

# 17th of January 2007 issue of Balkan Energy NEWS, with limited data

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

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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.

1022	Slovenia	2009	1022	7144	976	526
1134		2010	12287	1083	991	1054
1077		2011	12590	955	1051	1127

Annual electricity consumption in GWh

	Year	Sum	1	2	3	4
12	2007	11182	1027	891	953	850
116	2008	11570	1094	998	1012	911
5	2009	10994	1099	932	963	816
0	2010	11722	1074	979	1016	910
36	2011	12186	1155	1038	1075	938

## Country Reports on Energy Business in South Eastern Europe

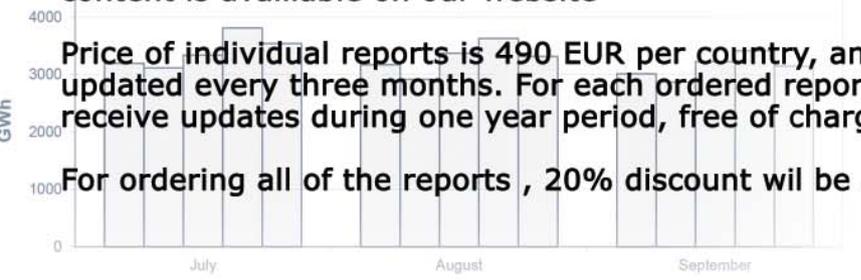
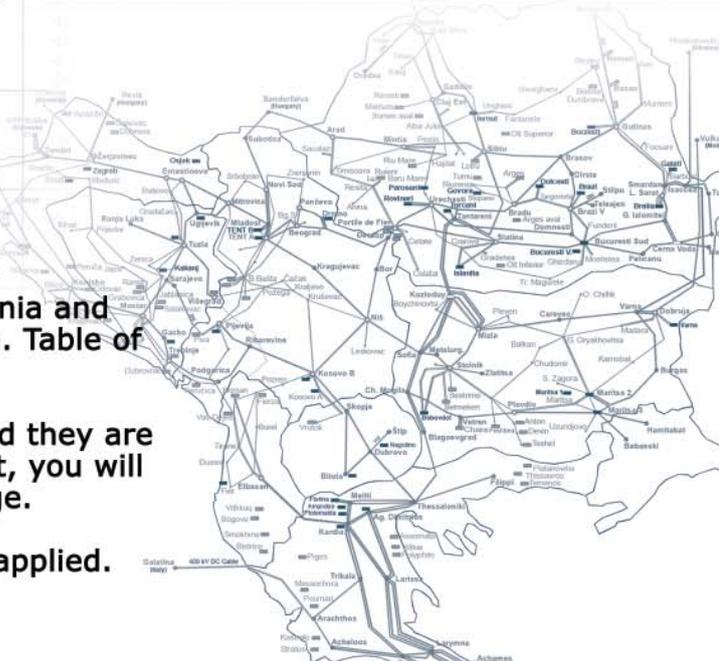
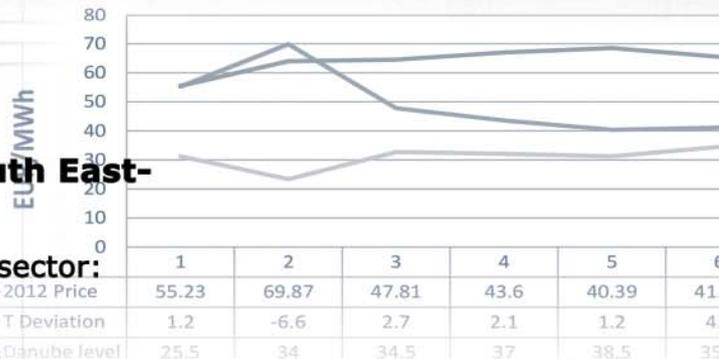
Country reports provide detailed overview of energy sector:

- Overview of the electricity market,
- Consumption, production and export characteristics
- Actualities - hot topics
- Key market players,
- Legislation and electricity market opening
- Electricity prices and tariffs,
- Potentials for investments in power generation,
- Privatizations in power industry
- Current state of RES sector

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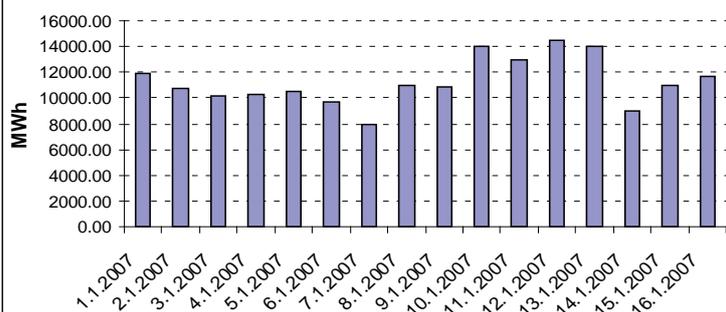
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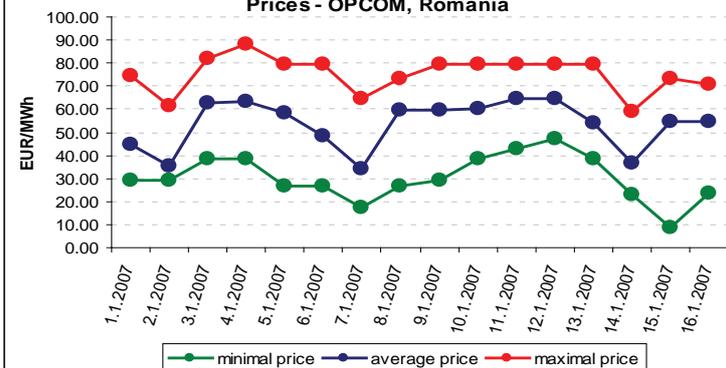
**Power exchanges data:**

In the period from 1.1.2007 till 16.1.2007 no trades were performed on Borzen

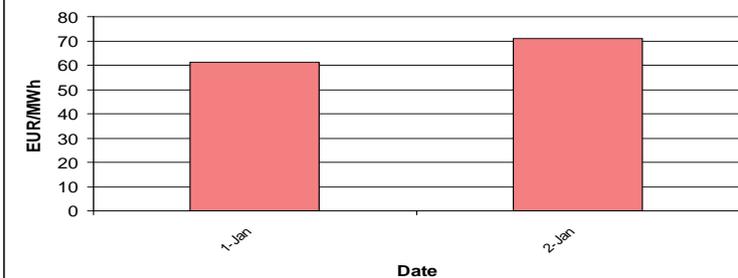
**Energy traded - OPCOM, Romania**



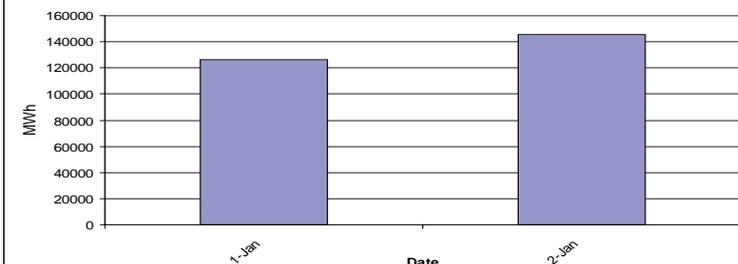
**Prices - OPCOM, Romania**



**Greece - Average Daily System Marginal Price**



**Greece - Daily Consumption**



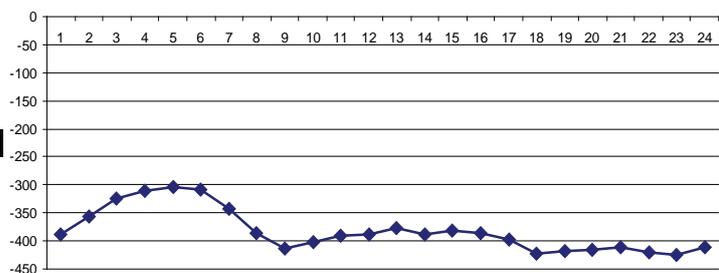
Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	519.293	38.21
2	509.074	38.21
3	488.164	38.21
4	485.285	38.21
5	503.101	38.21
6	543.249	38.21
7	536.232	41.15
8	631.384	58.78
9	655.961	67.63
10	637.875	67.63
11	643.021	69.07
12	661.299	67.63
13	663.455	67.63
14	669.180	64.66
15	643.660	58.78
16	643.022	58.78
17	659.131	64.66
18	505.803	79.35
19	560.058	79.35
20	565.474	79.35
21	599.241	79.35
22	631.676	73.48
23	559.122	61.72
24	540.571	57.31
<b>Total</b>	<b>14,054.33</b>	

Opcom, Romania: Energy Traded on Wednesday, January 10, 2007

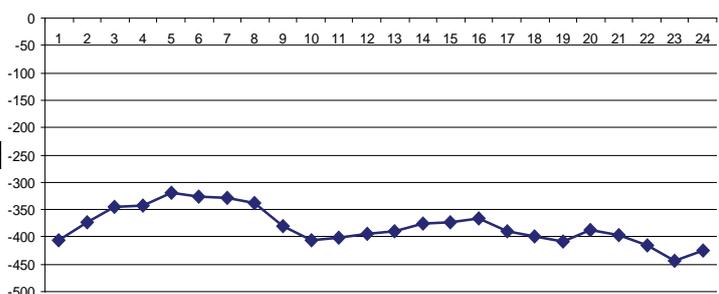
Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	431.782	41.15
2	394.157	38.21
3	323.340	38.21
4	322.983	29.39
5	308.874	29.39
6	308.271	36.74
7	299.518	23.51
8	334.179	22.92
9	365.572	23.48
10	360.189	22.92
11	384.536	23.51
12	355.718	22.92
13	348.966	22.92
14	359.462	23.48
15	342.345	23.48
16	354.000	23.48
17	367.190	38.21
18	450.831	58.49
19	468.430	58.49
20	487.664	58.78
21	466.472	58.49
22	417.945	41.15
23	376.558	41.15
24	325.831	38.21
<b>Total</b>	<b>8,954.81</b>	

Opcom, Romania: Energy Traded on Sunday, January 14, 2006

Hourly imports of Montenegro on Wednesday 10.1.2007



Hourly imports of Montenegro on Sunday 14.1.2007



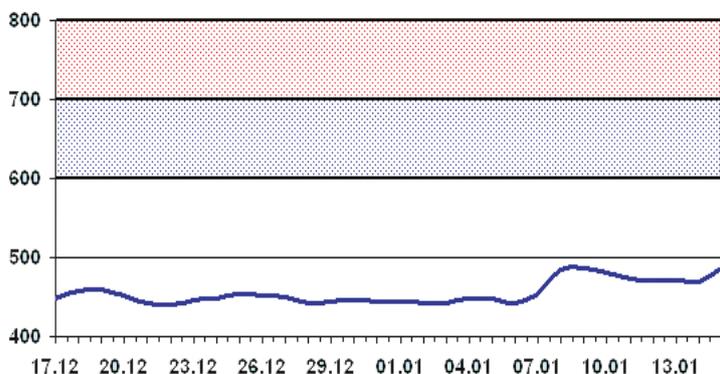
\*Physical imports are shown, i.e. with included generation of HPP Piva in exchange total of Montenegro

In the period from 1.1.2007 till 16.1.2007:  
Montenegro maximum daily consumption: 14.27 GWh  
Montenegro maximal hourly consumption: 670 MWh

