements were signed in Tirana by Albanian minister of economy, trade and energy and the UNMIK's chief.

Two parties aim to improve the stability in power supply and to increase cooperation in energy sector.

§ § §

### APET and EP BiH signed initial contract for construction of new power plants (Bosnia and Herzegovina)

The representatives of two power utilities from Federation of Bosnia and Herzegovina (F BiH), the Power utility of BiH (EP BiH) and Power utility of Herzeg Bosnia (EP HZHB), on one side, and officials from Austrian APET (Austrian Power and Environment Technology) group, on the other side, have signed the preliminary agreement for preparation of construction of new power plants in the country.

New strategic partner, APET, was selected after public invitation procedure. APET, EP BiH and EP HZHB will jointly build four hydro-power plants (HPPs), the HPPs Ustikolina (3 x 22 MW), Vranduk (21 MW), Rmanj (2 x 36 MW) and Vrilo(42 MW).

APET should prepare necessary feasibility studies, federal energy minister confirmed. The overall power output in new power plants will reach 200 MW, while the overall investments should reach 800 million euros.

The agreement signing ceremony was attended by ambassador of Austria in BiH. From the very beginning, Austria has strongly supported APET group in this project, having in mind that APET was established by the Austrian government eight years ago.

The signing the agreement caused many controversies in the BiH's public. Opposition parties claim that selection of APET as strategic partner was not done in transparent manner. Austrians have been pronounced winners, without taking in consideration other 37 offers submitted by other companies and consortia, they said.

Due to public pressure, federal energy minister said that, in this stage, APET was only selected to prepare feasibility studies and technical papers. The opposition parties pointed out that according to laws of BiH, the company that was involved in the preparation of the tender or the feasibility study could not participate in the tender. In the same time, APET plans to participate in the future projects.

APET officials said that the signing the aforementioned agreement was the first phase of the construction and that no tender will be launched, which was opposite to the statement of energy minister.

APET has also submitted bids for construction of two thermal power plants (TPPs), Tuzla and Kakanj and coal mine and TPP Bugojno and Kongora.

Some local media brought the news that APET is the consortium, registered with basic capital of 17,500 euros and net profit of zero euros in the last years, which is against the tender criteria of 100 mil-

lion euros of profit for potential strategic partners. Energy minister claimed that this was not true.

In addition, APET is limited company with only two employees, news said. According to the same source, APET, established by companies Varech, Porr, Poyry, Alstom, Siemens, Voith, Alpine and Wew, is actually owned by Volksbank and Fortisbank.

§ § §

### **Project TPP Stanari entered the first phase (Bosnia and Herzegovina)**

Official of Energy financing team (EFT), in charge for environmental issues, confirmed that project for construction of thermal power plant (TPP) Stanari has entered first phase in accordance to plans.

During the first phase, EFT has been cooperating with Swiss-German consortium Colenco-Steinmüller regarding the pre-feasibility study and general design of the TPP.

The study should consider all aspect of the project, technical, economical and environmental. In the same time, EFT has initiated environmental researches that will be incorporated into the study on environmental influences of TPP Stanari, EFT official said.

As a reminder, parliament of Republic of Srpska (RS) has adopted EFT's letter of intention in May 2005th. The government of RS has granted the concession to newly established company EFT-Stanari coalmine until 2035th

New TPP should have power output of 430 MW, while annual power production should reach 3 TWh. Some 480 million euros will be invested in TPP and another 120 million euros in the nearby coalmine. In 2011th, TPP and coalmine should employ 800 people. The local municipality will be entitled to 4 % of overall incomes of the TPP or some 5 million euros per year.

TPP Stanari will use modern technologies for lignite-fired TPPs, and it will operate in accordance to EU environmental directives. New TPP should have air-cooling system instead of water-cooling system, so that facility would not endanger local rivers.

TPP Stanari should be the most environmentally sound TPP in the BiH and probably one of few of a kind in the region, EFT official believes.

§ § §

### **Negotiations of Power II project (Bosnia and Herzegovina)**

Council of minister of Bosnia and Herzegovina (BiH) has adopted Draft guidelines for closing the loan agreement between BiH and European investment bank (EIB) regarding funding the Power II project.

Overall worth of the project is 200.7 million euros, where EIB should provide 93 million euros loan, European bank for reconstruction and development (EBRD) 58.1 million euros, KfW bank 39.9 million euros, while World Bank (WB) should provide 4.7 million euros loan.

The Independent transmission system operator of BiH (NOS), and three power utilities in the country should invest 5 million euros in sum.

The project is related to delivery, installation, testing and putting in service equipment in 8 hydropower plants (HPPs), the HPPs

Grabovica, Salakovac, Jablanica, Capljina, Rama, Trebinje, Visegrad and Bocac

§ § §

### **8 requests for construction of wind farms (Bosnia and Herzegovina)**

Government of Republic of Srpska (RS) has received 8 requests for wind explorations and usage of wind power.

The requests were submitted by investors from Austria, Croatia, Italy , Serbia and Power utility of RS.

According to some preliminary studies, ministry of energy, mining and industry of RS believes that power output in some wind farms could reach even 100 MW. Officials from RS said that granting the concession for wind farms could happen in the next year, after detail examination of wind power studies.

In the same time, one company from Austria has earlier expressed readiness for construction wind farms in Herzegovina region.

§ § §

### **Increase in electricity prices possibly in April 2007th (Bosnia and Herzegovina)**

Despite the announcements of power utilities in Bosnia and Herzegovina (BiH) regarding the requests for increase in electricity prices starting from the beginning of the next year, State regulatory energy commission of BiH (DERK) said that price increase, if any, could happen only after April 1st 2007th.

This was explained by the need for public discussion regarding the price increase.

In the same time, Power utility of Herzeg Bosnia (EP HZHB) has launched tender for import of missing electrical energy. EP HZHB imports 2/3 of its electrical energy needs, so that import price has the largest influence to final price for end-customers, company's officials said.

Federal regulatory energy commission (FERK), in charge for the electricity prices in Federation of BiH, confirmed that no power company has submitted request for electricity price increase. FERK has rejected earlier requests submitted by Aluminum factory from Mostar, Mital from Zenica, EP HZHB, Power utility of BiH (EP BiH) and Association for customers' protection.

The final price of electricity is the sum of four elements, the production or supply price, the distribution prices, transmission and system management prices. The last two price elements are determined by DERK, which did not receive any request from two transmission system operators, the NOS and Prenos.

Official from Regulatory energy commission of Republic of Srpska (RS) confirmed that no company out of 11 companies in holding of Power utility of RS submitted any request for increase in prices. Director of the larges distributor in RS, the Elektrokrajina also confirmed that there would be no increase in electricity prices in the nearest future.

§ § §

### **NEK negotiate on sale of future production in NPP Belene (Bulgaria)**

According to unofficial sources, National transmission system operator (NEK) has initiated negotiations with electricity traders regarding the signing the long-term contracts for sale of electrical energy produced in future nuclear power plant (NPP) Belene (2x 1,000 MW).

Sources said that NEK has been negotiating with Italian company Trafigura Electricity, Swiss Atel and German-Swiss EGL. Management of NEK said that long-term contracts were necessary for the successful finishing of the project.

Bulgarian media also said that NEK and Trafigura Electricity would sign 15-year contract, where base sale price should be 35 euro per MWh.

Some energy experts believe that long-term contract would negatively affect electricity market development, but signing such contracts is considered as the protection from potential unforeseen risks in the project. Similar 15-year contract has been signed with future new thermal power plant (TPP) Maritsa Izok 1 and renewed TPP Maritsa Iztok 3.

§ § §

### **Licensed power traders against the new transmission fee (Bulgaria)**

Six companies, licensed power traders, have signed the petition to Supreme Administrative Court in order to cancel latest decision of National transmission system operator (NEK) regarding introduction of new transmission fee.

The petition was signed by Energy Partner, EFT Bulgaria, PPC, Enemona Utilities, Energy Market and Transeuro Energy.

Starting from October 1st, NEK has imposed transmission fee of 5.5 euros per MWh (0.7 euros increase).

