

EPIC search for Kolubara B

Serbia's state power utility Elektroprivreda Srbije has contracted the Vienna-based private investment bank, the European Privatization and Investment Corporation, or EPIC, and the Faculty of Electrical Engineering of the University of Belgrade, with the task of finding a strategic partner to assist it in completing the partially developed, coal-fired Kolubara B thermal power plant. Under the contract, signed June 19, EPIC and its partner will also analyze the anticipated impact of environmental measures and corresponding investments, based on the assumption that state-of-the-art technologies would be introduced in order to meet the requirements of the Kyoto Protocol.

EPIC proudly announced that it had beaten off competition for the contract from several international competitors including BNP Paribas, Deloitte Touche, RWE Npower, and Lahmeyer International.

Serbia's government announced this February that it would seek a strategic investor to assist EPS in completing the the 700 MWe, 760 MWth plant in Kalenic, southeast of Belgrade. Elektroprivreda Srbije started construction on the coal-fired Kolubara B plant in 1988, but the project was halted at the time of the break-up of the former Yugoslavia. To date Serbia has invested \$400 million in the plant, which is currently around 40% complete, but will require a further \$570 million to finish the project. Most likely Kolubara B will be split off from the Nikola Tesla power generation group and set up as a separate shareholding company, creating the necessary preconditions for developing a joint venture with a foreign investor (*EIEE 83/19*).