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NEWS

Energy News in Southeast Europe
twice in a month •

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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.

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In this issue:

July (2) 2008 issue of Balkan Energy NEWS, with limited data.

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Actual data

- » Power sector operational and market data for the period of 16.07.-31.07.2008
- » Forecasted weather conditions for the following period

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Analysis:

- » Thermal Power Plants in Bosnia and Herzegovina

§ § §

News headlines

Region

- » MOL and CEZ established joint venture, plans for construction of power plants
- » Cost of South stream pipeline to reach 12.8 billion euros

Bosnia and Herzegovina:

- » Austria supports APET Group
- » Government to continue projects in TPP Gacko, CEZ said the delays are temporary
- » State will not privatize power plants
- » Technor Energy presented projects for construction of small HPPs
- » Government of RS supported Adriatic-Ionian natural gas pipeline
- » Construction of five small HPPs to start in 2009
- » 750 million tons of coal reserves in RS

Bulgaria:

- » Unit 5 in NPP Kozloduy in service after annual overhaul
- » AES demands extension for completing TPP Maritsa Iztok 1
- » Parliament approved agreement for construction of South Stream pipeline
- » Mitsubishi put in service wind farm
- » Heating company in Shumen offered for sale
- » Government to increase electricity prices by 4.5 % in average until 2015
- » Three banks to compete for the advisor in the Burgas- Alexandropoulos project

Croatia:

- » OMV did not submit offer for purchase of shares in INA
- » LNG terminal to be built in Omisalj
- » Prime minister in favor of transparent privatization of INA
- » Possible increase in natural gas prices
- » 15.2 million euros of losses for HEP in H1
- » 56 % reduction in profit for Janaf in H1

Greece:

- » Memorandum of cooperation between DEPA and Gaz de France signed
- » Tender for new 450 MW TPP approved
- » Speeding up two pipeline projects
- » Enel to build Gas fired TPP in Greece

Macedonia:

- » Disputes regarding electricity price increase
- » Sale of night energy
- » Heating price increased for 60.35%
- » New Expropriation law
- » 360 million euros to be invested in wind generators

Montenegro:

- » Petrol still to start investments in joint venture projects
- » EPCG published tender for making the general design of new coal ash depot in TPP Pljevlja
- » Government adopted deadlines for several projects envisaged by national energy strategy
- » New management in Pljevlja coalmine
- » LNG terminal to built by 2015

Romania:

- » Energy complex in Craiova to be privatized through new model
- » Electrica announced investments in electricity production projects
- » Hidroelectrica to get involved in wind energy projects
- » EDF, MVM and Verbund interested for HPP

Tarnita-Lapustesti

- » Hidroelectrica to acquire 300 million euros loan
- » EnBW interested in construction of power plant in Gorj County
- » CEZ Romania posted 40 million euros of profit in 2007
- » Elcen completed 190 MW CCGT unit
- » Energy Holding to get approval for 700 power plant
- » Maximum output in wind farms reached

Serbia:

- » Parliamentary committee approved energy agreement with Russia, parliamentary ratification delayed
- » CEZ interested for expansion in Balkans, most of the investments in Serbia
- » Sale price for NIS to be reevaluated, Gazprom against changes in energy agreement
- » 8.4 % increase in electricity prices from August 1

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

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

Balkan Energy NEWS publication

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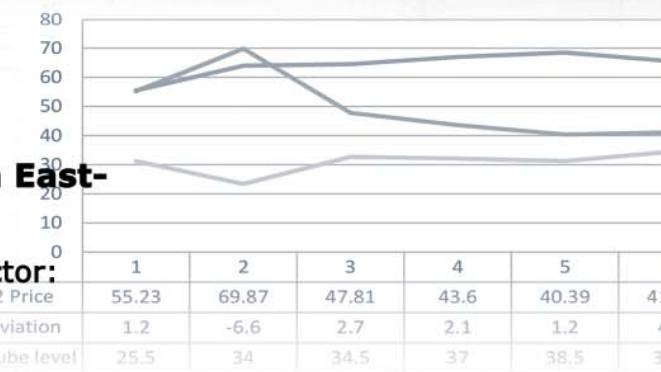
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The readers who will mostly benefit from the content of Balkan Energy News are: energy trading companies, investors, consulting companies, financial institutions, electricity generation companies, electricity distribution companies, transmission system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

1022	Slovenia	2008	11344	1033	944	1119	878
1184		2010	12267	1083	991	1054	941
1077		2011	12590	955	1051	1127	997

OPCOM

Annual electricity consumption in GWh		Year	Sum	1	2	3	4
12		2007	11182	1027	891	953	850
		2008	11570	1094	998	1012	911
	Bosnia and Herzegovina	2009	10994	1099	932	963	816
		2010	11722	1074	979	1016	910
		2011	12186	1155	1038	1075	938
	Bulgaria	2008	34506	3261	3289	2960	2831
		2009	32721	3059	3196	2636	2636
		2010	31954	3486	3052	3021	2443
		2011	33452	3475	3107	3087	2577
	Croatia	2008	17842	1680	1543	1570	1666
		2009	17507	1625	1530	1551	1323
		2010	17507	1536	1568	1356	1356
		2011	17174	1655	1481	1553	1395
	Greece	2008	53006	4915	4539	4289	4105
		2009	53504	4652	4271	4401	3894
		2010	53565	4666	4107	4327	3913
		2011	53233	4588	4158	4423	3865
	Macedonia	2007	6533	630	532	777	664
		2008	6533	630	532	777	667
		2009	7576	862	747	793	486
		2010	7576	862	747	793	588
		2011	7576	862	747	793	704
	Romania	2007	5413	4735	4418	4660	4081
		2008	50636	4736	4268	4473	3803
		2009	50636	4736	4268	4473	3803
		2010	53365	4874	4473	4727	4332



Country Reports on Energy Business in South Eastern Europe

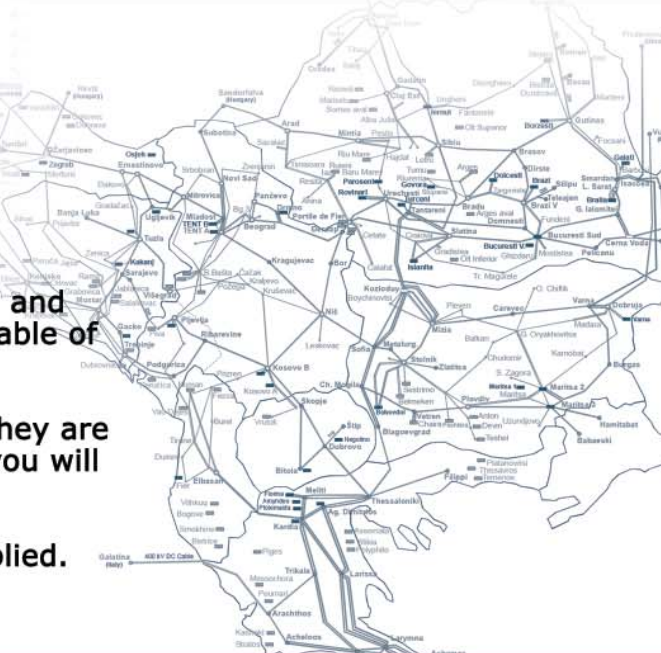
Country reports provide detailed overview of energy sector:

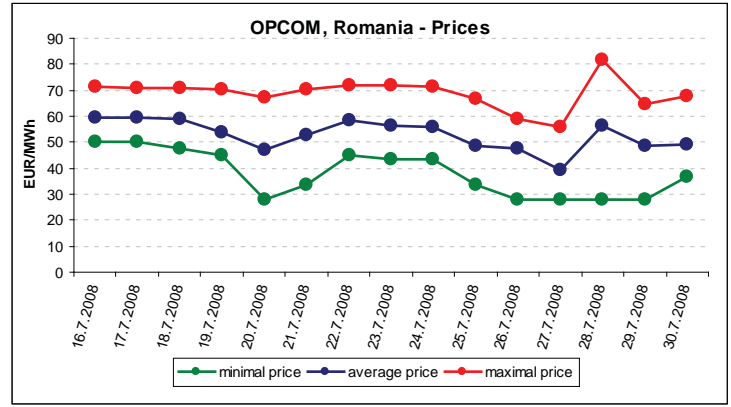
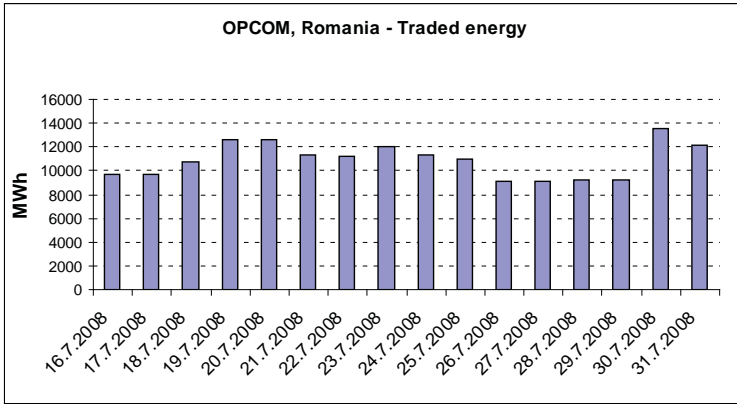
- Overview of the electricity market,
- Consumption, production and export characteristics
- Actualities - hot topics
- Key market players,
- Legislation and electricity market opening
- Electricity prices and tariffs,
- Potentials for investments in power generation,
- Privatizations in power industry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

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

Price of individual reports is 490 EUR per country, and they are updated every three months. For each ordered report, you will receive updates during one year period, free of charge.

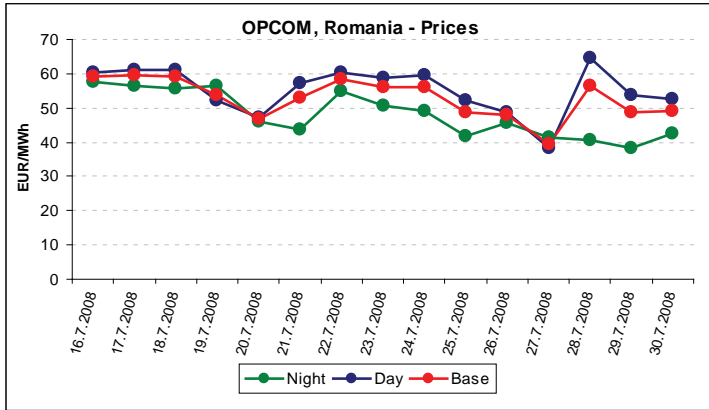
For ordering all of the reports, 20% discount will be applied.