The petitioners claim that new fee is against the energy law, which provided conditions for competitive electricity market in the country. New tariffs will lead to the increase in electricity prices to end-customers. In the same time, NEK would be able to offer lower prices to customers in the country, power traders said.

§ § §

### **Start of the renewal of Dolna Arda hydropower complex (Bulgaria)**

Austrian power company VA TECH Hydro has started renewal of three hydropower plants (HPPs) in the Dolna Arda hydropower complex.

The worth of the renewal project of HPPs Kyrdzhal (106 MW), Ivailovgrad (103.5 MW), and Studen Kladenets (60 MW) is 49.5 million euros and the project should be finished until 2010th.

Overall power output of aforementioned power plants will be increased at 331 MW, by upgrading of HPP Studen Kladenets. The upgrade costs will be 15.9 million euros, and it will be carried out by

Austria's Porr Technobau und Umwelt AG and local company Risk Engineering.

VA TECH is already involved in 220 million worth Tsankov Kamak complex. Both projects are agreed under Austrian-Bulgarian memorandum for understanding and bilateral co-operation in accordance to Kyoto Protocol.

§ § §

### **EVN to buy both Sofia and Plovdiv heating companies (Bulgaria)**

Austrian company EVN won in the tender for privatization of Sofia heating company, Toplofikacija, The final agreement should be signed by mid-December.

EVN offered 32.1 million euros, and thus outbid the second ranked company French Dalikia international by 7 million euros.

Privatization of Sofia heating company came after corruption scandal and potential bankruptcy of the company.

In the same time, privatization agency (PA) has selected EVN as the potential owner of another heating company, the Plovdiv heating company.

EVN offered 32 million euros for heating company, and once again outbid the French Dalkia International (25 million euros bid). The heating power plant in Plovdiv, the second largest city in the country, has 214 MW power output. Final contract should be signed by mid-December too.

The Plovdiv heating company has capital of 13.3 million euros and it serves 64,000 households. The last year sales incomes reached some 17 million euros.

The announcement of sale of heating companies to EVN came in the moment when minister of energy and economy order the financial check in electrical energy distributors in Plovdiv and Stara Zagora, owned by EVN. The customers in those cities complained over high electricity bills.

§ § §

### **Privatization of TPP Bobov Dol stalled due to environmental permits (Bulgaria)**

Public power corporation (PPC) has demanded from Bulgarian ministry of environment and water to renew the pollution permit to the thermal power plant (TPP) Bobov Dol (630 MW) in order PPC to continue privatization negotiations.

Current permit allows the TPP to operate only until 2014th, when the EU directives will have to start to apply. According to the current regulations, unit 1 in TPP should be shutdown until January 1st 2007th, unit 2 in 2010th, and unit 3 should be shutdown in 2014th.

If the permit was not updated, PPC would cancel the sale contract, having in mind that operational period of the TPP will not be long enough for Greek company to repay its investments.

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### **Atomstroyexport won in the tender for construction of NPP Belene (Bulgaria)**

After 17 months of evaluation, Bulgaria's National transmission system operator (NEK) has selected Russian company Atomstroyexport to be the constructor of nuclear power plant (NPP) Belene (2,000 MW). The tender for new plant was launched in May 2005th.

Atomstroyexport is controlled 49 % by Gazprom, while other members of consortium for construction of NPP will be French Areva and German Siemens.

Atomstroyexport has outbid consortium led by Czech Skoda, which was owned by Gazprom owned OMZ, while other members of consortium were German Hochtief and Westinghouse from USA.

Russian company will build two 1,000 MW blocks with B466 reactors. The blocks have operational life of 60 years and it should be in accordance to EU standards.

The government of Bulgaria will control 51 % share in new NPP and it will find strategic partner willing to finance the project. Until now, Gazprom, Enel and CEZ have expressed readiness to operate new NPP.

Atomstroyexport offered to produce electricity in new NPP at price below or equal 37 euros per MWh, while Skoda offered 40 to 43 euros. Russian bid was considered better in terms of security and utilization of two units in NPP.

The contract between government and Atomstroyexport should be signed until the end of November.

Atomstroyexport offered to build NPP for 3.997 billion euros, while Skoda offered price of 4.098 billion euros. It is estimated that first unit in NPP could be put in operation in 2012th at the earliest.

§ § §

### **French Dalkia offered highest price for Varna heating company (Bulgaria)**

French company Dalkia International has offered highest price of 6.7 million euros in the tender for sale of 100 % of shares in Varna heating company.

British company Ener-G Plc. offered 6.2 million euros, while Czech CEZ offered 4.5 million euros for the Varna heating company. The privatization procedure should be finished by the end of 2006th, where new owner will be obliged to invest in the heat transmission network.

French company was the second ranked bidder in the tender for sale of Sofia and Plovdiv heating company (behind Austrian EVN), and it is interested for purchase Russe heating companies.

§ § §

### **Problems in coal supply for TPP Varna, no power cuts (Bulgaria)**

Minister of energy confirmed that Bulgaria would not suffer power cuts due to problems in coal supply from Ukraine to thermal power plant (TPP) Varna (6x210 MW). Since recently, TPP Varna, which pro-

duce some 10 % of Bulgaria's power production, is owned by Czech CEZ.

The negotiations regarding the coal supply took place this summer. Minister expects that coal delivery from Ukraine will be continued, but the price of coal will be higher, which will affect the electricity prices in Bulgaria.

TPP, which runs only on imported coal, had coal reserves of 0.15 million tons in the end of October, which could be sufficient for one-month operation of only one unit.

It is estimated that National transmission system operator (NEK) will be forced to reduce electricity export by 400 to 600 MW per hours due to disruption in coal delivery for TPP Varna.

Owner of the plant, the CEZ, has launched international tender for import of coal. Nine bids were submitted, out of which four of them were rejected due to high offered prices. CEZ currently negotiates with five potential suppliers; two among them have already delivered coal to the TPP.

Due to aforementioned problems, CEZ announced the request for 10 to 15 % increase in price of electricity sold to NEK.

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### **USA energy ministry interested for energy project (Croatia)**

During the visit of Croatian government to United States, minister of industry, labor and entrepreneurship of Croatia has had the working meeting with US energy minister

Croatian official informed the US official on energy projects in Croatia, especially the Pan European oil pipeline project (PEOP) and liquefied natural gas terminal (LNG). Croatian minister invited US investors to invest in Croatia, where some 4 billion euros should be invested in the nearest future.

US official offered support in all projects, as well in announced restructuring of Croatian power utility (HEP) and liberalization of electricity market in Croatia.

§ § §

### **Signing the contract for construction of 400 kV power line Ernestinovo – Pecs (Croatia)**

On October 17th, Croatian power utility (HEP) and Hungarian counterpart MAVIR have signed letter of intention for construction of 400 kV power line Ernestinovo- Pecs. The construction works should start in 2008th, and new line should be operational in 2010th.

The worth of the construction of interconnection power line is estimated at 50 to 80 million euros.

In the same time, HEP and Italian TERNAL have given joint statement regarding the plans for construction of DC submarine power cable between Croatia and Italy. The worth of the investment is estimated at 250 to 400 million euros.

Two aforementioned documents have been signed during the international workshop on national electricity market two years after UCTE reconnection.

During the occasion, vice prime minister of Croatia said that privatization of HEP should be handled in careful manner, having in mind good and bad experiences of countries that have already privatized national power companies.

HEP's officials have pointed out that electricity trade in Croatia, after the reconnection, have been increased from 2 to 9 TWh (300 million euros equivalent), while transmission losses decreased by 120 GWh.

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### **INA plans return to Serbian market (Croatia)**

Croatian oil industry (INA) has announced came back to oil market of Serbia if government of Serbia cancels the ban of import of oil and oil derivatives and if the import taxes remain reasonable.

Due to unfavorable market conditions, INA has been exporting to Serbia only motor oils, liquefied petroleum gas, bitumen, petroleum and some type of oils. INA's annual sales of aforementioned products reach 17,000 tons, while sales incomes of INA in Serbia reach 9 million euros.

