

WWW.

NEWS

Energy News in Southeast Europe
twice in a month •

Nº 2008-IX/1 • 17.09.2008

.BALKANENERGY.COM

About:

Main focus of Balkan Energy NEWS is energy related news from countries of South East Europe. Countries involved are: Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Greece, FYR Macedonia, Montenegro, Romania, and Serbia. 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 relevant power exchanges.

News are published to subscribers only as an .pdf edition, two times per month

Balkan Energy NEWS consulting:

BalkanEnergy NEWS Consulting

Consulting, intellectual and assistance services related to energy business in South Eastern Europe

Why Balkan Energy NEWS consulting?

- More then four years in consulting business for SEE Energy Sector
- More then three years leading info provider for energy business in SEE.

For more information contact us on news@balkanenergy.com

Disclaimer:

All rights reserved by Balkan Energy Solutions Team. No part of this publication may be reproduced, redistributed, or in any other way copied as a whole or partially without written permission of Balkan Energy Solutions Team. This includes internal distribution.

Balkan Energy Solutions Team does not warranty the accuracy of the published data contained in this document, although Balkan Energy Solutions Team did great efforts to collect the data from the respectable and accurate sources.

Contact:

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

Subscriptions & info:
news@balkanenergy.com
www.news.balkanenergy.com/request.php
+381 64 820 90 31

In this issue:

Actual data

- » Power sector operational and market data for the period of 1.09.-15.09.2008
- » Forecasted weather conditions for the following period

§ § §

Analysis:

- » Thermal power plants in Serbia

§ § §

News headlines

Albania

- » Construction of power line Podgorica –Tirana to start in October
- » Council of Ministers approved privatization of 85% of ARMO shares

Bosnia and Herzegovina:

- » EP BiH signed two contracts for construction of new wind farms
- » EBRD to fund projects in electricity sector in RS
- » 17 million euros of profit for ERS in the H1
- » 1.5 million tons of coal produced in Kreka coalmine
- » Energy regulator says Croatia and Serbia use water potential free of charge
- » RS to step out from joint transmission company, highest international officials strongly against such move
- » Experts supported construction of three HPPs on Neretva River

- » Atel to win in a tender published by EP BiH
- » Government to establish energy holding next year, EP BiH and to coalmines to be merged

Bulgaria:

- » Bulgargaz asked for 36.5 % increase in natural gas prices
- » Government extended guarantees for TPP Maritsa Iztok 1 project
- » Construction of NPP Belene officially started
- » Kovachki to build two new units in TPP Bobov Dol
- » Energy minister: No electricity shortages this winter
- » 500 MW output in wind farms in 2010

Croatia:

- » Governmental commission in favor of LNG terminal on island of Krk
- » New energy strategy to be presented in September
- » MOL offers 395 euros for INA's stocks, investors say offer is too low
- » Environmental study for HPP Kosinj revoked

Greece:

- » PPC to be restructured
- » PPC extends deadline for 835 MW power plant tender
- » Greek Development Minister visited Azerbaijan to discuss TGI pipeline

Macedonia:

- » Different method for accounting district heating
- » Increase in electricity price
- » EVN Macedonia and Government in London arbitration court
- » Feasibility study for magistral pipeline
- » Winner of "Cebren and Galiste" tender to be known soon

Montenegro:

- » I EPCG did not take part in a tender for sale of electricity in Bosnia and Herzegovina
- » Record monthly and daily production for TPP Pljevlja
- » Seven bids for privatization advisor of EPCG
- » KAP filed lawsuits against the government, the move seen as a pressure for reducing electricity prices
- » EPCG approved subsidies for 41,000 households

Romania:

- » Report on energy resources in the first seven months of 2008
- » Several companies submitted bids for purchase of electricity on OPCOM in 2009
- » MOL to repeat procedure for allocation of transport capacity on Arad –Szeged natural gas pipeline
- » AVAS to launch privatization of EC Craiova by the end of November

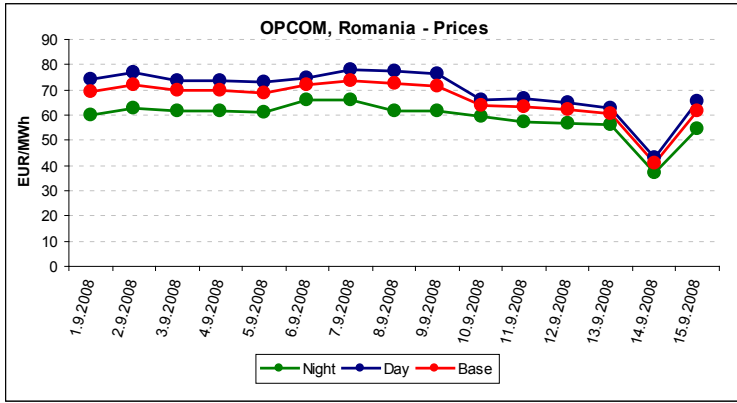
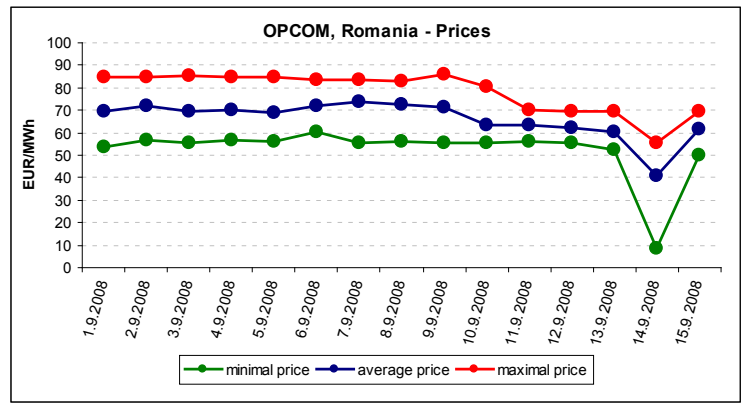
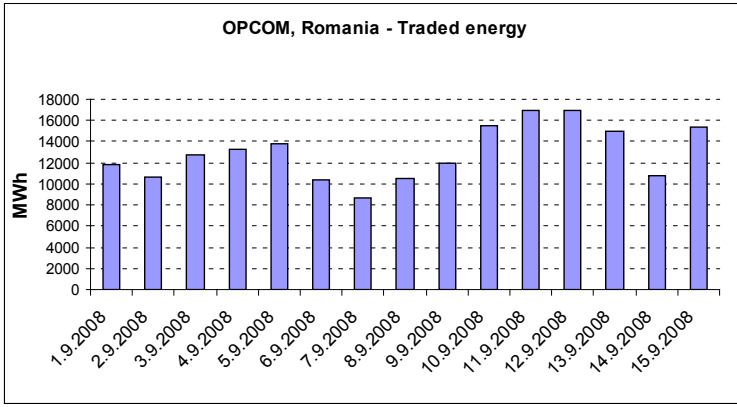
- » Natural gas distributors requested 10 % increase in prices starting from October 1
- » Transelectrica and Areva signed 33.5 million euros contract for upgrade of Lacu Sarat substation
- » Nuclearelectrica to list 15 % of shares on stock exchange next year, up to 300 million euros of earnings expected
- » EC Turceni to receive 300 million euros loan from EBRD

Serbia:

- » EPS to invest 375 million euros in 2008
- » 19.7 million tons of lignite produced in Kolubara in the first eight months
- » New oil refinery to be built in Smederevo
- » Parliament ratified energy agreement with Russia, disputes still not resolved
- » New open pit mine in Kolubara to be operational next year
- » Deloitte: market worth of NIS is 2.2 billion euros
- » Srbijagas demanded increase in natural gas prices from October

§ § §

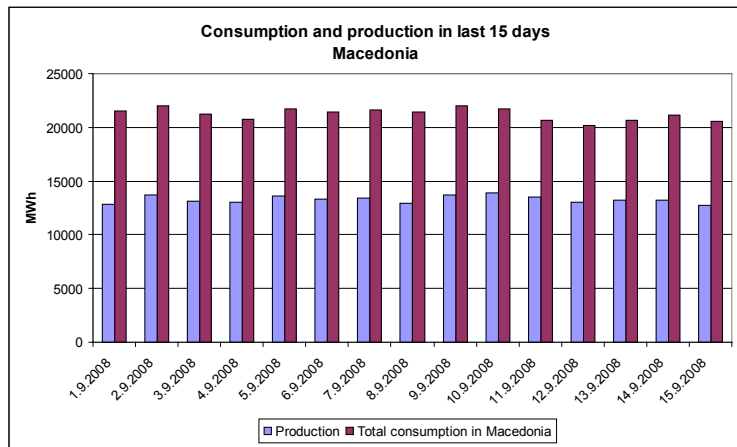
Tenders: (Electricity, Nuclear, Oil and gas, Wind)



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

Mepso, Macedonia (MWh)

	1.9.2008	2.9.2008	3.9.2008	4.9.2008	5.9.2008	6.9.2008	7.9.2008	8.9.2008	9.9.2008	10.9.2008	11.9.2008	12.9.2008	13.9.2008	14.9.2008	15.9.2008
Production	12797	13671	13166	13039	13574	13304	13443	12966	13700	13935	13542	13077	13182	13187	12709
Import	8713	8357	8060	7750	8120	8172	8210	8448	8315	7800	7131	7101	7446	7955	7883
Total consumption in FYROM	21510	22028	21226	20789	21694	21476	21653	21414	22015	21735	20673	20178	20628	21142	20592



Tables with offered Available Transfer Capacity (ATC) in Balkan region for October 2008

NOS BIH - Bosnia & Herzegovina						October 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > BIH	-	-	500	-	109	01.-31.10.2008.
Montenegro > BIH	-	-	450	-	225	01.-31.10.2008.
Serbia > BIH	-	-	230	-	100	01.-31.10.2008.
EXPORT						
BIH > Croatia	-	-	450	-	225	01.-31.10.2008.
BIH > Montenegro	-	-	400	-	168	01.-31.10.2008.
BIH > Serbia	-	-	400	-	200	01.-31.10.2008.

ESO - Bulgaria						October 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Serbia > Bulgaria	-	-	50	-	25	01.-31.10.2008.
Romania > Bulgaria	-	-	100	-	0	01.-07.10.2008.
	-	-	200	-	100	08.-19.10.2008.
	-	-	100	-	0	20.-31.10.2008.
Greece > Bulgaria	-	-	200	-	100	01.-31.10.2008.
EXPORT						
Bulgaria > Serbia	-	-	100	-	50	01.-07.10.2008.
	-	-	350	-	175	08.-19.10.2008.
	-	-	100	-	50	20.-31.10.2008.
Bulgaria > Romania	-	-	100	-	0	01.-31.10.2008.
Bulgaria > Greece	-	-	350	-	250	01.-07.10.2008.
	-	-	500	-	400	08.-19.10.2008.
	-	-	100	-	0	20.-31.10.2008.

OPS HEP - Croatia						October 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Hungary > Croatia	-	-	-	-	550*	01.-31.10.2008.
Slovenia > Croatia	-	-	-	-	100	01.-31.10.2008.
Serbia > Croatia	-	-	-	-	0	01.-31.10.2008.
BIH > Croatia	-	-	-	-	50	01.-31.10.2008.
EXPORT						
Croatia > Hungary	-	-	-	-	200*	01.-31.10.2008.
Croatia > Slovenia	-	-	-	-	100	01.-31.10.2008.
Croatia > Serbia	-	-	-	-	0	01.-31.10.2008.
Croatia > BIH	-	-	-	-	75	01.-31.10.2008.