**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



**Weather conditions**

	16.1.	17.1.	18.1.	19.1.	20.1.
Albania Tirana	T: -3-15 W: S 1-1.5 R: -	T: 4-13 W: SE 1-1.5 R: -	T: 6-13 W: S 1-1.5 R: -	T: 5-14 W: S 1-1.5 R: -	T: 5-17 W: SW 1-1.5 R: -
Bosnia and Herzegovina Sarajevo	T: -9-7 W: S 1-3.3 R: -	T: -1-9 W: SW 1-3.3 R: -	T: 5-10 W: S 1.5-3.3 R: -	T: 6-12 W: S 1.5-3.3 R: -	T: 3-12 W: S 1.5-3.3 R: -
Bulgaria Sofia	T: -7-5 W: N 1-1.5 R: -	T: -5-7 W: W 1-3.3 R: -	T: 1-9 W: W 1.5-3.3 R: -	T: 2-10 W: W 1.5-3.3 R: -	T: 3-10 W: W 3.3-5.4 R: -
Croatia Zagreb	T: 0-12 W: SW 3-5.4 R: -	T: 4-12 W: SW 3-5.4 R: -	T: 5-14 W: SW 3-5.4 R: -	T: 9-17 W: W 3.3-5.4 R: -	T: 5-13 W: SW 3-5.4 R: -
Greece Athens	T: 9-15 W: NW 1-3.3 R: -	T: 7-16 W: SW 1-1.5 R: -	T: 9-17 W: SW 1-1.5 R: -	T: 9-17 W: SW 1.5-3 R: -	T: 10-17 W: N 3.3-5.4 R: -
Macedonia Skopje	T: -8-6 W: NE 1-1.5 R: -	T: -4-9 W: NE 1-1.5 R: -	T: 2-11 W: NE 1-3.3 R: -	T: 0-10 W: NE 1-3.3 R: -	T: 1-12 W: NE 1-3.3 R: -
Montenegro Podgorica	T: -10-13 W: - R: -	T: 4-10 W: SE 1-1.5 R: -	T: 6-12 W: S 1-1.5 R: 1.3	T: 5-11 W: S 1-1.5 R: -	T: 4-15 W: S 1-1.5 R: -
Romania Bucharest	T: -2-9 W: SW 3-5.4 R: -	T: -3-8 W: SW 1-3.3 R: -	T: 2-12 W: W 3-5.4 S: -	T: 5-15 W: W 5.4-7 R: -	T: 5-11 W: W 3.3-5.4 R: -
Serbia Belgrade	T: -2-9 W: E 1-1.5 R: -	T: 0-9 W: SE 1-3.3 R: -	T: 6-14 W: S 1.5-3.3 R: -	T: 7-17 W: W 3.3-5.4 R: -	T: 7-12 W: SE 1.5-3.3 R: -

**Average weather conditions for January**

	Daily Minimum (°C)	Daily Maximum (°C)	Mean total rainfall	Mean number of rain days
Albania Tirana	-	-	-	-
Bosnia and Herzegovina Sarajevo	-4.4	2.7	71.0	10.0
Bulgaria Sofia	-4.9	2.2	28.0	10.0
Croatia Zagreb	-4.0	3.1	48.6	10.8
Greece Athens	5.2	12.5	56.9	12.6
Macedonia Skopje	-3.6	4.0	36.0	10.0
Montenegro Podgorica	1.4	9.5	192.0	12.0
Romania Bucharest	-5.5	1.5	40.0	6.0
Serbia Belgrade	-2.3	3.5	49.0	13.0

T: Ts in Celsius degrees.

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

R: Rain in mm

S: Snow in mm

## Analysis:

### Process of tender procedure for construction of NPP Belene

The project design of NPP Belene, which is located on the river Danube banks, 250 km northeast of Sofia, was carried out in the early 1980s jointly with Soviet Union. The construction started in 1987 with the following time schedule: unit 1 in 1995, unit 2 in 1997 and units 3&4 after 2000. Original plans were for two Soviet-design WWER-1000 pressurized water reactors with two more units to be added later.

Nevertheless, in August 1991, Bulgarian government suspended construction, mainly due to the lack of funds, environmentalists' protests and mounting concerns over the region's seismic stability. Since then only the preservation of the construction work and the equipment has been carried out. In the mid-1990s the reactor vessel for unit 1 (Skoda reactor of the Russian WWER type), which had been paid for several years earlier, was delivered to the site from the then Czechoslovakia. Construction works for unit 1 is up to 40% complete and for the second unit roughly about 10% complete. Nearly all major equipment, including circuitry, transformers and one Czech-made WWER-1000 reactor vessel, has already been delivered (from Skoda and others) and about of the 60% of the basic equipment on the site is usable. Bulgaria spent 1.3 billion € till now at Belene and very preliminary assessment shows that additional 500 million € is needed for the completion of the first unit.

All important moments in the process of tender for construction of new NPP Belene are presented below chronologically.

- In April 2005 Bulgarian government has approved the construction of the county's second NPP and in May 2005 NEK (National power utility) invited candidates to submit consideration offers for design, construction, commissioning, and putting into operation Unit 1 and 2 of the Nuclear power plant Belene with an approximate unit capacity of 1000 MW (with total installed power net output of approximately 2000 MW): Companies including U.S. Westinghouse, France's Framatome ANP and Atomic Energy of Canada Ltd (AECL) made earlier proposals for possible involvement in the project but only Russia's Atomstroyexport JSC and Czech's Consortium Skoda Alliance bought tender documentation before the 17th June 2005, which was purchase deadline. The latter two were invited in July same year by NEK to submit final bids for a contract worth up to 3.5 billion € to design, build and commission two pressurized water reactors at Belene, as a "turn key" solution.

- The most important conditions needed to be fulfilled by the contract bidders were annual income of 5 billion dollars and previous experience in the construction and commissioning of water-pressurized nuclear units. The company that wins the contract is expected to make the most of the uninstalled, 1 billion dollars worth, Skoda reactor delivered to the site of the Belene NPP before the originally project was abandoned.

Russia's RAO and Italy's Enel have previously shown interest in this project, and Bulgarian president has initiated the idea for public-private partnership for the construction of NPP Belene with possible participation of all Balkan countries.

- Atomstroyexport JSC proposed to complete Belene as a WWER-1000/320, jointly with Framatome from France and Siemens from Germany, based on their collaboration in back-fitting Kozloduy units 5 & 6, but with new I&C (Instrumentation and Control) and a new turbine generator design, but with only 40 years guarantee. An-

other proposal is to install new model 466B, designed to operate 60 years but not a single reactor of that type has become operational yet. It is only under construction in NPP Tianwan (China) and Kudankulam (India). Nearly 20 Bulgarian companies have approached Atomstroyexport for selection as subcontractor if the Russian company gets the main contract. Russian company AtomStroyExport announced three alternatives for the construction of the nuclear power plant (NPP) Belene. The first option predicts the construction of the plant with the equipment that was already delivered to the construction site. (1000 MW reactor manufactured by Skoda was delivered in 1990s). The second option considers the construction with completely new equipment, and third alternative predicted only delivery of the equipment and auxiliary facilities needed for the construction of the NPP.

Skoda Alliance is also proposing to complete Belene as a WWER-1000/320 with I&C and fuel supplied by Westinghouse, modeled on their NPP Temelin 1 and 2 projects. They proposed that if the Skoda wins the tender, 35% of the project will be assigned to Bulgarian companies. In addition, Bulgaria will have the right to choose nuclear fuel supplier. Only the first supply will be made by the Russian TVEL.

- In June 2005, Deloitte&Touche advised that units 5 and 6 of the NPP Kozloduy should be incorporated into assets of new Bulgarian NPP Belene. This should be the best option regarding project's financing and implementation, participation of the state and achieving of governmental goal to own 51% of new power plant. Also this would make the construction of the power station more attractive to potential investors.

- At the conference of the Bulgarian Atomic Forum (BU-LATOM) that took place in July, Bulgarian President Georgi Parvanov said that public-private partnership would be the best solution for the construction of the new nuclear power plant in Belene, Bulgaria. Russia's RAO and Italy's ENEL have expressed the readiness to be strategic investors for the NPP Belene project. The investors should get a 49 % shares in the future plant.

- In August 2005 the Greenpeace announced battle against the nuclear policy in Bulgaria. According to Greenpeace, the best alternative to nuclear and conventional power production was improvement of the energy efficiency. But Ministry of energy said that the Greenpeace claims could not be supported by any relevant facts. Energy strategy in Bulgaria predicts active presence of nuclear energy, which should be in accordance to the key principles of safe operation of nuclear facilities.

- In February 2006, the tender Candidates submitted the preliminary offers and in April 2006 Bulgaria received two final offers of the Candidates, the Atomstroyexport and the Consortium Skoda Alliance. In that occasion, the Bulgarian Economy and Energy Minister said that the plant construction is technically difficult and legally doubtful without Russia's participation. In the end of April, Bulgaria's national transmission operator (NEK) has started talks related to the technical issues of construction of NPP Belene with the consortium led by the Scoda Alliance. The negotiations with the second bidder, the consortium led by Russian AtomStroyExport, started in May. AtomStroyExport is closely related to the Gazprom. The schedule of tendering commission was to select the constructor in June. But after few months of negotiations with bidders on their offers, it was decided that they should submit improved offers in July 2006, while it was announced that results will be known by August 1st 2006. German Bank Bayerische Landesbank has announced not to finance the project for the construction of nuclear power plant (NPP) Belene due to strong pressure from environmental organizations.

- Improved bids were submitted because in the beginning of July 2006 Bulgaria's National transmission system operator (NEK) has asked from consortiums led by Czech Skoda and by Russian AtomStroyExport to improve their bids for construction of second nuclear power plant (NPP) in Bulgaria, the NPP Belene (1,000 MW). One of the demands of NEK was reduction of construction deadline from 10 to 6 years. The main reason for such request was the forecasted lack of power capacity in 2011th- 2012th. This was confirmed by the head of NEK, but he did not reveal any of details. Official from AtomStroyExport said that length of construction works would depend on supplier of equipment, while Skoda has offered to reduce the deadline for the first unit from 10 to 6 years, and for the second unit from 10 to 8 years.

Both of the companies have submitted bids with three different project scenarios. Both bidders have proposed to continue the construction with equipment already delivered at the plant's site. Skoda has proposed the construction of the turbine, while the Russians have offered the construction of a nuclear facility, apart from the turbine. The bid of Atomstroyexport has the option for not using the existing equipment and third option for the construction of turbine only. Similar options were presented by Skoda. NPP will have two Russian-designed VVER reactors, 1,000 MW each. The units will be the same as the units 5 and 6 in NPP Kozloduy in Bulgaria and NPP Temelin in Czech Republic. The first unit in NPP Belene should be operational in 2011th and second one in 2013th. High official from AtomStroyExport announced that Russian company has been considering option for a joint bid with Scoda Alliance for construction of nuclear power plant (NPP) Belene. AtomStroyExport should proposed joint bid only if Bulgaria government decided to continue the construction of NPP with the equipment already delivered to the site of NPP in 1990s. In this case, construction could be finished in 4 years, according to Russians. Bulgarian energy minister strongly opposed an option for unification of bids for construction of nuclear power plant (NPP) Belene. Unification of bids emerged as an option having in mind that Russian Gazprom is the significant shareholder in both consortiums.

Scoda consortium offered to install the nuclear reactors Temelin type (VVER 1000), with installation costs of 3 to 3.5 billion euros. The difference in price of electricity produced in NPP Belene offered by both consortiums was considered as negligible. Russians have proposed the highest price of 4 eurocents per kWh, which was original request of NEK.