INA's officials hope that Serbian government, under EU pressure, will abandon introduction of import tax of 30 % for euro diesel and 18 % for gasoline. In that case, INA sees its chance to increase sales in oil market in Serbia.

Experts estimated that INA could increase annual sales in Serbia up to 400,000 tons, which is equal to 10 % of overall consumption of oil derivatives in Serbia. With large-scale investments, INA could increase market share in Serbia up to 30 % or 1.2 billion tons of oil derivatives, some experts believe.

This would be excellent came back for INA, which held the considerable market share in Serbia before the war in 1990s. INA has still been demanding from Serbia to return 200 petrol stations, previously operated by INA, which have been sold to Russian Lukoil.

§ § §

### **In 2007th higher gas prices for Petrokemija and HEP (Croatia)**

Starting from 2007th, Croatian oil industry (INA) has announced increase in natural gas prices for two of its privileged customers, the petrochemical industry (Petrokemija) and Croatian power utility (HEP).

The price of 1,000 cubic meter of natural gas for these two customers should be 135.6 euros, which will be 13 % increase for HEP and 20 % for Petrokemija.

In case if HEP and Petrokemija accepted offered price, the price would be valid for entire year 2007th, like in EU, unlike the previous price policy of INA when the price was variable depending on the market conditions and the season.

INA's officials explained that import natural gas prices increased by 30 % in 2006th so far and some 140 % comparing to 2000th.

Current retail price for Petrokemija, which spends some 600 million cubic meters of natural gas per year, is equal to 40 % of import natural gas price paid by INA. Current ratio of imported and domestic natural gas in Croatian market stands at 40 %:60 %, respectively,

INA's officials confirmed. The negotiations (unsuccessful) between INA and HEP and Petrokemija lasted for several months.

Three months ago, INA has demanded 40 % price increase for all tariff customers in the country. Current price for tariff customers is 145 euros per 1,000 cubic meters.

In the same time, officials from INA said that underground storage capacity for natural gas was filled up to maximum level, while the construction of natural gas pipeline Pula –Karlovac was finished and undersea part of the pipeline should be finished very soon. Despite the favorable facts, INA has signed additional contract with Austrian EconGas, which should provide stable natural gas supply during in Croatia during winter season.

§ § §

### **Official announcement for sale of INA's shares (Croatia)**

Government of Croatia has officially announced second phase of privatization of Croatian oil industry (INA), i.e. public sale of 15 % of regular shares, with possible sale of additional 2 % of shares.

The rules for sale of shares have been earlier presented. According to them, citizens of Croatia have preemptive right and some other benefits during the sale procedure.

Croatian companies, foreign investors in Croatia, and the citizens who want to purchase more than allowed number of shares, will be allowed to participate in sale procedure, but without any preemptive rights.

The consortium led by Merrill Lynch will be responsible for public offering procedure, where some 1.5 million shares in INA will be offered for sale.

The sale procedure should be followed by listing of INA's shares in Zagreb stock exchange and London stock exchange.

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### **Seasonal changes in electricity tariffs (Croatia)**

Croatian power utility (HEP) has informed that public that due to daylight saving changes, the period of high (daily) and low (night) tariffs will be changed.

Starting from October 29th, period for high tariff will be between 07.00 hrs until 21.00hrs, while low tariff will last from 21.00hrs until 07.00hrs next day.

During summer period, high tariff lasted from 08.00hrs until 22.00hrs, while the rest was low tariff. According to current tariffs, customers with two-tariff electricity meters (white tariff mode) pay 8.3 eurocents per kWh (10.06 eurocents with VAT included) in high tariff and 4.3 eurocents in low tariff ( 5.3 eurocents with VAT). The customers also pay constant monthly fee of 2.6 euros.

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### **The lowest electricity prices in EU ( Greece)**

According to latest data presented by Eurostat, customers in Greece have been paying the lowest electricity prices in EU.

Data showed that in January 2006th, price of kWh of electricity for households in Greece was 7.01 eurocents. EU average in that period was 14.16 eurocents.

In the same time, industrial customers in Greece have also paid the lowest price in EU, with 7.27 eurocents per kWh.

The main reason for low prices in Greece was the low tax rates and limited profit of Public power corporation (PPC), the Greek national power company.

VAT for average electricity bill in Greece stood at 0.58 eurocents comparing to the EU average of 3.38 eurocents per kWh.

§ § §

### **PPC and Contour Global to place bid for Kosovo lignite mine (Greece)**

Public power corporation (PPC) and US company Contour Global (CG) should establish the joint venture that will place bid for purchase of lignite mine in Kosovo.

The management board of new joint venture will have six members, three from PPC and CG each.

Two companies have earlier agreed on cooperation in energy projects in Southeastern Europe, particularly in mining sector and renewable energy sources.

By acquiring of mine in Kosovo, PPC wants to provide alternate sources of lignite.

In the same time, US ambassador in Greece supported the announced joint venture of CG and PPC.

In the related news, sources have confirmed that government would exempt PPC from the special lignite consumption fee. If not, PPC could pay additional 105 million euros of costs in this behalf in this fiscal year.

New law, which must be in accordance to EU Directive 96/2003 and which should be voted in the next year, will give the right to the government to exclude the power producers that use solid fuels from paying the consumption fee.

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### **EIB willing to fund PPC's projects (Greece)**

European Investment Bank (EIB) has expressed readiness to finance the part of announced projects of Public power corporation (PPC).

EIB is also interested in financing the Burgas- Alexandropoulos gas pipeline, where bank is ready to provide the half of 400 million euros needed for the project.

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### **Unsatisfactory level of renewable energy sources (Greece)**

According to the latest analyses carried out by Ernst& Young, Greece's renewable energy sources (RES) index is below desirable.

Greece's performance has been improved only in solar energy area during the period June-August 2006th comparing to the same period last year.

Greece was 13th ranked country among 20 countries analyzed, while the leaders in usage of RES are Spain, USA, India, Germany and Great Britain.

§ § §

### **New 17 MW wind park (Greece)**

As Greece develops a new renewable energy infrastructure, projects are coming online at a more rapid pace. The most recent RES project to become operational in Greece is the Aeolic (Wind) Park in Alogorahi in the prefecture of Magnisia, Thessaly Region. Analysts point out that Greece has one of the best profiles for wind energy in all of Europe and that wind can become a significant contributor to Greece's energy output.

The aeolic park in Alogorahi, the first one in the Thessaly region, is located at the border of the Anavra Community and is the highest park in Greece, at an altitude of almost 1,650 meters. It has a power of 17 MW and there are 20 wind generators, 850 kW each. Energy production is estimated at 38,180 MWh annually, which is equivalent to the energy consumed by approximately 13,000 households. Its operation will prevent the emission of 38,000 tons of carbon monoxide and other pollutants, resulting in a significant contribution in the efforts to deal with the greenhouse effect. The project was financed by the 3rd Community Support Framework through the Competitiveness Business Plan of the Ministry of Development.

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### **New gas pipeline toward Turkey in operation by the end of the year (Greece)**

Turkey's gas company Botas has confirmed the end of construction works on its section of the natural gas pipeline toward Greece. New pipeline should be operational by the end of the year and it should have annual transport capacity of 12 billion cubic meters. 300 km long pipeline will connect city of Karabacev (Turkey) and Alexandropoulos (Greece).

The agreement for construction of the pipeline was signed in 2003rd by Greece's and Turkey's officials. According to plans, initial transport through the pipeline should rise from 250 million cubic meters in 2006th up to 492 million cubic meters in 2007th and 737 million cubic meters per year until 2020th. Turkey should deliver natural gas to Greece under existing contracts with Russia and Iran and liquefied natural gas (LNG) supply contracts with Algeria and Nigeria.

In the next stage of the project, new natural gas pipeline will be a part of South European natural gas ring by connecting the Greek gas network with Italian gas network, while Italy should be connected with Turkey through Nabucco pipeline.

Initial agreement between Greece and Turkey has predicted that, after the building the extension toward Italy, annual gas transport from Turkey to Greece will rise up to 11 billion cubic meters, where 8 billion will be transited to Italy and 3 billion will be imported by Greece.