* Common auction conducted by MAVIR

MAVIR - Hungary						October 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > Hungary	600	200	400	200	200	01.-31.10.2008.
Romania > Hungary	400	100	300	200	100	01.-31.10.2008.
Serbia > Hungary	200	100	100	100	0	01.-31.10.2008.
EXPORT						
Hungary > Croatia	1200	200	1000	450	550	01.-31.10.2008.
Hungary > Romania	200	100	100	75	25	01.-31.10.2008.
Hungary > Serbia	600	100	500	275	225	01.-31.10.2008.

* Common auction conducted by MAVIR

MEPSO - Macedonia						October 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Serbia > Macedonia	320	50	270	135	0	01.-07.10.2008.
	400	100	300	150	0	08.-15.10.2008.
	400	100	300	0	150	16.-19.10.2008.
	0	0	0	0	0	20.-31.10.2008.
Greece > Macedonia	100	100	0	0	0	01.-31.10.2008.
EXPORT						
Macedonia > Serbia	400	100	300	80	70	01.-19.10.2008.
	0	0	0	0	0	20.-31.10.2008.
Macedonia > Greece	100	100	0	0	0	01.-31.10.2008.

TSO EPCG - Montenegro						October 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Albania > Montenegro	-	-	-	-	100	01.-30.9.2008.
BIH > Montenegro	-	-	-	-	100	01.-31.10.2008.
Serbia > Montenegro	-	-	-	-	0	01.-07.10.2008.
	-	-	-	-	70	08.-19.10.2008.
	-	-	-	-	150	20.-31.10.2008.
EXPORT						
Montenegro > Albania	-	-	-	-	35	01.-30.9.2008.
Montenegro > BIH	-	-	-	-	150	01.-31.10.2008.
Montenegro > Serbia	-	-	-	-	120	01.-31.10.2008.

Transelectrica - Romania						October 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Bulgaria > Romania	200	100	100	100	0	01.-31.10.2008.
Serbia > Romania	250	100	150	100	50	01.-31.10.2008.
Hungary > Romania	200	100	100	50	50	01.-31.10.2008.
Ukraine > Romania	200	100	100	100	0	01.-31.10.2008.
EXPORT						
Romania > Bulgaria	200	100	100	100	0	01.-07.10.2008.
	300	100	200	100	100	08.-19.10.2008.
	200	100	100	100	0	20.-31.10.2008.
Romania > Serbia	300	100	200	100	100	01.-07.10.2008.
	450	100	350	100	250	08.-19.10.2008.
	300	100	200	100	100	20.-31.10.2008.
Romania > Hungary	300	100	200	100	100	01.-07.10.2008.
	350	100	250	100	150	08.-19.10.2008.
	400	100	300	100	200	20.-31.10.2008.
Romania > Ukraine	0	0	0	0	0	01.-07.10.2008.
	150	100	50	0	50	08.-31.10.2008.

EMS - Serbia						October 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Hungary > Serbia	-	-	-	-	200	01.-07.10.2008.
	-	-	-	-	250	08.-31.10.2008.
Romania > Serbia	-	-	-	-	0	01.-07.10.2008.
	-	-	-	-	75	08.-19.10.2008.
	-	-	-	-	0	20.-31.10.2008.
Bulgaria > Serbia	-	-	-	-	50	01.-07.10.2008.
	-	-	-	-	175	08.-19.10.2008.
	-	-	-	-	50	20.-31.10.2008.
Macedonia > Serbia	-	-	-	-	150	01.-19.10.2008.
	-	-	-	-	0	20.-31.10.2008.
Albania > Serbia	-	-	-	-	105	01.-31.10.2008.
Montenegro > Serbia	-	-	-	-	175	01.-31.10.2008.
BiH > Serbia	-	-	-	-	200	01.-31.10.2008.
Croatia > Serbia	-	-	-	-	200	01.-19.10.2008.
	-	-	-	-	0	20.-28.10.2008.
	-	-	-	-	200	29.-31.10.2008.

EMS - Serbia						October 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
EXPORT						
Serbia > Hungary	-	-	-	-	50	01.-31.10.2008.
Serbia > Romania	-	-	-	-	75	01.-31.10.2008.
Serbia > Bulgaria	-	-	-	-	25	01.-31.10.2008.
Serbia > Macedonia	-	-	-	-	135	01.-07.10.2008.
	-	-	-	-	150	08.-19.10.2008.
	-	-	-	-	0	20.-31.10.2008.
Serbia > Albania	-	-	-	-	50	01.-07.10.2008.
	-	-	-	-	85	08.-19.10.2008.
	-	-	-	-	75	20.-31.10.2008.
Serbia > Montenegro	-	-	-	-	20	01.-07.10.2008.
	-	-	-	-	120	08.-19.10.2008.
	-	-	-	-	45	20.-31.10.2008.
Serbia > BiH	-	-	-	-	100	01.-07.10.2008.
	-	-	-	-	150	08.-31.10.2008.
Serbia > Croatia	-	-	-	-	100	01.-07.10.2008.
	-	-	-	-	150	08.-19.10.2008.
	-	-	-	-	0	20.-28.10.2008.
	-	-	-	-	200	29.-31.10.2008.

* - No 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)

Danube water-level in cm for last 30 days

relevant for:

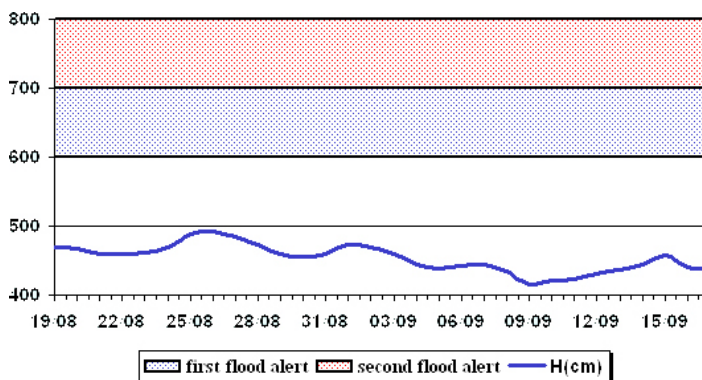
HPP Portile de Fier I, 1167 MW, Romania

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)



Forecasted weather conditions for the following period

	18.09.	19.09.	20.09.	21.09.	22.09.	23.09.	24.09.	25.09.	26.09.	September averages.
Albania <i>Tirana</i>	T: 6-23 W: NE 11 R: -	T: 8-23 W: NE 20 R: -	T: 5-19 W: NE 24 R: -	T: 5-21 W: N 13 R: -	T: 6-20 W: NW 10 R: -	T: 7-21 W: NW 8 R: -	T: 7-21 W: L-V R: -	T: 7-22 W: N 10 R: -	T: 7-22 W: L-V R: -	Temperature: 12-28 Amount of rain: 40 Number of rain days: -
Bosnia and Herzegovina <i>Sarajevo</i>	T: 0-16 W: NE 4 R: 1	T: 1-18 W: NE 13 R: -	T: 6-12 W: NE 20 R: 5	T: 6-13 W: NE 11 R: 10	T: 8-14 W: NW 9 R: 4	T: 6-16 W: L-V R: -	T: 7-17 W: - R: -	T: 7-18 W: NE 10 R: -	T: 9-14 W: NE 10 R: -	Temperature: 9.7-22 Amount of rain: 70 Number of rain days: 8
Bulgaria <i>Sofia</i>	T: 7-17 W: NW 10 R: -	T: 6-21 W: - R: -	T: 9-17 W: NE 10 R: 8	T: 10-13 W: NE 19 R: 25	T: 9-16 W: NW 10 R: 8	T: 8-16 W: NW 10 R: -	T: 8-19 W: - R: -	T: 9-21 W: L-V R: -	T: 10-16 W: NE 9 R: -	Temperature: 10.4-22.6 Amount of rain: 38 Number of rain days: 7
Croatia <i>Zagreb</i>	T: 4-17 W: SE 6 R: -	T: 6-16 W: NE 16 R: 1	T: 8-12 W: NE 16 R: 2	T: 8-13 W: NE 14 R: 5	T: 9-14 W: N 12 R: 3	T: 11-16 W: NE 7 R: -	T: 8-19 W: L-V R: -	T: 7-22 W: NE 8 R: -	T: 8-14 W: NE 14 R: -	Temperature: 10.4-22.2 Amount of rain: 82 Number of rain days: 9
Greece <i>Athens</i>	T: 18-24 W: NW 5 R: -	T: 16-24 W: - R: -	T: 18-23 W: E 24 R: 40	T: 17-26 W: NW 12 R: -	T: 15-25 W: W 10 R: -	T: 16-23 W: NW 12 R: -	T: 17-23 W: L-V R: -	T: 18-23 W: NE 6 R: -	T: 18-23 W: NE 22 R: -	Temperature: 17.3-29 Amount of rain: 14 Number of rain days: 3
Macedonia <i>Skopje</i>	T: 5-19 W: NE 16 R: -	T: 5-21 W: NE 11 R: -	T: 8-19 W: NE 33 R: 4	T: 12-18 W: NE 19 R: 2	T: 8-20 W: NW 10 R: -	T: 8-19 W: NW 8 R: -	T: 9-21 W: - R: -	T: 8-22 W: NE 11 R: -	T: 10-19 W: NE 19 R: -	Temperature: 11.4-26 Amount of rain: 36 Number of rain days: 6
Montenegro <i>Podgorica</i>	T: 9-24 W: NE 11 R: -	T: 11-25 W: NE 22 R: -	T: 14-22 W: NE 30 R: -	T: 13-22 W: NE 16 R: 2	T: 12-20 W: NW 11 R: -	T: 11-22 W: N 6 R: -	T: 13-22 W: L-V R: -	T: 13-23 W: NE 15 R: -	T: 13-21 W: NE 20 R: -	Temperature: 16.5-27 Amount of rain: 121 Number of rain days: 6
Romania <i>Bucharest</i>	T: 0-15 W: NW 17 R: -	T: 6-18 W: NW 8 R: -	T: 6-17 W: NE 11 R: -	T: 2-17 W: NE 24 R: 25	T: 2-16 W: NW 12 R: 13	T: 3-16 W: NW 17 R: 6	T: 4-16 W: NW 6 R: -	T: 4-17 W: NW 5 R: -	T: 3-16 W: NE 16 R: -	Temperature: 11-24.7 Amount of rain: 42 Number of rain days: 5
Serbia <i>Belgrade</i>	T: 6-16 W: N 10 R: -	T: 7-18 W: NE 12 R: -	T: 9-17 W: NE 22 R: -	T: 11-17 W: NE 15 R: 8	T: 11-16 W: NW 25 R: 7	T: 10-17 W: N 15 R: -	T: 9-18 W: L-V R: -	T: 8-20 W: NE 10 R: -	T: 10-17 W: NE 20 R: -	Temperature: 13-23.7 Amount of rain: 50 Number of rain days: 9

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

Analysis:**Thermal power plants in Serbia**

In this issue, we will present you thermal generation capacities in Serbia.

Serbia

Elektroprivreda Srbije (EPS) owns and operates all generation capacities in Serbia, except small number of SHPP (small hydro power plants), while generation capacities on the territory of Kosovo are in dispute regarding the ownership. Power plants on the territory of Kosovo are operated by local power utility KEK. Thermal generation in Serbia is divided in three companies: "Termoelektrane Nikola Tesla", "Termoelektrane Kostolac" and "Panonske termoelektrane – Toplane". They are all owned by EPS. Overall installed capacity in lignite fired TPPs is 5 171 MW, while installed capacity in TPPs on gas and oil is 353 MW.

In 2007, generation of thermal power plants had 73% share in production, while hydro power plants had 27%. Equipment used in power plants in Serbia is mostly from Soviet countries.