Both consortiums are willing to employ Bulgarian companies as subcontractors in the project with the extent of 30 %. Skoda believes that it would be able to utilize 60 % of the equipment delivered to the Belene construction site. Czechs plan to provide 100 % funding of the project by participation of Citibank, UniCredit, non-life insurance company EGAP, the Czech Export Bank and Ex-Im Bank of the USA.

Officials from Russian company said that they believe that their bid is better in financial and technical way and they expect that Atomstroyexport will certainly sign the construction contract with Bulgarian authorities. They pointed out that in either way, Russian technology would be installed in new NPP, having in mind that Czechs have also offered to install Russian VVER type of nuclear reactors. The same type is installed in NPP Temelin in Czech Republic.

- After new, improved, bids were submitted in July Bulgaria's energy and economy minister confirmed that both bids for construction of nuclear power plant (NPP) Belene, by Czech Skoda and by Russian Atomstroyexport, were not good enough in financial and technical terms. Both bidders did not offer timetable for construction of NPP acceptable for Bulgaria's National transmission operator (NEK). The main requests of NEK were related to lowering the

construction costs and shortening the construction period. NEK's officials were also unsatisfied with the fact that both bidders have offered to use equipment already delivered to the construction site in 1990s.

Minister said that negotiations would continue at least until the end August, in order to improve several aspects of bids. It implies that deadline for selecting the winner in the tender, scheduled for August 1st, will be prolonged. Skoda representatives said the high price resulted from the age of the equipment to be used and because some of the machinery already purchased was outdated. Regarding construction period, Skoda Alliance has cut from 10 to 6 years the hand-over timeframe for the first reactor and from 10 to 7.5 years the timeframe for the second reactor, but they said that the duration of the construction works depends on the equipment supplier and the time it takes to put the project together. At the very beginning of August 2006, Skoda Alliance presented a new price offer for the construction of the Belene nuclear power plant in Bulgaria. Only one week later, Atomstroyexport announced that he has sweetened some parameters of its bid (a shorter deadline for completion of the project and cuts in its price). Both companies refused to disclose details on their price offers. According to the Atomstroyexport representatives, if the existing equipment on the site is fully used, construction of the first reactor may be finished in only 4 years, instead of 6 firstly offered. For second and more expensive option, with new reactor type, construction should not last more than 5 years. For second reactor, nearly 2 years of additional time will be needed. AtomStroyExport proposed to put the finish the construction of the first unit in NPP in operation in six years, and to put the second unit in operation in seven years. If the NPP was built from the beginning, Russian company offered to commission the first unit in seven years. It was announced that a winner should be known till the end of August 2006, but that was not the case. The tendering commission had examination of bids in August, September and October.

- During October there were some announcements that AtomStroyExport will most probably be the winner on the tender. At that time the second bidder, Czech Skoda has reduced construction period for the first unit down to 4 years. In August this year, Skoda has already reduced the construction period for unit 1 from 10 to 6 years and, for unit 2, from 10 to 7.5 years.

- In October 2006 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 Belene. 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.

- Finally, in the end of October 2006, 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). 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.

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.

- In November 2006 NEK has published invitation on its website for the potential buyers of the electrical energy from NPP Belene in the future. NEK would be receiving the letter of intentions by the end of the year. NEK has been considering to sell 500 to 1,000 MW from NPP, which will have overall power output of 2,000 MW. NEK expects that commercial operation of the plant would start in 2013th. Eligible partners should have 5 years of power trading experience at least, annual incomes over 300 million euros and annual sales over 2.5 TWh per year. The future contracts would be signed for minimum 15 years, and minimum contracted amount will be 100 MW.

- On November 29th, Bulgaria's National transmission system operator (NEK) and consortium led by Russian AtomStroyExport (49.8 % owned by Gazprom) have signed 3.9 billion euros worth contract for construction of nuclear power plant (NPP) Belene. The providing funds for the project should be completed until mid-2007th, head of NEK said. Bulgarian government intends to hold 51 % of shares in new power plant and it already initiated talks with potential investors, such as Enel, CEZ, RAO EES, E.ON, EDF, Tractabel and Iberdrola.

## News:

### **Negotiations with potential shareholders in Nabucco project (Region)**

The manager of Nabucco Gas Pipeline International company, the consortium in charge for Nabucco project, confirmed that sixth shareholder and investor in the project could be known by April this year. In the same time, construction consortium plans to sign the letters of intentions with seven potential clients.

In this moment, members of consortium for construction of 3,300 km long natural gas pipeline are Botas (Turkey), OMV (Austria), MOL (Hungary), Bulgargaz (Bulgaria) and Transgaz (Romania). The companies have recently discussed on potential new shareholders in the 4.6 billion euros worth project.

In last year, officials from Bulgargaz said that consortium has been negotiating with French companies Gaz de France and Total, and E.ON and RWE from Germany. It is believed that one of those companies might be the new shareholder in Nabucco project.

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### **Contract for construction of TPP Vlora to be reached (Albania)**

Albanian minister of economy, trade and energy announced that negotiations with potential constructor of thermal power plant

(TPP) Vlora were close to end. According to him, process for approving the details of the contract with the winner in the tender was underway. Minister did not name the company, but local newspapers reported in December that contract will be signed with Italian company Maire Engineering.

New TPP should have power output of 85-115 MW. The project is very important for Albania where some 98 % of power production comes from hydropower plants. According to estimations, with new TPP in service, Albania would reduce electricity import by 30 %.

The TPP should be built in period of 18 months. The worth of the project is estimated at 120 million dollars, where funds will be provided by loans from World Bank, EBRD and EIB.

In the related news, Albanian power corporation (KESH) has announced to invest 452 million euros in the national power system. Out of that amount, 160 million euros will be invested for upgrade and modernization of transmission and distribution power network.

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### **Bankers Petroleum increased crude oil prices for ARMO (Albania)**

The largest operators of oil fields in Albania, the Canadian company Bankers Petroleum (BP), confirmed that price of crude oil delivered to state-owned Albanian oil company (ARMO) was increased at 27 dollars per barrel. ARMO, which operates the only refinery in the state, is the privileged customer of BP. The new price should be related to average Brent price and quality of crude oil delivered to ARMO.

BP operates Patos-Marinja oilfield in central Albania in accordance to concession contract. The oilfield is considered as one of the largest oil field in central Europe, where BP plans to increase the current output of 4,400 barrels per day up to 10,000 bopd. BP exports part of the produced oil to Italy.

Government of Albania has been trying to privatize the ARMO, but until now, no foreign companies have expressed the interest. ARMO controls some 20 % of oil market in the country. The main company's problem is the fulfillment of environmental standards, which restricts the company's export of oil derivatives.

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### **Energy crisis is repeating once again (Albania)**

Despite promises and wishes of government of Albania and Albanian power corporation (KESH), said in the past year, that Albania would not suffer energy crisis during this winter as it has happened during winter 2005-2006, the KESH was forced to impose power cuts due to lack of electricity in the first half of January.

The power cuts started in December, and they were suspended during New Years holidays. Several opposition parties held several protests blaming the government for energy crises.

The power cuts lasted 12-13 hours (4-5 hours in capital Tirana), having in mind that KESH managed to produce only 8-10 GWh electricity per day, which is two-times lower than domestic power consumption. Hospitals, government institutions, water supply, bakeries and police were excluded from power cuts.

In mid January, KESH managed to import additional quantities of electricity, where daily electricity import reached 8.2 GWh, comparing to 5 to 6 million in past period. General manager of KESH hopes that company would manage to import up to 10 GWh of electricity. Nevertheless, KESH continued to conduct power cuts in order to increase water reserves in accumulation lake of hydropower plant (HPP) Fierza.

Minister of economy, trade and energy and head of KESH have visited Greece and reached agreement on additional import of electricity in order to ease electricity crises. The agreement is in accordance to recently signed bilateral power exchange agreement signed by Greece and Albania. Greece will provide by itself part of electricity for Albania and it will allow transiting of some 80 MW of electricity from Italy.

Prime minister accused KESH and Regulatory Entity (ERE) for the energy crisis, saying that they failed to forecast drought period. PM called for doubling the energy supplies in the first quarter of 2007th, and appointed ministry economy, trade and energy to provide energy supplies for entire year.

Apart from the long-lasting drought, the one of the reason for electricity crisis in Albania was the reduction of electricity export of Bulgaria, after shutdown of two 440 MW nuclear units in the end of the last year. The lack of Bulgarian electricity export affected all importers in the region, where Albania was the most vulnerable having in mind that 98 % of overall electricity is produced in hydropower plants, Albanian economy minister said.

Head of KESH announced plans for constant electricity import during 2007th. High electricity prices in the regional market also led to the problems in power supply, head of KESH said. KESH has been paying some 80 euros per MWh for the electricity import in December last year, which was almost double comparing to 2005th.

In the same time, due to social and political reasons, price of electricity in Albania was maintained at low level.

Head of KESH hopes that announced construction of thermal power plant (TPP) Vlora would improve energy situation in the future. TPP Vlora, with some 100 MW power output, should be operational in 2009th.

Albania's annual production is some 5 TWh, while annual consumption reaches some 7.5 TWh. The latest estimation showed, that with current electricity prices, Albania would need to pay 160 million euros for electricity import, which is 2.4 % of national GDP or 80 % of overall incomes of KESH.

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### **280,900 tons of black coal produced in coalmine Zenica in 2006th (Bosnia and Herzegovina)**

Coalmine Zenica has produced 26,800 tons of black coal in December last year, while overall annual production in 2006th reached 280,900 tons.

The production plan for 2007th is set at 404,000 tons, while planned production in January is set at 25,700 tons.

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### **Possible reduction in oil derivatives supply due to maintenance of oil refineries in Croatia (Bosnia and Herzegovina)**

Due to announced overhaul in Croatian oil refineries in Sisak and Rijeka in this year, Federation of Bosnia and Herzegovina (BiH) could face shortages in supply of oil derivatives having in mind that majority of supplies have been imported from Croatia. This was said by the official from Chamber of commerce of Federation of BiH.

BiH imports some 1.5 million tons of oil derivatives (1 billion euros worth), where some 700,000 tons has been imported from oil refineries in Sisak and Rijeka. The largest wholesale suppliers are Croatian oil industry (INA) and Slovenian Petrol, where the majority of import has been made through port of Ploce.

Nevertheless, Management of INA announced that there should be no major disturbances in their deliveries to BiH.

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### **EIB granted loan for energy projects (Bosnia and Herzegovina)**

European Investment Bank (EIB) has approved 103 million euros loan to Bosnia and Herzegovina. The loan will be used for renewal of hydropower plants (HPPs) and power distribution network, as well for rationalization in power consumption by reduction of electrical energy losses, increased energy efficiency, reduction in management and operational expenses. All this should provide more quality and more stable power supply in the country.

The funds are particularly granted for preparation of the project papers, for purchase and installation of equipment for power distribution network, as well for 8 HPPs with overall power output of 2,800 MW.

The end users of the loan will be public power companies in BiH, the Power utility of BiH, Power utility of Republic of Srpska, Power utility of Herzeg Bosnia, and Independent system operator.

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### **Government demanded privileged electricity prices for large industrial customers (Bosnia and Herzegovina)**

Prime minister of government of Federation of Bosnia and Herzegovina (BiH) has officially demanded from Federal regulatory energy agency (FERK) to approve privileges for import of electrical energy, i.e. lower electricity prices for largest industrial customer, the Aluminum factory in Mostar, as well for Mital Steel, Elektrbosna, Cement factory and Railway company of BiH.