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### **French EdF build new wind farm (Greece)**

French power company EdF has built its second wind farm in Greece, in the Argolida region, in Southwestern part of the country.

Annual power production of new wind farm is estimated at 70 GWh. The worth of the investment was 33 million euros, out of which 9.2 million euros was financed by the Greek government.

EdF already operates 36 MW wind farm in the same area since the last year. The worth of this investment reached 37.6 million euros.

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### **Problems in electricity production in thermal power plants (Macedonia)**

According to announcements of Macedonian media, country could face serious problems in power supply in November this year, including reduction in power supply.

The prediction is based on the fact, that thermal power plant (TPP) Bitola (675 MW, the largest producer in the country) had only 75,000 tons of coal reserves in the mid October. The amount was sufficient for 5-day electricity production. In the same time, TPP Oslomej (100 MW) will be out of service in November due to maintenance works and lack of coal.

TPP Bitola provides 70 % of overall power production in the country. For normal operation of TPP, 500,000 to 600,000 tons of coal needs to be provided, head of TPP said. He blamed inadequate technological performance in the coalmine Suvodol for reduction in coal production and coal quality. Coalmine Suvodol should deliver 20,000 tons of coal per day to TPP in order to achieve nominal power production.

Due to such situation, management of TPP decided to reduce power output of all three units in TPP Bitola, where unit 1 and 3 operated at 160 MW, and unit 3 at 200 MW. Maximum power output of all units is 225 MW. For the first, time TPP Bitola did not carry out regular annual renewal in this year, which also worsened the situation.

Power insufficiency could be eliminated in two most critical months, in December and January, after the largest industrial customer, the Silmak company, is disconnected from power grid due planned maintenance works. This was agreed by management of Silmak and government of Macedonia.

Macedonia has been also considering putting in operation TPP Negotino (200 MW), the most expensive power producer in the country, which has been in the middle of privatization procedure.

The one of the problems for Macedonia and other countries in the region is the lack of electricity surpluses, i.e. there is not enough offers for export of electricity. Officials from Macedonia's transmission system operator (MEPSO) quoted the example in neighboring Greece, where no bidders have applied in the international tender for import of electricity. In the next six month, Macedonia should import 1 TWh, but experts believe that only 300 to 500 GWh could be actually acquired.

Head of EVN Macedonia also believes that situation in power supply is most critical. He believes that this development has been known for months, having in mind situation in the region, especially the planned shutdown of two 440 MW units in nuclear power plant (NPP) Kozloduy.

EVN believes that some 2 billion euros needs to be invested in new power plants in Macedonia in order to have sufficient amount of electricity in the country.

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### **Settlement of debts between power companies (Macedonia)**

State owned power companies, the Macedonia's transmission system operator (MEPSO) and Macedonian power plants (ELEM) have signed protocol of cooperation regarding settlement of mutual debts. The debts would be pay through bank arrangement. In this way, 50 million euros debt of MEPSO toward ELEM will be paid.

In the same time, Power utility of Macedonia –Distribution (ESM) owes some 40 million euros to MEPSO. Officials of ESM said they did not receive official text of cooperation protocol. ESM's management believes that employing clearing bank would increase the expenses in all three companies.

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### **ESM to replace 650,000 electricity meters (Macedonia)**

Power utility of Macedonia –Distribution (ESM) announced replacement of all of 650,000 electricity meters in the country. ESM plans to install new modern meters, which will be property of ESM and end-customers will pay monthly usage fee.

According to the current Energy law, electricity meters are the property of the end-customers. Because of that, ESM has informed the government in the special memorandum about the company's intentions requesting the changes in the Energy law.

In the same time, according to Macedonia's press, ESM announced that electricity meters will be checked only once per year, while the electricity bills should be paid in advance.

The main reason for new meters is the prevention of electricity thefts, having in mind that existing electricity meters are over aged and easy to abuse, ESM management explained. It is estimated that non-commercial losses, related to theft of electricity, reach 25 % of overall consumption in the country, while lenient legislation makes impossible to collect debts from the non-paying customers, ESM's officials say.

In the same time, collection rate of electricity bills reaches only 50 %. In this moment, ESM has been initiated 500,000 lawsuits against non-paying customers. The largest debtor is the metallurgical company Silmak with 5 million euros of debts.

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### **Only two bids on MEPSO's tender for import of electricity (Macedonia)**

Macedonia will be unable to buy missing electricity during the winter season after only two bids have been submitted in the tender for import of electricity, launched in mid-October by Macedonia's transmission system operator (MEPSO).

Sempre and Ezpada have offered only 60 GWh, while MEPSO wanted to import 950 GWh of electrical energy during the winter season. Two bids will cover only 6 % of overall power needs in the country.

Neither MEPSO nor government wanted to reveal the price paid to Sempra and Ezpada, but unofficial sources suggested that price reached 70 euros per MWh.

Power utility of Serbia (EPS), National transmission system operator of Bulgaria (NEK), and power trader EFT have informed MEPSO they are unable to deliver requested amount of electricity.

In order to avoid energy crisis, government decided to put in operation expensive, fuel oil fired thermal power plant (TPP) Negotino (200 MW). According to preliminary analyses, the production price of electricity from TPP Negotino will be 80 euros per MWh.

Sources said that government has already provided 100,000 tons of fuel oil from Russian Lukoil and Okta refinery, which would be sufficient for four month operation of TPP.

Government did not want to comment whether the latest decision for restart of TPP Negotino would imply cancellation of sale of TPP to Austrian EVN.

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### **Privatization of TPP Negotino still on hold (Macedonia)**

Macedonia's Antimonopoly commission (AC) confirmed that potential purchase of thermal power plant (TPP) Negotino by Austrian EVN would lead to the monopolistic position of this power company in Macedonia. Since this year, EVN already owns national power distribution company, the ESM.

By this conclusion of AC, government of Macedonia will have another excuse to cancel the sale of TPP Negotino to EVN. As a reminder, privatization of TPP was put on hold immediately after parliamentary elections when new government was elected.

In the meantime, EVN, the first ranked bidder in the tender procedure, presented new arrangement to the government by offering 25 % of shares in TPP to the government.

Third ranked bidder, the Canadian company Hatch still tries to prove that EVN's bid in the tender was unrealistic. Canadians claim that new offer of EVN was not allowed by the original tender rules.

Macedonia's experts believe that suspension of the tender procedure was the sign of the government's indecision in this matter, making the space for all kinds of lobbying. Several officials confirmed that government and EVN have been negotiating on the privatization of TPP Negotino.

Chairman of the management board of EVN said earlier in the interview to Macedonia's newspaper that EVN was not interested in political issues in Macedonia and called government to fulfill its obligations in accordance to international tender. Otherwise, only Macedonia will be in loss in this matter, chairman believes.

EVN offered 750 million euros for investments in the TPP, which some government's officials and experts considered as unrealistic.

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### **TPP out of service for maintenance (Montenegro)**

On October 18th, thermal power plant (TPP) Pljevlja (200 MW) was shutdown due to regular maintenance works before the start of winter season.

So called winter treatment will last 15 days, and during the standstill, smaller flaws will be repaired. Director of TPP hopes that on November 1st, coal reserves at the TPP should reach 60,000 tons.

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### **No electricity price increase, possible problems in power supply (Montenegro)**

Executive director of Power utility of Montenegro (EPCG) confirmed that company has been trying to import sufficient amount of electricity for the next year, but due to reduced offers on electricity market, there could be problems in power supply in the future.

In the second half of October, EPCG has launched tender for import of 1.216 TWh of electricity for the 2007th. According to current prices, EPCG will need some 66 million euros for providing the necessary amount of electricity. As a reminder, Montenegro is importing 1/3 of its electrical energy needs.

Head of EPCG said that main problem in the export of electricity in the region was the planned shutdown of two 440 MW units in nuclear power plant Kozloduy in Bulgaria and reduction of power production announced by Romanian power producer Termoelectrica (due to lack of coal). Another problem is the fact that Croatia, Macedonia and Albania too still did not provide sufficient amount of electricity for the next year.

