

Bosnia/Republika Srpska: TPP Gacko may halt production and supply of 25% of total electricity production in country

Coal mine and power plant Gacko may stop its electricity production due to the debts and bad equipment shape in power gen facilities.

Gacko mine & TPP are part of Republika Srpska power utility company ERS. Gacko TPP has accumulated debts of 55MEUR reads the internal company document as reported by local medias.

With annual loss of 8.6MEUR liquidity of the company is endangered. Gacko TPP company is not able to realize any of the planned investment or overhaul projects. Loans for the financing of overhauls are not an option due to the market big loss. TPP Gacko which produces $\frac{1}{4}$ of ERS electricity may be faced with stoppage of operations.

According to the company reports this year for first 6 months company produced 658GWh out of planned 725GWh. In addition report of the supervisory board which leaked to public states that additional planned incomes are not realized as the energy regulator halted the electricity price increase request from ERS. Increase of electricity price will ensure additional cash inflow which will enable Gacko TPP to resume its financial liquidity and request commercial loans for overhaul cycle.

Current production price of kwh is only 0.03 eurocent, compared with TPP Kakanj 0.05 eurocent, TPP Tuzla 0.04 eurocent and TPP Ugljevik 0.03 eurocent.

Official respond from Gacko company was that the delays and setback in production was influenced by huge delays in coal mining operations, namely surface exploration faced delays in coal production.

The Gacko company management proposed to its mother company ERS power utility to postpone the 16MEUR loan repayment for additional 3 years. Gacko TPP company also requested again from regulator and entity government of RS to determine the real electricity price.