According to PM, government was aware of FERK's position of being independent agency, but FERK should adopt rules and procedures aimed to provide adequate treatment of the largest exporting companies in BiH.

General manager of Power utility of BiH (EP BiH) strongly opposed this proposal, saying that such changes would have negative influence on EP BiH and other customers. He believes that the latest proposal was motivated by privatization of Aluminum factory, where government has overstepped its authority by making the pressure on energy regulator.

FERK officials also expressed concerns over the latest government's proposal. Government could provide lower electricity prices for any customers by paying subsidies for them through state budget for example, FERK said. If not, other customers would have to pay higher prices for electricity, which was against the laws. In the same time, such practice would imply discrimination of participants in electricity market, FERK concluded.

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### **Government to ask 1 billion euros compensation for decommissioning of nuclear units (Bulgaria)**

According to Bulgarian energy and economy minister, Bulgaria would request from EU increase in compensation for decommissioning of four units in nuclear power plant (NPP) Kozloduy. The units 3 and 4 (each 440 MW) have been decommissioned on December 31st last year.

Bulgaria would just follow the example of other member states that had received similar compensations before their EU accession, minister said. Minister believes that reasonable amount for compensation would be 1 billion euros if Bulgaria were not allowed to restart decommissioned units.

Minister repeated its belief that two last decommissioned units could be revitalized and put in service in the future having in mind the strong request from the several countries in the region that relied on electricity import from Bulgaria.

According to initial agreements, EU should pay overall sum of 550 million euros to Bulgaria as compensation. Bulgarian experts estimated that units have been producing 3-4 billion euros worth electricity.

Despite statements of several officials, among them energy and economy minister, chances for restart of two recently decommissioned units 3 and 4 in nuclear power plant (NPP) Kozloduy were insignificant, Bulgarian foreign minister confirmed.

Minister said that EU budget would be examined in 2009th, when Bulgaria could ask for increase in compensation for shutdown of nuclear units.

Bulgarian hopes for restart of nuclear units were revived after former European integration minister and current European Commissioner for Consumer Protection announced such possibility and after European Parliament rapporteur for Bulgaria said that closure of units could have been a mistake.

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### **Increase in coal prices by several companies (Bulgaria)**

Coalmine companies Maritsa Iztok, Bobov Dol, Chukurovo, Beli Breg and Chernomore have announced increase in price of coal delivered to power plants in Bobov Dol and in the Maritsa Iztok basin.

According to sources, one of the companies, the Maritsa Iztok mines, would increase coal prices by 5-6 %, in accordance to inflation rate and higher fuel costs.

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### **Electricity and heating price increases most likely to happen (Bulgaria)**

Head of State Energy and Water Regulatory Commission (SEWRC) announced possible increases in electricity and heating prices in the mid 2007th.

The increases would be the consequence of increase in natural gas prices. High official did not want to comment the percentage of price increases. Since January 1st, natural gas prices increased by 4 %, where new price increase was announced to happen in April this year.

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### **HSE started takeover talks regarding CHP Ruse (Bulgaria)**

Bulgarian Privatization agency (PA) confirmed the start of negotiations with Holding of Slovenian power plants (HSE), the winner in the tender for purchase of combined heat and power plant (CHP) Ruse.

HSE offered 85.1 million euros for 100 % of shares in CHP. French Dalkia International and German E.ON Energie also participated in the tender. The sale contract should be signed within three months after December 7th last year.

In the related news, PA also confirmed that privatization procedure for heating company in Shumen would be initiated. As for Sofia heating company, troubled by the large corruption scandal, Sofia municipality, ministry of energy and EBRD have proposed divestiture of the company by the end of 2007th.

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### **19 % of shares of INA to be sold prior EU accession (Croatia)**

Despite the recent announcement by the management of Croatian oil industry (INA), Croatian government does not want to initiate negotiations with the strategic partner, Hungarian MOL (owns 25 % plus one share) regarding the continuation of privatization of INA. All contracts signed between government and MOL, have been signed under assumption that government controls more than 50 % of shares in the company.

As a reminder, after the latest sale of 7% of shares to Croatian citizens, government will hold only 44 % shares in INA, local investor control 17 % of shares and 7 % will be owned by War veterans' fund.

The final transfer of ownership after the latest IPO should be completed by mid 2007th, i.e. six months after IPO. During that period, MOL would be allowed neither to sell nor to buy INA's shares.

According to Privatization law of INA, government must own at least 25 % of shares in INA until Croatia becomes EU member. It implies that government could sell 19 % of shares to strategic partner at most, for which MOL is highly interested.

It is expected that government would offer the remaining shares to MOL after the parliamentary elections, but neither government nor MOL wanted to comment this.

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### **Okoli natural gas storage facility to become independent company (Croatia)**

Natural gas storage facility of Croatian oil industry (INA), the Okoli warehouse, has been financially separated from INA since the beginning of the year.

Chairman of management of INA confirmed that after this, the storage facility could be easily restructured into INA's subsidiary. In the same time, minister of economy, labor and entrepreneurship said that this would be the first step in making of independent company.

The main aim for establishment of the independent company is the strategic significance of the storage facility during the winter season, when natural gas consumption increases considerably for heating purposes. The state of Croatia wants the storage facility to remain the state-owned company. Government will need to reach compromise with MOL, the second largest shareholder in INA, regarding this issue. According to sources, MOL is reluctant to approve separation of Okoli storage facility into independent company.

In the same time, government announced plans for expansion of Okoli, which current capacity is 550 million cubic meters. By this expansion, the capacity would be increased by 500 million cubic meters, where cost of the construction is estimated at 100 to 120 million dollars.

Government of Croatia has earlier announced plans for construction of new regional natural gas storage facility in Benicanci, where planned storage capacity would be up to 2 billion cubic meters. Government plans to lease the part of the new storage facility to interested companies from neighboring countries. In the same time, INA needs to increase its storage capacities due to increased natural gas production in Northern Adriatic.

In the meantime, Croatian regulatory energy agency (HERA) needs to adopt new tariff system for storage of natural gas. In this moment, it is unclear whether the storage fees should be paid by INA or by local distributors.

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### **Seven new wind farms to be built (Croatia)**

The German-Croatian company Adria Wind Power has announced the project for construction of seven new wind farms near Ravna on island of Pag, which is in accordance to physical plans of the island. The seven wind farms have already been operating in same area.

In order to start the project, Adria Wind Power has been awaiting the opinion of ministry of environmental protection, physical planning and construction regarding the environmental impact study.

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### **INA discovered new oil field in Egypt (Croatia)**

Croatian oil company (INA), along with its partner German RWE-DEA, has announced the discovery of the new oil field in concession East Yidma in the area of West desert in Egypt. The concession contract was signed in 2002nd, where INA holds 50 % of managerial rights, and new oil field could be the largest and most important discovery in company's history.

After Egyptian authorities grant all necessary permits, the oil production could be launched in this year, where full capacity production should be achieved in 2010th.

Until now, INA has invested some 15 million dollars in East Yidma concession. It is estimated that daily oil production in new oil field should reach minimum of 3,000 barrels of high quality oil (44-49° API).

INA has the right to explore five more oil wells during the exploration phase. After that, INA will have the right to sign 25-year concession contracts for each oil field it finds profitable.

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### **Committee for renewable energy sources established (Greece)**

Greek development minister signed the act for establishment of committee in charge for promotion of renewable energy sources (RES). Greece wants to initiate large-scale RES projects, where forecasted worth of projects is set at 2.5 billion euros by 2010th.

Minister reminded that in last two years, new RES projects amounted to 50 % of all RES projects in previous ten years.

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### **Metka to submit bid for new substation (Greece)**

The company Metka, part of the Mytilineos group, announced it would submit bid (alone or in consortium) in the tender of Public power corporation (PPC) for construction of new high voltage substation. The final bids should be submitted until January 30th.

Tender includes the study, supply, equipment and construction of 400/150 kV closed GIS-type substation. The substation will be located in island of Evia in Western Greece. The worth of the project is 26 million euros.

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### **Aluminum of Greece won first phase of court dispute with PPC (Greece)**

Aluminum of Greece (AoG) has won in court against Public power corporation (PPC) regarding the price of electricity for aluminum production. AoG demanded that electricity prices for aluminum production should be related to the aluminum market prices. This was initial court verdict, which should be later verified.

This court decision would lead, in the short-term, to the increase in electricity prices for AoG, but in long-term, the decision would minimize the risks in case of rapid changes in aluminum prices in the future.

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### **PPC interested for privatization of TPP Negotino (Greece & Macedonia)**

According to Forbs, Greek Public power corporation (PPC) has expressed interested for purchase of fuel oil fired thermal power plant (TPP) Negotino.

It is expected that PPC could participate in the privatization tender through consortium of its affiliate Sencap (South Eastern Energy Capital), and Italian Enel. Sencap was established by PPC, Contour Global from USA, and EBRD. The main purpose of consortium, established in December last year, was to invest in large energy projects in Balkans. The initial investment capital of consortium is 600 million euros.

The original tender for sale of TPP Negotino (200 MW) was published in the end of the last year, while international tender was published in Financial Times in the beginning of January. Government demanded minimum price of 38 million euros for the TPP, and future owner will be obliged to build new 300 MW power plant at the site of existing TPP

The bids for TPP Negotino could be submitted until February 10th this year.

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### **Consortium of Sencap and Enel among four final bidders for Kosovo lignite mine (Greece & Serbia)**

The consortium of Sencap (South Eastern Energy Capital, established by Public power corporation (PPC), Contour Global, EBRD) and Enel, along with three other companies, was chosen to enter the second phase of the tender for development of lignite mine and construction of 2,100 MW thermal power plant (TPP) in Kosovo.

Ten companies or consortia submitted the initial bids, where three other final bidders will be RWE, the consortium of CEZ and AES, and consortium of EnBW and Washington Group International.

The tender should be completed by the end of the year, while project could start in 2008th. The tender includes renewal of existing power plants and power grid. The overall worth of the project is estimated at 3.5-5 billion euros.

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### **Rokas won license for wind farms in Cyprus (Greece)**

Power producer Rokas, i.e. its subsidiary Rokas Aeoliki Cyprus Ltd, was granted four production licenses by the Cyprus Energy Regulatory Authority (CERA) for the construction of new wind farms in Cyprus. Overall power output of those farms should be 179.4 MW.

The first phase of construction should start by the end of 2007th and it should be finished by 2008th. During that period, Rokas should install 89.7 MW wind farms that would be connected to existing power grid.

The next phase includes construction of another 89.7 MW, after upgrade of the existing power grid, which should happen in the nearest future.

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### **Hellenic Petroleum announced one-month shutdown of Elefsina refinery (Greece)**

Hellenic Petroleum announced plans for one-month shutdown of oil refinery in Elefsina due to regular maintenance works. The refin-

ery would be shutdown in March 2008th. Oil refinery in Elefsina has processing capacity of 100,000 barrels per day.

Management of the company announced similar maintenance works for other refineries, which should also last for a month.

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### **EBRD gave up the right for shares in ESM, EVN to become owner of 90 % of shares (Macedonia)**

European Bank for Reconstruction and Development (EBRD) decided not to acquire 19.9 % of shares of Power utility of Macedonia –Distribution (ESM). The shares were reserved for the bank before the start of privatization, having in mind that EBRD granted pre-privatization loan for ESM.

After such development, Austrian EVN, the majority owner of ESM, will be obliged to pay additional amount of 50 million euros for the shares, which implies that EVN will pay overall sum of 225 million euros for 90 % of shares in ESM. EVN has already paid overall sum, where 50 million euros was deposited at central bank of Macedonia until the EBRD reached final decision.

