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# NEWS

Energy News in Southeast Europe  
twice in a month

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**March (2) 2008 issue of Balkan En-  
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## In this issue:

### Analysis:

- » Process of tender procedure for privatization of TPP Negotino

### News headlines

### Regional:

- » PEOB meeting delayed, Serbia and Romania argue over the reasons

### Albania:

- » Turkish Prime Minister promised Albania gas pipeline
- » Further investments in Albania – Bankers Petroleum

### Bosnia and Herzegovina:

- » Court rejected the request of small shareholders for stopping the project in TPP Gacko
- » New announcements for construction of wind farms
- » Unit 5 in TPP Tuzla put in operation
- » Oil refinery in Brod posted 32.5 million euros of losses in 2007
- » KazTransGaz had talks with EP BiH
- » EFT presented TPP Stanari project to potential partners
- » EP BiH posted 5.8 million euros of profit in 2007
- » Possible revision of concession contracts for small HPPs
- » Government to reconsider concession contract signed with HES consortium

### Bulgaria:

- » Possible increase in tariffs for electricity produced in small HPPs and small wind farms
- » Electricity export to Macedonia
- » Maritsa Iztok coalmine to deliver some 1 million tons of coal to PPC
- » Kovachki interested in both Sofia heating company and TPP Bobov Dol
- » RWE to become leading investor in NPP Belene project
- » Tender for new power plant in Maritsa Iztok basin to be initiated
- » 13.25 % increase in gas prices, Bulgargaz demanded 32 % increase
- » Gorna Arda hydropower project to be revived

### Croatia:

- » Saab could build waste -fired TPP
- » 40 million euros to be invested in biomass power plant
- » Location of future LNG terminal to be decided soon
- » Speculations on location of potential NPP
- » 10 % rise in income for INA in 2007

**Greece:**

- » PPC determined to cooperate with RWE and Halyvourgiki
- » PPC to buy coal from Bulgaria
- » Sale of remaining common nominal shares in Hellenic Petroleum
- » PPC profit increased by 200 million euros

**Macedonia:**

- » New regulations regarding wind farms construction
- » Deadline for "Cebren" and "Galiste" prolonged
- » 4 companies selected for electricity import
- » Disconnections due to unpaid debts
- » EVN announced complains to court regarding electricity bills accusations
- » Electricity production results in first two months of 2008

**Montenegro:**

- » Austrian Wasimpex willing to build power plant in Bar port
- » Statkraft willing to buy shares in EPCG and to build new HPPs
- » Lukoil to increase number of petrol stations
- » Electricity production in HPPs accordance to plans in January and February
- » HPP Perucica to increase power output in 2010
- » EPCG prepared the proposal for construction and reconstruction of power plants

**Romania:**

- » Feasibility study for power cable toward Turkey to be completed in 2009
- » Privatization of Electrica Muntenia Sud officially approved
- » Plans for construction of second NPP
- » E.ON and Enel negotiate construction of 800 MW plant in Braila
- » Energy Holding the largest electricity supplier and trader in 2007
- » 1 billion euros worth sales for Distrigaz Sud in 2007
- » 1 billion euros needed for upgrade of electricity network in Bucharest
- » Petrom posted 461 million euros of profit in 2007
- » National energy company to be established by May 1
- » 19 million euros of profit for Transelectrica in 2007

**Serbia:**

- » NIS to invest 120 million euros in various projects
- » EFT interested in building of thermal power plant
- » Announcement of wind farms projects
- » Customers in Belgrade and Vojvodina owe 150 million euros for electricity bills
- » EPS to invest 100 million euros for maintenance works in 2008
- » South stream pipeline to be built after 2013
- » Natural gas facility in Banatski Dvor completed, 20 million dollars needed for full operation
- » Increase in natural gas prices for heating companies

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



Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Montenegro, Romania, Serbia, Slovenia, Turkey

## 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.

On our website, you can find FREE SAMPLE issues and easily request FREE TRIAL issue.

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	2007	1066	1033	944	970	920
1134		2010	12287	1083	991	1054	941
1077		2011	12590	955	1051	1127	987

Annual electricity consumption in GWh							
	Year	Sum	1	2	3	4	
12	2007	11182	1027	891	953	850	
1120	2008	11570	1094	998	1012	911	
1089	2009	10994	1099	932	963	816	
1054	2010	11722	1074	979	1016	910	
1156	2011	12186	1155	1038	1075	938	
1157	2007	34599	3299	2960	2637	2637	
3307	2008	34506	3299	2960	2637	2637	
3185	2009	32722	3299	3196	2636	2636	
3257	2010	31954	3486	3052	3021	2443	
3167	2011	33452	3475	3107	3087	2577	

## Country Reports on Energy Business in South Eastern Europe

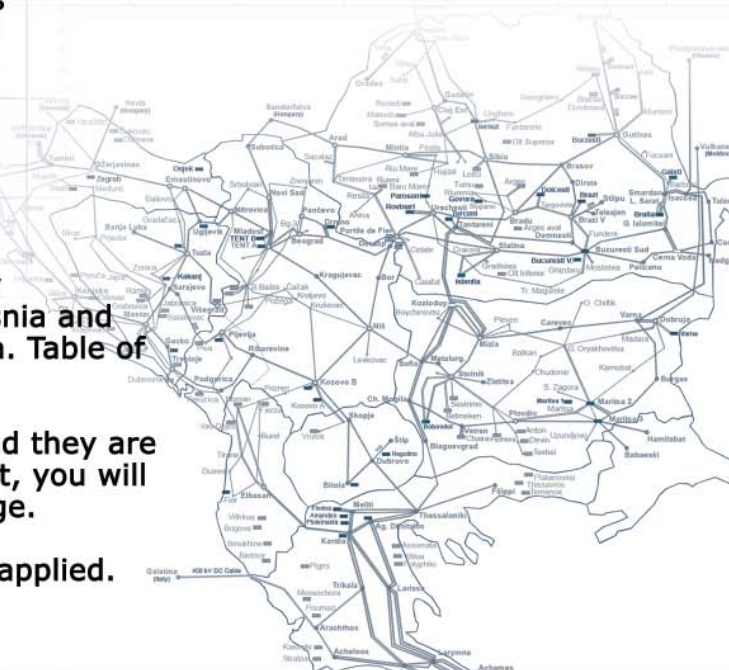
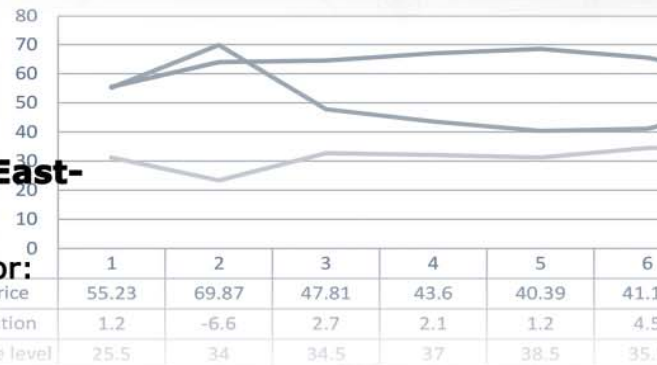
Country reports provide detailed overview of energy sector:

- 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

At the moment we have available up-to-date country reports for Bulgaria, Romania, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Serbia and FYR Macedonia. Table of content is available on our website

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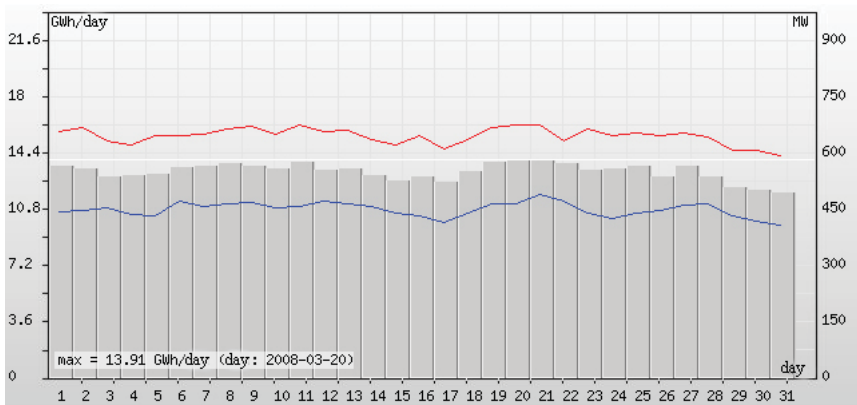
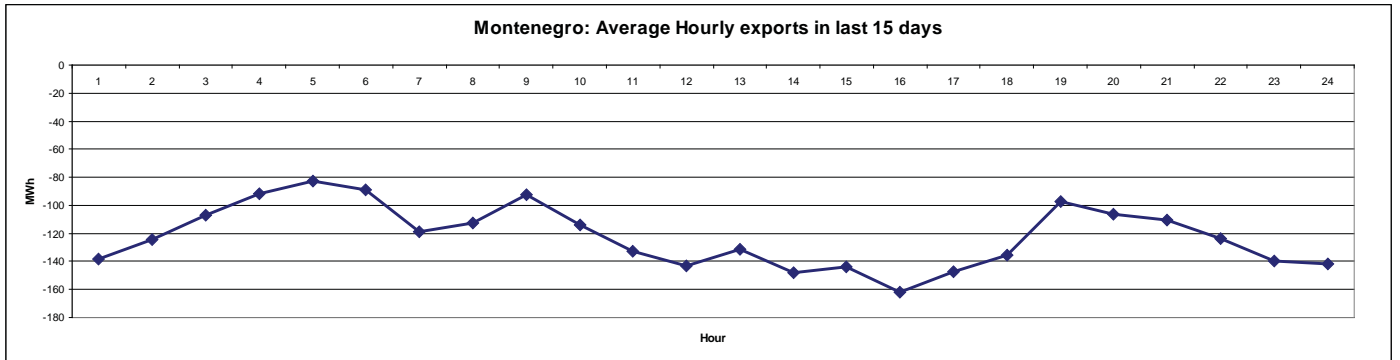






### Montenegro: Electricity export in last 15 days (MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.3.2008	-216	-221	-204	-184	-188	-206	-213	-213	-240	-260	-264	-271	-266	-274	-260	-269	-272	-281	-181	-208	-207	-190	-242	-265
17.3.2008	-220	-170	-152	-156	-153	-168	-216	-229	-53	-22	-58	-182	-236	-244	-249	-246	-228	-197	-107	-107	-124	-108	-103	-204
18.3.2008	-176	-152	-141	-140	-120	-139	-207	-157	-71	9	25	5	13	20	-16	-67	-51	-16	4	-25	-31	-20	26	-34
19.3.2008	-130	-179	-155	-145	-150	-148	-181	-96	2	-39	-59	-76	-140	-257	-259	-257	-229	-170	-26	-46	-56	-147	-310	-450
20.3.2008	-392	-361	-346	-336	-327	-349	-215	-96	-201	-304	-355	-365	-326	-296	-275	-253	-58	-36	-36	-46	-58	-116	-245	-97
21.3.2008	-225	-212	-188	-174	-171	-165	-211	-224	-138	-65	-60	-76	28	43	-29	-127	-55	-55	-10	-50	-40	-26	-18	-42
22.3.2008	-40	-168	-178	-165	-151	-152	-189	-78	8	-250	-293	-296	-202	-280	-240	-232	-244	-251	-141	-137	-141	-215	-195	-149
23.3.2008	-117	-110	-55	-21	-6	-7	-44	-80	-104	-112	-125	-140	-158	-185	-130	-130	-126	-132	-103	-52	-104	-171	-147	-101
24.3.2008	-48	-29	-10	3	7	1	-50	-81	-102	-117	-123	-148	-142	-152	-139	-120	-122	-149	-183	-189	-182	-174	-162	-84
25.3.2008	-57	-15	-22	10	29	19	-31	-74	-83	-89	-108	-139	-126	-108	-107	-120	-136	-150	-195	-201	-175	-174	-162	-135
26.3.2008	-91	-46	-30	6	19	22	-26	-68	-76	-49	-51	-34	-28	-89	-53	-39	-61	-66	-121	-155	-181	-164	-155	-112
27.3.2008	-78	-35	-28	-4	17	11	-23	-89	-97	-114	-120	-110	-120	-110	-115	-99	-116	-129	-152	-102	-111	-175	-161	-131
28.3.2008	-74	-46	-15	-6	3	4	-37	-81	-89	-100	-100	-85	-48	-32	-48	-40	-42	-59	-58	-121	-132	-101	-3	-52
29.3.2008	-63	-19	-4	-3	5	13	-31	-57	-59	-52	-118	-60	-65	-128	-111	-287	-244	-209	-1	-71	-84	-42	-61	-101
31.3.2008	-148	-103	-79	-66	-60	-69	-106	-66	-80	-150	-178	-168	-151	-129	-130	-147	-232	-131	-151	-91	-28	-30	-161	-169
<b>Total import per hour:</b>	<b>-138</b>	<b>-124</b>	<b>-107</b>	<b>-92</b>	<b>-83</b>	<b>-89</b>	<b>-119</b>	<b>-113</b>	<b>-92</b>	<b>-114</b>	<b>-132</b>	<b>-143</b>	<b>-131</b>	<b>-148</b>	<b>-144</b>	<b>-162</b>	<b>-148</b>	<b>-135</b>	<b>-97</b>	<b>-107</b>	<b>-110</b>	<b>-124</b>	<b>-140</b>	<b>-142</b>

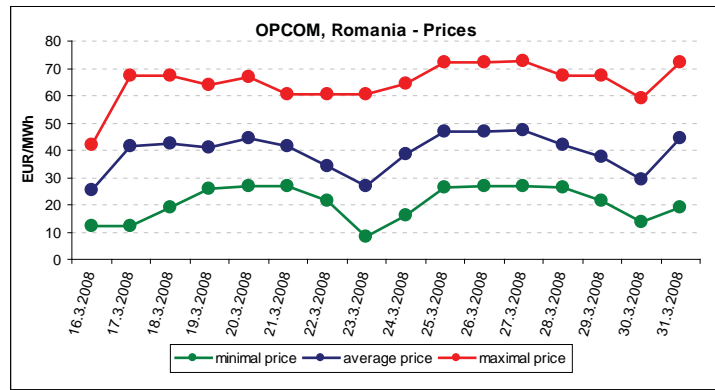
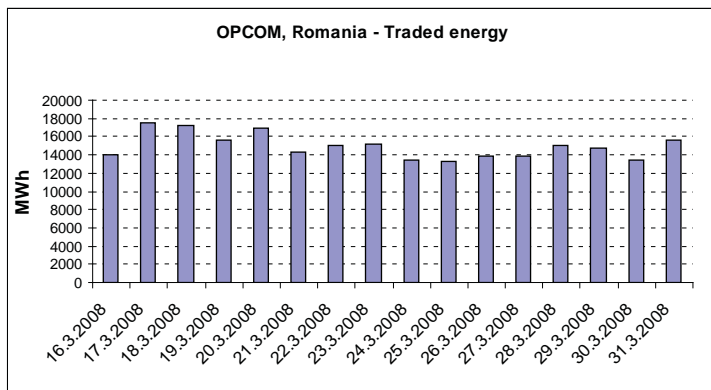