EPCG also needs to perform capital renewal of thermal power plant (TPP) Pljevlja, for which four months will be needed.

Until the October this year, hydropower plants (HPPs) Perucica and Piva have reported 10 % and 27 % increase in power production, respectively, comparing to the last year. Starting from October, water inflows were below the average ones for this time of the year, so that HPP Perucica produced only 50 % of planned amount, and energy stored in accumulation lakes was 20 GWh under the plan.

In the beginning of October, EPCG has formally withdrawn the request for increase in electricity prices, so that new electricity prices, according to the law, could not be imposed before April next year. EPCG explained this move as an obligation toward customers that have been regularly paid their bills. In the mean time, EPCG will try to reduce considerable non-commercial losses (40 million euros per year) related to the theft of electricity.

Electricity prices in Montenegro have not been changed since April 29th 2003rd. Households pay 4.4 eurocents per kWh in higher tariff and 2.2 eurocents in low tariff (during night and three hours during day). In accordance to regulations, prices are adjusted on monthly level depending on the import of electrical energy. For example, in May this year, average electricity bill were 3.87 % higher and in September, customers paid 22.54 % higher price in average.

Head of EPCG confirmed that new functional divisions of EPCG, the Production, Transmission, Distribution and Supply would be financially separated starting from the next year. Until the January 1st 2008th, Transmission division should be also legally separated from EPCG. Legal status of other functional divisions will depend on the privatization strategy of EPCG.

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### **New electricity prices for Aluminum factory starting from 2007th (Montenegro)**

Power utility of Montenegro (EPCG) announced that Aluminum factory (KAP), the largest industrial customer in the country (1.2 TWh per year), would start to pay higher electricity prices starting from 2007th. By this, EPCG, for the first time, will have benefit from the contract, management of the company said.

According to current supply contract, EPCG has been delivering 2/3 of necessary quantities to KAP, while the rest is acquired by the KAP itself on free market. EPCG has been delivering electricity to KAP at favorable price of 20.44 euros per MWh. This price is below estimated average production price of electricity in Montenegro, estimated at 26 to 27 euros per MWh. In the same time, KAP has minimal transmission losses comparing to other customers in the country.

Director of EPCG confirmed that KAP has paid 10.7 million euros debt to EPCG in accordance to agreement.

The current agreement between EPCG and KAP expires in 2010th, and contract, like for all other customers in the country, was not market based, head of EPCG confirmed. Nevertheless, year 2006th will be the last year KAP will pay fixed price for delivered electricity by EPCG. In 2007th, electricity prices for KAP will depend on the market price of aluminum. From 2009th, electricity price will be additionally adjusted in accordance to global electricity prices.

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### **Danish Greentech Energy interested for wind farms (Montenegro)**

Danish power company Greentech energy (GE) has expressed interest for public-private partnership projects for construction of wind farms in Montenegro. The most suitable sites for wind farms are the surrounding of city of Niksic and mountain areas near the Adriatic costs.

GE's officials have visited Montenegro in mid October and talked with the government's officials and Agency for foreign investments. In cooperation with partners from Norway, ministry of economy of Montenegro should present the feasibility study on wind power potentials in the country by the end of the year, after which construction of wind farms could start.

GE's main activity is production of electricity by utilizing wind power, while company is involved in commercial production of electrical energy from renewable energy sources. GE has branches in Denmark, Poland and Italy. In Denmark, company operates 19 wind farms, while in Poland and Italy, company has initiated construction of several wind farms.

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### **40 TWh of electricity produced in the first eight months 2006th (Romania)**

In the first eight months in 2006th in Romania, electrical energy production reached 40.893 TWh, which was 6.4 % higher comparing to the last year.

The largest part was produced in thermal power plants, 23.544 TWh (13 % increase). The production in hydropower plants reached 13.434 TWh (4.5 % reduction). Nuclear power plant Cernaovoda has produced 4.004 TWh of electricity in the same period, which was 8.9 % increase comparing to the last year.

In the same period, Romania has imported 726.3 GWh and exported 3.58 GWh of electricity.

265.887 TWh (64.5 % of overall power output) was spent by industrial customers, 5.913 TWh (14.2 %) was used by households customers, while 393.1 GWh was used for public lighting.

The primary energy resources stood at 28.136 million tons of oil equivalent, where 16.421 million tons came from domestic production and 11.715 million tons was imported.

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### **23 million tons of coal produced in first eight months of 2006th (Romania)**

In the first eight months of 2006th, the net coal production reached 22.814 million tons, out of which 1.804 million tons was net pit coal and 21.1 million tons was net lignite and brown coal.

The highest coal production was reported in March, with 3.208 million tons.

In the aforementioned period, Romania has imported 196.7 million euros worth coal, which was 20.3 % lower comparing to the last year.

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### **First nuclear load for unit 2 in NPP Cernavoda manufactured (Romania)**

The factory in Pitesti, specialized for production of nuclear fuel, confirmed that first nuclear load for unit 2 in nuclear power plant (NPP) Cernavoda was completed.

The entire fuel load should be delivered in the beginning of November.

In 1994th, Pitesti factory was made to be qualified CANDU nuclear fuel manufacturer, after Atomic Energy of Canada Ltd (AECL) and Zircatec Precision Industries Inc (ZPI) granted the production license. Pitesti factory is the only non-Canadian based company recognized by AECL.

In the first half of 2006th, factory doubled its production capacity, which will make possible to deliver sufficient fuel supplies for NPP Cernavoda.

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### **Eight companies interested for new power plant (Romania)**

Eight companies have submitted letters of intentions regarding the construction of new power plant, with power output between 200 to 500 MW, at the site of thermal power plant Electrocentrale Borzesti, the subsidiary of Termoelectrica SA company.

Following companies have submitted letter of intentions: E.ON (Germany), Enel (Italy), Electrabel (Belgium), CEZ (Czech Republic),

Romned Port Operator (Romania), AES (USA), Iberdrola (Spain) and Romenergo (Romania).

Termoelectrica plans to establish joint venture, majority owned by private investors, which will be independent power producer. Termoelectrica should contribute to joint venture through the assets of Electrocentrale Borzesti, while future partner will invest funds in the company and it will be obliged to install new equipment and to carry out modernization of existing power plant.

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### **Three consulting companies submitted bids for restructuring projects in electrical energy sector (Romania)**

KPMG Romania, MVV Consulting from Great Britain and Parsons Brinkerhoff from Germany have submitted bids in the tender for providing the consulting services related to the restructuring of electricity production companies.

This was confirmed by executive director of Transelectrica, which has organized tender process. The tender was launched on September 4th, the deadline for submission of bids was October 10th.

According to tender requirements, future advisor will be obliged to present the restructuring study in the period of nine months after signing the contract. During the first stage until the December this year, advisor will have to prepare the restructuring plan for power production sector.

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### **Transelectrica announced 140 million euros investment program (Romania)**

Chief executive officer (CEO) of Romania's transmission system operator (Transelectrica) announced company's investment program of 140 million euros in 2007th.

Transelectrica plans to maintain constant transmission fees (adjusted in accordance to inflation rate) in the next 10 years. The decision on new electricity transmission rates should be decided in mid-November, when company should present the 10-year business plan.

In the second half of October, Transelectrica put in operation large 400 kV substation in Slatina.

According to official data, Transelectrica has reported half-year profit of 43 million euros, which was 34 % increase comparing to the last year. Incomes increased by 88 % up to 324.3 million euros.

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### **Austrian Verbund enters electricity market (Romania)**

The largest Austrian power company, Verbund, announced plans for entering Romanian electricity market.

Verbund is willing to invest in electricity production, where final decision should be made by the end of this year, Romania's press reported.

Verbund produces 80 % of its power output in hydropower plants on Danube and Alps.

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### **Romania joined Renewable Energy and Energy Efficiency Partnership (Romania)**

In the end of October, Romania has officially become the partner in Energy and Energy Efficiency Partnership (REEEP).

The partnership agreement was signed by minister of economy and commerce, after which Romania became 33rd country member in this international public private partnership. REEEP is established in order to promote policies and rules for supporting the usage of renewable energy sources (RES).

