

Bosnia's autonomous Serb Republic on Monday awarded a concession to regional power utility ERS to build a 48 megawatt (MW) wind farm in southeastern Bosnia, the first such renewable energy project in the region.

The concession for the project, which will help to diversify energy sources and to reduce greenhouse gas emissions in Bosnia, was awarded for a period of 50 years.

The wind farm will have 16 wind turbines with a capacity of 3 MW each and is estimated to cost 127 million Bosnian marka (\$72.4 million). Germany's state-owned development bank KfW has already approved more than half the funding. The rest will be provide by state-run ERS.

Bosnia generates 40 percent of its electricity from hydro and the rest from coal-fired plants. Unlike other Balkan countries that rely on power imports to cover much of their demand, it is able to export power largely thanks to its hydro capacity.

Bosnia's other autonomous region, the Bosniak-Croat Federation, in March gave approval to three companies to start building wind farms with combined capacity of 138 MW, the first such renewable energy projects in that region.

Several developers seek to add a further 320 MW in wind capacity in Bosnia over the coming years. (\$1 = 1.754 Bosnian marka) (Reporting by Gordana Katana; Writing by Maja Zuvela; Editing by Jane Merriman)

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