Termoelektrane Nikola Tesla

"Termoelektrane Nikola Tesla" has been founded in 1992, by linking up TPPs: Nikola Tesla A, Nikola Tesla B, Kolubara A and Morava. Kolubara B is also a part of the company, but it has not been completed. All TPPs within "Termoelektrane Nikola Tesla" use lignite, except TPP Morava, which uses coal. Overall installed capacity of "Termoelektrane Nikola Tesla" is 3 288 MW, while annual production is around 17 000 GWh. In 2006, TPPs Nikola Tesla achieved record production of 18 637 GWh of electricity, which was 11.4% higher than planned. The high production in 2006th was 7 % higher comparing to the previous record of 17.424 TWh reported in 2005th.

TPP Kolubara A has been introduced into system in 1956 with 32 MW generation unit. Last unit, number 5, was introduced into system in 1979. TPP Kolubara has 5 units. Three 32 MW, one 64 MW and one 110 MW. Available output 245 MW. It is located near Kolubara lignite basin. Annually, TPP Kolubara A delivers around 500 GWh to system, by 110 KV power lines.

Construction of **TPP Kolubara B** has started in 1988, but it has never been completed. Two 350 MW units were planned, and 300 million euros has been invested so far.. That so, name TPP Kolubara A can make confusion that there are two operation power plants, so it is often called just TPP Kolubara.

In 2007, intensive interest for construction of TPP Kolubara B started. In April 2007, Czech CEZ expressed interest to invest 700 million euros in TPP Kolubara B. Czech companies have participated in the first phase of the project in 1980s.

In May 2007, tender for completion of TPP Kolubara B and 3 additional units (700 MW) in TPP Nikola Tesla B has been announced. The units should be built through joint venture, where the future strategic partner would be able to choose whether to invest in one or both units. Overall costs of two units are estimated at 1.5 billion euros. According to estimations, the cost of construction of unit 3 in TPP Nikola Tesla B is some 900 million euros

The future strategic partner should own at least 51 % in the joint venture. During the first five years of operation, EPS should purchase all electricity produced in the TPPs. In period after sixth until fifteenth year, the exact model of purchase of electricity should be determined.

On April 14 2008, in Belgrade, Power utility of Serbia (EPS) and the Inter RAO EES, the subsidiary of Russian national power company, signed a cooperation protocol

The protocol was signed by the deputy General Manager of EPS Dragan Tomic and General Manager of Inter RAO Jevgenij Dod. General Manager of Inter RAO said the protocol was just the first step in cooperation with EPS, which could bring 2 billion euros of investments for Serbia. Although the protocol did not name particular projects, the local media reported that Russians are interested in construction of new unit in TPP Nikola Tesla B and finishing the construction of TPP Kolubara B. Several companies expressed their disappointment because there was no tender procedure to select strategic partner.

in the next couple of months, experts from Russian Inter RAO EES should analyze the projects for construction of thermal power plant (TPP) Kolubara B, unit 3 in TPP Nikola Tesla B, and pump storage hydropower plant (HPP) Bistrica.

TPP Morava has been introduced into system in 1969, with its 125 MW unit. Available output is 108 Mw. It uses brown coal for operation. Average annual production is around 500 GWh.

TPP Nikola Tesla A was built under the name "TPP Obrenovac", but it has been changed in 1975, when it was decided to build 2nd TPP near Nikola Tesla A. Last unit was put in operation in 1979. TPP Nikola Tesla A has 6 units; two 210 MW units, one 305 MW unit and three 308 MW units. Overall installed power is 1650 MW, while available output is 1500 MW. It is the largest generating capacity in Serbia, and it is connected with 220 and 400 KV power lines. In normal operation, TPP Nikola Tesla A uses 56 000 tons of lignite per day. Also, hot water for TPP is used for district heating of nearby city Obrenovac. In the end of 2007, a capital overhaul of unit 4 (300 MW) was completed. Cost of the project reached 75 million euros. During the overhaul, all turbine blades were replaced, 75 % of pipeline and boiler system was replaced, and new automation management system was installed. The reconstruction of electro filters, which was also carried out, will lead to meeting the EU environmental standards.

TPP Nikola Tesla B was introduced into system in 1983, and it is the largest TPP in Serbian system. Last unit was introduced into system in 1985. TPP Nikola Tesla B has two 620 MW units,

with available output of 1160 MW. Annual generation of TPP Nikola Tesla B is around 7 500 GWh. . In March 2007, Power utility of Serbia (EPS), European agency for reconstruction (EAR) and Sarajevo company Energoinvest have signed a contract for installation of new system for transport of coal ash and cinder in thermal power plant (TPP) Nikola Tesla B. EAR has donated 28 million euros for the project.

Kolubara mine is the largest coal mine in Serbia. In 2006, it has reported record ever coal production of 29.2 million tons. This was some 55,000 tons higher production comparing to previous record achieved in 1990th. The experts from Kolubara coalmine, the largest and most important coalmine in Serbia, confirmed that estimated coal reserves on 550 square km are 3 billion tons. The coal has been extracted in Kolubara during the last 56 years.

The estimated coal reserves should be sufficient for some 50 years of exploitation, i.e. until 2060th or 2070th, experts said. During that period, some five new open pit mines will be opened. Works on opening the new pit mine, Radljevo, with estimated 300 million tons is undergoing, due to possibility of construction of TPP Kolubara B. Village Vreoci, with 3 300 inhabitants and 1 200 households must be dislocated. The entire project should last for 8 years, and the overall costs should reach 142 million euros.

The coalmine Kolubara pays some 150,000 euros per month to the state of Serbia for the exploitation fees. According to new Mining law, the fee for usage of all types of coal is 1 % of overall incomes. According to old law, the fee was paid only for the coal delivered to TPPs, while new law includes overall coal sales. In the 2006, the coalmine produced amount of 29.2 million tons. In 2007, coalmine produced record amount of 29.25 tons. Also, in 2007, coalmine Kolubara invested 45 million euros for upgrade of mining equipment. Some 50 % of overall electricity production in Serbia is produced from coal from Kolubara coalmines.

Termoelektrane Kostolac

“Termoelektrane Kostolac” has been founded in 2005, by EPS, in order to link mines and thermal power plants Kostolac into one company. Company operates two TPPs, Kostolac A and Kostolac B. Both TPPs use lignite as a fuel. TPPs Kostolac produce 11% of all electricity generated in Serbia.

TPP Kostolac A has two units with available output of 281 MW. First 100 MW unit was finished in 1967, while 2nd, 210 unit was finished in 1980. Annual production is around 710 GWh. 35 million euros were invested in the two-year capital renewal of unit 1, which should prolong its lifespan by 15 years. After unit 1 was put in service, TPPs Kostolac A and B will have four units with overall power output of 900 MW and estimated annual production of 4.5 TWh.. The overhaul was carried out by local companies Energoprojekt, Termoelektro, IZO Progres, Gosa, Minel and Russian company Tehnopromexport.

TPP Kostolac B also has two units, but with available output of 640 MW. First 348 MW unit was completed in 1987, while 2nd 410 MW unit was completed in 1991. Annual production is around 3 000 GWh.

In November 2007, EPS and ministry of energy and mining announced the start of the renewal of coal ash disposal system in thermal power plant (TPP) Kostolac B.

Deputy energy minister said that this project is the part of 1.2 billion euros investment program that would be invested by EPS in ecological projects by 2015. The worth of this project is 23.5 million euros, where the funds will be provided by the loan from European Bank for Reconstruction and Development (EBRD).

In 2007, **Kostolac coalmine** reported record production of 7.21 million tons of coal as well as 28.85 million cubic meters of overburden removal.

Panonske termoelektrane – Toplane

“Panonske termoelektrane – toplane” is also a company within EPS, founded in order to operate three cogeneration power plants in Serbia. They are all run on heavy oil.

TE-TO Novi Sad, with two units, and 208 MW of available output.

TE-TO Zrenjanin, with one 129 MW unit and 100 MW of available output.

TE-TO Sremska Mitrovica, with three units and 45 MW of available output.

Electricity generation by CCGTs in Serbia is insignificant, with average of 350 GWh per year.

In May 2007, Director of EPS confirmed that documentation for the third large EPS's project, the renewal and modernization of combined heat power plant (CHP) Novi Sad, is in preparation phase. The units could be revitalized or the new CCGT units could be built. In both cases, the project will be realized in cooperation with municipality of Novi Sad, having in mind that with current natural gas prices, the production of electricity alone, without heat production, would not be profitable, Markovic explained.

EPS said that current efficiency rate of CHP Novi Sad is some 30 %. After the upgrade, the power plant should have efficiency rate over 58 %, and it should provide heating energy for city of Novi Sad.

During the first Regional energy forum of Central and Eastern Europe held in Budapest, the officials from US company General Electric (GE) confirmed their interest for participation in the project for renewal of combined heat power plant (CHP) Novi Sad. The cost of the project is estimated between 200 and 400 million euros. According to sources, some 20 companies have expressed interest for this project so far.

Thermal power plants on the territory of Kosovo

There are two TPPS in Kosovo and they are both operated by KEK

TPP Kosovo A has 5 units. First unit (65 MW) has been introduced into system in 1962, and three years later, 120 MW unit has been added. Later, three 200 MW units have been installed (last in 1975). Currently, only two 200 MW units are operational, with average output of 260 MW. Unit 5 (210 MW) is currently on capital overhaul, and it is expected to be operational by the end of 2008.

TPP Kosovo B consists of two 340 MW units. First unit has been introduced into system in 1983, second a year later. These two units can generate around 4500 GWh per year.

TPP Kosovo C tender is currently undergoing. The future investor will be also obliged to revitalize the old units in TPP Kosovo A and to open the new coalmine in Sibovc. The previous researches showed that coalmine Sibovc could supply existing and future power plants in Kosovo, where estimated reserves are 9.8 billion tons. New TPP would have output of 2 000 MW, and cost of the project is estimated to 3 billion euros.

News:

Construction of power line Podgorica –Tirana to start in October (Albania)

Preparations for the start of construction of 400kV interconnection power line between Podgorica (Montenegro) and Tirana (Albania) are in progress, while construction works should start in October.

Deputy minister of economic development Miodrag Canovic said that all necessary construction permits and other approvals as well as the expropriation of the land should be completed by October.

The construction works will be carried out by Croatian company Dalekovod under turnkey contract. Canovic also confirmed that Albanian side also initiated preparations for construction of its part of the line.

The new power line will strengthen electricity link between Montenegro and Albania and it should contribute to better operation of joint electricity market within Energy community in Southeastern Europe. Canovic also believes that new power line along with future 400kV line between Albania and Kosovo will increase security of electricity supply for Montenegro. The power line will considerably increase electricity exchange and it will reduce transmission losses in Montenegro.

The power line will have one double section, 76 km long, and one single section 80 km long. The project includes construc-

tion of 400kV bus bars in Elbasan and Podgorica. Montenegro's part of the power line will be 27 km long. The overall costs of the construction of power line should reach 42 million euros.

§ § §

Council of Ministers approved privatization of 85% of ARMO shares (Albania)

The Council of Ministers approved today the privatization plan of 85% of the shares of the ARMO oil company. Considering it as the main item in the agenda of the meeting of the Council of Ministers, Prime Minister Sali Berisha said that the contract to privatize ARMO was concluded following the successful negotiation process and the buyers are the consortium comprising Texas-based Refinery Associates of Texas, and Geneva, Switzerland-based Mercuria Energy Group Ltd. and Anika Enterprises and "Amra Oil" company.

Premier Berisha concluded that this privatization procedure is the best and the most transparent model carried out during the recent 18 years of the privatization process of a state asset.