By this, the privatization procedure of ESM was officially finished, where 90 % of stake will be owned by EVN and the rest of 10 % will be owned by government.

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### **Two Slovenian companies interested for TPP Negotino (Macedonia)**

According to Slovenian daily papers, Holding of Slovenian power plants (HSE) and oil company Petrol have expressed interested for purchase of fuel oil fired thermal power plant (TPP) Negotino, after government of Macedonia launched privatization tender.

HSE, along with German RWE, has been already active in Macedonia by submitting the initial offer for construction of two hydropower plants (HPPs), the HPP Cebren and HPP Galiste.

Officials from HSE confirmed that company was interested for TPP Negotino, while Petrol's officials said they would submit bid in the tender after they have analyzed tender papers.

According to unofficial sources, beside PPC, which announced participation in the tender, all companies that have participated in the first, and later cancelled tender for sale of TPP, should submit bids in new tender. Those companies are Russian RAO, Austrian Verbund and EVN, and Canadian company Hatch.

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### **MEPSO to ask from industrial customers to provide bank guarantees for electricity (Macedonia)**

Macedonia's transmission system operator (MEPSO) decided that large industrial customers from now on should provide bank guarantees (from local or foreign reputable bank) if they want to have electrical energy delivered.

Management of MEPSO believes that bank guarantees would contribute to stability of power system in financial way.

In this moment, large industrial customer Silmak, involved in production of ferrosilicon, is the largest debtor with some 6.3 million euros owed to MEPSO. MEPSO stopped delivery of electricity to Silmak in November last year. The employees announced roadblocks if MEPSO and management of the company were not reach the agreement on settlement of debts.

MEPSO has accepted the offer of Silmak to become the owner of high voltage substation, located within the factory, as compensation for debts. MEPSO initially evaluated the worth of the substation at 2.42 million euros. Management of MEPSO confirmed that Silmak would be connected to power grid when company has paid the rest of the debts.

Silmak also demanded to negotiate on price of electricity, where MEPSO clarified that Silmak is the tariff customer, for which the price has been determined by Regulatory energy commission.

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### **OMV, Shell and Petrol interested for oil market (Macedonia)**

The representatives of Austrian oil company OMV have met the high officials of government of Macedonia. Vice prime minister of Macedonia presented to the guests new incentives for foreign investors in Macedonia.

OMV did not present any concrete proposal for future cooperation, yet experts of OMV should visit Macedonia very soon, vice PM said.

Last year, OMV proposed to buy 50 petrol stations in the country, as well as large oil warehouses. It is expected that similar could be proposed again.

Almost in the same time, officials from Slovenian oil company Petrol have met Macedonian minister for foreign investments. Neither Petrol nor Macedonian minister revealed the offer of Petrol regarding the future cooperation.

Minister also announced he met the representatives of Dutch Royal Shell, one of the largest oil companies in the World. The representatives of Shell wanted to acquire information on possible investments in Macedonia, where they did not present any concrete proposal for cooperation.

According to Macedonian press, foreign oil companies are interested for purchase and construction of new petrol stations in Macedonia, although some sources imply that some of the companies could be interested for takeover of Macedonia's national oil company.

It was not clear whether the interested companies would be granted construction sites by the government of Macedonia or whether they would purchase the land from private owners.

Government of Macedonia has signed similar memorandum of cooperation with Russian Lukoil, which has faced the problems regarding the unsolved ownership rights over the several construction sites.

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### **TPP Pljevlja put in operation (Montenegro)**

Thermal power plant (TPP) Pljevlja was put back in service in the second week of January after it was disconnected from power grid

on December of 30th last year due to lack of coal. After restart of production, TPP should produce some 4 GWh of electricity per day

In the meantime, coal reserves at the TPP's depot have amounted at 33,000 tons. The chief dispatcher of Power utility of Montenegro (EPCG) decided to restart the TPP, although nominal coal reserves during winter should have reached 50,000 tons.

Despite the problems in coal supply, because of which TPP was out of service for almost a month during 2006th, TPP had achieved production plans in 2006th, technical director of TPP said. TPP Pljevlja has produced 1.075 TWh of electricity in 2006th, which was close to plan for which 1.3 million tons of coal was spent.

In this year, EPCG has announced four-month capital overhaul of TPP Pljevlja, during which steam boiler, turbine, generator and control systems should be revitalized. Because of that, coal production in Montenegro in 2007th will be some 20 % lower comparing to 1.45 million tons produced in 2006th.

According to electricity balance sheet of Montenegro in 2007th, planned overall electricity production in the country should reach 2.52 TWh, which would be 8 % below planned production in 2006th or 14 % lower comparing to the estimated production in 2006th. Apart due to overhaul in TPP Pljevlja, the reduction in power production will be the consequence of renewal in hydropower plant Perucica.

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### **Privileged electricity prices for Steel factory (Montenegro)**

According to the sale contract of Steel factory in Niksic, signed between government of Montenegro and British company MNSS in November last year, Power utility of Montenegro (EPCG) should deliver electrical energy to the factory at price of 32 euros per MWh in 2007th, where government would pay subsidy of 7 euros per MWh.

The EPCG should deliver some 200 GWh of electricity to the Steel factory in 2007th. In 2008th, EPCG should deliver 250 GWh to the factory, where subsidized electricity price for the factory would be 26.25 euros per MWh.

In the period 2009-2011, EPCG should deliver 300 GWh of electricity to the factory, where subsidized price would be 27.6 euros/MWh, 29 euros/MWh and 30.40 euros/MWh, respectively.

Nevertheless, final agreement on this issue was not agreed with EPCG. The management of EPCG pointed out that such agreement would incur losses to the national power company. According to unofficial sources, EPCG would ask from government to compensate the difference between market price (some 66 euros in this moment) and agreed price of 32 euros MWh.

Head of Montenegro's Agency for restructuring believes that state should support new owners in Steel factory by providing the privileged electricity prices, having in mind that MNSS should invest 100 million euros in the factory in the next five years.

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### **Increase in coal prices (Montenegro)**

Regulatory energy agency (REA) of Montenegro has set new price of 20.77 euros per ton of coal delivered to thermal power plant (TPP)

Pljevlja for year 2007th. The management of coalmine Pljevlja demanded price of 23.8 euros per ton. The coal deliveries for TPP Pljevlja in 2007th would be some 20 % lowers comparing to 2006th due to overhaul of TPP scheduled for this year.

The price of coal delivered by coalmine Pljevlja to TPP Pljevlja was in the middle of the dispute between Power utility of Montenegro (EPCG) and coalmine Pljevlja. EPCG has recognized price of 17.15 euros per ton for the coal delivered in the last four years, while coalmine showed the price of 21.44 euros per ton in its invoices.

New coal price for TPP Pljevlja was set in accordance to the planned deliveries to TPP Pljevlja and to other customers in the country and in accordance to the annual regulated income of 31.8 million euros. The coalmine was allowed to set the market prices for other customers different from TPP Pljevlja, so that regulated income would be reduced by 8.67 million euros.

In the same time, from January 1st, coalmine Pljevlja has set new 20 % higher coal prices for retail, wholesale and industrial customers. After such decision, retail coal price increased by 10 euros per ton, up to 58.6 euros per ton for the most quality type of coal.

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### **Aluminum factory paid debts to EPCG (Montenegro)**

Aluminum factory in Podgorica (KAP), the largest industrial customer in the country, has paid 10.63 million euros of debts to Power utility of Montenegro (EPCG) for electricity bills for period 2004-2005.

Management of KAP confirmed that company has paid electricity bills in 2006th on time, which will be the case in future too.

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### **2.5 % decrease in natural gas prices (Romania)**

The price of natural gas reduced by 2.5 % starting from January 1st. This was the consequence of reduction of taxes for domestically produced gas, reduction in prices of imported natural gas and appreciation of national currency. The taxes for domestically produced gas are entirely eliminated, while price of imported gas reduced by 9 euros per 1,000 cubic meters.

In the same time, National Regulatory Authority in Natural Gas Sector informed the public that tax system would be adjusted in accordance to new fiscal code, where excise for natural gas will be shown in the bills separately from the natural gas prices.

According to new prices, customers of Distrigaz Sud will pay 262 euros per 1,000 cubic meters, and customers of E.ON Gaz Romania will pay 261 euros. The prices do not include VAT and natural gas taxes.

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### **Tax relief for energy producers (Romania)**

Government of Romania has reached emergency decree by which 34 companies have been excluded from paying taxes. The most of the companies are from energy sector. Selected companies will be obliged to pay only VAT, while the debts toward budget and fiscal obligations will be erased.

Power producers Termoelectrica and Nuclearelectrica will be among the companies to be excluded from paying taxes. According to ministry of economy and commerce, debts of energy companies in Romania reached over 700 million euros.

The main reason for the latest government's decision was belief that bankruptcy of aforementioned companies would lead to the economic instability of the country, having in mind that those companies could not pay debts in any other way.

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### **Increase in electricity trade through OPCOM power exchange (Romania)**

According to the latest data, electricity traded in OPCOM's platform, the Day ahead market (PZU), reached 7.7 % of overall power consumption in Romania in 2006th or some 4.11 TWh.

In the second half of 2006th, electricity trade at PZU reached 2.18 TWh comparing to 1.2 TWh in 2005th. In the last quarter of 2006th, electricity prices registered at PZU increased by 66 % comparing to same period 2005th.

The electricity in PZU has been sold under the purchasing order list, where participants in the PZU, the producers and suppliers, need to have license for trading.

As a comparison, electricity traded through Bilateral Contracts Centralized Market (PCCB), also the branch of OPCOM, has reached 1.4 % of overall electricity traded at OPCOM.

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### **Hidroelectrica to sell 16 small HPPs (Romania)**

Power producer Hidroelectrica announced a sale of 16 small hydro-power plants (HPPs), each with up to 10 MW power output. Sources confirmed that sale price of HPPs would be 6 million euros. The exact date for sale was not defined yet.

In the related news, company announced plans for construction of wind farms. Hidroelectrica plans to order a study in order to determine most suitable construction sites. Several feasibility studies have been already conducted, where company wants to organize wind measurements in particular areas. The study should be finished by the October at the latest.

§ § §

### **Rompetrol interested for NIS (Romania & Serbia)**

Romanian oil company Rompetrol has submitted a letter of intention for purchase of Oil company of Serbia (NIS). Romanians are interested for participation in privatization procedure, where acquisition of NIS would fit in their expansion plans and new regional strategy. This was said in the official site of the Rompetrol.

Serbian governments announced to sell 25 % of shares in NIS during the first phase of privatization, where the state expects to earn some 250 million euros.

Rompetrol management believes that two companies have significant synergy, where integration would make benefits for both companies. Rompetrol's refinery Petromidia, and NIS's refinery in Pancevo are both located on Danube, which would provide direct route for supply of Romanian oil market. In the same time, Rompetrol's refinery in Ploesti and NIS's refinery in Novi Sad also have certain similarities that open possibilities for technological improvements.

By this latest announcement of Rompetrol, the company with annual turnover of some 5 billion euros becomes one of the competitors for privatization of NIS. Rompetrol is present in 13 countries in Europe and company plans to strengthen its position in Balkans and in Spanish and French coast. Two the most important assets of Rompetrol are the oil refinery in Petromidia and French company Dyneff.

§ § §

### **E.ON Gaz to renew 350 km of gas network in 2007th (Romania)**

General manager of E.ON Gaz Romania announced renewal of 350 km of natural gas network in 2007th. The company will also invest considerable amount in information technology and communications services.