Gray block: Daily consumption (in GWh)  
 Red line: Maximal daily load (in MW)  
 Blue line: Minimal daily load (in MW)  
 (source: TSO EPCG)

### Romania: Electricity consumption in last 15 days (MWh)

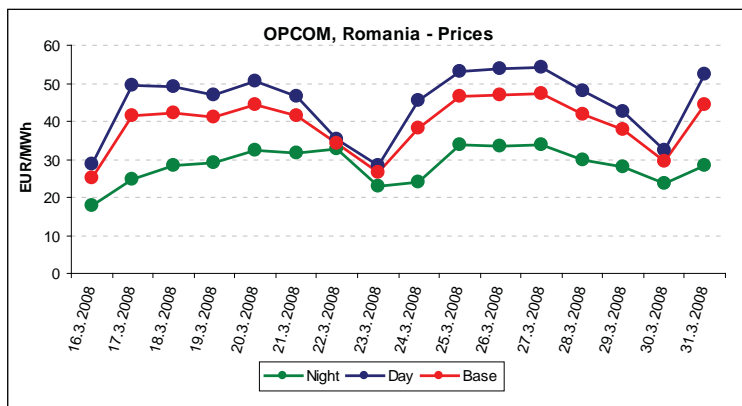
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
16.3.2008	5772	5631	5541	5517	5523	5559	5585	5588	5618	5677	5662	5620	5604	5591	5565	5555	5658	5831	6327	6779	6748	6592	6187	5861
17.3.2008	5594	5533	5481	5460	5498	5634	6107	6730	7055	7163	7186	7091	7053	7006	6884	6776	6734	6843	7315	7779	7702	7332	6782	6303
18.3.2008	6064	5937	5883	5858	5915	6043	6389	6922	7068	7234	7194	7040	7098	7063	6894	6868	6856	6933	7391	7776	7729	7360	6879	6407
19.3.2008	5963	5885	5870	5852	5893	6015	6371	6892	7110	7133	7106	7060	7036	7085	7049	6932	6910	7004	7331	7810	7736	7354	6749	6318
20.3.2008	6109	5991	5909	5900	5937	6044	6462	6997	7240	7336	7220	7183	7247	7146	7031	7032	7038	7123	7382	7759	7731	7440	6871	6445
21.3.2008	6019	5951	5873	5863	5896	6014	6339	6943	7186	7269	7232	7139	7089	7088	6950	6851	6773	6824	7252	7790	7738	7353	6794	6321
22.3.2008	5983	5816	5721	5730	5779	5857	5945	6171	6336	6501	6454	6367	6298	6279	6177	6152	6154	6277	6669	7233	7216	6881	6444	6034
23.3.2008	5781	5656	5609	5534	5544	5571	5557	5596	5671	5717	5739	5712	5685	5655	5609	5597	5650	5797	6234	6766	6740	6508	6132	5842
24.3.2008	5576	5534	5479	5421	5500	5652	6027	6722	6999	7106	7062	6964	6937	6926	6826	6723	6692	6769	7086	7515	7677	7283	6724	6249
25.3.2008	6045	5922	5849	5805	5856	5985	6330	6827	7074	7127	7082	6967	6905	6876	6792	6716	6714	6736	6992	7344	7521	7250	6782	6340
26.3.2008	6100	5945	5888	5846	5900	6085	6368	6872	7161	7155	7116	7053	7014	7004	6899	6761	6701	6736	7114	7518	7587	7396	6873	6411
27.3.2008	6040	5892	5834	5763	5801	5999	6321	6871	7158	7200	7173	7117	7008	7054	6959	6732	6749	6839	7131	7402	7550	7340	6772	6305
28.3.2008	6035	5919	5809	5758	5796	5960	6289	6804	7157	7224	7164	7078	7037	7012	6875	6717	6713	6782	7143	7645	7679	7324	6825	6341
29.3.2008	6068	5904	5827	5855	5803	5857	5963	6152	6386	6511	6497	6431	6351	6255	6132	6062	6072	6191	6642	7098	7284	6959	6427	6081
30.3.2008	5810	5653	5582	5540	5611	5610	5667	5786	5789	5763	5718	5708	5670	5659	5640	5648	5721	5860	6381	6815	6640	6237	5842	
31.3.2008	5584	5507	5441	5433	5506	5634	6071	6638	7028	7178	7138	7089	7052	7020	6929	6778	6744	6810	6994	7391	7661	7496	6938	6371
<b>Average:</b>	<b>5909</b>	<b>5792</b>	<b>5725</b>	<b>5696</b>	<b>5735</b>	<b>5845</b>	<b>6112</b>	<b>6532</b>	<b>6752</b>	<b>6831</b>	<b>6796</b>	<b>6726</b>	<b>6693</b>	<b>6670</b>	<b>6576</b>	<b>6494</b>	<b>6493</b>	<b>6585</b>	<b>6962</b>	<b>7401</b>	<b>7434</b>	<b>7132</b>	<b>6626</b>	<b>6242</b>





**Opcom, Romania: Prices in last 15 days**

	16.3.2008	17.3.2008	18.3.2008	19.3.2008	20.3.2008	21.3.2008	22.3.2008	23.3.2008	24.3.2008	25.3.2008	26.3.2008	27.3.2008	28.3.2008	29.3.2008	30.3.2008	31.3.2008
Base Price	25.20	41.28	42.22	41.09	44.43	41.56	34.33	26.64	38.36	46.69	47.02	47.42	41.80	37.73	29.50	44.42
Base Quantity	14058	17586	17172	15670	16988	14336	14973	15224	13361	13218	13855	13855	15068	14790	13488	15572
Day Price	28.81	49.55	49.10	47.02	50.37	46.61	35.17	28.50	45.46	53.19	53.73	54.29	47.82	42.53	32.42	52.43
Day Quantity	9507	12606	11961	10818	11692	10063	10316	10567	9277	8733	9004	9004	10296	9772	9089	10739
Night Price	17.99	24.75	28.47	29.22	32.54	31.46	32.67	22.93	24.16	33.68	33.59	33.68	29.74	28.14	23.68	28.39
Night Quantity	4550	4980	5211	4851	5296	4273	4657	4657	4084	4485	4852	4852	4771	5018	4399	4833



Day Energy (06-22h)  
Base energy (00-24h)  
Night energy (22-06h)

**Tables with results of Allocated Available Transfer Capacities (AATC) in Balkan region for April 2008**

NOS BIH - Bosnia & Herzegovina								April 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Croatia > BIH	-	-	500	-	109	55	*	01.-30.4.2008.
Montenegro > BIH	-	-	360	-	180	0	*	01.-30.4.2008.
Serbia > BIH	-	-	250	-	125	15	*	01.-30.4.2008.
EXPORT								
BIH > Croatia	-	-	550	-	275	20	*	01.-30.4.2008.
BIH > Montenegro	-	-	320	-	100	0	*	01.-30.4.2008.
BIH > Serbia	-	-	300	-	118	0	*	01.-30.4.2008.

ESO - Bulgaria								April 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Serbia > Bulgaria	-	-	50	-	25	25	1.00	01.-30.4.2008.
Romania > Bulgaria	-	-	300	-	100	100	1.05	01.-17.4.2008.
			100	-	0	0	0.00	18.-30.4.2008.
Greece > Bulgaria	-	-	300	-	150	20	0.00	01.-30.4.2008.
EXPORT								
Bulgaria > Serbia	-	-	500	-	250	250	0.22	01.-17.4.2008.
			200	-	100	100	3.60	18.-30.4.2008.
Bulgaria > Romania	-	-	200	-	86	86	0.10	01.-30.4.2008.
Bulgaria > Greece	-	-	400	-	150	150	5.03	01.-21.4.2008.
			600	-	250	250	5.03	22.-26.4.2008.
			400	-	150	150	6.03	27.30.4.2008.

OPS HEP - Croatia								April 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Hungary > Croatia	-	-	-	-	300*	300	4.02	01.-30.4.2008.
Slovenia > Croatia	-	-	-	-	150	40	0.00	01.-30.4.2008.
Serbia > Croatia	-	-	-	-	75	70	1.39	01.-30.4.2008.
BIH > Croatia	-	-	-	-	100	100	0.39	01.-30.4.2008.
EXPORT								
Croatia > Hungary	-	-	-	-	0*	0	0.00	01.-30.4.2008.
Croatia > Slovenia	-	-	-	-	150	145	0.33	01.-30.4.2008.
Croatia > Serbia	-	-	-	-	100	100	0.60	01.-30.4.2008.
Croatia > BIH	-	-	-	-	75	75	1.40	01.-30.4.2008.

\* Common auction conducted by MAVIR

MAVIR - Hungary								April 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Croatia > Hungary	400	200	200	200	0	0	0.00	01.-30.4.2008.
Romania > Hungary	400	100	300	200	100	90	7.01	01.-30.4.2008.
Serbia > Hungary	400	100	300	200	100	95	0.22	01.-30.4.2008.
EXPORT								
Hungary > Croatia	950	200	750	450	300	300	4.02	01.-30.4.2008.
Hungary > Romania	400	100	300	175	125	125	0.20	01.-30.4.2008.
Hungary > Serbia	350	100	250	150	100	100	4.80	01.-30.4.2008.



MEPSO - Macedonia								. April 2008	
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:	
IMPORT									
Serbia > Macedonia	400	100	300	0	150	150	0.70	01.-30.4.2008.	
Greece > Macedonia	210	100	110	0	0	0	0.00	01.-30.4.2008.	
EXPORT									
Macedonia > Serbia	254	100	154	0	77	0	0.00	01.-30.4.2008.	
Macedonia > Greece	200	100	100	0	0	0	0.00	01.-30.4.2008.	

Remark: No transparent allocation procedure on Greek and Bulgarian border

Transelectrica - Romania								April 2008.	
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:	
IMPORT									
Bulgaria > Romania	300	100	100	50	50	50	0.02	01.-30.4.2008.	
Serbia > Romania	200	100	50	50	0	0	5.00	01.-30.4.2008.	
Hungary > Romania	400	100	150	25	125	125	0.09	01.-30.4.2008.	
Ukraine > Romania	250	100	150	100	50	10	0.00	01.-06.4.2008.	
	0	0	0	0	0	0	0.00	07.-11.4.2008.	
	250	100	150	100	50	10	0.00	12.-30.4.2008.	
EXPORT									
Romania > Bulgaria	400	100	150	50	100	100	3.28	01.-17.4.2008.	
	200	100	50	50	0	0	0.00	18.-30.4.2008.	
Romania > Serbia	600	100	250	50	200	200	4.79	01.-17.4.2008.	
Romania > Hungary	300	100	100	50	50	50	14.59	18.-30.4.2008.	
	300	100	100	50	50	50	6.94	01.-06.4.2008.	
	400	100	150	50	100	100	5.48	07.-17.4.2008.	
Romania > Ukraine	300	100	100	50	50	50	7.56	18.-30.4.2008.	
	0	0	0	0	0	0	0.00	01.-30.4.2008.	

EMS - Serbia								April 2008	
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:	
IMPORT									
Hungary > Serbia	-	-	-	-	125	125	*	01.-30.4.2008.	
Romania > Serbia	-	-	-	-	175	160	*	01.-30.4.2008.	
Bulgaria > Serbia	-	-	-	-	175	175	*	01.-30.4.2008.	
Macedonia > Serbia	-	-	-	-	77	0	*	01.-30.4.2008.	
Albania > Serbia	-	-	-	-	105	0	*	01.-30.4.2008.	
Montenegro > Serbia	-	-	-	-	150	0	*	01.-30.4.2008.	
BiH > Serbia	-	-	-	-	50	20	*	01.-30.4.2008.	
Croatia > Serbia	-	-	-	-	150	150	*	01.-30.4.2008.	
EXPORT									
Serbia > Hungary	-	-	-	-	75	75	*	01.-30.4.2008.	
Serbia > Romania	-	-	-	-	50	24	*	01.-30.4.2008.	
Serbia > Bulgaria	-	-	-	-	25	150	*	01.-30.4.2008.	
Serbia > Macedonia	-	-	-	-	150	104	*	01.-30.4.2008.	
Serbia > Albania	-	-	-	-	90	88	*	01.-30.4.2008.	
Serbia > Montenegro	-	-	-	-	125	82	*	01.-30.4.2008.	
Serbia > BiH	-	-	-	-	25	20	*	01.-30.4.2008.	
Serbia > Croatia	-	-	-	-	125	125	*	01.-30.4.2008.	

\* No price information available

- TTC (Total Transfer Capacity), TRM (Transmission Reliability Margin) and NTC (Net Transfer Capacity) values in previous tables, represents commonly correlated values, given per each border and per each direction on the respective border. (Please note that some of TSOs on their web sites publish only one-half of the NTC value, i.e. their own part of NTC, and therefore NTC data can be different)

- AAC (Already Allocated Capacity) value represents part of transmission capacity allocated earlier by TSO in which table this value appears.