During presentation of ARMO privatization contract, Premier Berisha said: "The agenda of the meeting today includes several laws and draft decisions, but approval of sale of 85% ARMO company stake is high on the agenda. The purchasers are the consortium comprising Texas-based Refinery Associates of Texas, and Geneva, Switzerland-based Mercuria Energy Group Ltd. and Anika Enterprises and "Amra Oil" company. Following conclusion of all the negotiations the process is finalized and today we approve the sale contract that will be forwarded to the Parliament."

§ § §

EP BiH signed two contracts for construction of new wind farms (Bosnia and Herzegovina)

In the first half of September, Power utility of Bosnia and Herzegovina (EP BiH) signed two contracts for construction of wind farms.

General manager of EP BiH Amer Jerlagic and general manager of Vjetroenergetika signed memorandum of understanding for construction of wind farm with overall output of 46 MW. The wind farm will have 16 wind turbines and it will be built in the area of Podvelezje.

According to the agreement, two companies should establish joint venture company, which will be temporarily called EP BiH Wind. EP BiH should own 67.8 % stake while Vjetroenergetika should own the rest in the joint venture.

A week before the abovementioned agreement, EP BiH and Energy 3 signed also memorandum of understanding. According to agreement, EP BiH wants to purchase from Energy 3 a project for construction of 30 MW wind farms also in the area of Podvelezje. The cost of the project is estimated at 35 million

euros, and the future wind farm should produce 150 GWh of electricity per year.

§ § §

EBRD to fund projects in electricity sector in RS (Bosnia and Herzegovina)

In the beginning of September, representatives of European bank for reconstruction and development (EBRD), led by Ricardo Pulliti, business Group director in charge of the energy and natural resources sectors, visited Banja Luka.

Officials from EBRD confirmed that procedures for granting the 200 million euros loan for construction of thermal power plant (TPP) Stanari and for 15-20 million euros loan for the projects of electricity distributor Elektrokrajina were underway.

Prime minister of Republic of Srpska (RS) Milorad Dodik called EBRD to support the projects for reconstruction of TPP Ugljevik and hydropower plant (HPP) Visegrad. Both projects should result in additional 50 MW of electricity output.

§ § §

17 million euros of profit for ERS in the H1 (Bosnia and Herzegovina)

In the first half of the year, Power utility of Republic of Srpska (RS) posted 17 million euros of profit. In the same period last year, ERS posted some 17.5 million euros of losses. The favorable results were the consequence of increased production and electricity export.

The most profitable company in ERS was the Coalmine and thermal power plant (TPP) Gacko with 6.3 million euros of profit. Hydropower plants (HPPs) on Vrbas River posted 2.25 million euros of profit, HPPs on Drina posted 1.9 million euros of profit, and HPPs on Trebisnjica River posted 1.87 million euros of profit. The only company that posted losses was TPP Ugljevik with 1.4 million euros of losses.

According to official report, overall income increased up to 149 million euros (+45 % compared to last year). ERS produced 2.7 TWh of electricity, which was 5 % lower than planned but 34 % higher compared to the last year.

Electricity production in TPPs was 7 % higher than planned, while electricity production in HPPs was 18 % lower than planned. In the same period, electricity consumption was 1 % higher than planned.

The profit income from electricity export stood at 43.5 million euros, which was the result of higher export but also the higher electricity prices compared to the last year (+56 %). The focus for ERS in the incoming period will be reduction of electricity thefts and reduction of electricity losses from 18 % down to 14 %.

Deputy minister of energy of RS Ljubo Glamocic said the electricity production could have been even higher, but lower pre-

cipitation and prolongation of overhaul of TPP Ugljevik had affected the result. Deputy confirmed that annual maintenance of TPP Gacko had started in the second week of September, where the works should last 45 days.

§ § §

1.5 million tons of coal produced in Kreka coalmine (Bosnia and Herzegovina)

In the first eight months of the year, coalmine Kreka produced some 1.5 million tons of coal, which was 11 % higher compared to the last year. The most of the amount or 1.345 million tons was delivered to largest power plant in the country, the thermal power plant (TPP) Tuzla. According to plans, annual production should reach some 2.23 million tons.

§ § §

Energy regulator says Croatia and Serbia use water potential free of charge (Bosnia and Herzegovina)

State regulatory energy commission (DERK) issued information in which it said that hydropower plants (HPPs) in neighboring Croatia and Serbia have been using water potential of Bosnia and Herzegovina (BiH) without paying any of taxes to the local municipalities or to the state of BiH. According to DERK, the worth of electricity produced in those plants is some 300 million euros per year, where annual production in those plants reaches some 4 TWh per year. The information was sent to Council of ministers of BiH.

DERK said that waters from storage lake Busko Blato have been used by HPP in Croatia, i.e. by the HPP Orlovac (360 GWh per year), HPP Djale (128 GWh), HPP Zakucac (1,440 GWh) and HPP Kraljevac (55 GWh). In the same time, starting from 1994, HPP Dubrovnik uses some 37.6 % of overall electricity produced in HPP instead of 22 %, as it was stipulated in original agreement. The HPP Dubrovnik uses water from BiH also. According to DERK, until 2007, in this way Croatia has claimed some 3 TWh of electricity more than it was allowed.

DERK also claims that HPPs in Serbia on Drina River, the HPP Zvornik (500 GWh per year) and HPP Bajina Basta (1.5 TWh) use part of the water potential of BiH also without paying any taxes to local municipalities in BiH.

§ § §

RS to step out from joint transmission company, highest international officials strongly against such move (Bosnia and Herzegovina)

After long lasting disputes between government of Republic of Srpska (RS) and Federation of Bosnia and Herzegovina (BiH), two entities in the state, the government of RS decided to

leave national electricity transmission company Elektroprenos BiH.

The government of RS concluded that problems in Elektroprenos were of such nature that could not be resolved after which government decided to initiate procedure for establishment of its own transmission company in order to ensure stable electricity transmission in RS and to protect its ownership rights.

Minister of economy, energy and development of RS Slobodan Puhalic announced that RS would most likely establish its own electricity transmission company. Minister Puhalic said that Elektroprenos was practically in standstill during which company did not make any investments plans for the next year.

Deputy minister of economy, energy and development of RS Ljubo Glamocic confirmed that government instructed ministry to prepare establishment of future electricity transmission company in charge only for territory of RS in the next 30 days. The government of RS found it impossible to reach compromise solution regarding problems in the company, Glamocic said. Glamocic reminded that operation of national transmission system will remain in hands of state institutions, i.e. it will be carried out by Independent system operator (NOS) and by State Electricity Regulatory Commission (DERK). Glamocic said that several European countries have more than one transmission company so that situation in BiH would not be anything new.

Minister of economy, energy and mining of Federation of BiH Vahid Heco said that latest intention of government of RS was an attempt to destroy institution that was beyond the borders of the entities. Heco refused the idea of RS that investments in Elektroprenos BiH should have been made in accordance to ownership shares, which was the key problem in the company.

Some 70 % of incomes of Elektroprenos come from Federation of BiH, and in the same time, electricity network in Federation of BiH is more utilized so that investments should be allocated in accordance to utilization rate of the network. Heco called international institutions to help solving this problem.

Transmission company Elektroprenos BH was officially established in 2006, as a joint company of two governments, where government of Federation of BiH owned 59 % stake, while the rest was controlled by government of RS. On the other hand, the first shareholders assembly took place in February this year. Nedžad Brankovic, prime minister of Federation of BiH and prime minister of RS Milorad Dodik supported the new company, although Dodik several times said that new company has been working only in favor of Federation of BiH.

Ambassadors of the Management board of Peace implementation Council (PIC) in BiH called government of RS to cancel its decisions related to Elektroprenos BiH and to continue its activities in accordance to law and institutions of BiH. PIC reminded government of RS that entity, according to related agreements, could not unilaterally leave the transmission company.

Delegation of European commission (EC) in BiH expressed deep concerns over the latest intentions of the government of RS regarding leaving Elektroprenos BiH. This would undermine reforms in electricity sector, which have been achieved with the great support of EU and other donators. It would also endanger integration of BiH into electricity markets of the region and EU, local office of EC said.

High Representative for Bosnia and Herzegovina Miroslav Lajcak said that decision of government of RS to withdraw unilaterally from Elektroprenos would be harmful for BiH and its European goals. Lajcak said he expects that government of RS would cancel its decision.

Ambassador of USA in BiH also expressed concerns over the latest decision of the government of RS. The latest conclusion of the government of RS was against the state laws, it would endanger reforms and it was politically irresponsible, ambassador said. USA also called government of RS to cancel its decision regarding Elektroprenos BiH.

§ § §

Experts supported construction of three HPPs on Neretva River (Bosnia and Herzegovina)

Experts' commission of the government of Federation of Bosnia and Herzegovina (BiH) concluded that construction of three hydropower plants (HPPs) in Glavaticevo and Bjelimice on the upper part of Neretva River was justified and economically feasible.

The commission said that the 650 million euros worth project offered by company Intrade Energija to government of Federation of BiH was acceptable and good starting point for construction of new plants.

By construction of new HPPs, natural environment will be slightly affected but BiH will acquire new amounts of clean energy, commission said. Overall output of new HPPs will be 730 MW, while annual production should reach 328 GWh. The future power plants should be built and operated through 30-year concession.

Minister of energy of Federation of BiH Vahid Heco said that commission report was not sufficient condition for granting the concession contract to Intrade Energija. Heco announced that negotiations with Intrade Energija would continue.

§ § §

Atel to win in a tender published by EP BiH (Bosnia and Herzegovina)

According to unofficial information published by local press, Swiss Atel has submitted the best bid in a tender for sale of 1.66 TWh of electricity in 2009 launched by Power utility of Bosnia and Herzegovina (EP BiH).

Sources said that Atel submitted bids for all three lots or for some 85 % of overall amount offered by EP BiH.

EP BiH offered electricity in three lots. Lot 1 refers to sale of 70 MWh/h of electricity during entire year, i.e. overall amount of 613.2 GWh. Lot 2 refers to sale of 100 MWh/h of electricity during entire year (876 GWh). Lot 3 refers to sale of 100 MWh/h during January, 20 MWh/h during February and March, and 50 MWh/h during April and May (175.9 GWh).

The bids in the tender were opened in the second week of September, where the bids were submitted by Atel, HEP, EGL, EP HZHB, Ezpada, EFT, Korlea invest, CEZ and GEN-I and Aluminum factory from Podgorica (KAP).

General manager of EP BiH Amer Jerlagic confirmed that results of the tender will be published until September 21. He confirmed that offered prices, depending on the lot, vary between 55 and 87 euros/MWh. He believes that average price in the tender could reach 83 euros, which would be some 11 euros/MWh higher compared to the last year's tender.

EP BiH expects to earn some 140 million euros in this tender, while another 35 million euros should be earned through short-term sales of some 300 GWh surpluses in the next year. The planned profit from electricity export in the next year will be almost triple the export in 2007 and 2008.

§ § §

Government to establish energy holding next year, EP BiH and to coalmines to be merged (Bosnia and Herzegovina)

In mid September, officials from Power utility of Bosnia and Herzegovina (EP BiH) government of Federation of BiH, officials from the coalmines had a meeting regarding the establishment of future energy holding, which will be result of merger of EP BiH and eight coalmines in the country.

General manager of EP BiH Amer Jerlagic said that establishment of new holding company will require changes in several laws. Jerlagic said that future holding should have three companies-the production, distribution and supply.

Minister of energy Vahid Heco hopes that legal background for the new company should be prepared by January 1. He also said that parliament should vote new laws on public companies, economic societies and financial consolidation of coalmines, which would be foundation for establishment of integrated energy sector in the country.

