

Minister of Industry, Energy and Mining of the Republic of Srpska, Petar Djokic said that the Ministry is preparing all the necessary documentation in order to start tender procedures for thermal power plant Gacko 2 and that the negotiations on the concession for the construction of hydropower plant Buk Bijela are still ongoing.

Minister Djokic said that with the awarding the concession for HPP Buk Bijela to state-owned power utility ERS and its subsidiary —Hidroelektrane na Drini, these companies would become the holders of one of the most promising energy projects in the RS, which total investment is estimated to some 195 million euros. HPP Buk Bijela should have power output of 93 MW and annual electricity generation of 332 GWh.

He said that since the beginning of his mandate he is advocating that ERS should be the bearer of the development of energy sector in the RS. With that in mind, the concession for the construction of 160 MW HPP Dabar has been awarded to ERS, as well as the concession for the construction of 48 MW wind farm Hrgud, which is the first such facility in the RS. He noted that the value of HPP Dabar project is about 180 million euros, while the construction of Hrgud wind farm would cost about 65 million euros.

So-called Upper Drina project consists of HPP Buk Bijela, HPP Foca, HPP Paunci and HPP Sutjeska. According to original plans, overall power output of all four HPPs should be 238 MW, while annual electricity generation should reach 800 GWh (HPP Buk Bijela - 115 MW, HPP Foca - 52 MW, HPP Paunci - 36 MW and HPP Sutjeska - 35 MW). According to the studies, two HPPs on Drina river should be built in 5 and 6 years, while overall investment in the construction of all four HPPs would reach 460 million euros.

In September 2012, the Government of RS and German company RWE-Innogy signed the contract on strategic partnership for development, construction and operation of four hydropower plants on upper part of Drina river. However, in May 2013 the Government terminated the contract due to the fact that strategic partner did not meet the terms of agreement.