Romania is the first partner from East Europe, where Romanian Agency for conservation (ARCE) will be Romanian representative in REEEP.

REEEP is currently active in over 50 global project for development of policies or financial models for potential investors. In Eastern Europe, REEEP is working with municipalities in the projects for energy efficiency in buildings.

The partnership has more than 180 members, including all G8 countries with the exception of Russia. Switzerland, Argentina and Singapore have joined REEEP in 2006th.

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### **EPS signed contract with new qualified customer (Serbia)**

Power utility of Serbia (EPS) has informed the public on signing the new contract for power supply with new qualified customer, the future factory of ferroalloy in city of Majdanpek.

The factory will be built by company Feroprofil, the subsidiary of Slovenian company for production of carbides and ferroalloys, the TDR Metalurgija.

The contract was signed by deputy general manager of EPS and director of Electricity trade department on one side, and owner of the Feroprofil and executive director of the company, on other side.

The contract will be valid after Regulatory energy agency (REA) of Serbia grants the status of qualified customer to the Feroprofil and when future customer was connected to power grid.

Feroprofil should purchase 7.9 GWh of electricity per month. New factory, the first of a kind in Serbia, should be built by the end of the next year. It should employ 200 to 300 people and it should have annual output of 20 tons of ferroalloys.

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### **EPS signed 30 million euro contract for purchase of mining equipment (Serbia)**

General manager of Power utility of Serbia (EPS) and high official of Gosa FM consortium have signed the contract for delivery and

installation of new overburden transport system (dredger and conveyor belt) in open pit mine in Kostolac.

New transport system should be operational in the end of 2008th. It is expected that with new system, production of overburden coal layers will be increased from current 25 million cubic meters up to 40 million cubic meters, while coal production should be increased from 6.5 million tons up to 9 million tons of coal per year.

The worth of the contract is 30 million euros, while overall costs of the construction and installation of new system will reach 60 million euros. General manager of EPS said this projects was the part of company's large investments aimed to provide stable coal and electricity supply in Serbia.

During the occasion, head of EPS once again called for increase in electricity prices in Serbia in accordance to prices in the region. EPS also plans to invest profit earned from sale of electrical energy in new environmental projects. It is estimated that for that purpose, EPS will invest 1 billion euros in 10 to 12 years, which would be impossible with current low prices of electricity, general manager said.

The next step in modernization of EPS, after renewal of thermal power plants, should be investments in mining sector, where 3 billion euros should be invested in the next four years.

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### **Srbijagas to sign gas supply contract with Gazprom, Serbian energy minister visited Russia (Serbia)**

Serbian minister of energy and mining has visited Moscow and participated at International economy week. During the visit, minister had talks with Russian minister of industry and energy regarding the natural gas supply contract between Serbia and Russia for the next year.

According to earlier announcements, Serbian gas company Srbijagas and Russian Gazprom should sign supply contract in the mid-December. New contract will be put in power starting from January 1st.

The contract is prepared in general, but two parties still need to specify some technical details, PR of Srbijagas confirmed. Average daily delivery to Serbia should be the same as the last year, i.e. 10 million cubic meters of gas, which is the maximal technical limit for transport over Hungarian gas network. Serbia imports over 90 % of its natural gas from Gazprom.

Russian giant has delivered 2 billion cubic meters of gas to Serbia during last year, while natural gas delivery in 2006th should reach 2.1 billion cubic meters.

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### **Increase in natural gas prices of 35 % (Serbia)**

Government of Serbia has approved 35 % increase in natural gas prices in order to adjust retail prices in accordance to imported prices and to provide stable natural gas supply during the winter season.

The price of natural gas for heating plants is increased by 0.065 euros per cubic meter up to 0.25 euros. The price for customers directly

connected to natural gas network will be determined in the nearest future.

Serbian gas company Srbijagas expressed satisfaction with the latest price increase, having in mind that company has been selling natural gas at lower than imported price.

Srbijagas has been importing natural gas from Russia at price of 300 euros per 1,000 cubic meters and it has been sold it at 256 euros. Company suffered considerable losses due to such price policy, having in mind that heating plants and households spend 40 % of overall natural gas consumption.

Officials from Srbijagas pointed out that price of natural gas in Slovenia is 800 euros per 1,000 cubic meters; while in Bosnia and Herzegovina retail price is 440 euros. Srbijagas and Power utility of Serbia are only two public companies in the country that has been providing their services at the below market price, officials said.

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### **Unit 1 in TPP Nikola Tesla A back in operation (Serbia)**

Unit 1 (210 MW) in thermal power plant (TPP) Nikola Tesla A (1,500 MW) was put in service in the second half of October. The unit was out of operation due to malfunction of generator occurred in March this year. The worth of repair works was 12 million euros.

Almost entirely, the unit was repaired by local companies. Sever from Subotica and employees from TPP have replaced destroyed parts of generator. Energoprojekt and several other companies and institutes have installed most modern electro filters.

Deputy general manager of Power utility of Serbia (EPS) said that unit 1 was now modern unit repaired in accordance to European standards.

Control and measurement systems in repaired unit were developed by Mihailo Pupin institute and EPS's experts.

Due to modernization of units, the availability of units and environmental standards has been considerably improved in TPP, director of TPP confirmed. In the last three years, the emission of harmful gasses from TPP Nikola Tesla A was reduced three times, official data showed.

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### **43 million euros of profit for NIS (Serbia)**

In the first half of 2006th, Oil industry of Serbia (NIS) has reported 43 million euros of profit. The favorable business results made possible for NIS to pay obligations toward creditors and to the state budget, management of the company said.

Minister of energy and mining of Serbia expressed satisfaction with the latest business results, saying that half-year profit of NIS was 30 % higher than planned. Good business results are step forward for NIS to become important regional company, minister said.

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**Tenders:****Electricity**

Company / organization:	EBRD, related Serbia
<b>Belgrade District Heating</b>	
Content:	<p>This Invitation for Tenders follows the General Procurement Notice for this project which was published in Procurement Opportunities on the EBRD website on 30th September 2004 and updated on the EBRD web-site on 14 February 2006, and in Official Gazette of the Republic of Serbia.</p> <p>The Municipality of the City of Belgrade has received a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of a Programme for the rehabilitation of the Belgrade District Heating (DH) system. The proposed Programme, which has been allocated a total of Euro 20 million, will be implemented by JKP BEOGRADSKE ELEKTRANE, a wholly owned company of the City of Belgrade, hereinafter referred to as "the Employer".</p> <p>The Employer now invites sealed tenders from contractors for the following contracts to be funded from part of the proceeds of the loan:</p> <p>Contract for the Supply and Installation of Economisers for</p> <p>TO Dunav, TO Konjarnik and TO Vozdovac</p> <p>The contract includes design, manufacturing, supply and installation of four economizers (2 x 6 MW and 2 x 3 MW) as by-pass on the existing flue gas duct with adequate dampers, and also their integration with the existing equipment and systems.</p>
Deadline:	19 December 2006 at 11:00, Belgrade time.
Contact:	Mr. Bojan Bogdanović Address: Savski nasip 11 11070 Novi Beograd, Serbia and Montenegro Tel: +381 11 20 93 633 Fax: +381 11 20 93 601 E-mail: tender@beoelektrane.co.yu

Company / organization:	HEP, related Croatia
<b>Electricity supply</b>	
Content:	<p>Hrvatska Elektroprivreda d.d. (hereinafter called HEP) herewith invites its trading partners to offer electric energy as specified hereafter:</p> <p>Delivery period : from 02/01/2007 until 31/12/2007 and Quarter Q1 2007. from 02/01/2007 until 31/03/2007</p> <p>Capacity: 100 MWh/h base load from 00:00 until 24:00h, Monday – Sunday</p>
Deadline:	13 November 2006, 10:00 hours
Contact:	HEP