§ § §

Bulgargaz asked for 36.5 % increase in natural gas prices (Bulgaria)

Natural gas company Bulgargaz asked from State Energy and Water Regulatory Commission (SEWRC) to approve 36.5 % increase in natural gas prices in the fourth quarter of 2008. Ac-

ording to Bulgargaz, new price for 1,000 cbm of natural gas should rise up to 303 euros (including 10 euros of transmission fee and no VAT).

Commenting the latest request, the heating companies in major cities said that Bulgargaz's request would be devastating for national energy sector.

The request for increase was explained by higher import prices of natural gas and increased prices of alternative energy sources. In the same time, Bulgargaz wants to compensate the fact that regulator approved less than requested increase in tariffs in the third quarter. (Bulgargaz demanded 19.6 % increase, SEWRC approved only 5.6 % starting from July 1).

According to local press, it was not clear whether the new tariffs would include gradual increase in price of natural gas delivered by Gazprom, which should take place until 2013.

In the related news, Bulgargaz said it had reduced natural gas deliveries to Sofia heating company by 35 % in accordance to the schedule submitted by the heating company. The schedule will be floating, since the heating company will restore deliveries of energy and hot water to those customers that have paid its debts.

According to Bulgargaz, Sofia heating company has been paying debts toward Bulgargaz on daily basis, but the company still needs to pay some 35 million euros of debts. The heating company confirmed that collection rate of heating bills considerably improved in August.

Bulgargaz confirmed it would acquire funds for the first advance payments to its supplier Gazprom, but the funds for the second advance payment still needs to be acquired.

§ § §

Government extended guarantees for TPP Maritsa Iztok 1 project (Bulgaria)

The government of Bulgaria agreed on prolonging the guarantees in the project for construction of the replacement capacity in thermal power plant (TPP) Maritsa Iztok 1 by 15 months. The project has been carried out by U.S. company AES

The previous guarantee, issued by Multilateral Investment Guarantee Agency (MIGA), was issued for period of 16 years. The guarantee was extended at the request of Calyon Bank and union of creditors in order to reflect financial restructuring of the loans.

The project for construction of 670 MW (2x335 MW) lignite-fired unit is 1.2 billion euros worth, where 70 % of the funds has been provided by the loans from Calyon bank, BNP Paribas, EBRD and ING Bank. The rest of the funds have been provided by AES.

As a reminder, in July this year, AES demanded from National electric company (NEK) to approve one-year extension for

completing the project. According to original plans, the first 335 MW turbine should be put in service June 2009.

§ § §

Construction of NPP Belene officially started (Bulgaria)

On September 3, prime minister of Bulgaria Sergey Stanishev officially marked a start of construction of 2,000 MW nuclear power plant (NPP) Belene, the largest project in Bulgaria in the last 18 years. The official ceremony was attended by highest Bulgaria's official and Russian ambassador in Bulgaria.

The first construction works will be related to dismantling of foundations of the old facilities. The construction of NPP Belene was first time started back in 1990s and later was abandoned for financial problems and environmental protests.

New NPP will be located on Danube, some 220 km north-east from capital of Sofia and 100 km upstream from existing NPP Kozloduy. According to original contract, the cost of the project is estimated at some 4 billion euros, but latest analyses showed that cost could be even 6-7 billion euros.

The construction works, delivery and installation of the equipment in NPP will be carried out by consortium led by Russian AtomStroyExport. The members of the consortium are Areva and Siemens, while large part of the project will be assigned to local companies. Russian company will start construction of nuclear reactors in the next year, and the plant should be operational in 2013.

Prime minister Sergey Stanishev said during the ceremony that NPP Belene would secure national energy independence but also would increase quality of life for each citizen of Bulgaria.

Minister of economy and energy Petar Dimitrov confirmed that equipment for the plant should be ordered by the end of the year, while the main construction works should start in May next year, after Bulgaria's Nuclear regulatory agency (NRA) issues official approval. NPP Belene will be third generation of NPPs with zero risks for accidents. According to Dimitrov, new NPP will provide enough electricity long after units 5 and 6 in NPP Kozloduy were shutdown and after reserves of coal in Maritsa Iztok basin were depleted.

In the same time, head of AtomStroyExport confirmed that cost of the construction would not exceed contracted amount of 4 billion euros. Until September 15, AtomStroyExport should submit last set of technical documents related to the project to NRA, after which NRA should issue final approval for the project.

Head of National electric company (NEK), Lyubomir Velkov said that some 10,000 people would be employed during the construction, while some 2,000 people would work in new power plant. NEK will own 51 % stake in future plant. The rest will be owned by RWE or Electrabel, which should be decided by the end of the September. According to latest information,

Bulgaria once again asked from two potential strategic partners to improve their financial offers for 49 % stake until September 15.

Velkov recently said that state should provide additional guarantees for the NPP Belene. Until now, the state secured some 600 million euros of guarantees for the loans that NEK will ask from EIB and Euroatom. Velkov did not want to reveal how much funds were spent for the project so far, saying it was business secret. In addition, Velkov for the first time mentioned an option for RWE and Electrabel to participate jointly in the project, saying this was their idea.

§ § §

Kovachki to build two new units in TPP Bobov Dol (Bulgaria)

New owner of thermal power plant (TPP) Bobov Dol, Hristo Kovachki, said that two new 200 MW units could be built in the power plant. TPP currently has three 200 MW units, where unit 2 was switched-off for environmental reasons. However, Kovachki announced it would restart unit 2.

Kovachki said this after signing the final privatization contract with Bulgaria's Privatization agency in the beginning of September. Kovachki purchased 100 % of shares in TPP Bobov Dol for 51 million euros in auction in June, while another 35 million euros should be invested in the next five years in order to upgrade units 1 and 3 and to prolong their operational lives. (Units 1 and 3 have environmental permits until 2010 and 2014, respectively).

Kovachki believes that coal reserves near Bobov Dol and Radomir stand at some 500-600 million tons.

§ § §

Energy minister: No electricity shortages this winter (Bulgaria)

Minister of economy and energy Petar Dimitrov denied recent claims said by local businessman Hristo Kovachki that country could face electricity shortages in case if unit 2 in thermal power plant (TPP) Bobov Dol was not restarted. According to minister, Bulgaria has electricity surpluses in this moment. Dimitrov also confirmed that there were no negotiations regarding the restart of unit 2 in TPP Bobov Dol.

During the same occasion, minister Dimitrov presented key energy data from the last year.

In 2007, national electricity production reduced by 5.8 % compared to 2006 after decommissioning of units 3 and 4 (each 440 MW) in nuclear power plant (NPP) Kozloduy. In addition, electricity export reduced from 7.8 TWh down to 4.5 TWh.

In 2007, Bulgaria spent some 3.4 billion cbm of natural gas, which was 1 % higher compared to 2006. In the same time,

natural gas distributors reported 17.7 % increase in sales, Dimitrov said.

In 2007, coal production was 11 % higher compared to 2006, where 96 % of the amount was spent by power plants.

The heat energy production in heat and power plants and in NPP Kozludny in the last year amounted to 18.23 TWh (+3.1 %). In the same time, production in heating companies reduced by 9.7 %.

According to official data, in period 1998-2006, Bulgaria's energy efficiency has been increased by 30 %, while energy dependence was maintained under level of 50 %.

§ § §

500 MW output in wind farms in 2010 (Bulgaria)

Velizar Kiryakov, the head of Bulgaria's Association of Producers of Ecological Energy believes that electricity output in wind farms in Bulgaria should reach some 400-500 MW by 2010. According to him, this output should be increased up to 1,000 MW by 2015, while, in 2020, the output in wind farms should reach 3,000 MW.

Kiryakov believes that investments in wind farms in Bulgaria should amount to 500 million euros in 2009, while another 100 million euros should be invested in solar power plants.

In this moment, overall output in wind farms in Bulgaria is some 105 MW, while output in solar power plants is some 2 MW.

§ § §

Governmental commission in favor of LNG terminal on island of Krk (Croatia)

In the beginning of September, Commission for assessment of the study for selection of construction site for liquefied natural gas terminal (LNG) said in a press conference that Omisalj on Island of Krk is the most suitable site for the terminal. The commission will send its official opinion to the government, which will reach the final decision.

According to the vice prime minister Damir Polancec, who was the chair of the Commission, the partners in Adria LNG consortium should adopt new statute in order to define mutual relations by the end of the year.

Adria LNG company, with head office in Zagreb, was established in October last year. The company was established for the purpose of construction of LNG terminal and it was founded by OMV. Other members are E.ON Ruhrgas, Total, RWE Transgas and Geoplin from Slovenia.

Croatian companies Croatian oil industry (INA), Croatian power utility (HEP) and Plinacro (natural gas company) should become members of the consortium. In the past, government and foreign investors argued over the stakes in the project.

Vice prime minister Polancec said that INA, HEP and Plinacro would control 25 % stake in the project, within the new company LNG Croatia. In this way, Croatia would own relatively largest stake in the project company, while foreign investors will be obliged to reduce their share, i.e. E.ON Ruhrgas will own 22.5 %, OMV and Total will own 20 %, and RWE Gas will own 11.5 %, while Slovenian Geoplin will remain in possession of 1% stake in the project.

Polancec confirmed that Adria LNG consortium would be obliged to prepare general design of the terminal and environmental study. In the past, environmental organizations were against construction of LNG terminal on Krk.

Croatian president Stjepan Mesic supported construction of LNG terminal on island of Krk. He also called for development of another project, Druzba Adria oil project.

According to preliminary information, construction of the terminal should cost between 700 million and 1 billion euros, and the project should be completed in 2014. In the same time, new natural gas pipeline between Omisalj and Slovenian border should be built in order to transport natural gas toward Western Europe. According to previous information, future LNG terminal should have initial capacity of 10 bcm (it should be increased at 15 bcm) and it should be capable to unload tankers with 265,000 cubic meters of capacity.

Construction of LNG terminal is the part of national energy strategy until 2020, which should be presented to the public by the end of September, when the public debate will be initiated.

§ § §

New energy strategy to be presented in September (Croatia)

Vice prime minister of Croatia Damir Polancec confirmed that new Energy strategy of Croatia for the period until 2020 should be presented by the end of the September.

In this moment Croatia imports 50 % of its energy needs, i.e. some 25 % of electricity, 40 % of natural gas and 80 % of oil and oil derivatives, Polancec reminded.

According to data from the strategy presented by the vice PM, Croatia plans to build another 3,500 MW in power plants (current output is some 4,000 MW including share in NPP Krsko). Estimated average increase in electricity consumption until 2020 should be 3 % according to Strategy.

In the same time, Croatia will try to reduce primary energy consumption by 9 % compared to consumption in 2001. The share of renewable energy sources (RES) in electricity production should reach 19 %, while share of bio-fuels in overall fuel consumption should be increased at 10 %. In the same time, emission of greenhouse gasses should be reduced by 95 % comparing to 1990.

§ § §

MOL offers 395 euros for INA's stocks, investors say offer is too low (Croatia)

Croatian financial services supervisory agency (HANFA) approved MOL's initial public offering (IPO) for purchase of shares in INA. MOL offered to pay some 395 euros per share (2,800 HRK), where HANFA said the offered price was in accordance to laws.

On the other hand, local analysts almost unanimously said the offer was too low. According to official data from Zagreb Stock Exchange (ZES) presented by MOL, average price of INA's shares in the last three months was some 357 euros (2,573 HRK).

The MOL's offer will be valid for four weeks. According to local laws, third companies are allowed to submit counter offer for purchase of shares ten days before expiration of the MOL's offer.

According to calculations, MOL should pay some 1.16 billion euros for 30 % stake in INA owned by minority shareholders (some 3 million shares). In its official statement, MOL said that increase of the stake in INA (company already own 25 %) is the key element of their regional expansion strategy.