Opcom, Romania: Prices in last 15 days (EUR/MWh)

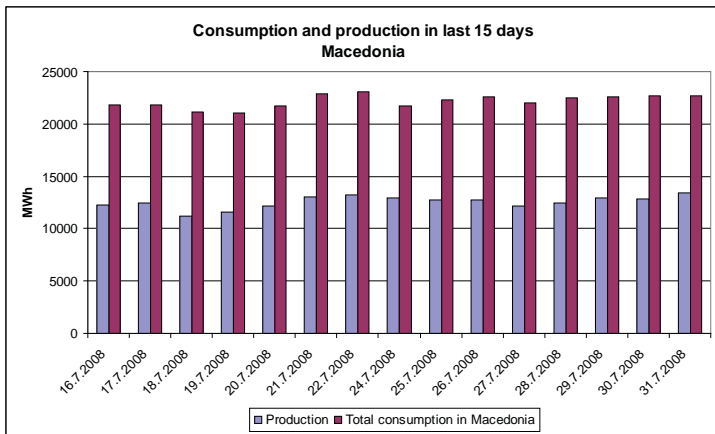
	16.7.2008	17.7.2008	18.7.2008	19.7.2008	20.7.2008	21.7.2008	22.7.2008	23.7.2008	24.7.2008	25.7.2008	26.7.2008	27.7.2008	28.7.2008	29.7.2008	30.7.2008	31.7.2008
Base Price	59.28	59.48	59.18	53.80	46.93	52.80	58.47	56.17	56.03	48.66	47.77	39.37	56.52	48.59	49.20	47.53
Base Quantity	9739	9645	10795	12630	12627	11326	11245	12043	11381	10944	9118	9118	9229	9239	13539	12165
Day Price	60.18	60.98	61.02	52.39	47.31	57.35	60.34	58.93	59.42	52.14	48.78	38.28	64.49	53.76	52.60	53.00
Day Quantity	6625	6519	7316	8976	8797	8025	7909	8348	7836	8053	6540	6540	6312	6678	10172	8707
Night Price	57.48	56.49	55.51	56.61	46.16	43.71	54.73	50.67	49.25	41.71	45.74	41.54	40.60	38.25	42.39	36.59
Night Quantity	3113	3125	3479	3654	3830	3301	3336	3695	3544	2891	2578	2578	2917	2562	3367	3458



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

Mepso, Macedonia (MWh)

	16.7.2008	17.7.2008	18.7.2008	19.7.2008	20.7.2008	21.7.2008	22.7.2008	24.7.2008	25.7.2008	26.7.2008	27.7.2008	28.7.2008	29.7.2008	30.7.2008	31.7.2008
Production	12267	12408	11156	11610	12209	13010	13234	12892	12756	12753	12188	12483	12926	12855	13444
Import	9537	9449	9994	9427	9482	9829	9842	8857	9573	9844	9813	10015	9661	9835	9192
Total consumption in FYROM	21804	21857	21150	21037	21691	22839	23076	21749	22329	22597	22001	22498	22587	22690	22636



Tables with result of Allocated Available Transfer Capacities (AATC) in Balkan region for August 2008

NOS BIH - Bosnia & Herzegovina								August 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Croatia > BIH	-	-	580	-	144	-	73	01.-31.8.2008.
Montenegro > BIH	-	-	470	-	235	-	0	01.-31.8.2008.
Serbia > BIH	-	-	100	-	50	-	50	01.-31.8.2008.
EXPORT								
BIH > Croatia	-	-	600	-	260	-	95	01.-31.8.2008.
BIH > Montenegro	-	-	290	-	88	-	88	01.-31.8.2008.
BIH > Serbia	-	-	100	-	36	-	36	01.-31.8.2008.

ESO - Bulgaria								August 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Serbia > Bulgaria	-	-	50	-	25	25	0.11	01.-31.8.2008.
Romania > Bulgaria	-	-	300	-	100	100	4.03	01.-28.8.2008.
	-	-	100	-	0	0	0.00	29.-31.8.2008.
Greece > Bulgaria	-	-	200	-	100	-	-	01.-31.8.2008.
EXPORT								
Bulgaria > Serbia	-	-	300	-	150	150	5.50	01.-10.8.2008.
	-	-	100	-	50	50	7.16	11.-28.8.2008.
	-	-	0	-	0	0	0.00	29.-31.8.2008.
Bulgaria > Romania	-	-	100	-	36	36	0.03	01.-31.8.2008.
Bulgaria > Greece	-	-	650	-	550	-	-	01.-31.8.2008.

OPS HEP - Croatia								August 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Hungary > Croatia	-	-	-	-	300*	300	1.10	01.-31.8.2008.
Slovenia > Croatia	-	-	-	-	100	50	0.01	01.-31.8.2008.
Serbia > Croatia	-	-	-	-	0	0	0.00	01.-31.8.2008.
BIH > Croatia	-	-	-	-	125	120	0.61	01.-31.8.2008.
EXPORT								
Croatia > Hungary	-	-	-	-	200*	200	2.69	01.-31.8.2008.
Croatia > Slovenia	-	-	-	-	100	100	0.31	01.-31.8.2008.
Croatia > Serbia	-	-	-	-	0	0	0.00	01.-31.8.2008.
Croatia > BIH	-	-	-	-	110	107	0.85	01.-31.8.2008.

* Common auction conducted by MAVIR

MAVIR - Hungary								August 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Croatia > Hungary	600	200	400	200	200	200	2.69	01.-31.8.2008.
Romania > Hungary	300	100	200	150	50	50	9.89	01.-31.8.2008.
Serbia > Hungary	250	100	150	125	25	25	1.79	01.-31.8.2008.
EXPORT								
Hungary > Croatia	950	200	750	450	300	300	1.10	01.-31.8.2008.
Hungary > Romania	350	100	250	150	100	100	0.07	01.-31.8.2008.
Hungary > Serbia	450	100	350	200	150	147	1.04	01.-31.8.2008.

MEPSO - Macedonia								August 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Serbia > Macedonia	400	100	300	120	0	0	0.00	01.-31.8.2008.
Greece > Macedonia	300	100	200	0	0	0	0.00	01.-31.8.2008.
EXPORT								
Macedonia > Serbia	300	100	200	75	25	0	0.00	01.-31.8.2008.
Macedonia > Greece	100	100	0	0	0	0	0.00	01.-31.8.2008.

Remark: No transparent allocation procedure on Greek and Bulgarian border

TSO EPCG - Montenegro								August 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Albania > Montenegro	-	-	-	-	100	0	0.00	01.-31.8.2008.
BIH > Montenegro	-	-	-	-	50	50	0.10	01.-31.8.2008.
Serbia > Montenegro	-	-	-	-	40	20	2.23	01.-31.8.2008.
EXPORT								
Montenegro > Albania	-	-	-	-	0	0	0.00	01.-31.8.2008.
Montenegro > BIH	-	-	-	-	160	50	0.35	01.-31.8.2008.
Montenegro > Serbia	-	-	-	-	120	0	0.00	01.-31.8.2008.

Transelectrica - Romania								August 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Bulgaria > Romania	200	100	100	100	0	0	0.00	01.-31.8.2008.
Serbia > Romania	200	100	100	100	0	0	0.00	01.-31.8.2008.
Hungary > Romania	350	100	250	50	200	200	0.01	01.-31.8.2008.
Ukraine > Romania	250	100	150	150	0	0	0.000	01.-28.8.2008.
	200	100	100	100	0	0	0.000	21.-29.8.2008.
	250	100	150	150	0	0	0.00	30.-31.8.2008.
EXPORT								
Romania > Bulgaria	400	100	300	100	200	200	3.58	01.-28.8.2008.
	200	100	200	200	0	0	0.00	29.-31.8.2008.
Romania > Serbia	400	100	300	100	200	200	10.12	01.-10.8.2008.
	200	100	100	100	0	0	0.00	11.-22.8.2008.
	400	100	300	100	200	200	13.12	23.-28.8.2008.
	200	100	100	100	0	0	0.00	29.-31.8.2008.
Romania > Hungary	300	100	200	100	100	100	13.23	01.-10.8.2008.
	200	100	100	100	0	0	0.00	11.-22.8.2008.
	300	100	200	100	100	100	13.25	23.-28.8.2008.
	200	100	100	100	0	0	0.00	29.-31.8.2008.
Romania > Ukraine	0	0	0	0	0	0	0.00	01.-31.8.2008.

EMS - Serbia								August 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Hungary > Serbia	-	-	-	-	175	175	0.40	01.-31.8.2008.
Romania > Serbia	-	-	-	-	150	150	14.20	01.-10.8.2008.
	-	-	-	-	50	50	20.53	11.-22.8.2008.
	-	-	-	-	150	150	14.20	23.-28.8.2008.
Bulgaria > Serbia	-	-	-	-	50	50	19.90	29.-31.8.2008.
	-	-	-	-	150	150	6.25	01.-10.8.2008.
	-	-	-	-	50	50	22.00	11.-28.8.2008.
	-	-	-	-	0	0	0.00	29.-31.8.2008.
Macedonia > Serbia	-	-	-	-	100	0	0.00	01.-31.8.2008.
Albania > Serbia	-	-	-	-	105	0	0.00	01.-31.8.2008.
Montenegro > Serbia	-	-	-	-	175	0	0.00	01.-31.8.2008.
BiH > Serbia	-	-	-	-	50	0	0.00	01.-31.8.2008.
Croatia > Serbia	-	-	-	-	50	50	0.14	01.-31.8.2008.
EXPORT								
Serbia > Hungary	-	-	-	-	75	75	2.32	01.-31.8.2008.
Serbia > Romania	-	-	-	-	50	30	0.00	01.-31.8.2008.
Serbia > Bulgaria	-	-	-	-	25	10	0.00	01.-28.8.2008.
	-	-	-	-	0	0	0.00	29.-31.8.2008.
Serbia > Macedonia	-	-	-	-	150	150	3.60	01.-10.8.2008.
	-	-	-	-	125	125	3.80	11.-31.8.2008.
Serbia > Albania	-	-	-	-	50	50	0.00	01.-31.8.2008.
Serbia > Montenegro	-	-	-	-	95	55	0.00	01.-10.8.2008.
	-	-	-	-	55	55	1.38	11.-31.8.2008.
Serbia > BiH	-	-	-	-	50	50	0.95	01.-31.8.2008.
Serbia > Croatia	-	-	-	-	50	50	3.46	01.-31.8.2008.

* No information available

General remark: All prices for capacity are presented in €/MWh

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

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

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

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

Danube water-level in cm for last 30 days

relevant for:

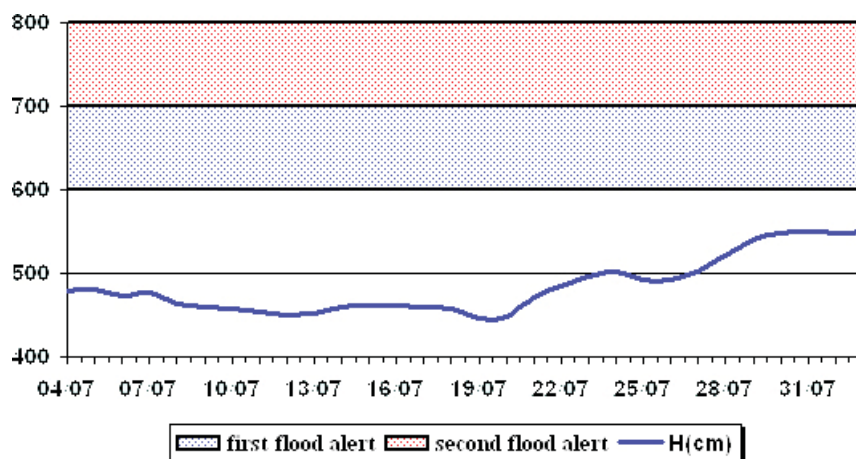
HPP Portile de Fier I, 1167 MW, Romania

HPP Portile de Fier II, 270 MW, Romania

HPP Djerdap I, 1058 MW, Serbia

HPP Djerdap II, 270 MW Serbia

(source: Republic Hydrometeorological Service of Serbia)