- ATC (Available Transfer Capacities) value represents amount of transmission capacity, which will be offered by the TSO in which table this value appears to the interested market participants through allocation procedure: usually by pro-rata or explicit auctions method. (Please note that some of TSOs on their web sites within their ATC value publish ATC part of the neighboring TSO, and therefore ATC data can be different)

- AATC (ALLOCATED Available Transfer Capacities) values are the results of allocation procedure conducted by respective TSO in which table this value appears

## Danube water-level in cm for last 30 days

relevant for:

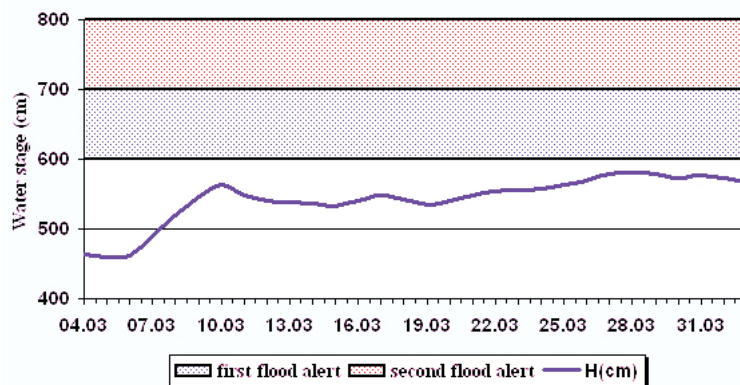
HPP Portile de Fier I, 1167 MW, Romania

HPP Portile de Fier II, 270 MW, Romania

HPP Djerdap I, 1058 MW, Serbia

HPP Djerdap II, 270 MW Serbia

(source: Republic Hydrometeorological Service of Serbia)



## Weather conditions for April

	2.4.	3.4.	4.4.	5.4.	6.4.	7.4.	8.4.	9.4.	10.4.	April averages.
<b>Albania</b>	T: 7-17	T: 4-14	T: 3-16	T: 1-12	T: 3-17	T: 6-20	T: 10-23	T: 12-24	T: 13-24	Temperature: 8-18
<i>Tirana</i>	W: L-V	W: NW 8	W: NE 16	W: NW 11	W: SW 11	W: SW 12	W: SW 19	W: SE 12	W: SE 14	Amount of rain: 145
	R: -	R: -	R: -	R: 10	R: -	R: -	R: -	R: -	R: -	Number of rain days: -
<b>Bosnia and Herzegovina</b>	T: 1-14	T: 3-9	T: 4-6	T: 2-7	T: -2-14	T: 4-18	T: 7-20	T: 8-21	T: 7-19	Temperature: 4.4-15
<i>Sarajevo</i>	W: -	W: -	W: N 6	W: L-V	W: SW 4	W: L-V	W: S 8	W: L-V	W: -	Amount of rain: 74
	R: 20	R: 23	R: 12	R: 2	R: -	R: -	R: -	R: -	R: -	Number of rain days: 11
<b>Bulgaria</b>	T: 5-14	T: 5-10	T: 3-13	T: 8-10	T: 4-18	T: 3-20	T: 4-19	T: 8-20	T: 9-21	Temperature: 4.8-15.7
<i>Sofia</i>	W: -	W: -	W: NE 4	W: NW 8	W: SW 6	W: SW 8	W: SW 11	W: S 4	W: SW 8	Amount of rain: 51
	R: -	R: 19	R: 8	R: 8	R: -	R: -	R: -	R: -	R: -	Number of rain days: 12
<b>Croatia</b>	T: 7-13	T: 5-12	T: 4-10	T: 5-14	T: 4-10	T: 3-10	T: 9-18	T: 10-20	T: 10-18	Temperature: 4.9-16.4
<i>Zagreb</i>	W: -	W: N 8	W: N 19	W: W 6	W: SW 6	W: SE 8	W: SE 11	W: SE 9	W: SE 16	Amount of rain: 61.5
	R: 3	R: 6	R: 2	R: -	R: 1	S: 0.5	R: -	R: -	R: -	Number of rain days: 12
<b>Greece</b>	T: 12-16	T: 10-17	T: 11-17	T: 10-17	T: 10-18	T: 11-18	T: 11-21	T: 12-21	T: 13-21	Temperature: 9.7- 20.1
<i>Athens</i>	W: SE 8	W: SW 14	W: SW 14	W: SW 17	W: W 12	W: SW 9	W: SW 8	W: S 6	W: SE 9	Amount of rain: 30
	R: 8	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	Number of rain days: 8
<b>Macedonia</b>	T: 3-19	T: 6-9	T: 3-14	T: 6-13	T: 3-18	T: 2-21	T: 4-22	T: 6-22	T: 8-24	Temperature: 5.4-18.6
<i>Skopje</i>	W: -	W: NW 6	W: NE 8	W: NW 9	W: SW 9	W: SW 8	W: SW 14	W: S 4	W: SW 8	Amount of rain: 40
	R: 4.5	R: 3.6	R: 10.2	R: 6.3	R: 14.2	R: 7.4	R: -	R: -	R: -	Number of rain days: 10
<b>Montenegro</b>	T: 7-21	T: 8-17	T: 8-15	T: 7-15	T: 7-15	T: 7-17	T: 9-20	T: 11-22	T: 11-23	Temperature: 9-19
<i>Podgorica</i>	W: L-V	W: N 12	W: N 16	W: NW 11	W: SW 11	W: SW 14	W: S 20	W: SE 12	W: S 16	Amount of rain: 144
	R: -	R: 2	R: -	R: 1	R: -	R: -	R: -	R: -	R: -	Number of rain days: 12
<b>Romania</b>	T: 6-14	T: 7-16	T: 8-14	T: 6-11	T: 6-14	T: 7-17	T: 7-21	T: 9-22	T: 10-23	Temperature: 5.6-18
<i>Bucharest</i>	W: -	W: N 8	W: -	W: NW 8	W: SW 6	W: SW 8	W: S 16	W: S 9	W: SE 12	Amount of rain: 46
	R: 2	R: 2	R: 2	R: 2	R: -	R: -	R: -	R: -	R: -	Number of rain days: 7
<b>Serbia</b>	T: 7-17	T: 7-13	T: 4-13	T: 5-11	T: 4-19	T: 8-23	T: 9-22	T: 12-23	T: 12-22	Temperature: 7.8-17.5
<i>Belgrade</i>	W: -	W: NW 24	W: N 20	W: NW 24	W: SW 16	W: SW 14	W: S 32	W: SE 11	W: S 24	Amount of rain: 59
	R: 6	R: 15	R: 2	R: 5	R: -	R: -	R: -	R: -	R: -	Number of rain days: 13

T: Temperature in celsius degrees

W: Wind speed in km/h, S – South, W – West, N – North, E – East and variables;“-” - no wind;“L-V” - Light and variable

R: Rain in mm

S: Snow in mm

## Analysis:

### Process of tender procedure for privatization of TPP Negotino

#### Introduction:

Construction of heavy-oil thermal power plant Negotino has started in March 1975 and completed in March 1978. It is located in Dubrovo region, 8 kilometers from city of Negotino.

From its original plan, TPP Negotino was to be built in two phases. First 210 MW phase is completed, and infrastructure is prepared for another 210 MW block (chimney, cooling system, oil storage, water processing, starting boiler, workshops, laboratories ect). Shortly after construction of 1st 210MW unit, oil price rose sharply and it was decided that there is no need for additional capacities producing expensive electricity. TPP Negotino has been constantly producing energy during only three years. It has been used as reserve capacity and produced electricity only in case of serious shortages. In last few years, TPP Negotino was leased to Greece in summer months.

Supply of oil to TPP is done by train routers, and stored in reservoirs with a capacity of 60 000 m3 total. Since beginning of construction of TPP Negotino, possibility of altering TPP from oil to gas fired has been enabled, and part of installation has been made. But, gas supply from main pipeline to TPP Negotino has never been done (100km of pipeline is needed from Skoplje to Negotino). Companies that were involved in TPP Negotino tender procedures expressed their plans to alter TPP to gas fired or even coal fired. There is no best visible solution, due to unexplored lignite reserves and uncertain future gas pipelines.

#### Short technical info regarding TPP Negotino:

##### Boiler:

- “Ramzin” type, P-56
- Maximum steam production: 670 t/h
- Pressure of fresh and middle heated steam: 140/26 atm
- Temperature of fresh and middle heated steam: 540/540 °C
- Efficiency ratio: 92%
- Crude oil consumption: 52 t/h
- Two independent boilers, 100 MW each.

##### Steam turbine:

- One axle, three cylindrical, condensational, directly connected to the generator; K-2000-130-3
- Maximum power generation: 210 MW
- Pressure of fresh and middle heated steam: 130/24.8 atm
- Temperature of fresh and middle heated steam: 535/535°C
- Rotational speed: 3000 rpm

## Privatization:

First developments regarding privatization of TPP Negotino were in the end of 2005, when Russian company "RAO EES" offered government of Macedonia 20 million euros for purchase of TPP and additional investments in modernization and gasification of the TPP. No agreements were made and it was decided to wait for tender procedure.

First tender for privatization of TPP Negotino was published in Financial Times on April 7th 2006. It was decided that government will sell 100% share of TPP. Tender criteria established by Macedonian government said that future owner of the TPP should have more than 300 million euros worth assets, annual incomes of 200 million euros in last two fiscal years and net profit higher than 20 million euros. Tender bids were to be submitted until April 27th 2006. According to the clause in the tender, government of Macedonia was not obliged to sell the TPP, i.e. in case if none of the offers was satisfactory, government can cancel tender procedure.

Seven companies had submitted bids: Austrian "EVN", Austrian "Verbund", Russian "Inter RAO", Ukrainian "TPP Bela Crkva", Canadian "Hatch" and "Energy Resources Inc", and local company "Feni". Tender commission has rejected the bid of Macedonian company "Feni industry" due to reported annual incomes of company below 200 million euro in the last two fiscal years. The bid from Ukrainian company Bela Crkva was also rejected, due to incomplete tender documentation.

By the end of May 2006, government of Macedonia decided that Austrian "EVN" will become new owner of TPP Negotino. The decision of official winner in the tender was to be confirmed after parliamentary elections.

"EVN" has offered 4 million euros in cash for TPP, which was the lowest offer in the tender offered by five companies. On the other hand, "EVN" has offered to invest 751 million euros in the TPP (planned increase of output from 200 to 955 MW). That was by far the best investment part of the bid in the tender, which decided the winner. Austrian company "Verbund" has offered 480 million euros, Canadian "Hatch" offered 325 million euros and Russian "RAO EES" offered 31 million euros for the TPP. A Canadian company "Energy resource" was disqualified in the tender due to irregularities in financial reports submitted in the bid.

Soon after government revealed their intentions to sell TPP to EVN, serious accusations regarding tender procedure came from participants in tender procedure, opposite political parties and local papers. Canadian company "Energy resources" said that tender was framed so that EVN (owner of Power utility of Macedonia – Distribution (ESM)), could become the winner in the tender. "Energy resources" accused government of Macedonia for breaching the tender rules. According to "ER", "EVN" did not submit bank guarantees for offered cash and investments for TPP, and also, "ER" claimed that "EVN" has demanded from government to change some tender conditions, implying that "ER" was unjustly disqualified from the tender. ER has offered 973 million euros of investments for the TPP, and it has provided bank guarantees of 100 million euros, unlike EVN who did not submit any of bank guarantees, "ER" officials said. Government officials explained that "ER" was disqualified due to inconsistencies in financial reports. ER claimed that papers were valid, and that no one from government demanded additional data, according to "ER".

Suspicious of this kind have been explicitly written by one local paper, which said that according to original tender list, "ER" was the first ranked bidder. The tender list was suddenly changed by Minister of economy, paper said.

Another Canadian company that participated in the tender, the "Hatch", also expressed doubts regarding the regularity of the tender. "Hatch's" officials also said that EVN has submitted incomplete tender documentation. They added that EVN did not present business and investments plans, while in the same time, EVN demanded several concessions from the government.

But this was not the end of the problems for "EVN". The Energy commission of political party VMRO-DPMNE, the winner on the parliamentary elections, confirmed that new government would carefully examine the tender procedure for privatization of TPP Negotino and that it would not rush with signing of privatization contract. VMRO was strongly opposed an idea for sale of 100 % of shares in TPP Negotino, and they confirmed that they did not change their point of view on this issue. As a reminder, VMRO was also against the sale of ESM to EVN.

Macedonia's Antimonopoly commission confirmed that potential purchase of TPP Negotino by Austrian EVN would lead to the monopolistic position of this power company in Macedonia.

There was no other solution than to put privatization of TPP Negotino on hold for the first time. Decision to cancel current tender procedure was made in October 2006, along with decision to open new one by the end of November 2006. The government explained the tender cancellation by several omissions and by unsatisfactory offers in financial and technical terms. It has also been decided that main criteria will be cash offer, instead of amount of investments.

On December of 29th 2006, government of Macedonia has launched new international tender for sale of 100 % of shares of TPP Negotino. There were certain changes in tender procedure, which were made to avoid possible accusations from current opposition parties and avoid possible energy supply crisis. According to tender terms, the future owner of the TPP will be obliged to offer electricity produced in TPP to Macedonia first, at the market prices. In the same time, strategic investor will be also obliged to build new 300 MW power plant in the site of TPP Negotino and to invest 400 to 500 million euros. The construction was to start six months after signing the privatization contract and the new plant should be finished in period of four years. Tender rules did not define whether the new unit would be natural gas or coal fired. The interested investors will need to have annual turnover of 400 million euros in the last three years and cumulative profit of 200 million euros in the same period. Also, interested companies would need to present positive audit reports. The minimal price for TPP demanded by the government was set to 38 million euros. Deadline for bid submission was set to 10th of February, 2007th

18 companies have submitted bids for purchase of TPP Negotino and, until middle of March 2007, 15 companies were selected for participation in tender procedure by tender commission. Those were: Finmeccanica (Italy) in cooperation with RAA (Hungary) and SEI (Italy), Shikoku and Mitsui (Japan), consortium led by Mott MacDonald (Great Britain), Hatch (Canada), Verbund (Austria), Siemens (Germany), Union Fenosa (Spain), Electrabel (Belgium), Edison (Italy), EVN (Austria), AES (Untied States), Enel (Italy), Sencap consortium led by PPC (Greece), RAO EES (Russia) and RWE (Germany). By the end of May, 8 companies decided to continue with tender procedure. Government of Macedonia has prolonged deadline for submission bids in the tender until July 20th. The tender was prolonged after five companies demanded time for additional analyses.

On 20th of July, only 4 bids were received. The Greek-USA consortium "Sencap" offered the highest amount of 68 million euros and offered to build new 600 MW power plant. Canadian – Great Britain consortium "Hatch and MacDonald" offered 61.7 million euros and offered to build new 500 MW power plant if it was coal fired, 210 MW if it was fuel oil fired and 350 MW plant, if the plant was natural

gas fired. The Austrian "EVN" offered 20 million euros and proposed to build 790 MW plant. According to sources, Austrian "Verbund" did not submit financial offer but only the letter of intention.

By the beginning of August, Macedonian government decided that the consortium Hatch (Canada)-Mott MacDonald (Great Britain)- Finance engineering (Bulgaria)- Unit investment (Holland) is the winner of the tender. Consortium announced to build gas pipeline for supply of TPP.

Vice Prime Minister Zoran Stavrevski explained that "Hatch" offered to build 500 MW unit and to upgrade the existing unit at 350 MW gas fired plant determined the winner. He added that "Hatch" should officially become the owner by the end of the month, after expiration

But, like the first tender procedure, this one also could not pass without problems and accusations from opposition, media and other bidders. The second ranked bidder, the "Sencap" announced it would file the complaint regarding the tender outcome, claiming it lost the tender unfairly. In the official press release, "Sencap" said its offer was 6.2 million euros higher compared to "Hatch", while it also offered to build 100 MW larger power plant. Official of "Sencap" also warned that the upgrade of the existing unit was not the original tender condition, and according to vice Prime Minister statement, that was vital for them being outbid by "Hatch".

Officials from opposition party SDSM claimed the overall investment offered by "Sencap" was 669 million euros, comparing to 561.7 million euros offered by "Hatch". SDSM said the tender was the corruption scandal, which involved Prime Minister Nikola Gruevski and former Bulgarian energy minister Miroslav Servliev. SDSM also said the "Hatch", under current laws, could not build the gas pipeline. Spokesman of the government denied such claims, saying that when former government, led by SDSM, sold the TPP for only 4 million euros to "EVN", no one spoke about the corruption scandal.

In the end of August 2007, the government of Macedonia dismissed an appeal submitted by "Sencap", so that consortium led by Canadian Hatch officially became the owner of TPP Negotino. When it seemed that privatization is finally over, "Hatch" has requested from Government of Macedonia the extension of deadline for submitting the necessary documents related to signing the final contract. The government demanded from consortium to submit the latest reports from trade registry from countries of origin and to define the ownership share in consortium. Request was granted. But, questions were asked: "Why weren't these papers requested before decision to sell the TPP to "Hatch", and why were they not disqualified due to incomplete documentation?" These documents were supposed to be delivered within the original bid.