Large investors in Croatia said after the joint meeting that MOL's offer was not in accordance to actual market development. In addition, trade unions in INA believe that MOL's offer is way below real market price, while officials from War veteran's fund, which control 7 % stake in INA, said the MOL's offer was shameful.

The management of INA, on the other hand, believes that prices offered by MOL is in accordance to laws, since the minimum offered price has to be higher compared to average prices on the stock exchange three months before IPO. The top managers in INA said they would certainly sell part of its shares during IPO. The management of INA also believes that other aspects of MOL's offer, such as future business strategy for INA and employment policy, are also favorable for the company

In mid September, MOL managed to purchase only 700 shares in INA, but analysts said that it was too early to evaluate success of IPO, which will last until October 3.

According to analysts from Hungary, both large and small investors in Croatia expected higher price for INA. On the other hand, MOL believes it will be able to acquire 50 % of targeted shares in this way, analysts said.

Answering the questions from the press whether government's announcement regarding the share swap between INA and MOL was aimed to secure 44 % stake in INA for MOL regardless on success of IPO and to discourage other potential investors, vice prime minister Damir Polancec said that all potential investor were entitled to compete for INA.

As a reminder, prime minister of Croatia Ivo Sanader said in August that share swap between INA and MOL would be more likely option than sale of shares. Polancec also reminded that share swap is legal option for continuation of privatization of INA according to privatization law.

In the related news, Thomas Huemer from Austrian OMV said the OMV would take part in privatization procedure if it received official invitation. OMV recently decided to abandon hostile takeover of OMV and expressed interest in privatization of INA.

Huemer did not want to comment MOL's IPO and said that OMV is interested to take part only in transparent privatization procedure. OMV is not interested in shares owned by minority shareholders, he said. According to local press, minority shareholders invited OMV to submit its offer for INA after MOL's offer was considered as unsatisfactory.

According to unofficial information, OMV could be interested for purchase of the shares owned by the government that could be sold in accordance to privatization laws and in accordance to EU laws, i.e. some 19 % stake. In this way, the state will remain in possession of 25 % stake in INA. This would be possible only in case if the government decided not to swap shares with MOL.

§ § §

Environmental study for HPP Kosinj revoked (Croatia)

Ministry of environmental protection, physical planning and construction rejected a request of Croatian power utility (HEP) for issuing the construction permit for new tunnel and channel Bakovac-Lika, which is the part of new hydropower plant (HPP) Kosinj that should be built on Lika River.

This was the second time that ministry changed its opinion. In 2007, ministry rejected the study, while, in June this year, the study was approved.

The ministry explained that the main reason for not issuing the permit was the fact that, according to the environmental study made in 1988, project had not met necessary standards. Ministry demanded from HEP to conduct new environmental study in accordance to current laws and regulations related to environmental protection.

According to new Environmental protection law, the validity of environmental studies for various projects is limited to two years.

§ § §

PPC to be restructured (Greece)

PPC, which generates about 90 percent of Greek power needs, wants to split into separate units for production, trading, distribution, lignite mining and renewable energy development to boost efficiency and meet European Union competition rules.

"The restructuring of PPC is fundamental to boosting efficiency and competitiveness and is absolutely necessary to secure PPC's viability," the company said in a statement.

PPC's profits have been hurt by rising energy costs and state-regulated tariffs that limit its ability to raise charges to offset

those costs. As a reminder, PPC reported 112 million euros loss in Q2 2008.

§ § §

PPC extends deadline for 835 MW power plant tender (Greece)

PPC has extended the deadline for the submission of bids for the combined cycle power plant tender of up to 835 MW in Megalopolis, southern Greece, to 10th of October 2008. The initial deadline has expired.

It is the second extension of deadline for the Megalopolis tender. The cost of the project is estimated at EUR 570 million. The new unit is seen in operation in 2012.

§ § §

Greek Development Minister visited Azerbaijan to discuss TGI pipeline (Greece)

Greek Development Minister Christos Falias have visited Azerbaijan capital Baku, to discuss energy issues with local officials. The Greek delegation focused the talks on securing as much Azeri natural gas as possible from the Shah Deniz II project in order to supply the Turkish-Greek-Italian natural gas pipeline (TGI).

Both US and EU supports the TGI natural gas project. According to media, The State Department has recently exercised pressure to all the implicated sides for the pipeline to be supplied with natural gas from Azerbaijan, and not from Russia in an attempt to reduce Europe's energy dependency from Russia.

§ § §

Different method for accounting district heating (Macedonia)

AD Toplifikacija Skopje has decided to change current way of charging district heating. Until this season, heating was accounted by size of the flat (number of square meters). After 60% increase of heating price, Toplifikacija has decided to charge only for spent amount of heat. Devices which measure amount of spent heat, calorimeters, have already been installed, not for separate flats, but one for whole building. In the end of the month, entire amount will be divided by number of square meters and charged depending on a size of flats. Toplifikacija has announced that they will soon start to measure spent heat energy in separate flats/business objects.

§ § §

Increase in electricity price (Macedonia)

According to media, Elektrane Makedonije (ELEM) has requested from Regulatory Commission 80% increase of electricity price. First, ELEM has announced that they will ask for 38% increase (to 1.8 denars/KWh), but, according to media, in official request sent to Regulatory Commission, ELEM has requested 80% (2.7 denars/KWh).

ELEM is the only producer of electricity in Macedonia. According to ELEM, they decided to submit requested because normal operation with this price is not possible. As a reminder, in last two years, failures in generation capacities are becoming more often, due to lack of investments.

Few days before this announcement, Prime Minister Nikola Gruevski has confirmed that electricity price will certainly be increased, since it has been increased in all European countries. 16% increase was mentioned as the highest possible. Government has announced "social packages" for households with low incomes.

This is first request for increase of price from ELEM in last two years, since previous price increases were requested by EVN-ESM and MEPSO.

New electricity price will be known by the end of the month.

§ § §

EVN Macedonia and Government in London arbitration court (Macedonia)

EVN Macedonia has decided to ask for court opinion if they have fulfilled their obligations from contract signed in 2006, regarding sale of distribution ESM. As a reminder, government has requested from EVN to pay penalties due to unfulfilled agreement regarding amount of investments. Some media announced that government requested 18 million euros from EVN regarding this topic, but EVN officials demanded these claims. They also added that, in last two years, EVN has invested more in distribution network than it was invested in previous 20 years. From agreed 96 million euros, 67 million have been invested so far.

§ § §

Feasibility study for magistral pipeline (Macedonia)

Macedonian government has started an international tender for feasibility study for construction of new magistral pipeline and new pipeline network. Study should show should Macedonia build new gas network, or just upgrade existing one. Study should be completed by 1st of August 2009. New gas pipeline should cover Macedonian needs for next 30 years.

It is predicted that construction works could start in 2010.

§ § §

Winner of "Cebren and Galiste" tender to be known soon (Macedonia)

Macedonian government should decide soon who will be the winner of 700 million euros worth project, Cebren and Galiste. German RWE and Austrian Verbund are in a final phase of tender procedure. Tender has been delayed due to parliament elections in Macedonia. According to announcements, construction of these HPPs will start in 2009, and it will last for 7 years. Annual production of these two HPPs is expected to be 1 000 GWh.

As a reminder, winner of the tender will also receive a 50 year concession right to HPP Tikves (200 GWh annual production).

Originally, tender was only for construction of two HPPs. These two HPPs might have more than 600 MW, total, and both will be built on river Crna Reka. But ELEM, Macedonian production utility, has decided to "give" 90 MW HPP "Tikves" to tender winner, in period of 50 years. ELEM officials said that tender is now more attractive, and higher price could be expected.

As it was expected, this decision has been criticized. As a reminder, Macedonia is currently in energy crisis. Unplanned tender for electricity import, low production of HPPs due to insufficient water level, failures in TPPs, tender for coal import and above all, lack of funds. Companies qualified for tender procedure were "RWE", "Verbund", "Enel", "Edison" and "Statkraft".

§ § §

Report on energy resources in the first seven months of 2008 (Romania)

According to National Institute of Statistics (INS), primary energy resources in the first six months reached 24.098 million tons of oil equivalent (toe), which was 2 % higher comparing to same period last year. The domestic production reached 14.267 million toe (+2.3 %), while import of primary energy resources reached 9.831 million toe (+1.7 %).

The coal resources amounted to 5.164 million toe (-11.4 %), where domestic production reached 3.766 million toe (-3.2 %) and import reached 1.398 million toe (-25.3%).

Oil resources amounted to 7.387 million toe (2.8 %), where domestic production reached 2.586 million toe (-7.6 %) and import reached 4.801 million toe (+9.4%).

Natural gas resources amounted to 7.955 million toe (-1.9%), where domestic production reached 5.441 million toe (-2.9 %) and import reached 2.514 million toe (+0.3%).

Electrical energy resources reached 38.643 TWh, which was 2.838 TWh or 7.9 % higher comparing to the same period last year. The domestic electricity production was increased by 3.031 TWh (+8.6 %).

The production in thermal power plants (TPP) was reduced by 1.860 TWh (-8.3 %). In the same time, the production in hydro-power plants (HPPs) was increased by 2.398 TWh (+26.6 %),

while production in nuclear power plant (NPP) Cernavoda was increased by 2.493 TWh (+69.4 %).

The domestic electricity production amounted to 98.7 % of overall electricity resources, while electricity import amounted to 1.3 % of overall electricity resources. The production in thermal power plants amounted to 54.1 % of overall electricity production, production in hydropower plants amounted to 29.9 %, while production in nuclear power plants amounted to 16.0 % of overall electricity production.

Overall electricity consumption amounted to 31.102 TWh (+4.2 %), where 64.0 % was spent by industry and 15.4 % by households. In the same period, electricity export increased by 1.305 TWh (+67.1 %).

§ § §

Several companies submitted bids for purchase of electricity on OPCOM in 2009 (Romania)

The leading electricity trader in Romania, Energy holding (EH) announced it was willing to purchase almost 1 TWh of electricity on the local power exchange OPCOM in the next year. EH said it was willing to allocate some 51 million euros for this purpose. Tender for sale of 963.6 GWh of electricity in period January 1-December 31 2009 will be launched on OPCOM on September 18. According to local media, the bids could go up to 44 euros/MWh (no VAT and no network fee). EH recently signed the contract for purchase of 237.6 GWh of electricity from Energy complex (EC) in Rovinari, for which EH paid some 15 million euros.

In the same time, aluminum producer ALRO Slatina announced it would publish a tender for purchase of 973 GWh on September 17. The company offered 41.7 euros/MWh (no VAT).

Electrabel, which also acquired electricity supply license, wants to purchase 438 GWh on OPCOM's Centralized market for bilateral contracts. The tender should take place on September 22, and Electrabel offered 47 euros/MWh (no VAT) for the requested amount of electricity. The delivery period should be January 1-December 31 2009.

§ § §

MOL to repeat procedure for allocation of transport capacity on Arad -Szeged natural gas pipeline (Romania)

Hungarian Natural gas transmission company, MOL FGSZ, would initiate once again procedure for reservation of transmission capacity of the future natural gas pipeline Arad (Romania)-Szeged (Hungary). The procedure will be launched once again since only five companies have submitted bids on time.

The requirements during the second procedure will be changed comparing to the first procedure. This was said by

the loan Rusu, general manager of Transgaz, MOL's Romanian counterpart and partner in the construction of new pipeline.

According to Rusu, requests for reservations received by MOL had been 70 % lower compared to offered amount. The first allocation procedure was open in period of August 5-September 3. According to local media, OMV, Petrom, E.ON and GDF Suez were interested for using the pipeline.

The initial capacity of the future pipeline will be 1.7 billion cbm per year, while the maximum capacity should reach 4.4 billion cbm. The Arad-Szeged pipeline should be operational in 2010. Overall cost of the project will reach some 73 million euros.