Forecasted weather conditions for the following period

	03..08.	04.08.	05.08.	06.08.	07.08.	08.08.	09.08.	10.08.	11.08.	August averages.
Albania	T: 18-33	T: 19-36	T: 21-37	T: 21-35	T: 18-35	T: 18-36	T: 21-36	T: 19-35	T: 18-34	Temperature: 17-32
<i>Tirana</i>	W: NE 9	W: W 10	W: N 10	W: NE 20	W: SW 9	W: SW 9	W: NW 10	W: N 19	W: SW 6	Amount of rain: 16
	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	Number of rain days: -
Bosnia and Herzegovina	T: 13-28	T: 13-31	T: 12-24	T: 11-26	T: 12-28	T: 9-33	T: 14-24	T: 10-25	T: 9-29	Temperature: 12.6-25.7
<i>Sarajevo</i>	W: -	W: L-V	W: NE 2	W: NE 5	W: -	W: L-V	W: NW 9	W: NE 6	W: -	Amount of rain: 71
	R: 2	R: -	R: -	R: -	R: -	R: 4	R: -	R: 3	R: -	Number of rain days: 8
Bulgaria	T: 16-30	T: 16-33	T: 16-31	T: 16-31	T: 16-32	T: 17-31	T: 17-31	T: 17-28	T: 16-28	Temperature: 13.4-26
<i>Sofia</i>	W: -	W: -	W: NW 5	W: NE 12	W: L-V	W: -	W: L-V	W: N 15	W: SE 4	Amount of rain: 51
	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	Number of rain days: 8
Croatia	T: 19-31	T: 18-32	T: 15-29	T: 14-28	T: 17-34	T: 17-31	T: 18-23	T: 12-28	T: 12-30	Temperature: 13.7-26.2
<i>Zagreb</i>	W: N 6	W: NW 4	W: N 4	W: L-V	W: SW 4	W: -	W: NW 10	W: L-V	W: -	Amount of rain: 95
	R: 2	R: -	R: -	R: -	R: -	R: -	R: 5	R: 4	R: -	Number of rain days: 10
Greece	T: 21-33	T: 22-31	T: 23-34	T: 24-35	T: 26-34	T: 24-35	T: 23-33	T: 22-31	T: 23-31	Temperature: 20.7-33.2
<i>Athens</i>	W: NW 30	W: NW 27	W: NW 15	W: NW 11	W: N 16	W: N 12	W: W 12	W: NW 15	W: NW 9	Amount of rain: 6
	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	Number of rain days: 1
Macedonia	T: 13-32	T: 13-32	T: 12-29	T: 14-31	T: 15-31	T: 14-33	T: 12-32	T: 16-27	T: 14-31	Temperature: 14.6-30
<i>Skopje</i>	W: NE 4	W: L-V	W: -N 9	W: NE 16	W: SE 4	W: SW 4	W: NW 10	W: N 22	W: SW 2	Amount of rain: 27
	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	Number of rain days: 6
Montenegro	T: 19-33	T: 18-33	T: 18-32	T: 20-32	T: 19-32	T: 17-32	T: 16-32	T: 18-32	T: 17-33	Temperature: 20.2-31.7
<i>Podgorica</i>	W: NE 9	W: W 9	W: NE 8	W: NE 19	W: SW 8	W: SW 9	W: NW 12	W: NE 17	W: SW 6	Amount of rain: 65
	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	Number of rain days: 6
Romania	T: 18-34	T: 19-35	T: 21-37	T: 25-32	T: 17-32	T: 17-31	T: 16-32	T: 17-33	T: 17-34	Temperature: 15-28.5
<i>Bucharest</i>	W: -	W: -	W: NW 4	W: N 6	W: L-V	W: SE 5	W: -	W: N 12	W: SE 4	Amount of rain: 58
	R: -	R: 3	R: -	R: -	R: -	R: -	R: -	R: -	R: -	Number of rain days: 6
Serbia	T: 20-34	T: 21-36	T: 22-31	T: 16-29	T: 17-35	T: 21-36	T: 19-28	T: 16-28	T: 14-30	Temperature: 16.1-27.3
<i>Belgrade</i>	W: SW 6	W: SW 11	W: NW 12	W: NE 7	W: SE 6	W: S 8	W: NW 14	W: NE 15	W: L-V	Amount of rain: 50
	R: -	R: -	R: -	R: -	R: 1	R: -	R: -	R: -	R: -	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

S: Snow in mm

Analysis:**Thermal Power Plants in Bosnia and Herzegovina**

The power sector in BiH consists of three power companies: "Elektroprivreda Republike Srpske" (ERS), "Elektroprivreda Bosne i Hercegovine" (EPBiH) and "Elektroprivreda Hrvatske Zajednice Herceg-Bosna" (EPHZHB). They are virtual monopolies within their exclusive ethnically based service territories. Each of them owns and operates generation capacities on its territory.

ERS (Republika Srpska)

EPRS has jurisdiction over the territory of Republic of Srpska (Serbian entity). It consists of five generation companies and five distribution companies: Generation companies are: HPPs on the river Trebišnjica, HPPs on the river Drina, HPPs on the river Vrbas, Mine and TPP Gacko, Mine and TPP Ugljevik. Distribution companies are: Elektro Krajina, Elektro Doboj, Elektrohercegovina, Elektro Bijeljina i Elektrodistribucija Pale.

TPP Gacko

Mine and TPP Gacko are located in Gacko field in south-east part of Republic of Srpska. Construction of Thermal Power Plant Gacko has started in 1974 and lasted for 9 years (February 1983). During test period it was discovered that plant cannot reach projected output of 300 MW. Main reason was that heating value of the available lignite is 6000-8000 kJ/kg, instead of projected 10300 kJ/kg. Therefore, boiler reconstruction was done in year 1989 with goal of reaching maximum possible power with use of really available lignite. Total amount of investments for TPP's construction was 529 million \$, out of which 362 million was for TPP and 167 for the mine. TPP Gacko has one 300 MW unit, but idea for 2nd 300 MW unit was always present. Some parts of Gacko complex are projected and build for 2x300 MW, like water processing and cooling water supply. Coal deposit has capacity of 320 000 tons, which is enough for 45 days of operation.

Gacko lignite basin covers surface area of approximately 40 km². In Western part of basin, open cast lignite mine "Gracanica" started its operation in 1982. Annual production capacity of this mine is 1.8 million tons of lignite and 3.2 million m³ of topsoil. Geological deposits of coal are estimated to contain more than 400 million tons and are believed that those reserves enable operation of two units of 300 MW each for next 100 years.

On 12 December 2005, ČEZ a.s. signed an agreement with the company ERS, the implementation of which will lead to the establishment of a joint venture between ČEZ and ERS focused on operation of existing power plant and the construction of new one in Gacko. This agreement was ratified by the Government of the Republic of Srpska. One year after, President of Government of RS Milorad Dodik and General Manager of ČEZ Group Martin Roman signed declaration on investment in

new thermal power plant (Gacko 2) with installed capacity of 600 to 700 MW and the mine Gacko, on 4 December 2006. According to this declaration, contract on establishment of joint company "Nove elektrane Republike Srpske d.o.o." for electricity production and trade with 800.000 KM of base capital was signed. Czechs will have majority of 51% in this company. ČEZ Group, as one of the founders of the new company, will invest approximately 1.5 billion € in mine and construction of new TPP. Opening of the new mine and modernization of existing production unit is also planned. Mine and TPP Gacko are production capacities which were built by joint financing of BiH and Croatia. In March 2007 Competition Council has approved this joint venture. By putting the foundation stone on May 16th 2007, the construction of unit 2 in thermal power plant (TPP) Gacko officially started. In the beginning of February 2008, Czech CEZ submitted an improved bid for purchase of 12 % shares in TPP Gacko, which are owned by four investments funds. CEZ offered 0.9 euros/share, where overall worth of the stake would be 30.7 million euros.

The investments funds, which represent small shareholders, have filed a lawsuit against the government of Republic of Srpska (RS) and CEZ claiming they were damaged after the government and CEZ established a joint venture called the New power plants of RS and transferred the assets of the TPP Gacko into new company. The investment funds claim that share price should be 1.25 euros. Small shareholders believe they should have their representatives in the management of TPP Gacko.

A month later, project was put on hold until the disputes between government and small shareholders and investments funds in TPP were resolved. First-degree court in Trebinje rejected the request of five investment funds regarding the stopping of all activities in the project.

TPP Ugljevik

Mine and TPP Ugljevik are located in Ugljevik coal basin in north-east part of Bosnia and Herzegovina in RS. TPP Ugljevik has one unit of 300 MW installed power and is located 18 km from town Bijeljina and 45 km from town Tuzla. Plant started its operation in November 1985. Deposits of coal in Ugljevik brown coal basin are estimated at 462 million tons. Based on proved coal reserves and TPP needs, new open cast mine Bogutovo Selo was developed with annual production capacity of 1.75 million tons of coal and 10.97 million m³ of topsoil. On the basis of estimated coal deposits, technical project for TPP Ugljevik 2 x 300 MW and provisional project for TPP Ugljevik 4 x 300 MW was done beforehand. For development of second phase of mine expansion and accompanying second unit in TPP, all necessary technical documentation was done and coal reserves in amount of 61 million tons are proven in new open cast mine Ugljevik-Istok.. Thermal value of coal is 9500 KJ/kg.

Holding Slovenske Elektrarne (HSE), the Slovenian power firm, had signed a deal in August 2006 to co-operate with ERS. Under the long-term deal, HSE will invest in the modernisation of ERS's 330 MW Ugljevik power plant, as well as a new 600 MW power plant ("Ugljevik 2") at the same location. HSE plans to invest up to 650 million € under the deal in next 6 to 7 years. Government of RS and managements of ERS and TPP Ugljevik should find adequate model of contracts for investment in TPP "Ugljevik 2" and to bring it to final realization.

In March 2007, The representatives of US company AES Europe&Africa and officials of mixed holding Power utility of Republic of Srpska (ERS) have signed an Agreement on business and technical cooperation. The agreement will be the starting point for making the feasibility and environmental study for construction of new unit in TPP Ugljevik. If the studies showed economic justification of the project, RS should start construction of new 600 MW TPP, minister of energy said. He also said that government would find strategic partner for the project, where AES would be good choice. This would not exclude other potential investors, minister said. The government adopted the annex of the original agreement, which was never published by the government. On the other hand, media in RS came in possession of the agreement and published it. The particular media said that the agreement was not referring only to the studies, but also gave exclusive rights to AES over future investments in TPP Ugljevik. The agreement obliged parties to keep the document secret. The agreement also envisaged potential partnership of ERS and AES by establishment of joint venture company. According to first model, ERS could invest part of existing TPP and the coalmine, the second option envisaged that ERS could invest entire coalmine and TPP in the joint venture, while the third option implies that ERS could invest cash funds in the joint venture, the same as AES. Some experts believe that agreement for making the aforementioned studies was against the laws in RS having in mind that public procurement laws imply that ERS should have launched tender for this purpose.

Elektroprivreda BiH (EPBiH)

EPBiH has jurisdiction over the territory where majority nationality is Bosnian. It is the largest company in Bosnia and Herzegovina according to number of consumers, total generation of electricity and capital value. EPBiH supplies more than 634 thousand customers. 90% of the capital belongs to Federation BiH. Installed capacities for generation of electricity at Elektroprivreda BiH are 1,862 MW, making almost a half of total available capacities in B&H.

TPP Tuzla

TPP Tuzla is located in the middle of lignite basin "Kreka – Banovici", which is largest lignite basin in Bosnia and Herzegovina.

Construction of TPP Tuzla started in 1959, and its generation capacity has been increased from 32 MW to 779 MW until 1978. TPP Tuzla started its operation with its 32 MW generator in 1963, and now it has six units with total installed power of 779 MW, and with average annual production over 3100 GWh. Lignite and brown coal for TPP is supplied from Kreka-Banovici coal basins. TPP uses 3.3 million tons of coal per year. Seventh unit of 370 MW in this TPP is planned. 1st 2 32 MW units are currently not operational, so TPP is currently producing electricity with 715 MW of installed generation capacity. TPP Tuzla is also heating utility, providing hot water for city of Tuzla.

Capital overhaul of unit 5 in TPP Tuzla has been finished in March 2008 after 18 months of renewal. The project was almost 100 % funded by the Power utility of Bosnia and Herzegovina (EP

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

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

In November 2007, Government has selected German power company Energy Baden – Wurttemberg (EnBW) as a strategic partner for construction and operation of unit 7 in thermal power plant Tuzla. The cost of construction of unit 7, with power output of 450 MW, is estimated at 495 million euros. The unit will produce 2.7 TWh of electricity per year, with coal consumption of 2.4 million tons. The unit should be put in service in 2016, and it will be a replacement capacity for old units in the TPP Tuzla. The project will be also important for providing heat energy for Tuzla, having in mind that units 3 and 4 in the TPP should be decommissioned in 2013 and 2018, respectively.