The additional suspicion regarding tender was raised after minister of economy Vera Rafajlovska confirmed she did not meet any of officials from Hatch, where representatives of Bulgarian company "Finance Engineering" represented consortium during the tender procedure. Later on, she said that she would not sign any contract until the winning consortium presented valid documentation. Macedonian press even implied that Hatch's participation in consortium was rather questionable, while Bulgarian company could be the leading member of consortium. Claims were intensified after opposition SDSM party said the government intends to sell TPP Negotino to unknown Bulgarian company.

On 30th of October, the government decided to cancel the tender for sale of TPP Negotino. Before this decision, the government cancelled a sale of TPP Negotino to the consortium led by "Hatch". Official explanation was: incomplete documentation. Government explained that the abovementioned decision was in accordance to

tender rules, where government had a right to cancel the tender in any moment.

Currently, it can not be predicted when new tender procedure will be announced. In recent months, Macedonia is experiencing low level of hydro production, due to insufficient rainfall. TPP Negotino was recently in operation and Macedonia has published tender for urgent, unplanned electricity import. Official government statement is that TPP Negotino is needed in order to preserve energy stability in the country.

## News:

### PEOP meeting delayed, Serbia and Romania argue over the reasons (Region)

Minister of energy and mining of Serbia Aleksandar Popovic denied claims of state secretary in the Romanian Ministry of Economy and Finance Viorel Palasca quoted by Romanian press, which said that the meeting on Pan European oil pipeline (PEOP) had been postponed due to political instability in Serbia.

According to Romanian press, after government resigned, Serbia failed to establish its official delegation to attend the meeting. The meeting should have taken place in the end of March.

Popovic's explanation of the delay is the Romanian request due to NATO summit, which is going to be held in Bucharest on April 1-4. Serbian minister said the PEOP meeting should take place on April 14.

During the meeting, Romania, Croatia, Serbia and Italy should establish company that will be in charge for construction of PEOP. The pipeline should be 1,400 km long and it should transport 60-90 million tons of crude oil from Black Sea region to Central Europe. The cost of the project is estimated at 3.5 billion dollars.

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### Turkish Prime Minister promised Albania gas pipeline (Albania)

In official visit to Albania, Turkish Prime Minister Recep Tayyip said: "The promise made to Albania for laying in its territory a branch of the gas pipeline that starts from the Caspian Sea and traverses Turkey, Greece to Italy is still valid."

Premier Erdogan pledges support for EGL Consortium project for gas pipeline in Albania

In this framework, Albanian Prime Minister Sali Berisha welcomed the readiness of Premier Erdogan in boosting the cooperation between Turkish gas company BOTASH and EGL Consortium. The help of Turkey is very important and welcomed, the Premier said.

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### **Further investments in Albania – Bankers Petroleum (Albania)**

Canadian-based oil and gas exploration and production company "Bankers Petroleum" announced a three-year investment program in Albania, estimated at 370 million dollars. "Recognizing the size of Patos Marinza and Kucova heavy oilfields in Albania, Bankers' board of directors decided in its three-year plan to focus its resources on maximizing the potential of these very important assets" the company said. Abby Badwi, Bankers Petroleum chief executive, says output is projected to reach more than 10,000 barrels a day in 2010 and eventually to as much as 25,000. The company hopes to acquire remaining wells at Patos Marinza that are operated by Albpetrol.

"Bankers Petroleum" is seeking Albanian government approval to expand its heavy oil recovery activities in Albania and to restructure its US subsidiary into a separate entity.

Bankers will be completing the evaluation of its recently acquired Kucova field in Albania and will disclose details of its capital program and reserves assessment by the end of the second quarter of 2008.

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### **Court rejected the request of small shareholders for stopping the project in TPP Gacko (Bosnia and Herzegovina)**

First-degree court in Trebinje rejected the request of five investment funds regarding the stopping of all activities in the project for construction of unit 2 in the thermal power plant (TPP) Gacko.

The judge concluded that funds could not incur irrevocable damage having in mind that Power utility of Republic of Srpska (ERS) owns the assets that will be used for paying the compensation request if investors win a lawsuit against ERS.

The investment funds Euroinvestment, Zepter, BLB profit, Bors invest fund and VB fund own the shares in the TPP. They demanded that all activities in the project should be frozen until the disputes between them and the majority owner were solved.

The unit 2 will be built by the joint venture company established by ERS and Czech CEZ. The funds claims that, after the signing the strategic partnership, their legal rights were violated and that their investments in TPP were made worthless. In the same time, confidence of investors in entire RS was disturbed, funds said.

The representative of CEZ in Bosnia and Herzegovina (BiH), Josef Heisek, sent an open letter to media in the country. According to Heisek, CEZ is the serious and long-term investor that obeys its obligations. CEZ supported ERS during the latest court dispute by providing the legal help, and CEZ promised further help and support.

By signing the joint venture agreement in May last year, CEZ announced to invest 1.4 billion euros in the project, by which it became the largest investor in BiH.

The joint venture company called New power plants of RS (NERS) will be responsible for preparation of the project for construction of new unit, reconstruction of existing unit and opening of new coalmine.

In the related news, TPP Gacko reported 7.9 million euros of losses in 2007. Overall incomes reached 40.2 million euros, while overall expenses stood at 48.7 million euros. Overall active capital of the

company stood at 199 million euros on December 31, 2007, while capital stood at 173 million euros.

The long-term liabilities of the company reached 9.6 million euros, while short-term liabilities reached 12.6 million euros.

TPP Gacko is majority owned by Mixed Holding of ERS (65 %), Pension fund of RS (10 %) and Euroinvest fund (7.2 %).

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### **New announcements for construction of wind farms (Bosnia and Herzegovina)**

The head of Kupres municipality Stjepan Herceg confirmed that one Austrian company had expressed interest for construction of wind farms on Kupres highland.

According to spatial plans of the municipality, the construction of wind farms is envisaged. Herceg said that wind measurement equipment, installed last year, showed favorable results so that municipality should try to find investors willing to invest in wind power production. The concession agreements should be signed for period of 25-30 years.

In the related news, Drvar municipality confirmed that several foreign and local companies expressed interest for wind power researches. The researches are aimed to determine the wind power potential in the municipality.

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### **Unit 5 in TPP Tuzla put in operation (Bosnia and Herzegovina)**

In mid March, unit 5 (200 MW) in thermal power plant (TPP) Tuzla, the largest TPP in the country (779 MW), was put in service after completing the capital overhaul. The cost of the project reached some 45 million euros and the renewal lasted for 18 months. The project was considered as one of the most complex and the largest projects in the country after the war. The project was almost 100 % funded by the Power utility of Bosnia and Herzegovina (EP BiH)

The renewal of unit 5, which was originally commenced in 1972, should increase its efficiency and reduce environmental pollution. EP BiH hopes that new unit should be foundation of company's plans related to electricity export.

The unit should produce some 1 TWh of electricity per year during next 15 years, for which some 1.5 million tons of coal per year should be spent. The overall electricity production of TPP Tuzla should reach 4 TWh per year after putting unit 5 in operation.

Director of TPP Tuzla, Fadil Nadarevic, confirmed that 85 % of boiler installations had been replaced during the renewal. In addition, new turbine regulators, new management systems and new coal ash transport system have been installed too.

The management of EP BiH and TPP Tuzla still needs to decide whether to decommission or to build replacement capacity for two old 32 MW units, which were put in service in 1960s. If the replacement capacity was built, it should be used for providing services for the TPP.

During the occasion, minister of energy of Federation of BiH, Vahid Heco, announced that construction of new unit near Banovici coal-mine (which provides coal for TPP Tuzla) should start soon. Heco explained that such project would avoid transport costs for the future power plant.

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### **Oil refinery in Brod posted 32.5 million euros of losses in 2007 (Bosnia and Herzegovina)**

Oil refinery in Brod reported 32.5 million euros of losses in the last year. Overall income of the company reached 10.7 million euros, while overall expenses stood at 43.4 million euros.

On December 31, 2007, overall active capital stood at 264 million euros, while overall capital of the company stood at 99 million euros.

According to the unconsolidated financial report, the long-term liabilities in the last year reached 57.5 million euros, while short-term liabilities reached 99 million euros.

The oil refinery is majority owned by Russian company Nefte-GazInkor (79 %).

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### **KazTransGaz had talks with EP BiH (Bosnia and Herzegovina)**

General Manager of KazTransGaz Yessenali Ussenov visited Bosnia and Herzegovina (BiH) and had talks with the management of Power utility of BiH (EP BiH).

General Manager of EP BiH Amer Jerlagic and Ussenov discussed possible cooperation between two companies.

Jerlagic confirmed that EP BiH, despite the current public mood, has been preparing for the start of construction of eight new power plants. According to Jerlagic, preparations for construction of unit 8 in thermal power plant (TPP) Kakanj are in progress, where the next step will be making the feasibility study.

As a reminder, in a tender held last year, the government of Federation of BiH selected KazTransGaz to be a strategic partner in a project for construction of 250 MW unit in TPP Kakanj.

Head of KazTransGaz pointed out that KazTransGaz, as one of the largest state owned companies, is involved in three large projects, the worth of which is 14 billion dollars.

Ussenov said that KazTransGaz wants to establish joint venture with EP BiH in order to enter European market. KazTransGaz will employ the latest technologies, in accordance to EU environmental standards, for construction of new unit.

The tender procedure for selection of strategic partners for construction of new power plants was postponed in February this year. At the time, parliament decided that the government should perform additional analyses and studies related to the projects. The government also selected Austrian APET Group and German EnBW to be strategic partners in other projects.

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### **EFT presented TPP Stanari project to potential partners (Bosnia and Herzegovina)**

According to the latest announcements, EFT could select subcontractors in the project for construction of thermal power plant (TPP) Stanari by the mid 2008.

This was said by the director of EFT-Coalmine and TPP Stanari Stevan Loncar during the presentation of the project to potential subcontractors. The presentation was attended by 15 companies from the region, such as Rade Koncar (Croatia), Dalekovod (Croatia), Dalekovod TKS (BiH), IBE (BiH), Rudis (Slovenia), Montavar Maribor (Slovenia), Termoelektro (Serbia), Starbag (Austria) and Tuzla Putevi (BiH).

Loncar explained that EFT was seeking for construction and engineering companies, as well as trained electrical, mechanical, geological and hydro geological engineers. It is expected that some 3,000 people would be employed during the construction of the TPP.

EFT reiterated that the project for construction of 420 MW power plant has been developing in accordance to plans and that the plant should be operational in 2012.

The cost of the project should reach 650 million euros, and TPP should be built in accordance to highest EU standards. The construction of the TPP's foundations should be completed by the end of the year.

Until the TPP was operational, coalmine Stanari should produce 600,000 tons of lignite per year. Once the TPP was operational, annual production should reach 3.2 million tons.

In the related news, the ministry of economy, energy and development of Republic of Srpska (RS) confirmed that EFT paid one time concession fee of 1.8 million euros. The payment is in accordance to recently signed 30-year concession contract for construction and operation of TPP Stanari signed on February 25.

The TPP Stanari project was recently analyzed by NGO European stability initiative (ESI) which said that use of coal in energy sector in BiH could be very beneficial for the country. The project in Stanari is considered as one of the most important projects in energy sector, ESI concluded in its report.

§ § §

### **EP BiH posted 5.8 million euros of profit in 2007 (Bosnia and Herzegovina)**

According to the unconsolidated financial report, Power utility of Bosnia and Herzegovina (EP BiH) posted 5.8 million euros of net profit in the last year.

Total income reached 388 million euros, while total expenses stood at 382 million euros. Overall active capital of the company on December 31, 2007 stood at 1.8 billion euros, while overall capital stood at 1.42 billion euros. In the last year, long-term liabilities of the company were 124 million euros, while the short-term liabilities amounted to 238 million euros.

§ § §

### **Possible revision of concession contracts for small HPPs (Bosnia and Herzegovina)**

The officials from Concession commission of Republic of Srpska (RS) announced that some 100 of concession contracts for construction of small hydropower plants (HPPs) could be cancelled due lack of progress. The overall worth of projects is some 100 million euros.

According to Commission, large number of concessionaries both did not start the projects and tried to resell concessions. By the end of April, the Commission should perform analyses of all particular contracts and possibly propose to the government to cancel some contracts. Commission said that only 25 % of the investors managed to continue with the projects.

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### **Government to reconsider concession contract signed with HES consortium (Bosnia and Herzegovina)**

The government of Republic of Srpska (RS) should once again reconsider the controversial concession contract for construction of hydropower plants (HPPs) near Banja Luka. The main concern of the government is ecological impact of the project, but also the potential lawsuit of the concessionaire due to delays in the project.

The 25-year concession contract, signed in 2004 between government of RS and consortium HES Vrbas, is related to construction of HPP Krupa (48.5 MW) and HPP Banja Luka Niska (37.2 MW). The cost of the project is estimated at 170 million euros. The project was in standstill ever since due to ecological reasons.

According to recent announcements, the government should establish experts' team that should analyze technical details of the project.

The project was first time revived in August last year, after government invited HES to reconsider changes in the project. At the time, the government proposed construction of only HPP Krupa with lower power output, while the construction of HPP Banja Luka Niska should have been postponed until indefinite time.

On the other hand, HES Vrbas claimed at the time that government failed to give its official opinion on the project, which caused delays and losses for the consortium.

The Prime Minister Milorad Dodik believes that granting the concession contract to HES was irresponsible and that current government has to correct someone else's mistakes. Dodik said that HES was hoping that government would disapprove the project, after which they would file a lawsuit against the state. Dodik announced that government could once again offer to HES to reduce the size of the project.

Local press reported that the management board of HES was against the establishment of experts' team and demanded from the government to give official opinion on the project after which the project could be started. Officials from HES said they want continuation of the project, but if the government continued to obstruct their plans, HES would demand compensation from the state. According to concession contract, all disputes are supposed to be solved in Geneva court.

§ § §

### **Possible increase in tariffs for electricity produced in small HPPs and small wind farms (Bulgaria)**

The State Energy and Water Regulatory Commission (SEWRC) proposed an increase in tariffs for electricity produced in small hydropower plants (HPP), with up to 10 MW, and in small wind farms, with over 0.8 MW. National electric company (NEK) purchases the electricity produced in these power plants.

The proposed rise in tariffs is 6.25 % and 18.6 %, respectively. It was not said when the price increase will take place. According to the proposal, the price of electricity produced in small HPPs will reach 4.9 eurocents/kWh, while the price of electricity in small wind farms, which have been in operation up to 2,250 hours, will reach 9.5 eurocents/kWh.

The electricity tariffs for biomass and solar power plants will stay at 40 eurocents/kWh and 11 eurocents/kWh, respectively.

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### **Electricity export to Macedonia (Bulgaria)**

According to Bulgarian media, National electric company (NEK) should export electricity to Macedonia in period March-June. NEK should deliver electricity at price of 44-52 euros/MWh.

The electricity will be delivered in accordance to the agreement for construction of 400kV interconnection power line Stip (Macedonia)-Cervena Mogila (Bulgaria). According to the agreement, Macedonia had signed loan contract with EBRD, while Bulgaria was obliged to deliver electricity to Macedonia.