In 2006th, the company has renewed some 420 km of natural gas network and replaced some 200 km. E.ON Gaz Romania increased gas reserves by 158 % in order to maintain stability in gas supply. Some 132 million euros was invested for new gas storage facilities, general manager said.

§ § §

### **2.5 % decrease in natural gas prices (Romania)**

The price of natural gas reduced by 2.5 % starting from January 1st. This was the consequence of reduction of taxes for domestically produced gas, reduction in prices of imported natural gas and appreciation of national currency. The taxes for domestically produced gas are entirely eliminated, while price of imported gas reduced by 9 euros per 1,000 cubic meters.

In the same time, National Regulatory Authority in Natural Gas Sector informed the public that tax system would be adjusted in accordance to new fiscal code, where excise for natural gas will be shown in the bills separately from the natural gas prices.

According to new prices, customers of Distrigaz Sud will pay 262 euros per 1,000 cubic meters, and customers of E.ON Gaz Romania will pay 261 euros. The prices do not include VAT and natural gas taxes.

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### **Tax relief for energy producers (Romania)**

Government of Romania has reached emergency decree by which 34 companies have been excluded from paying taxes. The most of the companies are from energy sector. Selected companies will be obliged to pay only VAT, while the debts toward budget and fiscal obligations will be erased.

Power producers Termoelectrica and Nuclearelectrica will be among the companies to be excluded from paying taxes. According to min-

istry of economy and commerce, debts of energy companies in Romania reached over 700 million euros.

The main reason for the latest government's decision was belief that bankruptcy of aforementioned companies would lead to the economic instability of the country, having in mind that those companies could not pay debts in any other way.

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### **Increase in electricity trade through OPCOM power exchange (Romania)**

According to the latest data, electricity traded in OPCOM's platform, the Day ahead market (PZU), reached 7.7 % of overall power consumption in Romania in 2006th or some 4.11 TWh.

In the second half of 2006th, electricity trade at PZU reached 2.18 TWh comparing to 1.2 TWh in 2005th. In the last quarter of 2006th, electricity prices registered at PZU increased by 66 % comparing to same period 2005th.

The electricity in PZU has been sold under the purchasing order list, where participants in the PZU, the producers and suppliers, need to have license for trading.

As a comparison, electricity traded through Bilateral Contracts Centralized Market (PCCB), also the branch of OPCOM, has reached 1.4 % of overall electricity traded at OPCOM.

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### **Rosneft expressed interest for NIS, government denied negotiations (Serbia)**

According to Serbian media, Russian Rosneft could be the most likely strategic partner of Oil industry of Serbia (NIS). Sources earlier suggested that most likely strategic partner would be another Russian oil company, the Lukoil. Rosneft is the third largest oil producer in Russia, with daily oil production of 1.6 million barrels.

According to sources, negotiations between Rosneft and government of Serbia have been lasted since November 2006th. Unofficially, Rosneft wants to become strategic partner of NIS without launching the privatization tender. Russians are in favor of recapitalization of NIS, where Rosneft would become shareholder in NIS and in return, it would be obliged to invest in Serbian national oil company.

As a reminder, tender for privatization of NIS should have been launched in October last year, yet it was postponed due to parliamentary elections in Serbia, which are going to be held on January 21st.

According to the privatization strategy of NIS, proposed by privatization advisor, 25 % of shares in NIS should be sold to strategic partner, by which strategic partner would acquire managerial rights. In the same time, strategic investor will be obliged to invest 500 million euros for recapitalization of NIS.

Until now, more than once, Hungarian MOL, Russian Lukoil, Austrian OMV, Greek Hellenic Petroleum and Polish PKM have expressed interest for privatization of NIS.

Nominal worth of capital of NIS is 1.2 billion dollars, with 8.15 million shares.

On the other hand, officials from ministry of energy and mining of Serbia confirmed that Rosneft was not interested in privatization of NIS and that government has not negotiated with Russians. Minister of energy and mining said that Rosneft, unfortunately, did not expressed interest for NIS.

Deputy energy minister pointed out that Rosneft could hardly be interested in NIS, having in mind that Rosneft itself has recently concluded one financial transaction.

Nevertheless, deputy minister welcomed Rosneft's potential participation in privatization tender.

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### **MOL to increase market share at 15 % in 2010th (Serbia)**

Hungarian MOL has announced plans for increasing the market share in oil market in Serbia at 15 % by 2010th.

General manager of Intermol, the MOL's subsidiary in Serbia, confirmed that MOL would increase the number of petrol stations in Serbia at 25 from current number of 11. He confirmed that construction of petrol stations in several large cities in Serbia has already started.

MOL group has started commercial operations in Serbia in late 2005th, when MOL opened first petrol station in Serbia, and until now, company has employed 300 people.

MOL has been selling the high quality diesel (imported from Hungary), which is in accordance to euro 5 standards. The most of the new MOL's petrol stations will offer liquefied petroleum gas to the Serbian customers.

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### **Worth of EPS from 6 to 10 billion euros (Serbia)**

The real market value of Power utility of Serbia in this moment is 6 billion euros, and with introduction of market based electricity prices in Serbia, the worth of the company would be 8-10 billion euros. This was said by general manager of EPS in his latest interviews.

Head of EPS believes that company would be able to find strategic partners for every particular project. He expects that profit of EPS in 2006th would reach some 200 million euros, but this would be mostly the result of write-off of debts toward Paris and London Club creditors.

In 2007th, financial balance of EPS would be around zero having in mind the planned investments in environmental and development projects. EPS also expects that electricity prices in 2007th would be increased comparing to current average price of 4 eurocents per kWh. The electricity price increase was necessary in order to provide sustainable development and to provide funds for environmental projects, head of EPS said.

Commenting the restructuring of the company started in 2004th, head of EPS confirmed that number of employees has reduced from 52,000 down to 35,000 in this moment. In 2004th, EPS produced 33.5 TWh of electricity, while in 2005th company reported record ever power production of 38.5 TWh. In the same time, power consumption in Serbia in 2006th rose by 2 TWh comparing to 2004th.

EPS plans to build new power plants with overall power output of 700 MW in cooperation with strategic partners. Management of EPS announced talks with government regarding this issue very soon.

The construction of new power plants was necessary both due to increased consumption and due to future shutdown of old units that were not in accordance to environmental standards. In case of shutdown of some 700 MW in old units, which is realistic, EPS should build 1,400 MW in new power plants, head of EPS said.

Head of EPS repeated once again that EPS is interested in cooperation with Republic of Srpska regarding the construction of hydropower plant (HPP) Buk Bijela and for purchase of HPP Visegrad.

Commenting the latest requests from Power utility of Montenegro (EPCG) regarding the ownership over unit 4 in hydropower plant (HPP) Bajina Basta, head of EPS confirmed that EPS had valid documentation that clearly shows that EPS was the sole owner of the unit.

In this moment, EPS is engaged in several development projects, head of EPS reminded. EPS has recently signed contract with consultant Arthur D. Little regarding restructuring of the company. The project was started in December last year and it should be completed in September this year.

The consultant Epic investment was in charge for the preparation of papers for the project of construction of thermal power plant (TPP) Kolubara B (700 MW), where preliminary project papers should be presented in January.

Third project is related to the revitalization of combined heat power plant (CHP) Panonske, where consultant in this project is consortium CSP, Roland Berger and Lahmeyer.

EPS has already launched tender for renewal of HPP Bajina Basta (46 million euros worth project), where 2/3 of the funding will be the loan from KfW Bank. Tender bids should be opened in March this year, while project should start in 2008th.

In the second half of 2006th, EPS has signed contracts with KfW bank and EBRD regarding the loan arrangement for development of new coalmines. In this year, the revitalized 100 MW unit in TPP Kostolac A should be put in service.

In the same time, EPS plans to buy another 100,000 of new modern electricity meters in 2007th, where EBRD will grant the loan for the project. EPS has already bought some 120,000 such electricity meters. According to plans, EPS plans to replace all of 3 million existing electricity meters by installing 250,000 of new electricity meters each year.

At the end, general manager of EPS pointed out that increase in electricity prices in 2007th would be inevitable. Starting from the beginning of 2007th, Regulatory energy agency (REA) is responsible for setting the new tariff systems and methodologies for calculation of electricity prices in Serbia. New tariff system, which will be introduced on April 1st 2007th, would certainly imply increase in electricity prices, head of EPS concluded.

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### **Record coal production in Kolubara coalmine 2006th (Serbia)**

In 2006th, the largest coalmine in Serbia, the Kolubara coalmine, has reported record ever coal production of 29.2 million tons. This was

some 55,000 tons higher production comparing to previous record achieved in 1990th.

Some 50 % of overall electricity production in Serbia is produced from coal from Kolubara coalmines. The thermal power plants Nikola Tesla A (1,600 MW) and Nikola Tesla B (1,200 MW), Kolubara (180 MW) and Morava (100 MW) use coal from this coalmine.

Minister of energy and mining of Serbia announced new development projects by opening of new mines in Kolubara region.

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### **New 400 kV substation put in service (Serbia)**

Serbia's transmission system operator (EMS) has put in service new 400/110 kV substation near city of Sombor. The substation cost 16.9 million euros.

European bank for reconstruction and development (EBRD) granted 15.5 million euros for the project, while the rest was provided by EMS.

It is estimated that new facility would save some 1 million euros per year, due to reduction in transmission losses. In the same time, the power supply in the area and entire Vojvodina province would be more stable and more quality.

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### **The largest power plant reported record production (Serbia)**

Thermal power plants (TPP) Nikola Tesla have reported the record ever production of 18.637 TWh of electricity in the last year, which was 11.4 % higher than planned.

TPP Nikola Tesla is the largest production company in Power utility of Serbia (EPS), and includes TPPs Nikola Tesla A (1,500 MW), Nikola Tesla B (1,200 MW), Kolubara (170 MW) and Morava (100 MW).

The high production in 2006th was 7 % higher comparing to the previous record of 17.424 TWh reported in 2005th.

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### **Preliminary reports on electricity production and consumption (Serbia)**

According to preliminary data presented by Power utility of Serbia (EPS), overall power production in 2006th (including production in HPP Piva), reached 39.44 TWh, which was 3 TWh higher than planned or very close to the record ever production.

Thermal power plants (TPPs), without TPPs in Kosovo, have produced 27.54 TWh, which was 2.5 TWh higher than planned and 1.2 TWh higher comparing to 2005th.

Overall production in hydropower plants (HPPs) reached 11.9 TWh, which was 0.5 TWh higher than planned and 1 TWh lower comparing to 2005th.

Run of the river hydropower plants (HPPs) produced some 9 TWh, which was 0.5 TWh lower than planned (5 %) and 11 % lower comparing to 2005th.

Storage type HPPs have produced 2.9 TWh, which was 58 % higher than planned and 5 % higher comparing to 2005th.

Due to drought that has been lasted from fall last year, which was not forecasted and which resulted in low production in HPPs, EPS was forced to put in service combined heat power plant (CHP) Panonske (200 MW). In the same period, TPPs operated at full power in order to satisfy power demand.

According to preliminary data, EPS should spend some 70 million euros for import of electricity and fuel oil and natural gas during winter 2006-2007.

According to the head of Energy planning and management department of EPS, in the last three months in 2006th, the power consumption in Serbia was in accordance to plans, but average temperatures were 2.3 °C higher than planned, implying that power consumption was relatively higher.