TPP Kakanj

TPP Kakanj is located near river Bosna, 5km upstream from Kakanj City. TPP Kakanj started its operation in 1956, and it was constantly upgraded until 1988, when its seven units had installed power of 578 MW, and with average annual production over 2300 GWh. Brown coal for TPP is supplied from Middle Bosnia coal basin (mines Kakanj, Breza, Zenica, Gracanica, Bila, Livno). TPP uses 1.8 million tons of brown coal from several mines per year. Eight unit of 230 MW in this TPP is planned.

TPP Kakanj is also delivering heated water to Kakanj City.

KazTransGas from Kazakhstan has been selected to be strategic partner in project for construction of unit 8 (250 MW) in TPP Kakanj. It is estimated that preparations for this project will be finished until 2010. New 250 MW will replace four 32 MW units and one 110 MW unit.

In July 2008, the national gas company BH Gas and national power company Power utility of Bosnia and Herzegovina (EP BiH) signed a Memorandum of understanding in Sarajevo, by which two companies will start joint activities related to making of project documentation for construction of unit 8 of TPP Kakanj.

According to MoU, two companies will start joint activities related to making of project documentation for construction of gas fired thermal power plant (TPP) Kakanj and for new combined heat and power plant (CHP) near Sarajevo. The cost of the studies is estimated at some 50,000 euros.

Elektroprivreda HZ Herceg-Bosne (EPHZHB):

EPHZHB has jurisdiction over the territory where majority nationality is Croatian. The company controls five hydro power plants; there is no thermal capacities in possession of EPHZHB.

News:

MOL and CEZ established joint venture, plans for construction of power plants (Region)

Czech CEZ and Hungarian MOL established joint venture by investing 13.1 million euros of initial capital. Each company will control 50 % stake in the venture.

The establishment of the joint venture was in line with the agreement signed by CEZ and MOL in December last year. In addition, in the last year, CEZ acquired 7 % stake in MOL.

The joint venture will be involved in construction of natural gas fired power plants in Hungary, Slovakia, Slovenia and Croatia. The company should invest 1.4 billion euros for construction of two 800 MW plants near MOL's refinery in Bratislava (Slovakia) and Szazhalombatta (Hungary). The venture also plans to find sites for construction of new power plants in Croatia and Slovenia.

§ § §

Cost of South stream pipeline to reach 12.8 billion euros (Region)

The cost of construction of South stream natural gas pipeline should reach 12.8 billion euros, Russian energy minister Sergey Shmatko said during the meeting with Italian minister of economic development Claudio Skayola.

The new estimation is 2.8 billion euros higher compared to recent estimations made by Gazprom, and almost double compared to initial estimations. The Gazprom and Eni did not want to comment the latest estimations regarding the project's costs.

Shmatko said the latest estimation was not definite. On the other hand, he believes that South stream project is necessity and that it should be the top priority for EU and Russia.

In the same time, Bulgarian media quoted experts from Russia who said that latest increase in estimated costs put the question on profitability of the project. The experts reminded that Gazprom is already involved in cheaper alternative project, which should transport natural gas from Azerbaijan to Turkey. In addition, Bulgarian media reported that some analysts believe that rival natural gas project, the Nabucco, supported both by EU and USA, should be up to 40 % cheaper compared to South stream project.

The South stream pipeline, developed by Gazprom and Italian Eni, should transport 30 billion cbm of natural gas per year to Europe starting from 2013. Gazprom has already signed cooperation agreements regarding the project with Greece, Bulgaria, Serbia, and Hungary, while negotiations with Slovenia are near end.

In the related news, minister of economy of Slovenia Andrej Vizjak confirmed that Slovenia and Russia made great deal of work related to South stream project. Two sides have analyzed the project and made a draft agreement that should be harmonized as soon as possible. Minister admitted there were some open issues regarding the project. The project should be carried out in accordance to EU environmental standards, Vizjak pointed out.

§ § §

Austria supports APET Group (Bosnia and Herzegovina)

Prime minister of Federation of Bosnia and Herzegovina (BiH) Nedžad Brankovic and minister of industry, mining and energy Vahid Heco had a meeting with Austrian ambassador Werner Almhofer.

During the meeting, ambassador handed over to state officials a letter from Austrian minister of industry, energy and mining Martin Bartenstein.

In the letter, Austrian minister expressed its support to government of Federation of BiH for selecting the Austrian based Austrian Power & Environment Technology GmbH (APET) Group to be strategic partner in the projects for construction of new power plants in the country.

Bartenstein pointed out good relations between two countries in the past and reminded that Austria is the largest investor in BiH. Minister expressed its full support to APET's participation in the projects.

The leading members of the Group are Porr and Wienstrom GmbH. Porr is the second largest construction company in Austria, and it has been active in large number of construction projects in Southeastern and Eastern Europe.

Wienstrom is electricity and natural gas supplier for 1.2 million households and 230,000 companies. The company, which is the largest electricity supplier in Austria, owns power plants with 1,600 MW power output, minister Bartenstein said.

Minister expressed its satisfaction with the recent study made by independent audit company, which showed that Austrian companies are eligible to be strategic partners in large-scale energy projects in BiH.

In the related news, in July, prime minister Brankovic and minister Heco have attended hearings at the court. Against both officials, the lawsuits have been filed at the Cantonal court in Sarajevo for illegal procedure for selection of strategic partners in the projects for construction of new power plants.

§ § §

Government to continue projects in TPP Gacko, CEZ said the delays are temporary (Bosnia and Herzegovina)

Newly appointed minister of economy, energy and development of Republic of Srpska (RS) Slobodan Puhalic said the state would continue large-scale projects, such as projects in thermal power plant (TPP) Gacko and projects for construction of new hydropower plants on Drina River. Minister said this during his first working visit to Power utility of RS (ERS).

General manager of ERS, Branislava Milekic said that main aim of the visit was to inform new minister on actual situation in the company, on future projects and on ERS's standpoints regarding the development of electricity sector. Milekic also said that many of interested investors are reluctant to invest in energy sector due to administrative reasons.

In the related news, Czech CEZ, the strategic partner of ERS in the project for construction of unit 2 in TPP Gacko, said the current problems related to the project should be solved.

This was said by the head of the company Martin Roman in the interview to Czech press while commenting CEZ's investments in the Balkans. Several Czech politicians recently criticized CEZ for making too many risky investments in the Balkans.

Roman said he talked with prime minister of RS Milorad Dodik, who said to him that RS was willing to continue with the project. The cost of the project in RS is some 1.4 billion euros, and it should be the largest investments of Czech Republic abroad. Roman admitted that project in TPP Gacko is the most complex investment ever undertaken by CEZ.

According to Czech media, problems in the project arose during the evaluation of investments in the project. As a reminder, RS and CEZ established joint venture called New power plants of RS (NERS), where CEZ will control 51 % stake.

CEZ media also said that problems in RS and announcement of the government of Romania regarding establishment of integrated energy company seemed to be great problems for CEZ's expansion. On the other hand, CEZ's head believes this may not be the case and said he would made same decisions regarding these projects today as he had done it in the past. Roman believes that profit in these projects could be very high, despite initial problems.

In this moment, CEZ has 30 subsidiaries abroad with some 8,700 employees. Those companies reported over 250 million euros of profit last year.

§ § §

State will not privatize power plants (Bosnia and Herzegovina)

Minister of finances of Federation of Bosnia and Herzegovina (BiH) Vjekoslav Bevanda said that state would not allow the sale of power plants in the country.

Bevanda explained that potential foreign investments in electricity sector would be compensated through export of electricity. In addition, the state will explore opportunities for national power companies to invest their own funds for modernization and enlargement of power plants, minister said.

§ § §

Technor Energy presented projects for construction of small HPPs (Bosnia and Herzegovina)

In mid July, Norwegian company Technor Energy (TE) has organized public debate regarding environmental study for new small hydropower plants (HPPs) on Bosnia River near city of Doboj.

According to participants of the debate, new HPPs will have significant and permanent influence on natural environment. On the other hand, this influence could be minimized by proper actions.

As a reminder, government of Republic of Srpska (RS) has granted permits for construction of two small HPPs to TE, while third HPP will be built by local electricity distribution company Elektrodoj. The contracts for construction of HPPs were signed in August last year. The HPPs will be built and operated through 30-year concession contracts.

Ministry of spatial planning, civil engineering and environment of RS, which is obliged to issue final environmental permit for the project, said it would monitor projects during entire exploitation period. The most of the remarks to the project are related to future look of Bosnia River, officials from ministry said.

Officials from TE said that construction of HPPs could start next year, where overall power output of three HPPs will be 50 MW. The overall costs of projects are estimated at 100 million euros.

§ § §

Government of RS supported Adriatic-Ionian natural gas pipeline (Bosnia and Herzegovina)

Government of Republic of Srpska (RS) gave its approval to the ministry of trade of Bosnia and Herzegovina (BiH) to sign ministerial declaration for supporting the construction of Adriatic-Ionian natural gas pipeline.

The new pipeline should transport overall amount of 5 billion cbm of natural gas per year to Croatia, BiH, Montenegro and Albania.

Government of RS said it supported all activities related to active participation of the state in natural gas supply and production projects.

In September last year, minister of economy, labor and entrepreneurship of Croatia, minister of economic development of

Montenegro and minister of economy, trade and energy of Albania signed the ministerial declaration that supports construction of Adriatic-Ionian pipeline.

The future pipeline should be developed in close cooperation with EGL and it should be connected to future Trans Adriatic pipeline (TAP), which will run from Greece, across Albania toward Italy. EGL also expressed readiness to reserve 5 billion cbm of capacity of TAP for supplying Croatia, BiH, Montenegro and Albania. According to initial plans, Adriatic-Ionian pipeline should be built by 2011-2012.

§ § §

Construction of five small HPPs to start in 2009 (Bosnia and Herzegovina)

Ministry of spatial planning, civil engineering and environment of Republic of Srpska (RS) announced construction of five small hydropower plants (HPPs) on Rzav River in the area between Vardiste and Visegrad. The cost of the project is estimated between 15 and 20 million euros, and the projects should start next year. The investor in the project is company Savic Kep from Austria.

During the public debate regarding environmental study for the project, it was said that five small HPPs called Vardiste, Dobrun, Veletovo, Bosanska Jagodina and Seganje, should have overall power output of 7.7 MW. Three HPPs will be run of the river type, while two will be storage type. According to the study, the construction of new HPP will result in insignificance increase in temperature and humidity, while microclimate in the area will be milder than before.

§ § §

750 million tons of coal reserves in RS (Bosnia and Herzegovina)

Deputy minister of mining and geology Borislav Adamovic claims that coal reserves in Republic of Srpska (RS) stand at 750 million tons.

In the area near Gacko, estimated lignite reserves are 404 million tons. The estimated reserves of black coal near Ugljevik are 285 million tons, estimated lignite reserves near Stanari are 110 million tons, while estimated reserves of black coal near Miljevina are 22 million tons, deputy said.

According to current estimations, the existing coalmines should operate for the next 30 years.

§ § §

Unit 5 in NPP Kozloduy in service after annual overhaul (Bulgaria)

In mid July, two weeks before deadline, unit 5 in nuclear power plant (NPP) Kozloduy has finished regular annual overhaul. The unit was put in service after Nuclear energy agency (NRA) performed necessary checks, CEO of the NPP Ivan Genov said.

The overhaul started on June 7. During the overhaul, planned repairs were carried out and the reactor was refueled with new nuclear fuel. In the same time, equipment in the plant was modernized, which was entirely financed through company's investment program. The improvements will bring NPP in accordance to international nuclear safety standards, officials said. Finally, the improvements in the NPP will result in production of additional 200 GWh of electricity per year.

CEO of NPP denied allegations that NPP had used recycled nuclear fuel in the past. The recycled nuclear fuel is used in Chernobyl type of reactors, which do not exist in Bulgaria, Genov said. He also said that this type of fuel was in experimental usage in Russian NPP Kalininskaya in the past three years. Russian company TVEL, the supplier of nuclear fuel for NPP Kozloduy, confirmed that nuclear fuel was made from natural uranium.