Macedonia recently launched new tender for additional import of 300 GWh of electricity. Macedonia decided to import 210 GWh at average price of 86.2 euros. The electricity will be delivered by EFT, Rudnap (Serbia), Vivid Power (Bulgaria) and GEN (Slovenia).

Starting from March, Bulgaria decided to lift electricity export ban, after which the electricity export reached some 400 MWh/h. The NEK announced plans for additional electricity export to Kosovo, but the realization was postponed due to political reasons after Kosovo declared independence from Serbia.

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### **Maritsa Iztok coalmine to deliver some 1 million tons of coal to PPC (Bulgaria)**

CEO of Maritsa Iztok mining company, Ivan Markov, confirmed that Greece's Public power corporation (PPC) plans to purchase 0.8 -1.2 million tons of coal. The negotiations on the coal supply agreement have lasted for three months.

He said this during the official start of coal production in the new coalmines in the basin, which have overall reserves of 200 million tons. The project included dislocation of river Ovcharica and construction of 2 large and 2 small dams and 31 km of water canals. The overall investments in this project reached 250 million euros. Markov announced that some 3 million euros would be invested in ecological projects in this year.

According to estimations, with new coalmines, the company would be able to increase annual coal production from 23 million tons up to 28-32 million tons in the next five years, due to renewal of exist-

ing power plants in the area. The company plans to produce 33-35 million tons of coal per year after the new power plants were built in basin.

From the beginning of the year until mid March, Maritsa Iztok mines produced 5.45 million tons of coal, which was 7 % higher compared to same period last year. In 2007, the company reported record annual production of 23.9 million tons, which was 12 % higher than planned. In 2008, the company plans to produce 23.1 million tons of coal.

Recently, Maritsa Iztok mining company requested 14.09 % increase in coal prices, and the request is expected to be approved in April or in July.

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### **Kovachki interested in both Sofia heating company and TPP Bobov Dol (Bulgaria)**

Local businessman Hristo Kovachki expressed interest in privatization of Sofia heating company. He called for privatization model that would allow participation of local companies in process of privatization of power companies. Kovachki quoted several examples of unsuccessful privatizations, where only foreign companies were allowed to take part.

Kovachki owns several coalmines and heating companies in the country. He plans to take part in privatization of thermal power plant (TPP) Bobov Dol and construction of new TPP in Maritsa Iztok coal basin.

Recently, Bulgarian Privatization agency announced auction for sale of TPP Bobov Dol. The initial price was set at 51 million euros, and the bidders will be allowed to place bids in increments of 250,000 euros. The public auction will be open both for electricity producers with 5 TWh annual sales and for local coal producers. Kovachki, which owns Bobov Dol coalmine under lease contract, plans to build two 200 MW units in TPP Bobov Dol if he wins an auction.

Kovachki also had negotiations with foreign investors regarding the project for construction of new TPP in Maritsa Iztok coal basin, but the negotiations are frozen now. Enel, AES, E.ON, RWE, CEZ and EVN expressed interest for this project.

Kovachki has been awaiting the publishing criteria for the project, and there is an option for him to enter the project alone.

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### **RWE to become leading investor in NPP Belene project (Bulgaria)**

According to sources quoted by several Bulgarian media, German RWE, one of the two final bidders in the tender for strategic partner in future nuclear power plant (NPP) Belene (2,000 MW), should become leading investor in the project.

Recently, Bulgarian selected RWE and Electrabel to be the finalists in the tender for acquiring 49 % stake in the future NPP. Sources said that two candidates have been negotiating on sharing the minority stake, where leading investors would be RWE. The cost of the project is estimated at 4 billion euros.

Sources say that RWE could offer 400 million euros in investments right away, which would enable start of the project. The RWE's offer

is considered as favorable having in mind global credit crisis. On the other hand, RWE denied commenting the latest speculations.

Bulgaria should also select the banks that should provide loans for the project. Russia recently offered to finance the construction of NPP Belene, which was rejected by Bulgaria.

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### **Tender for new power plant in Maritsa Iztok basin to be initiated (Bulgaria)**

In the next couple of months, Bulgaria should select advisor in the project for construction of new 600 MW power plant in the Maritsa Iztok coal basin. This was said by Ivan Markov, executive director of Maritsa Iztok mining company.

The advisor's task will be preparation of tender criteria and selection of strategic partner in the project. So far, the interest for construction of new power plant was expressed by Enel, E.ON, RWE, CEZ, AES, EVN as well as local tycoon Hristo Kovachki.

The construction site of the future thermal power plant (TPP) is yet to be decided. The proposal for construction of new plant was approved in the last year. According to initial plans, the future investors will be obliged to use the latest ecologically sound technologies. The investor, with minimum of 750 million euros of turnover in the last five years and 1,000 MW of installed power output, will be also obliged to sign long-term coal supply agreement with Maritsa Iztok mining company.

Deputy minister of energy Galina Tosheva believes the selection of investors should be finished by the end of the year.

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### **13.25 % increase in gas prices, Bulgargaz demanded 32 % increase (Bulgaria)**

State Energy and Water Regulatory Commission (SEWRC) approved 13.25 % increase in natural gas prices for households starting from April 1. The new price will rise up to 212 euros/1,000 cbm (no VAT).

On the other hand, national gas company Bulgargaz earlier demanded even 32 % increase in prices due to higher oil prices and inadequate tariffs in the first quarter of this year. In the last year, Bulgargaz demanded 25 % increase starting from January, but SEWRC approved 9.8 % increase in January and additional 10 % increase from April.

Bulgargaz has been considering an option for filing the lawsuit against this decision. According to earlier claims of Bulgargaz, the company should post some 30 million euros of losses in the second quarter, if their request was not approved.

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### **Gorna Arda hydropower project to be revived (Bulgaria)**

Bulgaria should revive construction of Gorna Arda hydropower complex and Tundza dam after seven years of standstill. The issue was discussed during the visit of Turkish Prime Minister Recep Tayyip Erdogan to Bulgaria. The head of Turkish company Ceylan,



which was originally involved in the project, was a member of Turkish delegation.

According to one option, Hydro Energy Company Gorna Arda (HEK Gorna Arda), originally co-owned by NEK (69.9 %) and Ceylan, could remain in charge for the project. Sources from Bulgarian parliament said that negotiations to exclude Turkish companies from the project were under way.

Hydropower complex was originally designed to provide additional electricity for Bulgaria, while Tundza dam should prevent flooding the Turkish city of Edrine.

In 2007, legal successor of Ceylan, the CG Insaat Sanayi Yatirim Ve Turizm, filed a lawsuit at the International Court of Arbitration in Paris claiming 75 million euros of compensation from National electric company (NEK) saying the NEK failed to carry on with the Gorna Arda project and tried to include new strategic partner in the project.

The Gorna Arda project was initiated in 1998 under power-for-infrastructure cooperation agreement signed by Bulgaria and Turkey. According to agreement, Turkey and Bulgaria were obliged to invest in infrastructure projects. In the same time, Turkey was obliged to import electricity from Bulgaria, while Turkish companies were supposed to take part in infrastructure projects.

Bulgaria claimed the project failed due to bankruptcy of Turkish partners. In 2003, Bulgaria selected Enel to be strategic partner in the project, but Enel did not want Ceylan as subcontractor.

The continuation of the project was recently announced by NEK. The power output of the hydropower complex should be 156 MW and the project should be completed by 2014. Enel, Statkraft, Alpine Bau and CEZ expressed interest for Gorna Arda project.

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### **Saab could build waste-fired TPP (Croatia)**

According to Croatian media, Swedish concern Saab could build waste-fired thermal power plant (TPP) in Croatia through offset program within the project for acquisition of new fighter airplanes. The Saab is the owner of Gripen International, the company who is one of the candidates for providing the new airplanes for Croatian army.

The winner in this tender will be obliged to invest at least the same amount of money, which is to be paid by Croatia for the purchase of airplanes, through an offset program.

According to estimations, Croatia should pay some 700 to 800 million euros for purchase of 12 fighters.

The cost of the construction of the waste-fired TPP should reach 250 million euros. Saab recently presented to Croatian media the similar TPP in Sweden, which is 30 % owned by Saab. In the same time, Swedish company did not want to reveal the nature of their offset investment program in a tender for delivery of fighters.

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### **40 million euros to be invested in biomass power plant (Croatia)**

Austrian-Croatian company Bioenergana Vukovar plans to start construction of biomass power plant in industrial zone of city of Vukovar in 2009.

The power plant should be built on 3.2 hectares and it should have power output of 12 MW. The cost of the project is estimated at 40 million euros, the member of the management board of the company, Zdravko Podvorec said.

The power plant would use straw as fuel source, where some 100,000 tons of straw per year will be needed. The company plans to sign 10-year supply contracts with farmers, while the electricity will be sold to Croatian power utility (HEP). The feasibility study and acquiring the necessary licenses is in progress and the power plant should be operational in 2010.

Another biomass power plant should be built in the same county. According to announcements, the residual wood-fired biomass power plant should be built in Nijemci municipality.

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### **Location of future LNG terminal to be decided soon (Croatia)**

Vice prime minister of Croatia and minister of economy, labor and entrepreneurship Damir Polancec announced that construction site of the future liquefied natural gas (LNG) terminal in Adriatic should be decided soon.

The experts proposed two sites, Omisalj on island of Krk, and bay of Raski. It is believed that Omisalj is the more suitable construction site. In the same time, the government of Croatia should select strategic partners in the project.

In this moment, Adria LNG consortium, established for the purpose of the project, is owned by E.ON Ruhrgas (31.15 %), OMV Gas (25.58 %), Total (25.58 %), RWE (16.69 %) and Geoplin (1 %). The foreign investors reserved 25% stake for Croatian companies and, according to recent announcements, Croatian oil industry (INA) should own 14 % stake, Croatian power utility should own 10 %, while natural gas transporter Plinacro should control 1 % of shares in the consortium.

During the recent meeting between INA and Adria LNG consortium, it was announced that INA could be the first Croatian company to join the consortium, which implied that open questions would be resolved very soon.

In the past, Croatia was against the option according to which foreign companies (E.ON, OMV and Total) could control 61 % stake in the project. This would enable those companies to have majority control of the project. In that time, Croatia was in favor of 76 % voting majority in the consortium.

The future LNG terminal should be built in 2011 or in 2012. The annual capacity of the terminal should reach 15 billion cbm, and the overall cost of the project (including the construction of the pipeline network) should reach 1 billion euros.

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### Speculations on location of potential NPP (Croatia)

After several leading politicians and experts said that construction of nuclear power plant (NPP) in Croatia would be almost certain in the near future, local papers started to speculate on the potential construction site.

According to the latest assumptions, the nuclear power plant (NPP) in Croatia could be built in Erdut, near city of Osijek. Idea for construction of NPP in Erdut was the first time initiated in former Yugoslavia back in 1970s. In that time, geophysical, geo mechanical, hydrological and seismological researches were conducted in the area.

According to Croatian press, construction site in Erdut was considered as one of the best in entire Europe at the time. The power output of this NPP was estimated at 4,000 MW, which is more than current overall power output of Croatia.

Critics said that hypothetical NPP in Erdut would be close to existing NPP in Hungary and close to border with Serbia, which could oppose the construction.

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### 10 % rise in income for INA in 2007 (Croatia)

Oil industry of Croatia (INA) Group has submitted official financial report for 2007 to Zagreb and London stock exchange. According to the consolidated data, the group posted 3.56 billion euros of income, which was 10 % higher comparing to previous year.

On the other hand, due to higher tax expenses, the net profit was reduced by 1.6 % down to 120 million euros.

The increase in income was the result of higher sales. In the last year, INA reported increase in sale of oil derivatives (+2.5 %), natural gas (+16 %) and crude oil (+20 %).

Chairman of the management board of INA, Tomislav Dragicevic said the company's EBDITA rose to 385 million euros. The company increased natural gas production in Adriatic as well as oil production abroad. The most important achievements were discovery of new oil field in Syria, opening of new natural gas field near Hungarian border and new exploration agreement signed with MOL. The modernization projects were continued through signing the contracts for providing equipment for oil refinery in Rijeka and finishing the first phase of modernization of Sisak oil refinery.

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### PPC determined to cooperate with RWE and Halyvourgiki (Greece)

Greek PPC has confirmed their intentions to continue with plan for joint ventures with German RWE and local steel company Halyvourgiki. PPC CEO, Mr. Takis Athanasopoulos, said that the 1 600 MW unit it plans to build in cooperation with RWE will be ready in 2012, and the other plant it hopes to build with Halyvourgiki will be ready by 2011. He also noted that he is confident that solution with workers union will be reached. He also confirmed 20 million euros losses due to strike.

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### PPC to buy coal from Bulgaria (Greece)

Mr. Ivan Markov, executive of Bulgarian Martiza Iztok mines confirmed that PPC plans to buy 800 000 tons of coal. The last batch will be shipped by the end of October this year, he added.

According to Mr Markov, talks on coal purchase have been ongoing for three months. PPC is interested in buying between 1 million tones and 2 million tones a year. The purchased coal will feed the company's power plants in northern Greece.

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### Sale of remaining common nominal shares in Hellenic Petroleum (Greece)

Hellenic Petroleum S.A. announced that starting date for sale of remaining common nominal shares (not sold during the period from 20.12.2007 till 19.2.2008) is set to be March 26, 2008. The number of remaining common nominal shares (shares not deposited for dematerialization, as well as shares originating from company acts and issued in an intangible form in favor of the beneficiaries of tangible nominal shares), which were not sold during the mentioned period, amounts to 304 917 shares.

Eurobank EFG has been appointed as the competent member of the Athens Stock Exchange to carry out the sale of these shares.

The net revenue from the sale, following the deduction of any costs and taxes, shall be deposited in favor of the beneficiaries at the Deposits and Loans Fund.

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### PPC profit increased by 200 million euros (Greece)

Greek Public Power Corporation presented to public their financial report for 2007. According to report, net profit grew to 222.3 million euros, comparing to 22.1 million euros in 2006. Capital expenditure amounted 856 million euros, comparing to 713 million in 2006 (20% increase). Total revenues amounted to 5.15 billion euros, comparing to 4.75 billion in 2006.

In last quarter of 2007, hydro production has decreased by 49.8%, comparing to 2006, which had negative impact estimated at 208 million euros, on the 2007 financial results, compared to the financial results of 2006. This large decrease is resulted by increased usage of natural gas and unplanned imports.

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### New regulations regarding wind farms construction (Macedonia)

Government spokesman Ivica Bocevski said that, within two months, Ministry for Economy will publish exact directions and requirements for building wind farms in Macedonia. Document will be available for investors on Ministry of Economy website.

He also noted that new regulations will ease legalization process, in order to attract more investors. According to sources, energy produced from future wind farms must be offered to Macedonian market, and it can be exported only if no interest is shown. Accord-

ing to ministry, few large companies already showed interest in construction of wind farms in Macedonia, but their names were not revealed.

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### **Deadline for "Cebren" and "Galiste" prolonged (Macedonia)**

Government of Macedonia has decided to prolonge deadline for bid submission for construction of HPPs Cebren and Galiste. New deadline has been prolonged from 28st of March to 30th of April 2008, 10:00 hrs. These two HPPs might have more than 500 MW, total, and both will be built on river Crna Reka. Annual production of these two new HPPs is predicted to be more than 1000 GWh/year.