§ § §

AVAS to launch privatization of EC Craiova by the end of November (Romania)

The Authority for State Assets Recovery (AVAS), the majority shareholder in Energy complex (EC) Craiova, should sell its stake in a privatization procedure that should be launched by the end of November. This was confirmed by the president of AVAS, Teodor Atanasiu. The state owns some 73 % of shares in EC Craiova.

EC Craiova is comprised of thermal power plant (TPP) Isalnita (2x315 MW), combined heat and power plant (CHPP) Craiova 2 (2x150 MW) and coalmines.

Atanasiu announced that electricity and heat producer Termo-electrica will become owner of 1-2 % shares in EC Craiova.

The head of AVAS confirmed that privatization advisor, consortium of Deloitte and Romanian-American Enterprise Fund (RAEF), had prepared privatization strategy. According to strategy, privatization will be carried out in two phases. The first phase will imply preliminary selection of strategic partners, while final negotiations will be made during the second stage. The future strategic partner will be chosen in accordance to business plan, investment program and cash offer for the shares, Atanasiu said.

The latest analyses showed that investments in EC Craiova should reach several hundreds million euros in the next five years. According to Atanasiu, without proper investments and due to old capacities and lack of environmental investments, EC Craiova would be forced to stop operations in the next couple of years.

In this year, EC Craiova should post 3 million euros of net profit, compared to 2.4 million euros posted last year. The EC Craiova is the sixth largest electricity producer in the country, with 7 % share in national consumption in the first half of 2008.

§ § §

Natural gas distributors requested 10 % increase in prices starting from October 1 (Romania)

Leading natural gas distributors in Romania, E.ON Gaz Romania and Distrigaz Sud (majority owned by Gaz De France) asked from national energy regulator (ANRE) to approve 10 % increase in natural gas prices for households starting from October 1.

Sources from ANRE said the regulator did not intend to approve any kind of increases in October, but the final decision would be reached after analyzing the request.

The latest increase in natural gas prices of 12.5 % took place on July 1. Both distributors said at the time the approved increase would cover only the part of their costs.

§ § §

Transelectrica and Areva signed 33.5 million euros contract for upgrade of Lacu Sarat substation (Romania)

On September 1, Romania's transmission system operator Transelectrica and consortium of Areva and local company Electromontaj Bucharest signed the contract for upgrade of high voltage substation (400/220/110/20 kV) Lacu Sarat near city of Braila..

Head of Transelectrica Stelian Gal said the modernization would increase quality of services and it would reduce maintenance costs. The project should be completed in 48 months in period of 2008-2012.

According to official press release, substation Lacu Sarat is important nod of transmission systems that connects southeastern and northeastern of parts of national electricity system.

§ § §

Nuclearelectrica to list 15 % of shares on stock exchange next year, up to 300 million euros of earnings expected (Romania)

Electricity producer Nuclearelectrica, the operator of nuclear power plant (NPP) Cernavoda, should list up to 15 % of shares on the stock exchange in the first half of the next year, which, according to local analysts, could bring between 100 and 300 million euros to the company.

General manager of Nuclearelectrica Teodor Chirica said that ministry of economy and finance, the majority owner, could officially approve draft plan for listing of the shares in September. After that, the government should start procedure for selecting the advisor for the listing procedure, most likely in October.

According to the plans, Nuclearelectrica should provide some 100 million euros from sale of shares for purpose of funding the construction of units 3 and 4 in NPP Cernavoda.

§ § §

EC Turceni to receive 300 million euros loan from EBRD (Romania)

European bank for reconstruction and development (EBRD) approved a 300 million euros loan for renewal of units 3 and 6 in thermal power plant (TPP) Turceni, the largest power plant in Romania (2,300 MW installed output). The renewal of units 3 and 6 will include installation of flue gas desulphurization (FGD) equipment. Overall cost of the project is estimated at 534 million euros.

In the second half of August, EBRD published invitation for expressions of interest for providing the consultancy services in the project for renewal of units 3 and 6 in TPP Turceni. The expressions of interest could be submitted by September 25.

The renewal of units 3 and 6 is the part of larger project for renewal of the TPP Turceni. The management of Turceni said in August that main aim of the renewal would be extension of operation life of existing units by another 15 years, increasing availability, efficiency and reliability of the units, and reduction of environmental pollution in accordance to EU directives.

§ § §

EPS to invest 375 million euros in 2008 (Serbia)

Deputy director of Department of strategy and investments in Power utility of Serbia (EPS) confirmed that some 145 million euros should be invested in the largest lignite mine in Serbia, the Kolubara, in this year. The particular investments will account for 38 % of overall investments of EPS in this year.

In 2008, overall investments of EPS should amount to 375 million euros, where 160 million euros will be provided by EPS, and the rest will be provided from the loans from World Bank, EIB, KfW and other banks.

The main projects for EPS in this year will be purchase of mining equipment for West Tamnava field in Kolubara and for Drmno in Kostolac in order to increase annual lignite production up to 12 and 9 million tons, respectively. Also, EPS should start projects for revitalization of hydropower plant (HPP) Bajina Basta and unit 6 in thermal power plant (TPP) Nikola Tesla A.

Deputy director reminded that, since 2005, EPS has been preparing project papers for selection of strategic partners in the projects for construction of TPP Kolubara B and unit 3 in TPP Nikola Tesla B. So far, 18 respectable companies expressed interest for these projects. EPS submitted all necessary documents related to projects and future tenders to ministry of energy and mining in 2007. These projects await for the government's approval in order to be continued.

§ § §

19.7 million tons of lignite produced in Kolubara in the first eight months (Serbia)

In the first eight months this year, lignite production in Kolubara reached 19.7 million tons. In August, lignite production reached 2.8 million tons. In the first seven months, lignite production reached 16.9 million tons, which was 6 % higher than planned. In July, lignite production reached 2.7 million tons (+4 %).

§ § §

New oil refinery to be built in Smederevo (Serbia)

Mayor of city of Smederevo Predrag Umicevic said to Serbian press that negotiations for construction of oil refinery near the city are in progress. The worth of the project is estimated at 250 million dollars, and the interest for the project is expressed by one multinational company, the mayor said. In addition, two companies have offered to build necessary facilities and infrastructure in port of Smederevo on Danube River.

The new refinery should produce fuels in accordance to EU standards, Umicevic said. The mayor did not want to reveal the names of the interested companies having in mind that negotiations have just started. The funding of the project could be supported by EIB and EBRD, the mayor said.

§ § §

Parliament ratified energy agreement with Russia, disputes still not resolved (Serbia)

On September 9, parliament of Serbia with vast majority officially voted the Law on ratification of Energy agreement between Serbia and Russia in oil and natural gas sectors. The agreement envisages construction of South stream pipeline across Serbia, sale of 51 % stake in Oil industry of Serbia (NIS) to Gazprom and construction of underground natural gas storage facility in Banatski Dvor.

In the same time, the latest dispute regarding the sale price of NIS remains unclear since the parliament did not ratify Protocol for implementation of Energy agreement. According to Protocol, Russia should pay 400 million euros in cash and 500 million euros in investments for NIS.

According to Protocol, Gazprom will be granted management rights in NIS. Also, Russians will have 51 % stake in the company that will manage the pipeline and storage facility. The energy agreement will be valid for 30 years, where the agreement should be automatically prolonged for five years if none of the parties announces cancellation of the contract on time.

Gazprom welcomed ratification and said the agreement was step forward to implementation of one of Gazprom's largest infrastructure projects.

Several Serbian politicians, led by minister of economy Mladjan Dinkic, have been saying for quite some time that sale price for NIS was too low. In the same time, advisor Deloitte hired by the Serbian government, in the beginning of September, evaluated that market price of NIS is 2.2 billion euros.

Minister Dinkic, who is the head of Serbia's team for incoming negotiations with Russians, said that latest evaluation on market price of NIS should be taken in consideration during the incoming talks with Gazprom. Dinkic said he was satisfied with ratification of the agreement, but also said that price for NIS set in the protocol was not binding in legal sense for Serbia. However, Serbia has moral obligations toward this document. Minister reminded that Gazprom would be obliged to purchase shares from the citizens and employees of NIS (which will be granted free shares in accordance to privatization law for NIS) at the price in accordance to the latest appraisal performed by Deloitte. According to current data, employees will have 4.4 % shares in NIS, 15 % will be owned by other citizens of Serbia, Gazprom will own 51 % stake, while the state will control rest of the shares. Dinkic also believes that capacity of the pipeline should be increased up to 15 to 18 billion cbm per year, compared to 10 billion cbm said in the energy agreement.

On the other hand, vice prime minister Bozidar Djelic believes that all confusions should be resolved by the end of the year, when the final agreement for the sale of NIS should be signed, which will be in accordance to deadline set by the Energy agreement.

As for the Russian side, the statement of the official of Chamber of industry of commerce of Russian Federation in Belgrade, Jurij Buligin, that ratification of the energy agreement does not mean that South stream pipeline will be built across Serbia again raised doubts that Russia could abandon the construction of the pipeline. According to Buligin, feasibility study for the project should be finished in the next year.

Buligin said this during the convention in Serbian Chambers of commerce. He also said that Russian companies in Serbia have been facing numerous obstacles. The project for renewal of hydropower plant (HPP) Djerdap was put on hold, while Lukoil also reported on certain problems during its operations in Serbia. Buligin believes that Russian companies could be reliable partners in the projects in energy sector, especially in renewal and construction of new power plants in Serbia.

On the other hand, prime minister of Serbia Mirko Cvetkovic said that construction of South stream pipeline across Serbia was the mandatory condition for sale of NIS to Gazprom.

Despite the fact that head of the Russian Chamber in Serbia Andrej Hripunov said he was surprised by the Buligin's statement, which was against the signed interstate agreement, the statement could be understood as a continuation of pressure on Serbia to abandon requests for increasing the sale price for NIS. As a reminder, all Russian officials involved in this project were firmly against paying more than 400 million euros for NIS.

Russian ambassador in Belgrade, Aleksandar Konuzin confirmed to Serbian's national television that Russia did not change its standpoints regarding the agreement and that two countries already got involved in the project. In the same time, officials from Gazprom confirmed they would soon come in Belgrade in order to start negotiations, having in mind that agreement was successfully ratified.

Russian ambassador confirmed that Russia would insist on sale price of 400 million euros for NIS, having in mind this was signed by the official representatives of Serbia and Russia. He also believes that Gazprom will invest far more than 500 million euros in NIS, which neither could be done by any other potential strategic partner nor any other partner would be willing to make such investments.

Russian media quoted local analysts who believe that ratification of Energy agreement by parliament of Serbia gained strategic advantage to Russia, since it would acquire one European oil company. Because of that, Gazprom could be willing to invest additional amount of 200-3000 million euros in NIS, Russian analysts said.

The main problem for Gazprom could be standpoint of Mladjan Dinkic but Russian media imply that Dinkic and other opponents of sale of NIS could agree on paying additional 200 million euros for 51 % stake in NIS.

In the same time, officials from NIS believe that appraisal made by Deloitte is close to the evaluations made earlier by the management. The management believes that Russians should invest additional amount of 280 million euros (on top of the 500 million euros agreed in the protocol) in NIS. In that case, overall price paid by Gazprom of NIS would reach some 1.1 billion euros, which would be in accordance to the latest appraisal.

According to sources, the management of NIS believes that Gazprom would not pay more than 400 million euros in cash for NIS, but it could agree on increasing the planned investments.