§ § §

AES demands extension for completing TPP Maritsa Iztok 1 (Bulgaria)

U.S. company AES demanded from National electric company (NEK) to approve one-year extension for completing the construction of replacement capacity in thermal power plant (TPP) Maritsa Iztok 1. AES should build coal-fired unit with 670 MW output.

CEO of NEK, Lyubomir Velkov, confirmed that two sides have been engaged in talks in order to establish whether there were justified reasons for approving the delay. NEK should determine if the delay was caused by AES or by the subcontractor Alstom.

The 1.4 billion euros worth project was started three years ago, and in mid July, it was seven months behind the schedule. According to plans, the first 335 MW turbine should be put in service in June 2009.

§ § §

Parliament approved agreement for construction of South Stream pipeline (Bulgaria)

In the end of July, parliament of Bulgaria ratified agreement for construction of South stream pipeline signed by Bulgaria and Russia in January this year. According to the agreement, two countries will hold equal share in the future project company.

During the parliamentary debate, minister of economy and energy Petar Dimitrov expressed hope that future pipeline will make Bulgaria one of the most important natural gas hubs in Europe.

Opposition right wing parties were against ratification claiming the project was not economically beneficial. They also said the project would be a risk to national security. Opposition also said that agreement was against Black Sea cooperation agreement, while most skeptical MPs said that Bulgaria would become Russia's 16th republic.

The future project company will be established by Bulgarian gas company Bulgargaz and Russian Gazprom. The feasibility study for the project should be completed 18 months after establishment of the project company, while construction works should start two years later. The agreement will be valid for 30 years, and it will be automatically prolonged for five years, unless one of the partners decided to cancel it.

South stream pipeline, developed by Gazprom and Italian Eni, should transport 30 billion cbm of natural gas per year. Apart from Bulgaria, Serbia, Greece and Hungary signed the cooperation agreements for construction of the pipeline. In the same time, Gazprom has been negotiating with Austria and Slovenia regarding their participation in the project.

§ § §

Mitsubishi put in service wind farm (Bulgaria)

Japanese Mitsubishi Heavy Industries put in service 35 MW wind farm in Black Sea coast on Kaliakra Cape. The opening ceremony was attended by the Japanese ambassador in Bulgaria.

The cost of the project was 60 million euros. According to studies, new wind farm should be in operation some 2,100 hours during the year.

§ § §

Heating company in Shumen offered for sale (Bulgaria)

Privatization agency (PA) published the tender for sale of 100 % of shares in heating company in Shumen.

The eligible candidates should be involved in production or distribution of electricity (70 GWh at least) or heating energy (200 GWh) in the past three years. In addition, the potential buyers should have positive financial results in the same period.

§ § §

Government to increase electricity prices by 4.5 % in average until 2015 (Bulgaria)

According to new strategy of the government of Bulgaria, households' electricity prices in the country will rise by 4.5 % in average until 2015.

In 2015, households should pay 10 eurocents/kWh (no VAT). This will be in accordance to national energy strategy until 2020. The new strategy is published on the official website of the ministry of economy and energy, and it should be reviewed by the government in November.

The planned increase in electricity prices will be below planned increase in national GDP. The forecasted GDP rise until 2011 is between 6.4 and 6.9 % per year.

The government said in the document that electricity tariffs in Bulgaria were among the lowest in Europe, which would lead to inadequate quality and stability in electricity supply and poor environmental standards.

The strategy envisaged that some 7,000 MW in new power plants should be put in service by 2020. Bulgaria plans to complete projects in Gorna Arda, Nikopol-Turnu Magurele and Slistra-Calarasi, to build nuclear power (NPP) Belene and to build two new units in the NPP Kozloduy.

§ § §

Three banks to compete for the advisor in the Burgas-Alexandropoulos project (Bulgaria)

International project company (IPC) for construction and operation of Burgas- Alexandropoulos oil pipeline confirmed that Societe Generale, Lazard and Citigroup entered final phase for selection of financial advisor in the project.

The advisor will be selected by the IPC in August and its task will be to prepare application documents for funding the project.

In the related news, Stefan Gunchev, the official from ministry of regional development of Bulgaria and member of supervisory board of IPC, said that selection of the company that will make pre-feasibility study for the Burgas- Alexandropoulos project would be delayed for one month. The IPC negotiates with two companies, and the final choice should be made in August. Gunchev also confirmed that final project costs, due to changes of the pipeline route related to ecological project Natura 2000, should be known by the end of the December.

The Russian companies Transneft, Rosneft and Gazpromneft control 51 % stake in IPC, while Bulgaria and Greece control 24.5 % each. According to Nikolai Seryogin, member of the supervisory board, the updated cost of the project is estimated at some 1.5 billion euros, compared to initial estimation of 800 million euros.

§ § §

OMV did not submit offer for purchase of shares in INA (Croatia)

According to official letter that was sent by the company to the Croatian financial services supervisory agency (HANFA), Austrian OMV, at any point, had not wanted to either initiate

or submit the offer for purchase of shares in Croatian oil industry (INA), in the sense of the local law.

On the other hand, OMV said it would closely watch possible privatization or sale of shares in INA, and probably, it would take part in those procedures.

OMV also explained that, on June 9, the company sent a letter to Erste Invest (War veterans' fund), in which OMV expressed interest for purchase of their stake in INA (7 %) in case if sale of those shares was initiated.

On the same day, the company sent a letter to vice prime minister Damir Polancec, in which OMV said it would be grateful if government informed them in case of sale of government's stake (whole or part of it) in INA. In that case, OMV would be interested to take part in this procedure by submitting its offer or in some other way, the company said.

OMV said it had not sent any kind of letters to other shareholders in INA or spoken publicly about submitting public offer for INA's shares.

According to Croatian laws, expression of interest for purchase of more than 25 % stake in some company must be followed by public offer for takeover of the company.

As a reminder, in the first half of July, Hungarian MOL, which already owns 25 % shares in INA, expressed official interest for purchase of all remaining shares in INA, except of those owned by the government. The government and its strategic partner MOL own 69.84 % of shares in INA, so that MOL will be obliged to submit offer for 30.16 % shares in INA. According to Croatian laws, MOL should submit its public offer by mid August.

In the related news, investment bank Merrill Lynch believes that MOL's offer for INA could undermine company's credit rating, (which is now BBB- stable according to Standard & Poor's), if company decided to finance takeover by loans. According to analysts, MOL should pay between 1.3 and 2 billion dollars for takeover of 30.16 % shares in INA. On the other hand, several analysts (City group, Erste, Merrill Lynch) believe that share swap between INA and MOL is the most likely scenario, even after MOL announced its public offer.

§ § §

LNG terminal to be built in Omisalj (Croatia)

The Commission for assessment of the study for selection of construction site for liquefied natural gas terminal (LNG) concluded that most favorable sites are Dina in municipality Omisalj (on Krk Island) and Ubac in Raska Bay. The study has been done by local company Ekoenerg.

The Commission proposed that environmental study should be done for one or both sites. In the same time, authors of the study said that site Dina was better in seven categories, while Ubac was better in six.

The chair of the Commission said that environmental impact, along with economic and social ones, would be one of three

key issues before reaching the final decision regarding location of LNG terminal.

During the public debate, ecological association Eko-Kvarner said it supported construction of LNG terminal in Croatia but it was against its micro location. Eko-Kvarner believes that construction site is too near petrochemical facility on the island. The officials from Eko-Kvarner said that entire study was made just to promote Krk Island as the best location for LNG terminal. In the same time, officials from municipality of Omisalj said that the latest study was unacceptable for the same reason said by Eko-Kvarner, i.e. the vicinity of highly flammable facilities.

The final decision on future construction site should be reached by the Commission, and its chair, the vice prime minister Damir Polancec.

§ § §

Prime minister in favor of transparent privatization of INA (Croatia)

Prime minister of Croatia Ivo Sanader said that continuation of privatization of Croatian oil industry (INA) in transparent manner was in Croatia's best interest. This implies that entire procedure should be conducted by Croatian financial services supervisory agency (HANFA).

The prime minister said this after MOL announced to submit public offer for purchase of 30.16 % shares in INA, which are owned by minority shareholders.

The government will watch development of situation and it will reach the best decision for the state, Sanader said. Answering the journalists' questions whether Croatia could be in middle of the game between MOL and OMV, Sanader said that state wants to control situation in INA in the future.

He reminded that in October this year, in accordance to privatization contract signed in 2002, strategic partner MOL would be entitled to sell its shares in INA without government's consent.

Prime minister explained that, after the MOL announced its public offer, the negotiations regarding share swap between INA and MOL would be cancelled.

Sander did not want to comment relations between MOL and OMV. As a reminder, several sources imply that MOL could sell its shares in INA to OMV, while, in return, OMV would allow MOL to buyout 20 % of its shares controlled by Austrians.

During the same occasion, prime minister said that government is in favor of construction second natural gas link with Hungary, where new pipeline should be built between Slavonski Brod and Hungarian border. In addition, Croatia should build another supply route, which will be the part of Adriatic-Ionian natural gas pipeline and which should transport natural gas from Caspian region toward Italy. Sander also said that government wants to restart Druzba Adria project. Comment-

ing the recent announcements for construction of nuclear power plant (NPP), the prime minister repeated that nuclear energy was not taboo in Croatia anymore, but there was no decision regarding such project at the time.

§ § §

Possible increase in natural gas prices (Croatia)

Media in Croatia published the rumors on possible increase in natural gas prices. This was also indirectly announced by Croatian oil industry (INA) by saying that price of natural gas in Croatia had not been changed significantly in the past eight years.

According to INA, the average prices of natural gas in 2000 was 0.12 euros/cbm, while today, the average price is some 0.15 euros/cbm. In the same period, the natural gas prices on international markets rose by 300 %, from 0.08 euros/cbm up to 0.25 euros/cbm.

Officials from INA believe that increase in prices would not affect citizens' standard or inflation since less than 50 % of population has access to natural gas. The natural gas is mostly used in northern parts of the country.

§ § §

15.2 million euros of losses for HEP in H1 (Croatia)

According to consolidated financial report, Croatian power utility (HEP) posted 15.2 million euros of losses in the first half of this year. In the same period last year, the company posted 2.3 million euros of profit.

Overall income reached 742 million euros (+6.2 %), while overall expenses stood at 757 million euros (+8.7 %).

The sales on domestic market reached 680 million euros (+11.2 %), while sales on foreign markets reduced to 19.9 million euros (-52 %).

The largest part of the expenses or some 387 million euros was related to fuel and raw material costs, which was 20.4 % higher comparing to the same period last year.

Officials from HEP pointed out that fuel costs and expenses for imported electricity amounted to 49 % of overall business expenses in the first half of the year, comparing to 43 % last year.

The company also said that business environment was extremely unfavorable during the first six months. The main reasons for losses were increase in price of imported electricity (+35 %), increase in fuel oil prices (+31 %) and increase in coal prices (+29 %). In the same time, due to restrictions in natural gas supply in the beginning of the year, the company was forced to use higher amount of fuel oil for electricity production.

In the first half of 2008, electricity production in hydropower plants (HPPs) was 4 % lower than planned, because of which electricity import was 18 % higher than planned.

HEP also reminded that electricity and heat prices remained unchanged during the first half of the year. The company hopes that business results will be improved by the end of the year, having in mind that government approved increase in electricity prices on July 1.

§ § §

56 % reduction in profit for Janaf in H1 (Croatia)

Adriatic pipeline (Janaf) reported 1.3 million euros of net profit in the first half of 2008, which was some 56 % lower comparing to the same period last year.

According to the report submitted to Zagreb Stock Exchange, overall oil transport was 8.6 % lower comparing to the last year. The main reason for reduction was the maintenance works in domestic refineries.