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### Preliminary report on electricity export and import (Serbia)

According to the head of Electricity sales department of EPS, in 2006th, EPS was both exporter and importer of electricity.

In period April-November last year, EPS exported 565 GWh of electricity.

In 2006th, EPS imported 352 GWh, where in November EPS imported 138 GWh and in December EPS imported 214 GWh (including 33 GWh of additional import).

In the beginning of winter season 2006-2007, EPS purchased through tender the preliminary amount of 494.4 GWh of electricity that should have been imported until the end of February 2007th. The import contracts were signed with Energy Holding, Atel and Sempra.

According to the latest data, import of electricity in January this year will be some 100 GWh higher than originally contracted amount of 148.4 GWh. It is estimated that electricity import in February would be also higher than planned, so that overall electricity import during this winter season would be most likely higher than 600 GWh, EPS's official said.

EPS should import additional electricity from original suppliers, the Energy Holding, Atel and Sempra, and from E.ON, Ezspada, EFT, HEP and CEZ.

During the spring last year, EPS cooperated with 16 different companies, where with 8 companies EPS signed contracts for export of electricity.

In the last year, EPS has signed contract with new qualified customers, the future factory Feroprofil, which should be built by the end of the year.

For the first time, EPS paid imported electricity in domestic currency, having in mind that EPS signed contract for additional import of electricity in December with CEZ, which recently acquired license for electricity trade in Serbia and agreed to accept payments for electricity in dinars.

## Tenders:

### Electricity

Company / organization:	EAR, related Croatia
<b>Approximation of EU Renewable Energy Legislation and Energy Efficiency Labelling (RELEEL)</b>	
Content:	The purpose of this project is to provide technical assistance to the Ministry of Economy, Labour and Entrepreneurship with regards to Renewable Energy Legislation (REL) and Energy Efficiency Labelling (EEL), where REL covers guarantees of origin legislation and design of tradable certificate scheme, while EEL covers implementation of labelling legislation.  This service include a legal and strategy gap analysis with the use of table of concordance between national legislation and EU acquis, drafting of any relevant legislation, norms or procedures, impact assessment of implementation and evaluation of different implementation options. The consultant should create feasibility study for energy efficiency labelling certification body.  The consultant should perform PR through workshops, seminars, video materials, web, promotion materials and media campaign.  Maximum budget: 500.000 EUR
Deadline:	2. February 2007, 15:00 CET
Contact:	Contact person: Ms Martina Sedmak Tel: +385 1 4591 245 Ministry of Finance of the Republic of Croatia

Company / organization:	EBRD, related Bosnia and Herzegovina
<b>Power distribution</b>	
Content:	This Invitation for Tenders follows the General Procurement Notice for this project which was published on EBRD website dated 11 November 2005. ELEKTROPRIVREDA REPUBLIKE SRPSKE hereinafter referred to as the Purchaser, intends using part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Goods and related Services for purchasing of Low and Medium Voltage instruments transformers, cables and auxiliary equipment for Low and Medium Voltage lines. The Purchaser now invites sealed tenders from all interested Suppliers and/or Manufacturers for the following contracts to be funded from part of the proceeds of the loan:  LOT A: Supply of LV and MV overhead and underground cables and conductors for the voltages up to 35 kV, including accessories and ADSS optical cables (LV self-supporting cable bundle; LV and MV underground cables; cable accessories; Al-FE conductors – ropes; earthing tapes; ADSS optical cables)  LOT B: Supply of poles for overhead lines up to 20 kV (Concrete and wooden poles)  LOT C: Reconstruction of Substations 10(20)/0,42 kV and 35/10 kV LV distribution cabinets; MV switch-gears 10 and 20 kV –RMU; reclosers

Deadline:	25 Jan 2006 at 13:00, Banja Luka time
Contact:	ELEKTROPRIVREDA OF THE REPUBLIC OF SRPSKA; Project Implementation Unit Mr. Milorad Živković, PIU Director Tel: ++ 387 51 215 658, 654 or ++387 59 277 146 Fax: ++ 387 51 215 667, 670 or ++387 59 277 149

Company / organization:	EAR, related Kosovo
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#### Major Overhaul of Over Burden System for Sibovc South West Mine

**Content:** The works consist of the refurbishment of an overburden removal system in the Kosovo lignite mines. The contract will be based on the FIDIC "Conditions of Contract for Plant and Design-Build" First Edition 1999 (Yellow Book).

The project concerns the overhaul of one complete system, including bucket wheel excavator SRs 1300 + VR for overburden removal with the annual performance of 5 million bank cubic meters, conveyer line (including belt drive stations, hopper and tripper car matching the size of the excavator, conveyor line and the spreader) for overburden transport from the excavator to the spreader at dumping site and the spreader A2RsB 4400. The project also includes the delivery of new cable drums.

This project will lead to increasing the reliability of coal supply to the existing generation units and prepare the system for the operation of the new Sibovc South West Mine

**Deadline:** 19 February 2007 at 17hrs00 Central European Time

**Contact:** European Agency for Reconstruction, Kosovo, Pristina  
Fax: + 381 38 51 31 308  
E-mail: luisa.lopez@ear.europa.eu  
Copy to: majlinda.statovci@ear.europa.eu

Company / organization:	EAR, related Bulgaria
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#### Supply of equipment for the geographic information system (GIS) of the Bulgarian high voltage transmission networks

**Content:** The delivery, installation, commissioning, training (for Lots 1 and 3) and maintenance within the warranty period by the Contractor of the equipment for the geographic information system (GIS) of the Bulgarian high voltage transmission networks, in three Lots as follows:

- LOT 1 -Servers with Operation Systems (OS) , Clustering Software and Data Base Management System (DBMS); SAN Storage solution, workstations, mobile computers, large scale plasma monitor and, communication equipment : network routers and switches.

- LOT 2 - Digital map of BULGARIA

- LOT 3 - Base GIS Software platform: Enterprise GIS application server, Software for network diagram

**Deadline:** 5. March 2007 at 15hrs00 Central European 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:	EPS, related Serbia
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#### Upgrading of DGS Mills at TPP "Nikola Tesla" A (rehabilitation of units no. A3 to A5) and Replacement of ash slurry system at TPP "Kostolac" A

**Content:** Required Services:  
Programme Consultant for the envisaged upgrading of DGS mills in "Nikola Tesla" TPP and thick slurry ash transport incl. improvement of ash disposal site in Kostolac.

The Programme shall be financed through a loan issued to EPS by KfW Entwicklungsbank under Export Credit Cover from an Export Credit Agency (ECA) and a grant within the framework of the bilateral German-Serbian Financial Co-operation totalling 46 million EUR and by local contributions of approximately 10 million EUR. Experience with ECA cover and familiarity with procurement under ECA rules is a must.

Project measures: the restoration of the capacity and of the efficiency of the units no 3, 4 & 5 of TENT-A and increase in energy availability (operation of the units on full load with 5 mills using guaranty coal) by replacement of mill interior parts, new shafts, new gearbox, partial renewal of motors, improved coal dust distribution, Environmentally sound disposal of ash. Improvement of the overall environmental condition of the ash disposal site by installation of thick slurry transport scheme including pumps, piping and controls, re-cultivation of two cassettes of the disposal site and introduction of a monitoring system. It will be necessary that the Consultant team includes an environmental and monitoring Expert with international project experience.

The scope of work is split up in two parts covering preparation and implementation of the measures. Only offers covering both aspects will be eligible. Consultants may form consortia for this purpose. Qualification of all partners has to be proven. The tender is held as public international bidding, following a post-qualification procedure.

Preparation Phase: Elaboration of tender documents tendering and evaluation of tenders incl. assistance in contract award.

Assistance in alleviating environmental impacts to acceptable levels (especially at Kostolac).

Implementation Phase: Supervision of supply contracts

**Deadline:** 25th January 2007, 14:00 hours local time

**Contact:** JP ELEKTROPRIVREDA SRBIJE (EPS)  
Head Department for Strategy and Investments  
Attn: Mr. Nebojsa Grigorjev  
Vojvode Stepe 412  
11000 Beograd  
Serbia  
Tel. +381-11-397-29-59  
Fax: +381-11-397-00-45  
Email: nebojsa.grigorjev@eps.co.yu .

Company / organization:	EPCG, related Montenegro
<b>Extension and Construction of High Voltage Substations; Consulting Services for Project Preparation and Execution</b>	
Content:	<p>Required Consulting Services:</p> <p>Montenegro is currently undertaking substantial efforts to strengthen and transform the entire power sector. The current project aims on the one hand at the extension of the 400 kV Switching Station Ribarevine in order to allow for power transformation to a level of 110 kV in the northern part of the country and on the other hand at the construction of a new 110/10 kV substation Podgorica 5 in an industrial area close to the international airport.</p> <p>Consulting services will comprise assistance to the Project Management Unit (PMU) within EPCG for: technical concept, preparation or adaptation of tender documents, evaluation of proposals, assistance in contract award, quality control of supplies and site supervision of contractor's activities, budget control, reporting, commissioning and handing over of the installations.</p>
Deadline:	January 22nd, 2007 at 13:00 hours Montenegro time
Contact:	Dipl.-Ing. Klaus Müller Südring 57, 69514 Laudenbach, Germany Tel.: +49 (0)6201 – 98 64 32 Fax: +49 (0)6201 – 79 00 76 E-Mail: klaus.ernst.mueller@gmx.de

Company / organization:	EAR, related Serbia
<b>District Heating Modernisation and Rehabilitation</b>	
Content:	<p>The project includes modernization of District Heating systems in five Serbian cities. Selected measures in each city represent an independent lot.</p> <p>Lot 1 – Cacak: Renovation and extension of two major boiler plants (35+10 MW and 3 x 4,7 MW), new transmission line networks and renovation/upgrading/new substations</p> <p>Lot 2 – Pancevo: New transmission hot water piping (total route length about 6 km with starting diameter DN 400 of about 2 km), new circulation pumps, new primary/secondary mixing stations, adjustments on house substations.</p> <p>Lot 3 – Subotica: Replacement of two transmission hot water piping lines (total route length 1,4 km including DN 500 of about 0,8 km; and 2,7 km including DN 350 of about 1 km) and 74 new house substations.</p> <p>Lot 4 – Uzice: Modernisation of four boiler plants including new boilers with auxiliaries and corresponding building extensions in three locations (3 x 8 MW in one location; and 2 x 3,9 MW in two other locations each); new hot water piping networks and upgrade of existing substations including a centralized command and monitoring centre.</p> <p>Lot 5 – Valjevo: Construction of a new central boiler plant (with the building designed for 3 boilers and installation of just one 30 MW boiler with auxiliaries at this stage) and a new transmission hot water piping DN 500 of route length 1,7 km.</p>
Deadline:	05 March 2007, 12:00 local time