According to latest news, delegation of Gazprom should visit Serbia on September 17. Minister Dinkic confirmed that Serbia prepared ten options for negotiations with Russians. Dinkic believes that energy agreement gives option for increasing the capacity of the pipeline. In the same time, it was necessary to define amount of investments in storage facility in Banatski Dvor, the amount of investments in NIS, environmental standards and liberalization of oil market, Dinkic concluded. In the same time, minister of energy of Serbia Petar Skundric said that most important thing for Serbia could be increasing the capacity of the pipeline.

In the related news, Committee on Foreign Affairs of parliament of Slovenia supported on a closed session signing the agreement with Russia regarding the construction of South stream pipeline across Slovenia. The committee agreed on start of preparation of the agreement, where the details were not revealed.

In second news related to South stream project, US ambassador to Hungary, April Foley, said that Hungary could reconsider option for canceling the negotiations with Russia regarding the construction of South stream pipeline. On the other hand, Hungarian deputy economy minister refused such option.

§ § §

New open pit mine in Kolubara to be operational next year (Serbia)

New open pit mine Veliki Crljeni in the lignite mine complex Kolubara will be officially open in October this year, while the pit mine should be operational in summer next year.

For the purpose of new mine, Kolubara River was dislocated several months ago. Overall investments will amount to 95 million euros. New pit mine will replace older mine Tamnava East. In the next 25 years, some 25 million tons should be produced in this pit mine.

Experts from the Kolubara coalmine warned that investments in the pit mines were considerably lower comparing to investments in power plants. This would slow down opening of new mines, which could cause problems in lignite production for power plants already in 2011.

§ § §

Deloitte: market worth of NIS is 2.2 billion euros (Serbia)

In the beginning of September, the auditor company Deloitte concluded that worth of overall assets of Oil industry of Serbia (NIS) is 2.2 billion euros.

According to report published on official website of government of Serbia, Deloitte has used four methods for evaluation of market worth of NIS, while the evaluation was based on data recorded on the last day of June this year. The methods showed that worth of NIS varies between 930 million euros and 3.9 billion euros, after which auditor evaluated, in accordance to all analyses and professional opinion, that final market worth of NIS was 2.2 billion euros.

During the evaluation, Deloitte used projections and assumption on crude oil prices in period 2008-2013 made by Economist Intelligence Unit and Deutsche Bank.

In the end of June, NIS had 12,262 employees, and according to plans, this number will be reduced to 11,000 in 2011, the report said.

The evaluation has taken in account that crude oil production of NIS, in Serbia and in oil fields in Angola, should reduce from 718,000 tons (recorded in 2007) down to 670,000 tons in 2010. In the same time, natural gas production should reduce from 271,000 cbm (in 2007) down to 172,000 cbm in 2012. According to evaluations, the worth of concession rights for explora-

tion, exploitation and refinement of crude oil and natural gas in Serbia is between 724 and 844 million euros.

According to property method evaluation, the worth of qualified workforce is estimated at 41.4 million euros, while the overall worth of fixed assets (real estates, facilities and all equipment) is estimated at 1.68 billion euros. The official report of NIS said the worth of fixed assets at the end of June this year stood at 1.22 billion euros. Deloitte explained that worth of fixed assets increased in the meantime.

According to the discounted cash flow method, overall debts of the company stood at 495 million euros, while the fair market worth of NIS is estimated at 1.98 billion euros.

In August this year, prime minister of Serbia Mirko Cvetkovic said that government decided to make new appraisal of NIS in order to determine market price of the shares in NIS, which will be given to citizens of Serbia, free of charge, in accordance to privatization laws. In the same time, minister of economy, Mladjan Dinkic said that this appraisal would be starting point for incoming negotiations with Gazprom regarding the implementation of energy agreement between Russia and Serbia.

As a reminder, Russian Gazprom should pay 400 million euros in cash and 500 million euros in investments for 51 % stake in NIS.

§ § §

Srbijagas demanded increase in natural gas prices from October (Serbia)

Serbia's natural gas company Srbijagas requested from the government to approve increase in natural gas prices for households starting from October 1.

General manager of Srbijagas Sasa Ilic said that current households tariffs were lower comparing to import prices. Ilic did not want to reveal the amount of the increase, but he said the increase would be considerable. On the other hand, Ilic confirmed that natural gas supply would be stable during incoming winter season having in mind that company paid all debts toward suppliers, but also due to fact that storage facility in Banatski Dvor should be operational for the first time.

In the related news, heating companies in Serbia announced that they would be forced to increase heating tariffs if the increase in natural gas prices was approved.

§ § §

Tenders:

Electricity

Company / organization: EP BiH, related Bosnia and Herzegovina

Electric energy sale for 2009

Content: Details regarding this tender can be found in NEWS section, paragraph: "EP BiH published tender for sale of electricity in 2009 (Bosnia and Herzegovina)".

Tender documentation can be obtained from: www.elektroprivreda.ba, "Announcements" section (oglasi)

Deadline: 1 Oct 2008 at 13:00, Banja Luka time.

Contact: Mr. Smajo Bisanic
+387 33 751 371
s.bisanic@elektroprivreda.ba
Mr. Muris Dlakic
+387 33 751 363
m.dlakic@elektroprivreda.ba
FAX: +387 33 751 368

Company / organization: EBRD, related Bosnia and Herzegovina

Power Distribution Reconstruction Project

Content: ELEKTROPRIVREDA REPUBLIKE SRPSKE hereinafter referred to as the Purchaser, intends using part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Procurement of Goods and associated Services for substation 35/10 kV Bijeljina IV.

Deadline: 1 Oct 2008 at 13:00, Banja Luka time.

Contact: Mr. Milorad Živković, PIU Director
Project Implementation Unit
Kralja Petra I Karadjordjevic 83A/II
78000 BANJA LUKA,
BOSNIA AND HERZEGOVINA
THE REPUBLIC OF SRPSKA
Phone: ++ 387 51 215 658, 654
Fax: ++ 387 51 215 667, 670

Company / organization: EBRD, related Bosnia and Herzegovina

Power Distribution Reconstruction-Substations 10(20)/0,4kV

Content: 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:

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..

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:

EBRD, related Bulgaria

Construction of wood biomass heating plant in town "Triavna"

Content:

The project 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. This General Procurement Notice draws attention to the forthcoming tender for supply of goods and installation of equipment for the construction of a modern biomass fired heating plant and the related district heating network in town Triavna.

The tendering includes:

1. Supply of loading machine and specialised wood transporting track;
2. Supply of district heating network pipes;
3. Supply and installation of heating substations for customer sites.

Overall Budget for the project is EURO 4 million, from which EURO 0.8 million will be financed from the Kozloduy International Decommissioning Support Fund.

The invitations for tenders are expected in the third quarter of 2008. The invitations will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF. The eligible countries as of 1 May 2008 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD's Countries of Operations.

Deadline:

14 May 2009 at 00:00, Sofia time

Contact:

Mr. Svetlozar Todorov
Investor's representative
BioEnergia Triavna OOD
4 Trapezitsa str, entr. 4, fl. 4
Sofia 1000, Bulgaria
Email: anton.ivanov@yahoo.co.uk
Telephone/Telefax: +359 2 989 89 50

Company / organization:

EBRD, related Bulgaria

Metamodul CNG for the Etopole 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: **EBRD, related Bulgaria**

Replacement of transformers for CEZ Razpredelenie Bulgaria

Content: The project 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.

This General Procurement Notice draws attention to the forthcoming tender for supply of equipment for the replacement of outdated 20/0,4 kV power transformers with new transformers of higher efficiency.

Overall Budget for the project is EURO 3,84 million from which EURO 0.76 million will be financed from the Kozloduy International Decommissioning Support Fund.

The replacement of the power transformers is planned to start by the end of 2008.

The invitation for tender is expected in the third quarter of 2008. The invitation will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF. The eligible countries as of 1 February 2008 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD's Countries of Operations.

Deadline: 14 May 2009 at 00:00, Sofia time

Contact: Mr. Atanas Dandarov
Director management of the company
CEZ Razpredelenie Bulgaria AD
330, Tzar Simeon Street, 1309 Sofia, Bulgaria
Office tel: +35928053403
Fax: +35929862805
e-mail: atanas.dandarov@cez.bg

Company / organization: **EBRD, related Romania**

CFR Traction Energy Network Management LOT 1,2 - General

Content: 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:

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

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.

Deadline: 22 Oct 2008 at 00:00, Bucharest time.

Contact: 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

Company / organization: **EBRD, related Bulgaria**

Ruse Integrated Energy Farm

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.

District administration Ruse intends to use the proceeds of the Grant from the Kozloduy International Decommissioning Support Fund for co-financing the establishment of an integrated energy farm, consisting:

- Supply and installation of Biomass gas generation reactor, gas cooling, gas washing and gas drying using straw
- Supply and installation of CHP plant for production of electric and thermal energy
- Supply and installation of biomass (straw) transport, handling and storage facilities
- Up-grade of the existing heat only boiler (HOB) for the utilisation of biogas

The tendering includes design, engineering, procurement, delivery, construction, installation, pre-commissioning and commissioning of works and is expected to begin in the Q III 2008.

The total expected budget of the project including the consultancy assignment is €3.4 million, from which the grant financing part is €1.56 million.

Tendering for contracts to be financed from grants of the KIDSF, is open to firms from eligible countries as of 1 April 2008. These are: EU member states, Switzerland and the EBRD's countries of operation.

Deadline: 9 May 2009 at 00:00, Ruse time

Contact: Dr. Todor Petrov
Director
District administration
Ruse
Bulgaria
Fax : + 359 82 812 232
Email: T.Petrov@ruse.e-gov.bg

Company / organization:	EBRD, related Bulgaria
Sofia District Heating Rehabilitation	
Content:	<p>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.</p> <p>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.</p> <p>Toplofikacia Sofia AD intends to us 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.</p>
Deadline:	13 Mar 2009 at 00:00, Sofia time
Contact:	<p>Mrs. Anastasiya Markova PIU Manager 23 Jastrebetz St., 1680 Sofia, Bulgaria Tel: +359 2 8593171 Fax:+359 2 8599124 E-mail: amarkova@toplo.bg</p>

Company / organization:	EBRD, related Macedonia
Transmission Interconnection Project, four substations - GPN	
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"> • 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. • Package II: Rehabilitation of substations 400/110 kV Skopje 4 and Dubrovo with supply and installation of new bay control units in the substations • 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.
Deadline:	31 Dec 2008 at 00:00, Skopje time

Contact:	<p>Sinisa Stancevski ; Project Manager AD MEPSO Tel: +389 2 3149 018 Fax: +389 2 3238 687</p>
----------	---

Company / organization:	EBRD, related Bulgaria
Varna city heating network rehabilitation KIDSF	
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:	<p>Mr. Ilija Nikolaev Director of the board Tel: +359 52 500 670 Fax: +359 52 750 358 e-mail: inikolaev@dalkia.bg</p>

Company / organization:	EBRD, related Romania
CFR Traction Energy Network Management LOT 1,2 - General	
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 Electricitare 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. Electricitare SA, B-dul D Golescu nr.38 Bucharest, Romania Tel: + 40 213192512 Email: ionel.truica@cfr.ro</p>

Company / organization:	EBRD, related Bulgaria
Rehab and Extension of Power Transmission Network LOT 1,2,3	
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 Bulgaria
Enemona CNG project - General	
Content:	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
Deadline:	13 Feb 2009 at 00:00, Sofia time
Contact:	<p>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</p>

Oil and Gas

Company / organization:	EBRD, related Bulgaria
Bulgartransgaz Silistra System Development	
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"> • Temporary construction and preparatory works; • Delivery of materials and equipment (except of those included in the Delivery Contracts (A, B and C) above); • Construction and installation; • Pre-commissioning and commissioning tests; • Getting Permission on Commissioning by the competent control authorities; • 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. <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>