In the first half of 2008, overall income stood at 22.3 million euros, which was 6 % lower compared to the last year, but 10 % higher than planned. The income from oil transport amounted to 13.7 million euros (-5.9 %), while income from storage of oil and oil derivatives amounted to 4.5 million euros, similar to the last year.

Overall expenses amounted to 20.7 million euros, which was 3 % higher comparing to the last year.

§ § §

Memorandum of cooperation between DEPA and Gaz de France signed (Greece)

Greek gas company DEPA has signed a memorandum of cooperation with French Gaz de France, in order to increase natural gas supply in Greece.

The agreement refers to the two companies working together in the fields of liquefied natural gas, energy infrastructure and international ties, DEPA said in a statement. No further details were revealed. According to unnamed sources, DEPA aims at importing up to 1 billion cubic meters of gas per year from France for Greece's domestic power needs rather than buying it on the spot market.

§ § §

Tender for new 450 MW TPP approved (Greece)

PPC board of directors approved a tender for construction of new 420-450 MW lignite thermal power plant in Florina, northern Greece. Budget is set to 570 million EUR.

Companies that have expressed interest for this projects are Greek Metka and joint venture between Terna and Damco energy, Korean Hyundai, German Siemens and Austrian Alpine Mayreder Bau.

As a reminder, PPC has also published a tender for construction of 800 MW CCGT in southern Greece, Megalopolis.

In the related news, energy and metals group Mytilineos Holdings and Endesa received permission to proceed with the construction of a 430 MW power plant in Greece after objections from an environmental group were rejected.

Endesa Hellas, a joint venture between Athens-based Mytilineos and Spain's Endesa, will continue development of the plant in Aghios Nikolaos, Viotia, 100 kilometers northwest of Athens. Construction is expected to be finished by the end of 2009.

§ § §

Speeding up two pipeline projects (Greece)

Greek Development Minister Christos Folias met with Russian Energy Minister Sergey Shmatko in Moscow, where they agreed to set up a committee to check progress made on the Burgas-Alexandroupolis oil pipeline and the South Stream natural gas project.

"The two ministers agreed it is exceptionally important to speed up the pace of realization of the two major projects," the Greek Development Ministry said in a statement.

"By October 15, I will meet with the minister, so that we can review what has been recommended by the committee and move ahead with long-term mutually beneficial cooperation at a faster pace," Development minister Folias said in a statement.

The Burgas-Alexandroupolis oil pipeline will be 285 kilometers long, and it will connect Bulgaria's port of Burgas with Alexandroupolis in northwestern Greece. It is expected to be operational in 2009.

§ § §

Enel to build Gas fired TPP in Greece (Greece)

Enel SpA's Enelco division, the Greek unit of Italy's largest utility, signed a contract to build a gas-fired power station in Greece, the first of three planned by grid operator DESMIE.

Enelco, whose shareholders also include Russian Gazprom and Greek Copelouzos Group, will build and operate a 447 MW TPP, DESMIE officials said in a statement. TPP is expected to be operational in 2,5 years. TPP will sell electricity to the wholesale market at partly guaranteed prices as Greece opens up its energy industry to boost competition and reduce its dependence on oil.

§ § §

Disputes regarding electricity price increase (Macedonia)

Macedonian press published an info from unnamed government official that electricity price will jump for 40%.Macedonian government denied these claims. According to Prime Minister Nikola Gruevski, government had no meeting regarding this topic, and also, they do not have authority to change current price, since that is trusted to Regulatory Commission.

Text in a local paper might be provoked by International Monetary Fund representative in Macedonia, Mr. Mark Griffiths, who said that current state of large subventions in electricity price can not be maintained and that electricity price in Macedonia must be increased in order to follow global electricity price.

According to some Macedonian experts, electricity price might be increased up to 30% until the end of 2008.

Regulatory commission also confirmed that they have received no request for such price increase.

Finance Minister, Mr. Trajko Slavevski also confirmed that currently there are no talks regarding electricity price increase, but "that does not mean that this question can not be subject of debate".

§ § §

Sale of night energy (Macedonia)

In new auction, AD MEPSO has offered 3 850 MWh of energy in the period from 1st till 10th of August 2008. Starting price set by regulatory commission is 36.79 EUR/MWh. As a reminder, energy is offered in the period from 00:00 till 07:00.

2660 MWh has been sold. Cement factory Usje purchased 700 MWh, while Silmak purchased 1960 MWh.

In previous auction, from 21st till 27th of July, only Silmak has purchased energy, 756 MWh.

§ § §

Heating price increased for 60.35% (Macedonia)

Regulatory Commission has made a decision to increase district heating price for 60.35% for consumers connected to "Toplifkacija AD" Skoplje, while price for customers connected on "Skoplje-Server" price has been increased for 30.25%. "Toplifkacija AD" is oil fired, while "Skoplje-Server" is gas fired heating plant. New price has been set on 1st of August. This increase is justified by heavy oil price, which has been increased for 61% in past 5 months. Average household bill will now be increased from 32 EUR/month to 52 EUR/month. This represents about 20% of average salary in Skopje.

Currently, Skopje is the only city in Macedonia which uses district heating. 2nd heating plant in Bitolj did not operate previous year, due to lack of funds.

Increase of gas price has been followed by price increase of wood used for heating. Price of wood is not regulated by Regulatory commission, but sellers used this opportunity to rise their profit. Currently, price has been increased for 20% and further increase is expected.

In related news, Toplifikacija AD Skoplje has announced switching from heavy oil to natural gas. Officials from "GA-MA", company in charge for gas network, construction of gas pipeline is expected to be done in one year. .

§ § §

New Expropriation law (Macedonia)

Macedonia has adopted changes in Expropriation law. By this changes, government can become owner of important energy capacities (electricity, gas). That means that take energy object from, for example, company who has transmission lines. That also means that government could easily push EVN from electricity market and takeover distribution company. In same manner, Makeptrol could be pushed so government could become only owner of Ga-Ma. According to the part of the document, "buildings, installation and transmission lines for electricity and gas which represents means of public interests, can be taken".

"License given system operators for electricity and gas can be taken away if public interest is not protected..." Finance Minister Mr. Trajko Slavenski said. His point was that this law was adopted so government can easily stop monopolistic behavior in energy sector.

§ § §

360 million euros to be invested in wind generators (Macedonia)

USA-Israel based company „EIJ" has signed an agreement with mayer of city Sveti Nikola (central Macedonia). According to the agreement, company will invest 360 million euros in wind generators. 97 wind generators with total output of 200 MW will be installed in three locations. Construction of first 31 wind mill is expected to start in 6 months.

§ § §

Petrol still to start investments in joint venture projects (Montenegro)

Slovenian oil company Petrol, strategic partner of state-owned oil company Montenegrobonus, still did not initiate any of the projects envisaged by the partnership agreement.

As a reminder, in July last year, after international tender procedure, Petrol and Montenegrobonus established joint venture company called Petrol Bonus. Two companies owns equal share in the joint venture that will be responsible for construction of 15 petrol stations, terminals for liquefied petroleum (20,000 cubic meters) and natural gas (8,000 cubic meters) in port of Bar. Petrol Bonus should also build natural gas network in capital of Podgorica. Overall amount of the investments should reach 154 million euros during five years, the agreement said. At the time when joint venture was established, Petrol said it was interested in oil and natural gas researches in Adriatic.

According to officials from Petrol, the projects have been stalled since the necessary tender procedures had not been launched and since the land for the projects had not been acquired. In addition, the delays are related to implementation of Petrol's standards in new company and their harmonization to local laws.

§ § §

EPCG published tender for making the general design of new coal ash depot in TPP Pljevlja (Montenegro)

Power utility of Montenegro (EPCG) published a public invitation for making the general design and pre-feasibility study for new coal ash depot in thermal power plant (TPP) Pljevlja.

The bids in the tender will be submitted until August 14, where the winner will be selected a month after. The project papers should be completed in a six-month period, and the worth of the contract is estimated at 280,000 euros.

New coal ash depot will be built on new site. The depot needs to be built for two reasons, i.e. existing depot is almost full, and EPCG plans to build unit 2 in TPP Pljevlja.

As a reminder, EPCG has recently published tender for making the general design and pre-feasibility study for unit 2 in TPP Pljevlja. This tender was prolonged from original date of July 3 until August 4, and so far, some five companies submitted bids. The worth of this contract should be some 550,000 euros.

§ § §

Government adopted deadlines for several projects envisaged by national energy strategy (Montenegro)

According to updated Action plan for implementation of Strategy of energy development, the government of Montenegro should publish the tender for construction of its part of Adriatic-Ionian natural gas pipeline in July 2010. The pipeline should be completed in 2012, and the cost of the project should be 60 million euros, where 90 % of the funds will be provided by future concessionaire.

In September last year, governments of Montenegro, Croatia and Albania signed ministerial declaration for construction of new pipeline, which should be linked to future Trans Adriatic Pipeline (TAP). The new pipeline will be built in cooperation

with Swiss EGL. The Adriatic-Ionian pipeline should run from Fier (Albania), across Montenegro, toward Ploce (Croatia).

Overall length of the pipeline should be 400 km, i.e. 130 km in Croatia, 100 km in Montenegro and 170 km in Albania. Estimated cost of the project is some 230 million euros (60 million euros in Montenegro, 90 million euros in Albania and 80 million euros in Croatia).

On the other hand, Action plan said that Montenegro would have little influence on reaching the final decision for start of the project. In addition, current natural gas consumption is very low, so that it will be necessary to develop natural gas network and to increase usage of liquefied natural gas, Action plan said.

Another project envisaged by the Action plan is the construction of wind farm on Rumija Mountain. The tender for granting the concession for construction of 10 MW wind farm should be launched in the beginning of the next year. According to reliable sources quoted by local press, companies from Spain, China, USA and Italy are interested for the project. The most concrete intentions came from Spain's Iberdrola, sources said. Power utility of Montenegro (EPCG) will be obliged to purchase all electricity produced in wind farms. According to data presented in Action plan, the most suitable sites for construction of wind farms are located near sea coast between city of Bar and Skadar Lake, where average wind speed reaches some 6-7 m/s.

The Action plan also envisaged that waste-fired combined heat and power plant should be built in capital Podgorica by the end of 2016. The cost of the project is 32 million euros, and the government and municipality of Podgorica will finance it. The project should be started in 2010 at the latest.

§ § §

New management in Pljevlja coalmine (Montenegro)

On a closed session, shareholders assembly of Pljevlja coalmine has elected three new members of the Board of directors.

After the latest decisions, Djorjđe Dzuverovic will leave head position in the company after 17 years, while new member of the BoD will be Filip Vukovic, the major of Pljevlja, who was the member of BoD two years ago. The former CEO of the company, Vuk Rocen was also dismissed.

The new BoD should appoint new chair of the BoD and CEO of the company on the next session.

The outcome of the assembly is considered as Vukovic's victory, since he was confronted to former management in the past two years. Vukovic was in favor of privatization of energy complex in Pljevlja and he recently called government to dismiss management of the coalmine for avoiding the privatization of the company.

The local press believes that changes in the management of the coalmine were done in order to restart privatization of the company. The state owns 31 % stake in the coalmine.

One of the options was also the merger of the coalmine and thermal power plant (TPP) Pljevlja.

§ § §

LNG terminal to built by 2015 (Montenegro)

Government of Montenegro should publish a tender for construction of liquefied natural gas terminal (LNG) in April 2010, where the terminal should be built by March 2015. The tender will be launched if the project is proved to be justified. The future terminal should be built near Bar port.

According to Action plan for implementation of Strategy of energy development, the cost of the project should reach 357 million euros. The government should provide 10 million euros, while the rest should be provided by the concessionaire. The future facility should include unloading, storage and re-gasification facilities. The Strategy also envisaged construction of 1,200 MW natural gas fired power plant.

The main prerequisites for this project are the construction of Adriatic-Ionian natural gas pipeline, submarine power cable toward Italy and overhead power line toward Albania.