Company / organization:	<b>EAR, related Serbia</b>
<b>Ash Disposal System – Nikola Tesla B Thermal Power Plant</b>	
Content:	<p>EAR is seeking a new ash disposal system for the Electric Power Serbia (EPS – Contracting Authority) owned Nikola Tesla B Power Station, a 2 x 620MW lignite fired power station located in the town of Obrenovac, Serbia. Obrenovac is located alongside the River Sava, some 50km upstream from Belgrade.</p> <p>At present the furnace bottom ash is removed mechanically by a de-asher which is filled with water as a seal to the furnace. Further transport is by belt conveyor.</p> <p>The fly ash from the precipitators, air pre-heater hoppers and boiler economiser hoppers is collected and conveyed via pneumatic flow channels. At the end of the precipitator house these ashes are mixed together and flushed with additional water to the ash slurry sump. From there the water ash mixture of ratio nominally 10:1 is pumped via a pipeline to the ash disposal site, which is located approximately 4.5km away from the power plant, for final disposal. Three pipelines are installed in order to provide 1 stand-by line for use in the event of a temporary blockage.</p> <p>The existing de-ashing system at Nikola Tesla B power plant has been in operation since the commissioning of the plant and handles, on average, about 2.1Mt/year of which approximately 7% is furnace bottom ash.</p> <p>Tenderers are requested to propose the design, supply, installation, commissioning, testing and setting to work of a new ash handling and disposal system for Nikola Tesla B Power Station. The works comprises of replacing the existing thin slurry 10:1 ash disposal system with a thick slurry 1:1 hydraulic transport scheme.</p>
Deadline:	27. January 2007, 15:00 CET.
Contact:	The European Agency for Reconstruction ( EAR ) Procurement Unit Vasina 2-4, 11000 Belgrade, Serbia Fax: +381 11 30 23 466

Company / organization:	<b>KESH, related Albania</b>
<b>Purchasing of Box (casket) polyester for mono phase energy meters, and coaxial cable</b>	
Content:	<p>Albanian Power Corporation – KESH SH.a. With a fund of Euro 4 884 355 (Four million eight hundred eighty four thousands and three hundred fifty five) EUR, with all the fiscals liability, put at its disposal by its fund requests to realize the International Competitive Bidding for: "Purchasing of Box (casket) polyester for mono phase energy meters, and coaxial cable".</p> <p>Lot 1: Box(casket) for mono phase energy meters: 60 000 pieces. Fund limit: 1 464 250 EUR Lot 2: Coaxial cable, 2 000 km. Fund limit: 3 420 105 EUR.</p>
Deadline:	21.11.2006, 15:00, local time

Contact:	Procurement Directory, Blloku "Vasil Shanto" Tirane, Albania; Tel/Fax: +355 4 241 982
Company / organization:	<b>The Ministry of Energy and Mining – related Kosovo</b>
<b>The development of a new lignite mining facility and associated new electric generating and transmission capacity and the rehabilitation of existing generators</b>	
Content:	In accordance with the PISG's energy policy for Kosovo, MEM, on behalf of the PSC, is soliciting expressions of interest from qualified private investors in an energy development project (the "Project") that encompasses the following components: a) Construction of a new power plant 'Kosovo C' ("PPC") with an estimated installed capacity of up to 2100 MW and associated transmission capacity; b) The development of a new coal mine for existing generation units (Sibovc SW) and development of a new mine (the Sibovc mine) for PPC; and c) Rehabilitation of certain units of the existing power plant 'Kosovo A' ("PPA").
Deadline:	October 31, 2006
Contact:	Lagja Pejton, Tel: +381-38-200-213-34; Fax: +381-38-200-213-02; Email: Ilir.G.Rama@ks-gov.net; www. ks-gov.net/mem

Company / organization:	<b>EBRD, related Romania</b>
<b>Timisoara District Heating - Works and Consultancy</b>	
Content:	CLT Colterm S.A. ("Colterm" or the "Company"), the district heating company owned by the City of Timisoara, has applied for a loan from the European Bank for Reconstruction and Development (the "Bank") for the modernisation of the municipal district heating system. The Company intends using the proceeds of the loan for the installation of new gas turbine units of 20 MW gross electricity production with a 29 MW thermal output and for district heating and corporate management consultants. Colterm will be the implementing agency. The proposed project, which has a total estimated cost of EURO 22.5 million, will require the procurement of works and services for the following components: (a) supply and installation of gas turbine units; (b) procurement and implementation supervision; (c) corporate development programme (donor financed) Contracts to be financed with the proceeds of a loan from the Bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country
Deadline:	21 Aug 2007 at 24:00, Timisoara time
Contact:	Aurel Matei , Deputy General Manager Colterm S.A. Str. Ep. Joseph Lonovici nr. 4 300092, Timisoara Romania Tel: 0040 256 434 614 Fax: 0040 256 434 616 Email: aurel.matei@colterm.ro

Company / organization:	EPS, related Serbia
<b>Preliminary Site visits for potential strategic partners interested in investments into the 700MWe Kolubara Lignite-fired power plant</b>	
Content:	<b>Project Status</b>  The selection of advisors was concluded in summer 2006 and is followed by a premarketing phase including preliminary site visits allowing strategic partners, upon signing a non-disclosure agreement access to the potential site of the power plant. Electric Power Industry of Serbia is interested in receiving feedback from potential strategic partners on the optimal location of the power plant before announcement of a public tender.  <b>Eligibility</b> Strategic partners shall be such that are owners and operators of coal-fired power plants. Conditions for participation in preliminary site visits for other potentially interested parties can be obtained from the advisors below.
Contact:	Gudrun Kuffner, Project Manager, EPIC Vienna, Austria; Tel: +43 1 5011957; Fax: +43 501199, email: gudrun.kuffner@epicinvest.com;  Jasmina Nesic, Project Manager, EPIC Belgrade d.o.o., Belgrade, Serbia; Tel: +381 11 2633290; Fax: +381 11 2628975; email: jasmina.nesic@epicinvest.com

Company / organization:	EBRD – European Bank for Reconstruction and Development, related <b>Bosnia And Herzegovina</b>
<b>Power Distribution Reconstruction Project - Goods, works, services, consultancy</b>	
Content:	The proposed project has a total estimated cost of Euro 52 million, proposed to be financed by the EBRD, and will require the procurement of the following goods, works and services for: (a) Goods and related Services for purchasing of metering equipment for residential consumption and Low and Medium Voltage substations, Low and Medium Voltage transformers, cables and auxiliary equipment for Low and Medium Voltage lines, machinery and equipment for the installation of the aforementioned items; (b) Works for the installation of the aforementioned items; (c) Consulting services to support the three Project Implementation Units established by the three power utilities
Deadline:	10 Nov 2006 at 23:00, Zagreb time
Contact:	Mr. Nedeljko Despotovic, PIU Director Tel: +387 33 751 030 , Fax: +387 33 751 033 Mobile: +387 61 227 208 Email: n.despotovic@elektroprivreda.ba

Company / organization:	EAR, related Bulgaria
<b>Supply of Mobile measuring laboratory and Equipment for the National Energy Information Centre</b>	

Content:	Lot 1 - Delivery, installation and commissioning of Technical equipment and Furniture for the National Energy Information Centre Lot 2 – Delivery, installation and commissioning of a Mobile Measuring Laboratory for Energy Efficiency and Renewable Energy Sources Audits, Assessments, Studies, Training and Promotion, equipped with portable instruments, computer software and hardware and training of the staff.
Deadline:	November 2006, 15:00 local time.
Contact:	Central Finance and Contracts Unit (CFCU), Ministry of Finance 102, G. S. Rakovski St., 1040 Sofia fax +359 2 9859 2773 e-mail: cfcu@minfin.bg