According to government, decision has been made on request of two companies, qualified in bidding procedure, and in order to gain better transparency of privatization process, which is very popular question in Macedonia. As a reminder, almost every privatization in Macedonia is escorted with accusations from opposite political parties. Currently, opposite SDSM is accusing government for being in favour of "RWE".

Companies qualified for tender procedure are "RWE", "Verbund", "Enel", "Edison" and "Statkraft".

In related news, Vice president of German "RWE" has announced it is willing to invest 500 million euros in next 7 years, if it wins tender for HPPs "Cebren" and "Galiste". Vice president of RWE has also revealed plans for joint management of HPP Tikves with EVN.

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### **4 companies selected for electricity import (Macedonia)**

Macedonia will purchase 210 180 MWh instead of planned 300 000 MWh until end of 2008 with average price of 86.12 euros per MWh, which will cost 18.1 million euros. This price is around 5.9% lower than previous purchase, and 95% is day energy.

From 9 companies, MEPSO has selected 4. Qualified companies are: Swiss "EFT", Serbian "Rudnap group", "Vivid power" from Bulgaria and "GEN-I" from Slovenia.

MEPSO has decided to import lower amount of energy than previously planned 300 000 MWh, due to construction of new 400 KV line with Bulgaria. MEPSO plans to import energy through this line from June, by price of 44.24-52.04 EUR/MWh.

There were disputes regarding finance for this import, since Ministry of Finance said that it has no intentions to change budget for 2008, and noted that MEPSO needs to provide funds. But, MEPSO officials said that decision for urgent import was not brought by them, and that government is responsible for funds since decision was their.

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### **Disconnections due to unpaid debts (Macedonia)**

Due to unpaid debts, EVN has disconnected a water processing station, leaving cities Ohrid and Struga without water supply. Total debt of processing station Proaqua (In Ohrid) is 1 million euros. EVN also announced that it will disconnect all water processing utilities until debts are paid. 18 public companies, mostly water processing

were disconnected due to unpaid debts. Medical facilities also have large debts, but they were not disconnected.

EVN has also disconnected energy to 5 villages, since most bills were not paid for several years (some of them for more than 10 years). 4 of 5 villages had no paid bills at all. Energy has been disconnected on middle voltage side, since there was a risk that residents might attack EVN workers while disconnecting only those who did not pay their bills on low voltage grid. According to sources, some residents did not allow EVN workers to see their meters and account spent energy. 3 of 5 villages were connected to network after 5 hours. 15 villages are planned for disconnection.

On 19th of March, EVN has announced that it will disconnect "Ohis" from grid in period of 30 minutes, as a warning for unpaid debts. That could be large problem for "Ohis", since chemical stored in their facilities must be maintained in constant temperature. Total debt of "Ohis" is estimated to 600 000 euros, for 2 years of unpaid electricity. Management of "Ohis" has presented their offer to immediately pay their debt for February 2008, and the rest of the debt will be paid by government. Management of "Ohis" also promised that, in future, they will pay their electricity bills on time. "Ohis" is producing chemicals for water processing.

It is estimated that total debt to EVN is around 15 million euros. EVN has reached an agreement with most of the companies and residents in disconnected villages.

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### **EVN announced complains to court regarding electricity bills accusations (Macedonia)**

EVN has announced complain against Anti Monopoly commission. Anti Monopoly commission said that EVN has accounted fix expense (6 Macedonian denars) two times per each bill, earning 90 000 euros by month more. EVN claim that, by law, Anti Monopoly commission can not determine penalty to EVN since there was nothing against the law in electricity bills.

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### **Electricity production results in first two months of 2008 (Macedonia)**

According to official statement, ELEM has produced 19.14% of entire planned production in 2008, in first two months. ELEM has produced 1.155 GWh. By energy plan for 2008, ELEM will produce 6.035 GWh in 2008. TPP Bitola had 99.35% of planned production, while TPP Oslomej had 104.2%. HPPs had lower scores, 77.34%.

Entire production is 4.46% lower than planned, due to low water level.

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### **Austrian Wasimpex willing to build power plant in Bar port (Montenegro)**

Austrian company Wasimpex is ready to invest 1.9 billion dollars for construction of natural gas fired power plant in Bar port. According to Montenegro's press, Austrians sent a letter of intent, which included economic justifiability of the project, to the prime minister

Milo Djukanovic and the minister of economic development Branimir Gvozdenovic.

The power output of the plant should be 1,200 MW and it should be built over 200 hectares. Austrians requested from the government to lease a land for the plant (with option for buying it) for period of 99 years.

The project envisages creation of 3,000 workplaces, regular electricity and natural gas supply and requires construction of power line Podgorica (Montenegro)-Elbasan (Albania) through which the power systems of Montenegro, Albania and Greece would be additionally connected.

The future power plant should be built on the seashore in Bart port. The facility would include 10 billion bcm liquefied natural gas terminal (LNG). The construction works should be completed in period of three years.

Instead of paying taxes and concession fees, Wasimpex offered payment of several million dollars per year (which should be subject of negotiation), starting a year after the plant was operational.

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### **Statkraft willing to buy shares in EPCG and to build new HPPs (Montenegro)**

Norwegian Statkraft has been expecting the announcement of the tender for privatization of Power utility of Montenegro (EPCG) or the tender for strategic partnership in particular projects. This was said by one of the leading managers of Statkraft's office in South-eastern Europe Roar Alme.

According to Alme, the model of cooperation between Statkraft and EPCG would be decided solely by the government of Montenegro.

Alme explained that Statkraft did not file a bid in the recent tender for construction of small hydropower plants (HPPs) since the company's priority in Montenegro in this moment is construction of large power plants. One of the projects of interest for Statkraft is the construction of large HPPs on Moraca River.

Statkraft's official reminded that company has great experience in construction of HPPs in terms of ecological issues, which was the result of excellent cooperation with ecological organizations in Norway in the past.

In the past period, Statkraft's officials several times expressed readiness to invest between 0.5 and 1 billion euros in electricity projects in Montenegro.

As a reminder, the government of Montenegro recently approved privatization model for EPCG according to which the company should be privatized through sale of shares or recapitalization during this year. The document envisaged that the state should keep ownership over minimum 55 % of shares in EPCG.

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### **Lukoil to increase number of petrol stations (Montenegro)**

Lukoil's subsidiary Lukoil Montenegro is involved in negotiations with several companies in order to takeover their petrol stations as well as in purchase of land for the new petrol stations.

The first petrol stations should be opened in April, while the overall number of petrol stations in this year should reach 11, CEO of Lukoil Montenegro Robert Ferluga said. Ferluga did not reveal the amount of planned investments having in mind that abovementioned negotiations are in progress.

Lukoil Montenegro was founded on October 30, 2006.

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### **Electricity production in HPPs accordance to plans in January and February (Montenegro)**

Power utility of Montenegro (EPCG) confirmed that electricity production in hydropower plants (HPPs) was satisfactory during the first quarter of this year, due to favorable hydrology.

In January, the production was 99.29 % of planned amount, and in February, this percentage reached 98.43 %. Until the mid March, HPP Perucica produced 224.5 GWh and HPP Piva 237.4 GWh. In the same time, thermal power plant (TPP) Pljevlja delivered 346.8 GWh of electricity.

The favorable hydrology is one of the reasons why the company would not import additional amounts of electricity in the incoming period, the management said.

Director of Supply division of EPCG, Sreten Gojkovic, confirmed that EPCG filed a bid for a purchase of electricity in a tender published by Power utility of Republic of Srpska (ERS). EPCG did not win in the tender. The reason for submitting the bid was not lack of electricity, yet the company wanted to achieve better price comparing to the existing supply contracts, which have a clause of +/- 20 % adjustment, Gojkovic explained.

In this moment, EPCG purchased 841 GWh of electricity in this year for which it paid 70.6 million euros. According to plans, the company should import overall amount of 850 GWh of electricity in this year. In January, EPCG imported 98 GWh, in February 67 GWh, while electricity import in the end of March stood at 88 GWh.

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### **HPP Perucica to increase power output in 2010 (Montenegro)**

Director of hydropower plant (HPP) Perucica Scepan Sundic said that after renewal of four units, reconstruction of main buildings and construction of new, eighth unit, the HPP would increase power output by 50 MW (from 307 MW up to 357 MW), while annual electricity production should be increased by 25 GWh.

The renewal works on three 40 MW units are finished, while the fourth unit should be revitalized by the end of the year. The overall cost of the project is 12.3 million euros. Power utility of Montenegro (EPCG) provided 5 million euros for hydro mechanical equipment delivered by Slovenian Rudis, while the installation works have been carried out by employees in the HPP. Electrical equipment, delivered by German Voith-Siemens, is 7.3 million euros worth, where 5 million euros was the donation of the government of Germany and the rest was provided by EPCG.

In the same time, the compensation basin and the water canals will be reconstructed in order to minimize the water losses. The savings are estimated at 48 GWh per year. This project will enable installa-



tion of eighth unit, and the cost of the project is 11.5 million euros, which will be provided by EPCG.

The reconstruction of accumulation lakes Krupac and Slano should start after the end of tender procedure for selection of the contractors. The aim of this project is also to minimize the water losses and savings in this case are estimated at 50 GWh per year. The cost of the project is 2.5 million euros.

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### **EPCG prepared the proposal for construction and reconstruction of power plants (Montenegro)**

In mid March, board of directors of Montenegro (EPCG) adopted the proposal of the procedure for construction of new and reconstruction of existing power plants in the country. The proposal should be verified by the shareholders assembly in the beginning of April.

The decision of the board came after the government of Montenegro, on March 5, obliged EPCG to provide necessary preconditions for joint venture projects and start of the project for construction of second unit in thermal power plant (TPP) Pljevlja. According to government's decision, the project implies finding the strategic partner, while the project should be financed through recapitalization or through loan arrangement. The government decided that at least 55 % of shares in EPCG would remain owned by the state, if the company were going to be recapitalized.

In the same time, the management of EPCG is obliged to decide which options for financing and realization of the energy projects envisaged by Strategy of energy development by 2025 would be the best.

According to the press release of EPCG, the company should publish the tender for selection of strategic partner that will finance construction of the unit 2 in TPP Pljevlja. Before the tender, the ownership, managerial and structural issues in TPP and coalmine Pljevlja should be resolved.

The board warned the public that lack of investments in the past as well as rise in consumption led to the deficit that amounted up to one third of overall consumption. In this moment, the state has been paying some 80 million euros per year for electricity import, which is a serious financial burden for national power system, the board concluded.

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### **Feasibility study for power cable toward Turkey to be completed in 2009 (Romania)**

The general manager of Romania's transmission system operator, Transelectrica, Stefan Gal announced that the contract for the feasibility study for the submarine power cable between Romania and Turkey should be signed in June. The study contractor should be selected in a tender, and the study should be completed in March 2009.

Transelectrica and its Turkish counterpart TEIAS have been involved in the construction of 400kV power cable. The power cable is aimed to enable electricity export from Romania to Turkey, which rise in electricity consumption reaches 8 % per year. In the same time, new submarine power cable, which should be laid down on the bottom

of Black Sea, should enable electricity exchange between Romania, Turkey, Russia, Moldova and Ukraine.

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### **Privatization of Electrica Muntenia Sud officially approved (Romania)**

On March 20, government of Romania officially approved completion of privatization of electricity distributor Electrica Muntenia Sud. The company was sold to Italian Enel in June 2007 after Enel won in a tender in June 2006. Italian company paid overall sum of 820 million euros for purchase of 50 % of shares in Electrica Muntenia Sud and for increase of capital stake up to 67.5 %.

Prime Minister Tariceanu confirmed that negotiations were made in consultations with European Commission (EC), which approved the transaction.

The completion of privatization of Electrica Muntenia Sud was requested by The Authority for State Asset Resolution (AVAS). The finalization of privatization should take place on April 15. AVAS said that several clauses, such as taxation of dividends, should be settled in April, after the transfer of ownership take place.

Italian Enel already owns two other electricity distributors in the country, the Electrica Banat and Electrica Dobrogea.

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### **Plans for construction of second NPP (Romania)**

The head of Nuclearelectrica Teodor Chirica believes that Romania will be needing second nuclear power plant (NPP) after 2020. The future NPP should have two or four units, Chirica said.

In the same time, Prime Minister Calin Popescu Tariceanu recently confirmed plans for construction of new NPP in order to diversify energy sources in the future. In last year, Tariceanu several times spoke about the necessity for construction of second NPP in the country.

In this year, Romania should start construction of 700 MW units 3 and 4 in NPP Cernavoda, where the both units should be operational by 2015. The units will be built in cooperation with Enel, RWE, Iberdrola, CEZ, Arcelor-Mital and Electrabel. The worth of the project is 2.2 billion euros.

In this moment, NPP Cernavoda with two operational units provides some 17 % of country's electricity needs.

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### **E.ON and Enel negotiate construction of 800 MW plant in Braila (Romania)**

The representative of E.ON in Romania, George Cristodorescu confirmed that E.ON and Enel have been negotiating the construction of 800 MW coal-fired thermal power plant (TPP) in Braila.

The new power plant should be replacement capacity and it should be built in cooperation with state-owned electricity producer

Termoelectrica. E.ON's official said the negotiations were still in progress.

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### **Energy Holding the largest electricity supplier and trader in 2007 (Romania)**

According to the report published by Romanian Energy Regulatory Authority (ANRE), local company Energy Holding (EH) was the largest electricity supplier both in regulated and free market in Romania in the last year. In 2007, EH has delivered 10 % of overall electricity delivered to customers in Romania and 19 % of electricity delivered in a competitive market to eligible customers.

The overall electricity delivered to the regulated and eligible customers reached 44.796 TWh, while overall electricity delivered in competitive market to eligible customers reached 22.262 TWh, the report showed.

The second ranked electricity supplier was the subsidiary of Italian Enel, who also delivered 10 % of overall electricity and 3 % of electricity in competitive market.

Aluminum producer Alro Slatina, who is also the largest electricity consumer in Romania, reported the biggest rise in the last year. Alro Slatina increased its share in overall electricity market from 0.2 % in 2006 up to 9 % in 2007. Alro Slatina was the second ranked supplier in the free market by delivering 18 % of electricity. The company's rise in both markets was consequence of acquiring the electricity trade license, which enable the company to purchase electricity directly from producers.

Electrica Muntenia Sud delivered 9 % of overall electricity supply in the country. In the same time, Muntenia Nord, Electrica Transilvania Sud and CEZ Vanzare reported 7 % market share each, while Electrica Transilvania Nord and E.ON Moldova delivered 6 % each.

As for other electricity traders, Petprod reported 7 % market share, Hidroelectrica 6 % Electrica 5 % and Euro-PEC and Buzmann Industries reported 4 % market share in the free market.

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### **1 billion euros worth sales for Distrigaz Sud in 2007 (Romania)**

Natural gas distributor Distrigaz Sud, owned by Gaz de France, expects to post overall turnover of 1 billion euros in the last year, which would be 9 % higher compared to 2006. The increase in forecasted income is the consequence of increase in natural gas prices in the last year, increase in number of customers and expanding the company's portfolio.