§ § §

Energy complex in Craiova to be privatized through new model (Romania)

Privation model for energy complex in Craiova (930 MW) should be completely different compared to privatizations previously carried out in Romanian energy sector, sources from the company said.

According to Romanian media, energy complex should be privatized both by finding the strategic investor and by listing the shares on stock exchange.

The privatization should start by increasing the capital stake through listing the share package on stock exchange in November this year. After this, the majority stake in the company should be offered to strategic investor. This was confirmed by the general manager of Craiova Ion Dinulescu, who said that this decision was not final.

Dinulescu said that models for privatization of energy complex would be discussed with majority owner, the Authority for State Assets Recovery (AVAS) and the privatization consultant, the consortium Deloitte Romania and RAEF (Romanian-American Fund for Investments). The privatization strategy should be approved by the shareholders assembly and it should be later approved by the government, sources said. Proprietatea Fund, which owns 25 % stake in the complex, should be given preemptive rights for keeping its stake in the company.

Energy complex in Craiova is one of the three energy complexes that will not be the part of future integrated energy company, establishment of which was recently announced by the government of Romania.

Privatization of complex in Craiova was announced by the president of AVAS, Teodor Atanasiu, who said that several companies in Romania would be privatized, mostly on stock exchange, by the end of the year.

In 2008, energy complex in Craiova should post 3.3 million euros of profit comparing to 2.4 million euros reported in the last year. Overall income in this year should reach some 260 million euros, while investments should reach some 400 million euros until 2011.

In this year, the company was awarded two-year supply contract for delivering the electricity to oil company Petrom.

§ § §

Electrica announced investments in electricity production projects (Romania)

State owned electricity distributor Electrica has been developing several projects for electricity production, including electricity production from renewable energy sources. This was said by the general manager of Electrica Corneliu Stan.

Stan said that Electrica could acquire several wind energy projects, with overall power output of 150 MW. The company has launched the tender for making the feasibility study for 50 MW wind farm in Constanta County. Seven consortia submitted the bids and the selection procedure was underway in mid July.

The company said it received two offers from foreign companies for start of construction of 500 MW hydropower plants. Officials did not want to reveal the names of those companies.

Electrica is also reconsidering an option for cooperation with Termoelectrica and Elcen.

In April this year, Electrica and Austrian company Warmebeitriebe established joint venture with equal shares called Electrica Bio-Heat. The company will be involved in electricity production from biomass, where overall output in power plants should reach 20MW.

Electrica also announced plans for buying the electricity distributors in neighboring countries.

According to announcements of the government, Electrica will be the part of the future integrated energy company.

§ § §

Hidroelectrica to get involved in wind energy projects (Romania)

Electricity producer Hidroelectrica plans to sign partnership agreement with Iberdrola and Vardar Norway in order to develop wind energy projects.

According to Hidroelectrica, Iberdrola is interested in construction of even 1,500-2,000 MW in wind farms in Romania in cooperation with Hidroelectrica. On the other hand, Norway's Vardar offered to conduct wind researches and to sign partnership agreement for development of wind farms.

In the last year, Hidroelectrica, the largest electricity producer in Romania, has initiated wind researches in the areas close to its hydropower plants. Some 20 sites found to be suitable for construction of wind farms. Among them, the sites Retezat, Beresti and Racaciuni are considered the most favorable. The potential wind farms could produce some 400 GWh of electricity per year, analyses showed.

During the recent period, several companies announced large-scale projects for construction of wind farms in Romania. The interest for wind energy projects was expressed also by Enel, E.On, Gaz de France, Edison, Petrom, Sinus Holding (700 MW wind farm/1 billion euros investment), Continental Wind Partners (1,000 MW/1 billion euros) and Renovatio Power (150 MW/200 million euros).

§ § §

EDF, MVM and Verbund interested for HPP Tarnita-Lapustesti (Romania)

Electricity producer Hidroelectrica announced it will establish project company for construction of pump storage hydropower plant (HPP) Tarnita-Lapustesti (1,000 MW).

The model of the project company will be similar to the model for construction of units 3 and 4 in nuclear power plant (NPP) Cernavoda, where government invited several strategic investors to take part in the project.

Interest for future HPP has been expressed by Austrian Verbund, Hungarian MVM and French EDF. This was confirmed by the general manager of Hidroelectrica Traian Oprea.

Oprea said that cost of the project should reach between 850 millions and 1 billion euros. Because of that, the state should reach decision for inviting the strategic investors to take part in the project or to approve loan contracts, head of the company said.

Oprea believes that the members of the project company should be strategic investors, Transelectrica and possibly some banks. He reminded that European investment bank (EIB) and European bank for reconstruction and development (EBRD) have expressed interest for the project. According to Oprea, the project should be completed in six years.

§ § §

Hidroelectrica to acquire 300 million euros loan (Romania)

Electricity producer Hidroelectrica confirmed it has been engaged in acquiring 300 million euros loan. The company confirmed it had received loan offers from the largest banks in the World such as JP Morgan, Citigroup, Deutsche Bank, ING, ABN Amro, BRD-Societe Generale, HVB-UniCredit Tiriac, BCR - Erste Group, Calyon Group, Bayerische Landesbank and Bank of Tokyo Mitsubishi. On the other hand, Hidroelectrica also said it could issue bonds with seven-year maturity, after this was proposed by several banks. One way or another, the company will provide necessary funds, officials said.

By the end of August, the company should selected two or three banks which will be entitled to submit their final loan offers.

Hidroelectrica, the largest electricity producer in the country, estimated its six-month gross profit to reach between 55 and 63 million euros. This financial result should be almost double comparing to the same period last year, general manager Traian Oprea said. In 2007, company's annual net profit reached some 21 million euros.

The favorable financial results were driven by higher electricity production, which reached 10 TWh, where overall planned electricity production in this year should reach 15.7 TWh. In the same time, electricity prices have increased by 17-20 % comparing to the last year.

Overall income in the first half of the year reached some 330 million euros. According to plans for this year, the company should post 570 million euros of income and 8.3 million euros of net profit. The company announced it would make adjustment of planned income and expenses for this year. In addition, in this year, overall investments should reach some 300 million euros.

§ § §

EnBW interested in construction of power plant in Gorj County (Romania)

According to sources quoted by local media, German EnBW and Portuguese Riviera are interested in construction of thermal power plants (TPPs) in Gorj County. The sources said the foreign companies should establish consortia for this purpose.

The chair of the National mining federation, Marin Condescu said recently that several private investors should build lignite-fired plants in Gorj County by 2013. One of the TPPs should have power output of 800 MW.

§ § §

CEZ Romania posted 40 million euros of profit in 2007 (Romania)

CEZ Romania, which includes CEZ Servicii, CEZ Vanzare and CEZ Distributie, posted some 40 million euros of profit in the

last year, which was some 11 million euros higher comparing to previous year. The planned profit for the last year was set at 38.2 million euros. For 2008, net profit should be similar to the last year, CEZ said.

In the last year, overall investments in distribution network reached 62 million euros, where the highest level of investments was made by Electrica Oltenia. In this year, investment programme should reach 55 million euros.

In 2007, overall sales reached 4.3 TWh, compared to 3.8 TWh recorded in 2006. The company has been facing liquidity problems since Romania's Railway Corporation (CFR) pays only 20-25 % of its monthly bill. The overall debts of the CFR amounted to some 48 million euros.

The company has been involved in several electricity production projects, such as project for construction of unit 3 and 4 in nuclear power plant (NPP) Cernavoda and tenders for construction of new units in thermal power plants (TPPs) Borzesti and Galati. In order to cover company's needs in Romania, CEZ plans to operate at least 1,200 MW in power plants in Romania, for which some 2 billion euros should be invested.

CEZ Romania confirmed recent information that company should acquire wind power project from Continental Wind Power (CWP). CWP is the holder of rights for construction of 345 MW wind farms, with potential output of 600 MW, in the area of Dobrogea. CEZ said it would invest some 800 million euros for development of this wind farm. The company also announced it should acquire four other wind projects, with capacity between 30 and 140 MW in Dobrogea and Moldova.

According to the latest information, the agreement between CEZ and CWP should be signed on August 4. The worth of the agreement should be 100 million euros. The CEZ believes the first wind generator could be operational in the first half of 2009. The wind farm will have 2.5 MW generators, which will be delivered by General Electric (GE). In the last year, CWP and GE signed 400 million euros contract for purchase of 150 wind turbines with overall capacity of 375 MW, which should be installed in Romania and Poland in the next year. According to agreement, 100 turbines should be installed in Romania.

§ § §

Elcen completed 190 MW CCGT unit (Romania)

Combined heat power plant (CHP) Electrocentrale Bucharest (Elcen) confirmed it had completed 160 million euros worth project for putting in service 190 MW CCGT unit in thermal power plant Bucharest West. This is the first CCGT unit in Romania and the first large power plant put in service since 1990. The project was funded by 122 million euros of loans, and the rest was provided by Elcen. The new unit was built by Siemens.

The new unit will provide 170 gigacalories per hour of heat energy, which will cover some 10 % of heat consumption in the capital Bucharest (2 million people).

Overall electricity output of Elcen's seven units is 2,008 MW, or some 20 % of overall power output in thermal power plants (TPPs) in the country. Elcen operates five units in Bucharest (1,108 MW) and two units in Constanta and Iernut.

Elcen, the largest heat energy producer in the country, provides some 40 % of overall heat energy in the country and another 13 % of overall electricity production. In 2007, Elcen produced 6.75 TWh of electricity and 6.662 million gigacalories of heat energy.

The company plans to install 100 MW unit in CHP Bucharest South, 13.5 MW unit in CHP Pallas Constanta and 400 MW unit in Iernut.

According to preliminary data, Elcen should post some 30 million euros of losses in the first half of 2008.

§ § §

Energy Holding to get approval for 700 power plant (Romania)

According to sources, Romania's largest electricity trader, Energy Holding (EH), should get approval for making the technical and feasibility studies for construction of 700 MW lignite-fired thermal power plant (TPP) in Sardanesti, Gorj County.

The sources said the EH acquired all necessary approvals for the start of the studies. The cost of the project is estimated at 840 million euros, and the construction works should start next year. New TPP should be put in service in 2013, the year when supply contract with electricity producer Hidroelectrica expires. According to supply contract, Hidroelectrica delivers up to 4 TWh of electricity per year to EH.

In 2007, EH delivered 10 % of overall electricity delivered to customers in Romania and 19 % of electricity delivered in a competitive market to eligible customers.

The officials from EH did not want to comment latest rumors, saying the company is to determine optimal output of the new unit. The new TPP should be built in the area of Oltenia, EH said.

In February last year, the company announced to invest 700 million euros for construction of 400 MW TPP in the Gorj County.

In this moment, EH operates five small hydropower plants (HPPs), with power output of 6 MW and with average annual production of 8 GWh.

§ § §

Maximum output in wind farms reached (Romania)

General manager of Romania's transmission system operator Transelectrica, Stelian Gal, confirmed that Transelectrica and

electricity distribution operators had issued approvals for construction of some 2,000 MW in wind farms (mostly in Dobrogea and southern Moldova). In this moment, there are requests for installation of additional 8,000 MW in wind farms.

2,000 MW is the current maximum technical output that could be balanced and transported by Romania's electricity system, Gal said. He also added that any future investors would run a risk that Transelectrica would not transport their output.

The investments in wind farms will not be stalled, yet those investments should be harmonized with investments in electricity transmission network and in new power plants that will be used for balancing the electricity system, Gal explained.

Head of Transelectrica believes that construction of storage pump hydropower plant (HPP) Tarnita-Lapustesti will be one of the main conditions for additional investments in wind farms. In the same time, the future investors could also build classic power plants in order to ensure stability of the system.

Director of network planning department of Transelectrica Dan Preotescu believes that current limit of 2,000 MW will be in force until 2013, while, in 2020, this limit will be increased up to 3,000 MW.