Company / organization:	<b>EBRD, related Romania</b>
<b>Design, Construction and Commissioning of the 390 Km Agadyr-YuKGRES Section of 500 KV Second Transmission Line of Kazakhstan North-South Transit Consulting Services Loan: Management and Monitoring Of Construction Contract Implementation Progress</b>	
Content:	<p>The Kazakhstan Electricity Grid Operating Company (KEGOC) has received a loan from the European Bank for Reconstruction and Development, and it intends to use part of the proceeds of the loan for payments under the contract for consulting services for Management and Monitoring of Construction Contract implementation process. The assignment is expected to be carried out in three Phases as described below.</p> <p>Phase I</p> <p>1.1 Supervision of quality assurance by Contractor and PIU during implementation of survey work and design estimates.</p> <p>1.2 Quality and the accepted technical solutions assessment during elaboration of design estimates.</p> <p>1.3 Final review and approval of the made up design estimates for the construction of 500 kV OTL 500 kV Agadyr SS– 500 kV YuKGRES SS.</p> <p>Phase II</p> <p>2.1 Managerial and monitoring support during contracting.</p> <p>2.2 Analyses of the results of the tests performance for the quality conformance of the equipment and materials supplied under the project to the quality and technical characteristics operated together with KEGOC JSC specialists. Tests results evaluation.</p> <p>2.3 Quality assurance surveillance by the Contractor and PIU during implementation of the construction and erection works.</p> <p>2.4 Environmental measures monitoring during implementation of the construction and erection works.</p> <p>2.5 Verification of implementation according to the PIP and review of any changes to the PIP.</p> <p>2.6 Verification of the proper use of available funds.</p> <p>2.7 Submit periodic activity reports as may be requested from time to time by KEGOC.</p> <p>Phase III</p> <p>3.1 Confirmation of the Project Completion in accordance with the PIP and preparation of a Project Completion Report</p>

Company / organization:	EBRD – European Bank for Reconstruction and Development, related <b>Bulgaria</b>
<b>Power Transmission - Goods, works, services</b>	
Content:	<p>Natsionalna Elecktricheska Kompania (NEK) intends using the proceeds of a loan from the European Bank for Reconstruction and Development [the Bank] for a project to rehabilitate its transmission network, including development of their MIS system, construction of a HV line, reconstruction and extension of a 400 kV s/st, modernisation of SCADA/EMS systems and providing of metering, testing and data processing systems. The proposed project, which has a total estimated cost of EUR 20 million equivalent, will require the procurement of the following goods, works and services:</p> <p>A.2.2. Construction of HV line 400 kV Zlatitsa - Plovdiv, and Re-routing of existing 110 kV Lines.</p> <p>Tendering for the above contracts is expected to begin in the fourth quarter 2005. The Bank financed packages will be procured as single-point responsibility supply-and-install contracts with fixed price).</p> <p>Contracts to be financed with the proceeds of a loan from the Bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, of for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.</p>
Deadline:	24 November 2006 at 23:00, Sofia time
Contact:	Lubomir Velkov – Head of Investment division Tel: +359 2 987 9154 Fax: +359 2 986 12 88

Company / organization:	KEK Energy – related Kosovo
<b>Consulting services</b>	
Content:	<p>Kosovo Energy Corporation j. s. c. (KEK) invites all interested companies to submit offers for Consulting Services:</p> <p>Technical assistance on tender documentary preparation, for the second system of wasteland, in the south-west mine in Sibovc.</p> <p>The deadline for submission of offers is: 13 November 2006, 14:00 hours, local time.</p> <p>The site visit to the second system of wasteland in the south-west mine in Sibovc, is desirable, and it is estimated to take place from 11-13 of October 2006, from 11:00 to 13:00 hours, local time.</p> <p>The offers should be sent in sealed envelopes, stating clearly: "Offer for technical assistance on tender documentary preparation for the second system of wasteland in the south-west mine in Sibovc", to the address of the Contracting Authority: "Kosovo Energy Corporation j. s. c. Str. "Nena Tereze", no. 36, 10000, Prishtina, Kosovo.</p> <p>Tender security: 12,000.00 €</p>
Deadline:	13 November 2006, 14:30 hours, local time
Contact:	cpd_procure@kek-energy.com

Company / organization:	KESH, related Albania
<b>Purchase of electrical energy</b>	
Content:	KESH Albania has announced a bid for purchasing of 2.206.300 MWh electrical energy for the period of 01/01/2007 to 31/12/2007", with a Total Limit Fund of 162.830.396 Euro, scheduled to take place on November 6, 2006 at 12:00, local time.
Contact and information:	Phone: + 355 4 228 434 Fax: + 355 4 241 982 <a href="http://www.kesh.com.al/">http://www.kesh.com.al/</a>

Company / organization:	KEK, related Kosovo
<b>Supply of Electrical Energy, for the period 1st January 2007 until 31st March 2008 .</b>	
Content:	The - Kosovo Energy Corporation j.s.c. (KEK) is inviting companies to submit Bids for the supply of Electrical Energy, for the period 1st January 2007 until 31st March 2008
Deadline:	7. November, 2006 at 14:00 hours, Kosovo time.
Contact:	The tender documents are available on the KEK web-site <a href="http://www.kek-energy.com/">http://www.kek-energy.com/</a> or on request electronically from the following email address: <a href="mailto:sup_procure@kek-energy.com">sup_procure@kek-energy.com</a>

Company / organization:	EBRD, related Romania
<b>CFR TRACTION ENERGY NETWORK MANAGEMENT PROJECT</b>	
Content:	<p>This notice updates the General Procurement Notice published on Ebrd Website dated 22nd July 2005 under reference 5104-GPN-36043.</p> <p>CFR SA and its subsidiary CFR Electrificare have received a loan from the European Bank for Reconstruction and Development and intends to use its proceeds towards the cost of a project to continue modernisation and introduce cost-savings measures in management of its traction energy network. The proposed project, which has a total estimated cost of EUR 27 million equivalent (EUR 22.5 m from the Bank and EUR 4.5m in VAT and other taxes), will require the procurement of the following goods, works and services;</p> <ol style="list-style-type: none"> <li>1. Supply and installation of equipment sets consisting of traction substations, switching equipment, railway station distance control equipment, and central dispatching equipment and communication facilities;</li> <li>2. Supply of catenary maintenance vehicles; and</li> <li>3. Consultancy services for contract supervision.</li> </ol> <p>Tendering for the above contracts started in the second half of 2006.</p>
Deadline:	24 Jul 2007 at 24:00, Bucharest time
Contact:	Mr. Tiberiu Angelescu, Director of Foreign Financing Directorate Compania Nationala de Cai Ferate CFR – SA 38, Dinicu Golescu Blvd., 3rd floor, room no. 26 010873 Bucharest 1 Romania Tel.: +40 21 224 84 06 Fax: +40 21 222 14 45

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## Coal

Company / organization:	EPS, related Serbia
<b>Development of study</b>	
Content:	THE PUBLIC INVITATION to tender in the open procedure for the service - development of the Study 'Preliminary Program with the Feasibility Study for the Introduction of the System for Operational Management and Coal Quality Control on Tamnava Open Pit Mines' Procurement subject: Development of the Study 'Preliminary Program with the Feasibility Study for the Introduction of the System for Operational Management and Coal Quality Control on Tamnava Open Pit Mines' – Public procurement 05/06/DSI.
Contact:	Ms. Radmila Zivojinovic, D. Sc., phone number +381 11 3971 960, e-mail: <a href="mailto:radmilaz@eps.co.yu">radmilaz@eps.co.yu</a> .

Company / organization:	EAR, related Kosovo
<b>Tender preparation for Rehabilitation of Coal System for the new Sibovc south west mine in KEK</b>	
Content:	<p>The aim of this project is to provide further support to the Contracting Authority on preparing a works tender dossier for the rehabilitation of a Coal System for the opening of the new Sibovc South West Lignite mine for KEK, the power utility of Kosovo-UNMIK. The assistance will include preparation of the works tender dossier for electrical and mechanical rehabilitation of one coal system consisting of coal conveyors (including long distance conveyor), one bucket wheel excavator and power supply for complete coal system. Also the consultant shall participate in the site visit, prepare the answers to the clarifications during tendering period and participate in the evaluation of the project for main project for the rehabilitation of the coal system.</p> <p>It is foreseen that the works contract is prepared under the "Plant and Design-Build" FIDIC Conditions of contract.</p> <p>Maximum budget 400,000 EUR</p>
Deadline:	6 December 2006 at 17.00, CET.
Contact:	The European Agency for Reconstruction Procurement Section Attn: Head of Procurement Section 1 Kosova street, Pristina, Kosovo – UNMIK Tel: +381 38 51 31 200

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