In 2008, company's income would depend on weather conditions and natural gas tariffs set by National Energy Regulatory Agency (ANRE), general manager of Distrigaz Sud Bernard Arnaud said.

Arnaud says the company plans to become the largest integrated electricity natural gas supplier in Romania. The company still needs to provide electricity supplies, general manager concluded.

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### **1 billion euros needed for upgrade of electricity network in Bucharest (Romania)**

Technical director of electricity distributor Electrica Serban Tudor said that capital city of Bucharest would be needing some 1 billion euros of investments in the next 4-5 years. The investments are required due to forecasted rise in consumption.

The rise in consumption is mostly boosted by the development of real state industry. The average annual rise is considerable higher comparing to national average. According to data, electricity consumption in 2007 was 2 % higher comparing to 2006.

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### **Petrom posted 461 million euros of profit in 2007 (Romania)**

According to the consolidated data, oil and gas company Petrom posted 4.47 billion euros of income in 2007, which was 3 % higher comparing to 2006. In the same time, consolidated net profit reached 461 million euros (-2 %).

The consolidated data are different to the preliminary analyses according to which overall income should have reached 3.7 billion euros, while net profit should have reached 540 million euros.

The most profitable companies within the Petrom Group were OMV Romania, which posted Earnings Before Tax (EBT) of 17.3 million euros, Petrom Gas with 15.2 million euros, OMV Bulgaria with 11 million euros, OMV Serbia with 10.7 million euros, Rafiserv with 9.6 million euros and Petrom Moldova with 7.78 million euros.

In 2008, the group plans to maintain financial results as in the last year having in mind high crude oil prices and unpredictability of national currency to euro and U.S. dollar.

The main priorities in this year will be modernization and restructuring projects where overall investments should reach 1.6 billion euros. Petrom also plans to reduce production costs by integrating the sector of petroleum services.

General manager of Petrom Mariana Gheorghe confirmed the company should take 500 million euros loan for funding the investments. The loan must be approved by the majority shareholder OMV and it should be one of the largest in Romanian market. The exact amount of the loan will depend on company's income in the incoming months, Gheorghe said.

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### **National energy company to be established by May 1 (Romania)**

President of The Authority for State Assets Recovery (AVAS) Teodor Atanasiu announced that government could approve establishment of national energy company by May 1. The project has been discussed by minister of economy and finance Varujan Vosganian and Prime Minister Calin Popescu Tariceanu, Atanasiu said. According to him, the project should be submitted to European commission.

The project should be also discussed by Romanian parliament. The future company should be a holding, where majority shareholder will hold shares in member companies.

According to plans, national energy company should include energy complexes in Turceni and Rovinari, hydropower producers and electricity distributors Electrica Muntenia Nord, Electrica Transilvania Sud and Electrica Transilvania Nord.

The Nuclearelectrica, Transelectrica and energy complex in Craiova will not be included in the future holding (Craiova's shares should be listed in stock exchange in this year).

Romanian officials believe the future company will have regional significance and that it would be able to compete with major European companies. The national energy company should include some 50 % of overall power output in Romania.

Minister of economy and finance Varujan Vosganian also confirmed that the integrated energy company should be established very soon. According to earlier announcements, the state should control up to 40 % in future company.

Commenting the latest announcements, World Bank (WB) said it would not support establishment of integrated power company since it could endanger the competitiveness and transparency of the local market. This was said by WB's representative in Romania Doina Visa. According to WB, the state already controls important power companies such as Hidroelectrica and Nuclearelectrica, which cover almost 50 % of electricity production in the country.

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### **19 million euros of profit for Transelectrica in 2007 (Romania)**

According to consolidated data, Romania's transmission system operator Transelectrica reported 723 million euros of income in 2007, which was 8 % lower compared to 2006. The decrease was the result of lower electricity consumption and depreciation of national currency. In the same time, net profit reached 19 million euros, comparing to 87 million euros reported in 2006.

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### **NIS to invest 120 million euros in various projects (Serbia)**

Oil industry of Serbia (NIS)-Petrol should invest 62.5 million euros for modernization of oil refineries in this year, executive director Dragan Vucur said. Another 35 million euros should be invested in environmental projects, while 15 million euros will be invested for improvement of fuel quality.

The company also plans to invest 11.5 million euros for construction of 15 new petrol stations in Serbia. In the same time, 15 petrol stations will be revamped for which 8.8 million euros should be invested. Additional 11 million euros should be invested in related environmental projects. During the next two years, NIS should build 22 petrol stations, and the same number of petrol stations should be reconstructed.

In this moment, NIS operates 484 petrol stations all over the country.

NIS Petrol is the part of the joint stock company NIS. It is comprised of Jugopetrol, Naftagas promet and two oil refineries.

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### **EFT interested in building of thermal power plant (Serbia)**

The company EFT expressed interest for construction of 130 MW thermal power plant (TPP) in Lucani municipality.

The major of Lucani confirmed that EFT's officials, who visited Lucani in mid March, and local officials reached a preliminary agreement regarding the start of comprehensive researches of coal reserves in the area.

Zlatan Matko from EFT said that, according the available data, the lignite reserves in the area could be exploited in period of 35-40 years.

The future TPP should be named TPP Dragacevo and it should employ 800 workers. The construction should last seven years, while construction costs should reach 400 million euros. The plant should be built in accordance to the latest environmental standards.

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### **Announcement of wind farms projects (Serbia)**

The representatives of company Loger, the municipality of Pancevo and autonomous province of Vojvodina signed a protocol for construction of 20 MW wind farm. By signing the protocol, the municipality and the province were obliged to launch the initiative for providing subsidies for electricity produced in wind farms.

The project called Wind farm Dolovo envisages construction of 25 wind turbines. The cost of the project is estimated at 30 million euros.

According to Loger, before the signing the protocol, the one-year wind measurement project was conducted and the feasibility study, prepared by Canadian company Helimax, for the project was presented. The wind farm should be operational next year and it should be the first wind farm in the country.

In the related news, the head of Jagodina municipality announced that Canadian company Trillion had expressed interest for construction of wind farm in Jagodina. The project was approved by ministry of energy and mining, the head said. The local officials should start negotiations with Canadian company in May. According to the announcements, Canadian company will entirely fund the project and it will be entitled for 20 % of electricity produced in the wind farm.

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### **Customers in Belgrade and Vojvodina owe 150 million euros for electricity bills (Serbia)**

According to the latest data, the customers in two largest electricity distributors in Serbia, the Electricity distribution company Belgrade and Electricity distribution company of Vojvodina, owe over 150 million euros for unpaid electricity bills.

The customers in Belgrade owe some 85 million euros, where half of the amount is related to the debts of household customers. On the other hand, the households in Belgrade are the most regular paying customers in entire Serbia, where only 1 % of the customers do not pay the bills.

The customers in Vojvodina owe 69 million euros, where 43 % of the amount is owed by households.

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## Tenders:

## Electricity

Company / organization:

EBRD, related Bulgaria

## Enemona CNG project - General

Content:

The project announced within this procurement notice will be financed from the Kozloduy International Decommissioning Support Fund, established in 2001 for supporting the decommissioning of units 1- 4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance the preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in the energy sector and improving energy efficiency.

This General Procurement Notice draws attention to the forthcoming tender for Supply and installation of equipment for five Compressed Natural Gas vehicles in Bulgaria. The purpose is the development of a natural gas supply system in towns Svilengrad and Kardjali in South-East Bulgaria. The project includes:

- Design, supply and installation of 5 vehicles for transportation of the natural gas from the compressed natural gas terminal on the high pressure distribution network to the terminals in the low pressure consumer distribution system.

Budget for the project: €650,000.

The invitation for tenders for the implementation of the project is expected in the second quarter of 2008. The invitations will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF.

Deadline:

13 Feb 2009 at 00:00, Sofia time

Contact:

Mrs. Nadya Ivanova; Enemona Utilities EAD  
Balscha str. 1, bl. 5  
1408 Sofia, Bulgaria  
Tel: +359 2 80 54 746; Fax: +359 2 91 79 873;  
e-mail: n.georgieva@enemona.com

Company / organization:

EBRD, related Bulgaria

## Kozloduy Nuclear Power Plant – General

Content:

The following notice refers to goods, works and services to be procured through open tendering for projects financed by the Kozloduy International Decommissioning Support Fund which is administered by the European Bank for Reconstruction and Development.

For more information, please visit <http://www.ebrd.com/oppo/procure/opps/goods/general/070803a.htm>

Deadline:

3 Aug 2008 at 24:00, Kozloduy time

Contact:

Mr. Daryll Jones Fax. + 359 973 7 4508  
E-mail: kpmu@npp.bg

Company / organization:

EBRD, related Bulgaria

## Sofia District Heating Rehabilitation

Content:

The Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (EBRD), was established in 2001 for the support of the decommissioning of Units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in various Bulgarian industry sectors consequential to final shutdown of Units 1 - 4 of the Kozloduy Nuclear Power Plant.

Toplofikacia Sofia AD, the joint stock district heating company serving the city of Sofia is carrying out the rehabilitation of the centralized district heating system in the city. The District Heating Rehabilitation Project comprises modernization of district heating substations, replacement of pipelines, compensators, thermal insulation of over-ground pipelines, conversion to variable flow of the Sofia district heating network.

Toplofikacia Sofia AD intends to use grant funds of the Kozloduy International Decommissioning Support Fund (KIDSF) and own financial sources for delivery, installation, testing and commissioning of individual heating substations units for space heating and domestic hot water including heat exchangers, circulation pumps, control valves and automation devices.

The budget for the project, subject of this GPN is about €2.5 million.

Deadline:

13 Mar 2009 at 00:00, Sofia time

Contact:

Mrs. Anastasiya Markova  
PIU Manager  
23 Jastrebetz St., 1680 Sofia, Bulgaria  
Tel: +359 2 8593171  
Fax: +359 2 8599124  
E-mail: amarkova@toplo.bg

Company / organization:

EBRD, related Bulgaria

## Metamodul CNG for the Etropole gas supply system

Content:

The Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (EBRD), was established in 2001 for the support of the decommissioning of Units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in various Bulgarian industry sectors consequential to final shutdown of Units 1 - 4 of the Kozloduy Nuclear Power Plant.

Metamodul Ltd intends to use grants from the Kozloduy International Decommissioning Support Fund for supply of sets of technology and equipment for compression of natural gas and refuelling of vehicles with compressed natural gas (CNG).

The budget for the project is €1.28 million

The tendering for the above contract is expected to begin in the second quarter of 2008.

Deadline:

2 Mar 2009 at 00:00, Sofia time

Contact:

Mr. Christo Petkov  
Tel. +359 2 818 00 10  
Fax: +359 2 818 00 20 [fax:]



Company / organization:	<b>EBRD, related Macedonia</b>
<b>Transmission Interconnection Project, four substations - GPN</b>	
Content:	<p>. The Macedonian Transmission System Operator (AD MEPSO) has received a loan from the European Bank for Reconstruction and Development and intends to use a part of the proceeds to finance the Rehabilitation of four 400/110 kV Substations in the Power Transmission System of Macedonia in Skopje, Dubrovo and Bitola.</p> <p>The proposed project which has an estimated cost of EUR 5.65 million (excluding VAT) is intended to be implemented through three separate tender packages:</p> <ul style="list-style-type: none"> <li>• Package I: Lot 1: Replacement of eight 400 kV circuit breakers in substations 400/110 kV Skopje 4, Dubrovo and Bitola 2 Lot 2: Replacement of the existing protection systems for two 400/110 kV power transformers and bus coupler bay in substation 400/110 kV Dubrovo and two 400/110 kV power transformers and bus coupler bay in substation 400/110 kV Skopje 4.</li> <li>• Package II: Rehabilitation of substations 400/110 kV Skopje 4 and Dubrovo with supply and installation of new bay control units in the substations</li> <li>• Package III: Lot1: Rehabilitation of substation 400/220/110 kV Skopje 1 with supply and installation of a new control system on 110 kV level and replacement of the existing 110 kV protection system Lot2: Rehabilitation of substation 400/110 kV Bitola 2 with supply and installation of a new control system and replacement of the existing 400 kV and 110 kV protection systems.</li> </ul>
Deadline:	31 Dec 2008 at 00:00, Skopje time
Contact:	Sinisa Stancevski ; Project Manager AD MEPSO Tel: +389 2 3149 018 Fax: +389 2 3238 687

Company / organization:	<b>EBRD, related Bosnia and Herzegovina</b>
<b>Power Distribution Reconstruction-Substations 10(20)/0,4kV</b>	
Content:	<p>JP Elektroprivreda BiH d.d. Sarajevo (hereinafter referred to as the Purchaser) intends to use part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Power Distribution Reconstruction Project. The Purchaser now invites sealed tenders from Supplier for the following contract(s) to be funded from part of the proceeds of the loan:</p> <p>Procurement of Substations 10(20)/0,4 kV Lot 1 Prefabricated Transformer Substations 10(20)/0,4 kV Lot 2 Distribution Transformers 10(20)/0,4 kV Lot 3 MV Switchgears and Apparatus Lot 4 LV Distribution Board, Cabinets, Equipment for Power Factor Correction and Fuses Lot 5 Earthing Equipment Lot 6 Telemetry and Radio Equipment Tenders are invited for one or more lots. Each lot must be priced separately..</p>
Deadline:	2 Mar 2009 at 00:00, Sofia time
Contact:	Mr. Nedeljko Despotović, PIU Director Tel.+387 33 751 030; Fax.+387 33 751 033 e-mail: n.despotovic@elektroprivreda.ba

Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Varna city heating network rehabilitation KIDSF</b>	
Content:	<p>The projects announced within this procurement notice will be partially financed from the Kozloduy International Decommissioning Support Fund, established in 2001 for supporting the decommissioning of units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance the preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in the energy sector and improving energy efficiency.</p> <p>This General Procurement Notice draws attention to the forthcoming tenders for technical specification, supply of the materials and work installation. The purpose of the project is improvement of the energy efficiency by rehabilitation of the 1/3 of the heating pipelines network, reducing energy losses. This includes the replacement of 11 km of over 20 years old steel pipes, insulated with glass wadding and laid in concrete ducts with pre-insulated steel pipes for direct bedding. The pipeline replacement concerns about 1/3 of the heat distribution network of the district heating network for heat transmission and distribution pipelines of DN 50 to DN 500.</p> <p>The rehabilitation process will be provided over three years, during spring and summer periods, in order to minimize the heat supply interruption in Varna city. The first phase is planned to start in 2008, with the renewal of 4 km of pipelines, in the area of Mladost. The main area to be tendered under the EBRD PPR for the KIDSF financing is the supply of the pre-insulated pipe and additional material. Overall Budget for the project is €2.0 million, from which €0.4 million will be funded from the Kozloduy International Decommissioning Support Fund.</p> <p>The invitation for tenders are expected in the first quarter of 2008. The invitations will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF.</p>
Deadline:	22 Jan 2009 at 00:00, Varna time
Contact:	Mr. Ilija Nikolaev Director of the board Tel: +359 52 500 670 Fax: +359 52 750 358 e-mail: inikolaev@dalkia.bg