Contact:	European Agency of Reconstruction Vasina 2-4, 11000, Belgrade, Republic of Serbia Att.: Procurement Officer Fax: + 381 11 30 23 466
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Company / organization:	EAR, related Bulgaria
<b>Implementation of the EU Directive 2003/54/EC on internal market in electricity, Geographic Information System (GIS) of the Bulgarian electricity transmission system with implemented EU standard ETRF 89 and European Geostationary Navigation Overlay System (EGNOS).</b>	
Content:	<p>Contract description</p> <ul style="list-style-type: none"> <li>- Geodesic measurements of the High Voltage Network of Bulgaria (electrical power lines and substations), maintained by NEK EAD on the territory of Bulgaria. Geodesic measurements to be executed by airborne LIDAR (Light Detection and Raging) surveys:</li> <li>- Processing of the obtained geodetic data and generation of files according to the requirements of GIS Data Base structures and according to the requirements of the Bulgarian Cadastre Agency for registration.</li> </ul> <p>Note 1: Geodesic measurements and data processing could be executed by certified / authorized specialists.</p> <p>According to Articles 120 and 230 of the Law of the Spatial Planning and Chapter 3 of the Project Design Act of the Chamber of Investment Design Engineers - the specialists carrying out the geodesic measurements and the data processing should hold licenses / authorizations for Bulgaria for:</p> <ul style="list-style-type: none"> <li>- Competence to perform activities related with cadastre</li> <li>- Competence to perform activities related with geodesy according to the Law of the spatial planning.</li> </ul> <p>These documents are obligatory for the approval and input of measured data in the registers of the Bulgarian national bodies – Municipalities, Cadastre Agency, Ministry of the Agriculture and Forestry etc.</p> <p>Note 2: Before starting the activities under this Project the Contractor with the assistance of the Beneficiary should obtain the necessary permits from:</p> <ul style="list-style-type: none"> <li>- Border Police National Service at the Bulgarian Ministry of Home Affairs</li> <li>- Main Operative Division at the Bulgarian Aviation Headquarters</li> <li>- Military Police and Military Intelligence Service</li> <li>- National Security Service at the Bulgarian Ministry of Home Affairs</li> <li>- Flying Permit from the Civil Aviation Authorities</li> </ul> <p>Failure to obtain the above-mentioned permits will invoke withdrawal of EU financing</p> <p>Maximum budget 2, 9 MEUR</p>
Deadline:	15 February 2007, 16:00 local time
Contact:	Central Finance and Contracts Unit (CFCU) Ministry of Finance, 102 Rakovski St., 1040 Sofia, Bulgaria

Company / organization:	EPCG, related Montenegro
<b>Extension and Construction of High Voltage Substations; Consulting Services for Project Preparation and Execution</b>	
Content:	<p>Required Consulting Services:</p> <p>Montenegro is currently undertaking substantial efforts to strengthen and transform the entire power sector. The current project aims on the one hand at the extension of the 400 kV Switching Station Ribarevine in order to allow for power transformation to a level of 110 kV in the northern part of the country and on the other hand at the construction of a new 110/10 kV substation Podgorica 5 in an industrial area close to the international airport.</p> <p>Consulting services will comprise assistance to the Project Management Unit (PMU) within EPCG for: technical concept, preparation or adaptation of tender documents, evaluation of proposals, assistance in contract award, quality control of supplies and site supervision of contractor's activities, budget control, reporting, commissioning and handing over of the installations.</p>
Deadline:	January 22nd, 2007 at 13:00 hours Montenegro time
Contact:	Dipl.-Ing. Klaus Müller Südring 57, 69514 Laudenbach, Germany Tel.: +49 (0)6201 – 98 64 32 Fax: +49 (0)6201 – 79 00 76 E-Mail: klaus.ernst.mueller@gmx.de

Company / organization:	EPCG, related Montenegro
<b>Rehabilitation and Modernisation of Hydro Power Plant Piva; Consulting Services for Project Preparation and Execution</b>	
Content:	<p>Required Consulting Services:</p> <ul style="list-style-type: none"> <li>» Checking of all existing documentation</li> <li>» Inspection of the Power Plant</li> <li>» Tendering of the necessary testing of equipment and civil works to third party companies/institutions</li> <li>» Decision as to the required scope of rehabilitation</li> <li>» Establishment of Preliminary Design and Feasibility Study to fulfil the requirements of national legislation to integrate the scheme into the budget</li> <li>» Establishment of the complete tender design and documents for all rehabilitation measures</li> <li>» Assistance to the PEA in evaluating the tenders and negotiation of contracts</li> <li>» Supervision of all supply, erection and construction works</li> <li>» Execution of all factory acceptances</li> <li>» Execution of provisional and final acceptances at the site and establishment of the respective certificates</li> <li>» Reporting</li> <li>» Cost control</li> </ul>
Deadline:	January 29th, 2007 at 13:00 hours Montenegro time
Contact:	Dr.-Ing. Franz Dietmar Sprenger Obergasse 21, 61 273 Wehrheim, Germany Tel.: +49 – (0)60 81 – 44 34 24 FAX: +49 – (0)60 81 – 44 38 52 E-mail: sprengerfranz@aol.com

Company / organization:	EAR, related Kosovo
<b>Replacement of Relay Protection in the Transmission Substations Kosovo B and Replacement of Relay Protection and Control System in Pristina 4</b>	
Content:	<p>This project is for improving the reliability and security of the transmission grid in Kosovo-UNMIK. The scope of the project includes three components:</p> <p>Component 1: Dismantling the old protection system and replacement with a new digital relay protection system in Kosovo B (400/220 kV) Substation.</p> <p>Component 2: Dismantling the old protection system and replacement with a new digital relay protection system in Pristina 4 (220/110 kV) Substation.</p> <p>Component 3: Supply and Installation of Control System (SCS) in Pristina 4 220/110 kV Substation</p> <p>The direct beneficiary of the project is the Kosovo Independent Transmission and System Operator (KOSTT).</p>
Deadline:	13 March 2007 at 17:00, CET
Contact:	European Agency for Reconstruction 1, Kosova Street (in front of Procredit Bank) Pristina, KOSOVO Attn.: Procurement Officer E-mail to: luisa.lopez@ear.eu.int and: majlinda.statovci@ear.eu.int

Company / organization:	EPS, related Serbia
<b>Rehabilitation of Hydropower Plant Bajina Basta</b>	
Content:	<p>The Electric Power Industry of Serbia (EPS) has received a development loan from KfW (provided on behalf of the German Government) toward the cost of the Rehabilitation of Hydropower Plant Bajina Basta project. Part of the proceeds of this development loan is intended for payments under the Work Contract(s) for which this Invitation for Bids is issued.</p> <p>The EPS now invites sealed bids from eligible bidders for the for supply and works project Rehabilitation of Hydropower Plant Bajina Basta, a run-off-river plant with Francis-type turbines of an installed capacity of 4x93 MW with the first generating unit having been commissioned in 1966</p> <p>The general scope of the Works and Supply shall cover the four (4) turbine-generating units and appurtenant equipment and shall include, but not be limited to, the following: plant and equipment data acquisition and pretesting of existing equipment, dismantling of existing equipment, its temporary site storage (disposal), preparation and transport to factories (local and abroad) for reconstruction and rehabilitation, Design of equipment (for reconstruction, rehabilitation, upgrading and production of new one), Procurement of materials and equipment, Reconstruction, rehabilitation, production and testing of the equipment at factories (locally and abroad), Packing, transport and storage to the Site, Insurance of the Works and Supplies, Erection of the equipment, commissioning and handing over of the plant.</p>
Deadline:	30.03.2007, 14:00 hours local time
Contact:	Mr. Dejan Ostojic email: dejan.ostojic@eps.co.yu

Company / organization:	EAR, related Serbia
<b>Preparation of the Project Design and Tender Dossier for Revitalization of Navigation Locks at Power Plants Djerdap 1 and Djerdap 2</b>	
Content:	The Services Contractor has to propose revitalisation works after site inspection, produce the Preliminary design, final design and tender documents together with drawings, bill of quantities and a priced bill of quantities for the works required to revitalise the navigation locks at Djerdap I and at Djerdap II. The revitalisation works should cover the structural, mechanical, hydraulic/mechanical, electrical,; video, radio, telephone, GPS, radar and other necessary controls and communications, fire fighting system installation and other supporting (existing and new) systems of the navigation locks, control towers and upstream/downstream fore-docks. The Services Contractor should have wide experience in preparation of tender documents for international projects for the works listed above. Maximum budget € 1,500,000
Deadline:	2.2.2007, 17:00 hrs, CET.
Contact:	The European Agency for Reconstruction Procurement Unit, 3rd floor Vasina 2-4, 11000 Belgrade Serbia and Montenegro Fax no.: +381 11 3023 455

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:	Project Status  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.
Contact:	Gudrun Kuffner, Project Manager, EPIC Vienna, Austria; Tel: +43 1 5011957; Fax: +43 501199, email: gudrun.kuffner@epicinvest.com;  Jasmina Nestic, Project Manager, EPIC Belgrade d.o.o., Belgrade, Serbia; Tel: +381 11 2633290; Fax: +381 11 2628975; email: jasmina.nestic@epicinvest.com

Company / organization:	<b>EAR, related Serbia</b>
<b>Ash Disposal System – Nikola Tesla B Thermal Power Plant</b>	
Content:	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.  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.  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.  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.  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.
Deadline:	26. 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>EBRD, related Romania</b>
<b>Timisoara District Heating - Works and Consultancy</b>	
Content:	<p>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.</p> <p>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:</p> <p>(a) supply and installation of gas turbine units;  (b) procurement and implementation supervision;  (c) corporate development programme (donor financed)</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</p>
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:	<b>EBRD, related Romania</b>
<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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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> <ol style="list-style-type: none"> <li>1.1 Supervision of quality assurance by Contractor and PIU during implementation of survey work and design estimates.</li> <li>1.2 Quality and the accepted technical solutions assessment during elaboration of design estimates.</li> <li>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.</li> </ol> <p>Phase II</p> <ol style="list-style-type: none"> <li>2.1 Managerial and monitoring support during contracting.</li> <li>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.</li> <li>2.3 Quality assurance surveillance by the Contractor and PIU during implementation of the construction and erection works.</li> <li>2.4 Environmental measures monitoring during implementation of the construction and erection works.</li> <li>2.5 Verification of implementation according to the PIP and review of any changes to the PIP.</li> <li>2.6 Verification of the proper use of available funds.</li> <li>2.7 Submit periodic activity reports as may be requested from time to time by KEGOC.</li> </ol> <p>Phase III</p> <ol style="list-style-type: none"> <li>3.1 Confirmation of the Project Completion in accordance with the PIP and preparation of a Project Completion Report</li> </ol>

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## Coal and Oil

Company / organization:	<b>EAR, related Kosovo</b>
<b>Construction of Fly ash Load out, Storage silos and Mixing Facilities for Stan Tërg Mine</b>	
Content:	The contract consists of Construction of Fly ash Load out, Storage silos and Mixing facilities for Stan Tërg Mine in order to provide continuous supply of fly ash from KEK power plant, to fill the voids left after the extraction of ore at Stan Tërg mine. The project includes the construction works for fly ash load out facilities at KEK power plant and construction of storage and mixing facilities at Stan Trg mine including design steel and reinforced concrete works, electronic and mechanical fittings and other appropriate works.
Deadline:	22 February 2007 at 17hrs00 Central European Time (CET)
Contact:	European Agency for Reconstruction Operational Centre Pristina Procurement Unit Head of Procurement Unit 1, Kosovo Street Pristina, Kosovo UNMIK Fax: : + 381 38 51 31 308 E-mail: kwinten.joniaux@ear.europa.eu Copy to: majlinda.statovci@ear.europa.eu

Company / organization:	<b>INA, related Croatia</b>
<b>Spare parts for plug valves on inlet manifolds on gas stations and gas tretmant plants Molve (SN-2072/06, technical specification no. 095/2006 MOL).</b>	
Deadline:	21 Aug 2007 at 24:00, Timisoara time
Contact:	INA Industrija nafte d.d.; Procurement Sector, Avenija Većeslava Holjevca 10, 2nd floor, 10000 Zagreb, (Ms. Ana Čičerić , tel: +385-1- 64 51 048, fax +385-1-64 52 048) every working day from 10 to 11 a.m., local time