According to announcements, very soon, the ministry of economy and finances should prepare new policy for wind energy, which should regulate issuing the approvals for construction of wind farms.

§ § §

Parliamentary committee approved energy agreement with Russia, parliamentary ratification delayed (Serbia)

Parliamentary committee for industry approved the Agreement between Serbia and Russia on cooperation in oil and natural gas sector and sent it to the parliament for final approval.

The committee rejected amendments proposed by some opposition parties, which believe that agreement should be cancelled.

New minister of energy and mining Petar Skundric confirmed that the agreement with Russia was of the utmost importance for Serbia. The agreement will increase energy security of Serbia, while the country will get strategic significance for transport of natural gas to EU, the minister believes.

In the same time when committee approved the agreement, speaker of Serbian parliament decided to dismiss Serbian parliament for two weeks, after opposition MPs obstructed the session and made adoption of new laws impossible. New session should start in the first week of August.

Before the start of regular session in the end of July, it was believed that new parliament should have ratified several important agreements, and among them, energy agreement with Russia.

In the related news, minister of economy Mladjan Dinkic, who is the head of working team for negotiations with Russians regarding implementation of energy agreement, once again said he would demand higher price for Oil industry of Serbia (NIS) and higher transport capacity of the future pipeline. Negotiations with Russians will start as soon as the energy agreement was ratified by Serbian parliament.

Minister Dinkic explained that Serbian laws forbid sale of natural resources because of which Gazprom will not be entitled to use NIS's oil fields in Serbia. Those oil fields provide some 20 % of overall oil consumption of the country. In the same time, Dinkic denied popular believe that he was against sale of NIS to Russians.

Minister announced that government would hire special advisors that will make appraisal of NIS's assets. He also reminded that state needed to transfer state-owned property currently used by NIS to NIS in order to complete privatization.

In mid July, minister of foreign affairs of Serbia Vuk Jeremic and his Russian counterpart Sergey Lavrov had a meeting in Moscow. Two ministers confirmed mutual readiness to finalize bilateral agreement for cooperation in energy sector.

§ § §

CEZ interested for expansion in Balkans, most of the investments in Serbia (Serbia)

Czech CEZ confirmed it would continue expansion in Balkans, were the highest possibility for investments should be in Serbia. According to Czech press, CEZ is highly interested for participation in large energy projects in Serbia, such as construction of thermal power plant (TPP) Kolubara B. Czech media even mentioned plans for construction of nuclear power plant (NPP) on Croatian-Serbian border.

Head of CEZ in Serbia, Aleksandar Obradovic, confirmed to Czech press that company is highly interested in construction of new power plants in Serbia. Obradovic said that CEZ should be majority or at least equal shareholder in future projects, having in mind unpleasant experiences in the region in the past.

CEZ could be also involved in modernization and construction of combined heat power plants, where the partner in these projects should be Hungarian MOL. Two companies have established joint venture in the end of July.

Obradovic also believes that CEZ's partner in Serbia could be the Russian Gazprom, which started to enter Serbian market.

The head of CEZ in Serbia also reminded that company had entered final phase of the tender for construction of new TPP in Kosovo.

§ § §

Sale price for NIS to be reevaluated, Gazprom against changes in energy agreement (Serbia)

The state secretary in ministry of economy, Nebojsa Ciric, announced that state should publish public invitation for new privatization advisor of Oil industry of Serbia (NIS). Its main task will be to make new appraisal of NIS. The invitation should be published in the beginning of August, and the future advisor should complete appraisal in period of 40 days.

The government believes this will be the only way to establish the real value of national oil company, i.e. to see whether the offer of Gazprom (400 million euros in cash and 500 million euros in investments for 51 % stake) was real, Ciric explained. In the same time, the state is obliged by the law to determine market price for NIS in order to evaluate worth of shares that will be transferred to the citizens. According to laws, the adult citizens of Serbia will be entitled for 15 % of shares in NIS, free of charge.

Officials from ministry of economy believe the new procedure will not affect negotiations with Gazpromneft. The government will only have better foundations for negotiations with Russians, Ciric concluded.

On the other hand, advisor of the chair of the management board of Gazpromneft Dimitri Malishev said that international energy agreement signed between Russia and Serbia could not be changed. Two sides should only harmonize the details of the agreement during the incoming negotiations. According to Malishev, the protocol for sale of NIS is the integrated part of energy agreement, so that it could not be changed.

Malishev also expects that Serbian parliament should ratify energy agreement soon, having in mind that each day of delay brings losses for Serbia, which needs to modernize NIS by 2010. Official reminded that sale price for NIS was established by financial experts from Serbia and Russia as well as by independent experts.

In the related news, several experts in Serbia reminded that NIS's oil and natural gas reserves would last for 15 years, where annual oil production should be some 1 million tons. In this moment, the estimated worth of those reserves is some 12 billion dollars, experts said. The reserves do not include NIS's oil fields in Angola.

According to another analysis, the worth of the oil produced in NIS's oil fields is some 350 million euros per year. Local experts also believe that construction of Pan European oil pipeline (PEOP) would increase NIS's worth for at least 30 %.

§ § §

8.4 % increase in electricity prices from August 1 (Serbia)

In the last day of July, the government of Serbia approved the request of Power utility of Serbia (EPS) regarding 8.4 % increase in electricity prices starting from August 1.

The management board of EPS believes the increase in prices was justified. Previously, Serbian Energy Agency (EA) gave its positive opinion regarding the EPS's request.

After the new increase, the average prices will rise from 5.4 eurocents/kWh up to 5.85 eurocents/kWh on annual level.

The previous price increase of 7.6 % was imposed on March 1, when new tariff system was introduced too.

§ § §

Tenders:

Electricity

Company / organization:	EBRD, related Bulgaria
Metamodul CNG for Etropole gas system	
Content:	<p>This Invitation for Tenders follows the General Procurement Notice for this project which was published in Procurement Opportunities, on 29.02.2008.</p> <p>Metamodul Ltd. hereinafter referred to as the Purchaser, intends using part of the proceeds of the Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (the Bank) towards the cost of the Project " Metamodul CNG for the Etropole gas supply system"</p> <p>The Purchaser now invites sealed tenders from Suppliers for the following contract to be funded from part of the proceeds of the grant:</p> <p>* Supply of sets of technology (technological procedures for simultaneous operation of three compressors at a main compression centre and of two compressors at an additional compression centre), and equipment (compressors - 8 numbers) for compression of natural gas and refuelling of transportable vessels and vehicles with CNG.</p> <p>Tendering for contracts is open to firms from eligible countries as of 1 April 2008. These are: EU members states, Switzerland and EBRD's countries of operation.</p>
Deadline:	2 Sept 2008 at 11:00, Sofia Time times
Contact:	<p>Mr.Christo Petkov Purchasing entity: Metamodul Ltd. Address: 36,Mila Rodina Street, 1408 Sofia, Bulgaria Tel: +359 2 818 00 10 Fax:+359 2 8180020 E – mail: metamodul@gmail.com</p>

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

Company / organization:	EBRD, related Bulgaria
Metamodul CNG for Etropole gas system	
Content:	<p>This Invitation for Tenders follows the General Procurement Notice for this project which was published in Procurement Opportunities, on 29.02.2008.</p> <p>Metamodul Ltd. hereinafter referred to as the Purchaser, intends using part of the proceeds of the Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (the Bank) towards the cost of the Project " Metamodul CNG for the Etropole gas supply system"</p> <p>The Purchaser now invites sealed tenders from Suppliers for the following contract to be funded from part of the proceeds of the grant:</p> <p>-Supply of sets of technology (technological procedures for simultaneous operation of three compressors at a main compression centre and of two compressors at an additional compression centre), and equipment (compressors - 8 numbers) for compression of natural gas and refuelling of transportable vessels and vehicles with CNG.</p> <p>Tendering for contracts is open to firms from eligible countries as of 1 April 2008. These are: EU members states, Switzerland and EBRD's countries of operation.</p>
Deadline:	2 Sept 2008 at 11:00, Sofia Time.
Contact:	<p>Mr.Christo Petkov Purchasing entity: Metamodul Ltd. Address: 36,Mila Rodina Street, 1408 Sofia, Bulgaria Tel: +359 2 818 00 10 Fax:+359 2 8180020 E – mail: metamodul@gmail.com</p>

Company / organization:	EPCG, related Montenegro
Feasibility study - 2nd unit of TPP Pljevlja	
Content:	For additional information, please contact Mr. Dobrilo Gacevic at +382 89 330 102.
Deadline:	03.07.2008, 11:30 hrs.
Contact:	<p>Dobrilo Gačević; TE »Pljevlja« Tel. +382 89 330 102, Fax +38289 330 131 e-mail: epcgte@cg.yu Mr. Dobrilo Gačević Tel. +382 89 330-102, Mr. Vladimir Nikčević Tel. +38283 204-219</p>

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

Company / organization:	EBRD, related Bulgaria
Construction of wood biomass heating plant in town "Triavna"	
Content:	<p>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.</p> <p>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.</p> <p>The tendering includes:</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>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.</p>
Deadline:	14 May 2009 at 00:00, Sofia time
Contact:	<p>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</p>

Company / organization:	EBRD, related Bulgaria
Metamodul CNG for the Etropole gas supply system	
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>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).</p> <p>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.</p>
Deadline:	2 Mar 2009 at 00:00, Sofia time
Contact:	<p>Mr. Christo Petkov Tel. +359 2 818 00 10 Fax: +359 2 818 00 20 [fax:]</p>

Company / organization:	EBRD, related Bulgaria
Replacement of transformers for CEZ Razpredelenie Bulgaria	
Content:	<p>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.</p> <p>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.</p> <p>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.</p> <p>The replacement of the power transformers is planned to start by the end of 2008.</p> <p>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.</p>
Deadline:	14 May 2009 at 00:00, Sofia time
Contact:	<p>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</p>

Company / organization:	EBRD, related Bulgaria
Ruse Integrated Energy Farm	
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>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:</p> <ul style="list-style-type: none"> • 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 <p>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.</p> <p>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.</p> <p>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.</p>
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
Kozloduy Nuclear Power Plant – General	
Content:	<p>The following notice refers to goods, works and services to be procured through open tendering for projects financed by the Kozloduy International Decommissioning Support Fund which is administered by the European Bank for Reconstruction and Development.</p> <p>For more information, please visit http://www.ebrd.com/oppo/procure/opps/goods/general/070803a.htm</p>
Deadline:	3 Aug 2008 at 24:00, Kozloduy time

Contact:	Mr. Daryll Jones Fax. + 359 973 7 4508 E-mail: kpmu@npp.bg
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Company / organization:	EBRD, related Romania
CFR Traction Energy Network Management LOT 1,2 - General	
Content:	<p>CFR Electrificare is a Beneficiary of a loan from the European Bank for Reconstruction and Development and intends to use its proceeds towards the cost of a project to continue modernisation and introduce cost-savings measures in management of its traction energy network. The proposed project, which has a total estimated cost of EUR 26 million equivalent (EUR 22m from the Bank and EUR 4m in VAT and other taxes), will require the procurement of the following goods, works and services:</p> <p>Lot 1: Supply and Installation of equipment sets for the Upgrading and Rehabilitation of 12 traction substations 110/25kV and the associated sectioning/subsectioning posts and disconnectors remote control</p> <p>Lot 2: Supply and Installation of equipment sets for the control and surveillance (SCADA) of four railway energy dispatchers: DEF Timisoara, DEF Caransebes, DEF Craiova and DEF Targu-Jiu.</p>
Deadline:	22 Oct 2008 at 00:00, Bucharest time.
Contact:	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
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:	Mrs. Nadya Ivanova; Enemona Utilities EAD Balscha str. 1, bl. 5 1408 Sofia, Bulgaria Tel: +359 2 80 54 746; Fax: +359 2 91 79 873; e-mail: n.georgieva@enemona.com

Company / organization:	EBRD, related Bulgaria
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>
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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. Ilia 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>

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>