Company / organization:	<b>EBRD, related Romania</b>
<b>Turceni Rehabilitation and Modernization Project</b>	
Content:	<p>This Invitation for Prequalification follows the General Procurement Notice for this project which was published in Procurement Opportunities, 5660-GPN-37696 / 21 Dec 2007 .</p> <p>S.C. Complexul Energetic Turceni S.A. (the Employer) intends applying the proceeds of a loan from the European Bank for Reconstruction and Development [the Bank] towards the cost of The Rehabilitation and Modernisation of Power units 3 &amp; 6 Project.</p> <p>The Employer intends prequalifying firms and joint ventures to tender for the following contract to be funded from part of the proceeds of the loan:</p> <ul style="list-style-type: none"> <li>• Contract for Plant and Design-Build for Electrical and Mechanical Plant, and for Building and Engineering Works, Designed by Contractor covering :</li> </ul> <p>Rehabilitation and modernisation of the 1,035 t/h boiler and auxiliary plants for power units no 3 &amp; 6 through increase time availability and efficiency ; Rehabilitation and modernisation of the 330 MW turbine and auxiliary plants for power units no 3 &amp; 6 through reduction of net specific consumption heat;</p> <p>Modernisation of the control, protection and regulating system within the UCTE norms for power units no 3 &amp; 6;</p> <p>Reduction of NOx, CO and dust emission Rehabilitation and Modernisation of the solid fuel settlement first phase, water handling and thermo-mechanical technologic systems for power units no 3 &amp; 6 .</p> <ul style="list-style-type: none"> <li>• Location : S.C. Complexul Energetic Turceni S.A., 1 Uzinei St., Turceni City, Gorj County, Romania, Postal Code 217520</li> <li>• Estimated schedule : start-up in early 2009 , power unit 6 commissioning in late 2010 &amp; power unit 3 commissioning in late 2012</li> </ul> <p>Prequalification and tendering for contract to be financed with the proceeds of a loan from the Bank is open to firms and joint ventures of firms from any country.</p>
Deadline:	14 Apr 2008 at 12:00, Bucharest time
Contact:	<p>Popescu Adriana Luminita UMIP Units 3 &amp; 6 S.C. Complexul Energetic Turceni S.A. 1 Uzinei Street, Turceni City, Gorj County, Romania, Postal Code 217520 Tel: +40 731 310 846 Fax: +40 253 335 122 Email: adriana_popescu@eturceni.ro</p>

Company / organization:	EBRD, related Romania
<b>CFR Traction Energy Network Management LOT 1,2 - General</b>	
Content:	<p>This notice updates the General Procurement Notice published on EBRD Website dated 22nd July 2005 under reference 5104-GPN-36043 and updated on 24 July 2006.</p> <p>CFR Electrificare is a Beneficiary of 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 26 million equivalent (EUR 22m from the Bank and EUR 4m in VAT and other taxes), will require the procurement of the following goods, works and services:</p> <p>Lot 1: Supply and Installation of equipment sets for the Upgrading and Rehabilitation of 12 traction substations 110/25kV and the associated sectioning/subsectioning posts and disconnectors remote control</p> <p>Lot 2: Supply and Installation of equipment sets for the control and surveillance (SCADA) of four railway energy dispatchers: DEF Timisoara, DEF Caransebes, DEF Craiova and DEF Targu-Jiu. Tendering for the above contracts is expected to begin in the fourth quarter of 2007.</p> <p>Contracts to be financed with the proceeds of a loan from the Bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, of for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.</p>
Deadline:	22 Oct 2008 at 00:00, Bucharest time
Contact:	<p>Mr I Truica, Technical Director S.C. Electrificare SA, B-dul D Golescu nr.38 Bucharest, Romania Tel: + 40 213192512 Email: ionel.truica@cfr.ro</p>

Company / organization:	EBRD, related Bulgaria
<b>Rehab and Extension of Power Transmission Network LOT 1,2,3</b>	
Content:	<p>The National Electric Company – NEK-EAD (the “Employer”) intends using the proceeds of the grant funds provided by the “Kozloduy International Decommissioning Support Fund” (the “KIDSF”), administered by the European Bank for Reconstruction and Development (the “Bank”) and of its own financial sources towards the cost of the “Rehabilitation and Extension of the Power Transmission Network Project - substations Tzarevetz, Burgas, Metalurgichna”.</p> <p>The project, which has a total estimated cost of EUR 14.6 million, includes the implementation of the following three projects:</p> <p>(i) Project „Rehabilitation and extension of s/s Tzarevetz 400/110/31,5 kV” Procurement of equipment for the replacement and the extension of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>(ii) Project „Rehabilitation and extension of s/s Burgas 400/110/31,5 kV” Procurement of equipment for the replacement and the extension of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>(iii) Project „Rehabilitation of s/s Metalurgichna 400/110/31,5 kV” Procurement of equipment for the replacement of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>The Contracts in reference shall be awarded in compliance with the EBRD Procurement Policies and Rules and will be open to firms that qualify under the Rules of the KIDS Fund: The eligible countries as at 1 November 2007 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD’s Countries of Operations.</p>
Deadline:	13 Nov 2008 at 00:00, Sofia time
Contact:	<p>Mrs. Ludmila Vitanova Head of Investment Department Natsionalna Elektricheska Kompania 5, “Vesletz” str., 1040 Sofia BULGARIA Tel.: +359 2 9263 552 Fax: +359 2 986 12 88 E-mail: lvitanova@nek.bg</p>

Company / organization:	EBRD, related Romania
<b>CFR Traction Energy Network Management LOT 1,2 - General</b>	
Content:	<p>CFR Electrificare is a Beneficiary of 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 26 million equivalent (EUR 22m from the Bank and EUR 4m in VAT and other taxes), will require the procurement of the following goods, works and services:</p> <p>Lot 1: Supply and Installation of equipment sets for the Upgrading and Rehabilitation of 12 traction substations 110/25kV and the associated sectioning/subsectioning posts and disconnectors remote control</p> <p>Lot 2: Supply and Installation of equipment sets for the control and surveillance (SCADA) of four railway energy dispatchers: DEF Timisoara, DEF Caransebes, DEF Craiova and DEF Targu-Jiu.</p>
Deadline:	22 Oct 2008 at 00:00, Bucharest time.
Contact:	<p>Mr I Truica; Technical Director S.C. Electrificare SA B-dul D Golescu nr.38 Bucharest, Romania Tel: + 40 21 3192512; Email: ionel.truica@cfr.ro</p>

Company / organization:	EBRD, related Romania
<b>Iasi District Heating Project</b>	
Content:	<p>This General Procurement Notice (GPN) updates the first GPN for this project published in Procurement Opportunities, on 6 February 2006 with the Ref: 5189-GPN -35162. S.C. Centrala Electrică de Termoficare (CET).Iași S.A. has received a loan from the European Bank of Reconstruction and Development and intends using the proceeds for refurbishment of the city district heating.</p> <p>The Project, which has a total estimated cost of about €31.8 million, proposed to be financed by the Bank, the Swiss Government and S.C.CET Iasi S.A, will require the procurement of the following goods and works:</p> <ul style="list-style-type: none"> <li>- Supply and Installation of thermal modules (expected to be partly donor funded)</li> <li>- Supply and Installation of the equipment in the Central Sub-stations, including the automation equipment (expected to be partly donor funded)</li> <li>- Rehabilitation Works for the Central Sub-stations, including Buildings Rehabilitation</li> <li>- Rehabilitation Works for the Heat Distribution Network</li> </ul> <p>Tendering for the above is expected to start in the 1st quarter 2007.</p> <p>Contracts to be financed with the proceeds of a loan from the bank will be subject to the Bank’s Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank’s loan will not be used for the purpose of any payment to persons or entities, of for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser’s country.</p>
Deadline:	25 Apr 2008 at 24:00, Iasi time
Contact:	<p>Centrala Electrica de Termoficare Iasi ( CET) SA Project Implementation Unit Contact name: Mrs. Buzea Doina Address: Calea Chisinaului Street, no. 25 Iasi; Postal code: 700265 Iasi, Romania Phone: +40-232-231675 Fax: +40-232-231675</p>

Company / organization:	EBRD, Serbia
<b>Electric Power Industry of Serbia</b>	
Content:	<p>This notice updates the General Procurement Notice for this project which was posted on the EBRD website on 19 November 2003.</p> <p>Electric Power Industry of Serbia (EPS) is constructing and conducting an installation of a reliable overburden removal system at Tamnava West lignite mine financed from a loan from the European Bank for Reconstruction and Development (EBRD) and the Kreditanstalt fuer Wiederaufbau (KfW).</p> <p>EPS has applied for an EBRD loan for the realization of the following parts of the new lignite mining system:</p> <ul style="list-style-type: none"> <li>• New Bucket Wheel Excavator</li> <li>• New Belt Conveyor system (co-financed by KfW)</li> <li>• New shifting devices</li> </ul> <p>EPS has further applied for KfW loan for the following parts of the new system:</p> <ul style="list-style-type: none"> <li>• Parts of the new belt conveyor system</li> <li>• New power supply system</li> <li>• Spreader integrating new and available parts</li> </ul> <p>Tendering process is completed and contract realization for the above goods and services is ongoing and project completion is planned for the second quarter of 2009.</p>
Deadline:	12 June 2008 at 24:00, Beograd time
Contact:	Mr. Slobodan Mitrović or Mr. Aleksandar Gajić Tel. + 381-11-397-1926 Fax: + 391-11-397-1923 e-mail: slobodan.mitrovic@eps.co.yu or aleksandar.gajic@eps.co.yu

Company / organization:	EBRD, related Bulgaria
<b>Pernik District Heating Rehabilitation Project</b>	
Content:	<p>Toplofikacija Pernik EAD, hereinafter referred to as "The Employer", intends using part of the proceeds of a Grant from the Kozloduy International Decommissioning Support Fund (KIDSF) administered by the European Bank for Reconstruction and Development (the Bank) towards the cost of "Pernik District Heating Rehabilitation Project". The project has accumulated savings of €180,000 which is intended to be used for Construction and Installation Works (CIW) needed for the rehabilitation of the heat transmission network.</p> <p>Contracts to be financed with the KIDSF grant will be subject to the Bank's Procurement Policies and Rules. Tendering for contracts to be financed with the proceeds of a grant administered by the Bank is now open to firms from Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxemburg, Portugal, Spain, Sweden, Switzerland, UK, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, the Netherlands, Poland, Romania, Slovakia, Slovenia, all the so called PHARE and countries of EBRD operations.</p>
Deadline:	12 June 2008 at 24:00, Pernik time
Contact:	eng. Gergana Koleva Moshino, CHP Plant Republika 2303 Pernik, Bulgaria Tel./Fax.: +359 (076) 670 675

Company / organization:	EBRD, related Bosnia and Herzegovina
<b>Power Distribution Reconstruction Project</b>	
Content:	<p>This GPN updates the notice published on the EBRD website on 11 November 2005. Bosnia and Herzegovina has applied for a loan from the European Bank for Reconstruction and Development ("The Bank") towards the cost of reconstructing and modernising the electricity distribution infrastructure in Bosnia and Herzegovina, enabling the three local power utilities (Elektroprivreda Bosne Hercegovine ("EPBIH"); Elektroprivreda Republike Srpske ("EPRS") and Elektroprivreda Hrvatske Zajednice Herceg Bosne ("EPHZHB")) to improve reliability and quality of electricity supply, reduce losses and improve energy efficiency.</p> <p>The proposed project has a total estimated cost of Euro 55 million, proposed to be financed by the EBRD, and will require the procurement of the following goods, works and services for:</p> <p>(a) Goods and related Services for purchasing of metering equipment for residential consumption and Low and Medium Voltage substations, Low and Medium Voltage transformers, cables and auxiliary equipment for Low and Medium Voltage lines, machinery and equipment for the installation of the aforementioned items;</p> <p>(b) Works for the installation of the aforementioned items;</p> <p>(c) Consulting services to support the three Project Implementation Units established by the three power utilities.</p> <p>Tendering for contracts under (c) above was completed in June 2006. Procurement for goods &amp; services and works under (a) and (b) above has started and should be completed by December 2007.</p>
Deadline:	2 June 2008 at 24:00, Mostar time
Contact:	Mr. Josip Jerkovic PIU Director Tel:+387 36 323 788 Fax:+387 36 322 831 Email: josip.jerkovic@epzhb.ba



## Oil and Gas

Company / organization:	EBRD, related Bulgaria
<b>Bulgartransgaz Silistra System Development</b>	
Content:	<p>Bulgartransgaz EAD intends to use the proceeds of the Grant funds provided by the Kozloduy International Decommissioning Support Fund, administered by the European Bank for Reconstruction and Development and its own resources to finance the cost and complete the Project for delivery and construction of high pressure gas pipeline to, and gas regulation station in Silistra. The Project, which has a total estimated cost of EUR 10.7 million, will require the following deliveries and construction services:</p> <p>A. Delivery of steel pipes and fittings for a gas pipeline. Delivery of about 80 km of steel pipes for high pressure gas pipeline (PN 64), most of which are DN 300 (14") and other pipes of smaller diameter as well as fittings, required for the construction of the gas pipeline.</p> <p>B. Delivery of gas valves. Delivery of gas valves for high pressure gas pipeline (PN 64), mainly DN 300 (14") and others of smaller diameter.</p> <p>C. Overall delivery, supervision and commissioning of technological equipment for the Unattended Gas Regulation Station (UGRS). Delivery, Supervision and Commissioning of one complete set of technological equipment for the Construction of an Unattended Gas Regulation Station. Gas Regulation Station is a facility for regulation of gas pressure, equipped with commercial metering devices.</p> <p>D. Construction of high pressure gas pipeline to, and gas regulation station in Silistra. Construction and Commissioning of about 80 km gas transmission pipeline, optical fiber cable line within the gas pipeline easement and an UGRS (including the value of the used equipment and materials, except the delivered under the above Delivery Contracts A, B and C). The construction includes:</p> <ul style="list-style-type: none"> <li>• Temporary construction and preparatory works;</li> <li>• Delivery of materials and equipment (except of those included in the Delivery Contracts (A, B and C) above);</li> <li>• Construction and installation;</li> <li>• Pre-commissioning and commissioning tests;</li> <li>• Getting Permission on Commissioning by the competent control authorities;</li> <li>• Remedy of defects within the warranty periods after the acceptance by the State Acceptance Commission and Permission for use of the constructed pipeline and UGRS.</li> </ul> <p>The Contracts in reference shall be awarded in compliance with the EBRD Procurement Policies and Rules and will be open to firms that qualify under the Rules of the KIDS Fund: The eligible countries as at 1 November 2007 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD's Countries of Operations. The proceeds of the Grant shall not be used for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law or official regulation of the purchaser's country.</p>
Deadline:	3 Nov 2008 at 00:00, Sofia time.
Contact:	<p>Mr. Angel Semerdjiev          Executive Director          Bulgartransgaz EAD          66, Pancho Vladigerov Blvd.          Sofia 1336          Bulgaria          Fax : + 359 29396462          e-mail: Silistra@bulgartransgaz.bg</p>