

For us, EPS is an important partner within our cooperation with Serbia. EPS is definitively on the right track to improve its future performance on market bases.

The German development bank (KfW) will continue the cooperation with the “Electric Power Industry of Serbia“, which has lasted for more than a decade. Investments of around 126 million euros had been planned for projects by which environmental protection and the use of renewable energy resources were to be increased, said Arne Gooss, director of KfW office in Serbia, in his interview for “EPS Energy“.

When do you expect the new projects with EPS to be started? How much will KfW invest in them?

The project „Transport of Ash in TPPNT A“ is on the starting line, its main purpose being a significant reduction in environmental pollution during the transport and dumping of ash. Around 60.000 people living in the vicinity of the Thermal Power Plant “Nikola Tesla A“ in Obrenovac will be protected from significant environmental pollution, and particularly from air pollution. The scope of KfW funding in this project amounts to 45 million euros. The beginning of project implementation has been planned for 2016, and the relevant loan agreements are being prepared.

We have started further joint activities related to the promotion of renewable energy resources. The works on the rehabilitation and modernization of the hydro power plant in Zvornik have recently began and they should be concluded in 2019. KfW has supported this financially with 70 million euros. Prior to this, the implementation of the project of the wind farm “Kostolac“ is the first in line and it should be started in 2016. The necessary project assessment has already been carried out, and the share of KfW in the funding would amount to around 81 million euros.

EPS is undergoing major organizational changes. What would be your assessment of the results of reorganization and what are the main benefits for the company and for Serbia? Where do the main challenges still remain? Can KfW help EPS in this process and in what way?

The implementation of institutional reform and reorganization measures should strengthen the EPS so that it could act on the domestic and the international energy market in a sustainable and efficient way. We are very glad to be able to give our contribution to the establishment of a more efficient and environmentally more compatible electricity production in Serbia through the mentioned projects.

Are you satisfied with the cooperation between EPS and KfW and what are the main projects which have marked this cooperation?

The energy sector has a special place in the developmental cooperation between Serbia and

Germany, which was started 15 years ago. One half of our entire scope of funding in Serbia which amounts to 1.7 billion euros is intended precisely for the energy sector. In addition to the Ministry of Finance and the Ministry of Mining and Energy, the EPS is a partner of KfW in the majority of projects within the electricity sector. The beginning of cooperation included the “urgent measures” programs, which referred to overhauls in power plants, the import of spare parts for power plants and the funding of electricity imports. The cooperation with the “Electric Power Industry of Serbia” has developed on many levels. Now, the focus is on the coal quality management and the environmental protection measures in power plants and open pit mines, as well as on the rehabilitation of hydro power plants, which has just been carried out in HPP “Bajina Bašta” and which has recently began in the HPP “Zvornik”. The aim is to increase the efficiency of electricity production, at the same time reducing the emission of harmful gases.

For us, EPS is an important partner within our cooperation with Serbia. Not only the intensified and permanent cooperation, which has lasted for more than a decade, but also the diversity of this cooperation speak for themselves. The partnership with EPS is based on the objective to implement projects successfully, as well as to jointly overcome the numerous challenges in complex projects. The professionalism of EPS during the implementation of projects, and particularly the technical “know-how” of those employed on the projects represent an important basis of our joint cooperation.

What will be the focus of KfW in Serbia and what new projects have been planned?

The focus of cooperation of KfW bank, which acts by order of the German Federal Government, i.e. the Ministry of Economic Cooperation and Development, is directed towards the fields of environmental protection and promotion of sustainable economic development. Within the sphere of promotion of sustainable economic development, KfW places at the disposal of local banks the credit lines which can be used by municipalities, companies and citizens for the investments in energy efficiency increase and renewable energy resources, as well as for agricultural and municipal investments in general. Credit lines for eco-loans are among new projects, these loans being particularly intended for small and medium-sized companies in Serbia for funding the investments in energy efficiency increase.

In addition to energy efficiency and renewable energy resources, the central area of environmental protection also includes the modernization of heat supply, water supply and waste waters treatment, as well as the modernization of waste management, but also the important issues related to municipal infrastructure.

The aim is to support Serbia in the fulfilment of stipulated obligations with respect to the

EU accession process and to contribute to the achievement of corresponding standards within the sphere of environmental protection.

The proposals for future projects within the field of energy, which have been prepared together with the Serbian partners, include the cooperation with the “Power Grids of Serbia” for increasing the capacity of transmission grids to 440 kV, primarily the connection Kraljevo - Kragujevac and Obrenovac - Bajina Bašta and the cooperation with EPS in the implementation of environmental protection measures in power plants, as well as the promotion of renewable energy resources.

What was your experience in the project of the HPP “Bajina Bašta”? What is your vision for the continuation of cooperation with EPS?

The cooperation on the rehabilitation of HPP “Bajina Bašta” was the starting point for funding joint investments with EPS within the field of renewable energy resources. Within this project, which was successfully implemented in 2013, four power units of the hydro power plant were completely modernized. This did not contribute only to the 12 percent increase in the performance of the hydro power plant and the extension of operating life by 25 years, but also to the increase in energy efficiency during electricity production.

Thereby, the participation of renewable energy resources in the overall energy production in Serbia has been increased on one hand and, on the other, the emission of harmful gases has been reduced. Within the sphere of renewable energy resources, further joint activities with EPS have been planned, with respect to further utilization of hydro power as well as of wind power.