

Serbia's power utility EPS and Mitsubishi Hitachi Power Systems signed a 167 million euro (\$201 million) deal on Friday to help reduce gas emissions and meet European Union standards at Serbia's largest coal-fired power plant.

Serbia produces two thirds of its power in aging coal-fired plants and the rest from hydropower. It wants to improve its energy mix to meet growing demand, reduce future reliance on imports and meet the renewable energy targets of the EU it aspires to join. The flue gas desulfurization project would be carried out in four out of six units of Nikola Tesla A power plant complex, which has an installed capacity of around 1,600 megawatts . The clean-up will improve output and reduce emissions of sulfur by nine times, Serbia's Energy Minister Aleksandar Antic said.

The project, to be supported by a loan from the Japanese International Cooperation Agency, is expected to be completed in 42 months, said Antic, adding that 200 million euros has been invested into energy clean-up so far and another 900 million euros is planned to be spent by 2025.

In 2015, Serbia approved a plan to cut greenhouse gas emissions 9.8 percent by 2030, becoming the first nation in the coal-reliant Balkans to agree to limit carbon output voluntarily.

The energy and environment clean-up is part of Belgrade's EU membership negotiations. The cost of successful completion of these talks, according to Serbian government data, is around 10 billion euros.

Source: reuters