

One of the biggest energy projects in BiH, as well as in the region is coming to a start. The first private thermal power plant in BiH - TPP Stanari- distributed its first quantities of electricity.

In early January, the Management Board of Energy Financing Team (EFT) from London, the owner of TPP Stanari, announced that this new plant started with the first synchronization with the power grid of BiH. As announced, synchronization went "as planned, without any problems with the grid or power plant, and on the first day of testing they delivered 420 MWh of electricity." In this way the final test phase began which will take several months. "Probation and testing of equipment in the first three weeks of January was carried out with no more than 50 percent of the capacity," Savo Mirkovic, Technical Director of TPP Stanari explained for Deutsche Welle. During this time, he added, possible shortcomings will be recorded and then testing continues at 75 percent and later at 100 percent capacity. "When you prove all the required performance then the commercial production starts, which we expect in the second half of 2016," says Mirkovic. Installed capacity of TPP Stanari, which was built by a worldwide leader in the field of energy - Chinese Dongfang Electric Corporation, he adds, is 300 MW, and one of its characteristics is the combustion of coal in a fluidized bed boiler, which is an innovation in the wider environment. Also the cooling system and air-cooled condenser are very specific. The most modern machinery and equipment from manufacturers such as Siemens, Schneider, ABB has been installed in the new power plant.

The revival of the mine Stanari

In the project of restarting the lignite mine in Stanari and construction of a modern thermal power plant, which started more than 10 years ago, EFT has invested about 560 million euro, making it the largest investment in the energy sector in BiH since the dissolution of former Yugoslavia.

"Our idea from the beginning was to invest in the energy sector and to build power generators for our retail portfolio. When we came 10 years ago to Stanari, the mine has been in bankruptcy for the second year, production was suspended, and the equipment completely destroyed," says Vuk Hamović, owner and director of EFT for Deutsche Welle. By bringing teams of experts and the necessary investments, he adds, "we have created a profitable company from which everyone benefits." "Now the mine employs about 600 miners, with salaries significantly higher than average, that they receive on time. The state and local communities collect taxes and contributions, and we in EFT, we are pleased with the profit," says Hamović.

He is also pleased with the potential of the mine in Stanari "Around 100 million tons of

proven coal reserves are not large quantities. For example, reserves in Kosovo are measured in billions of tons. However, these one hundred million tons allow such a plant to operate for 30-40 years, while providing a sufficient amount of coal for sale to those who have been using it until now and who need it. ”

Restarting of the lignite mine in Stanari and construction of a modern thermal power plant, in a certain way breathed new life into Stanari. Dušan Panić, president of the youngest municipality in the country, only a year old, is extremely pleased with the presence of EFT. He says that this group makes the main backbone of the economy in Stanari. “More than 70 percent of revenue comes from EFT. It is coming from concession fees per ton of coal, and the share from electricity sales, totaling in some 2.45 million euro a year,” said Panić, which is certainly a significant income for the municipality with some 7.5 thousand inhabitants. What was also specific was the presence of hundreds of Chinese, workers from Dongfang, who worked on the construction of the power plant. Panić said that they are very interesting, no requirements and willing to work a lot. The only problem with them, said the mayor, was communication. Since the works are completed, there are only a few Chinese left in Stanari, and most of them moved to work on a new project in Lukavac.

Environment – endangered or not?

Currently, the mine and thermal power plant employ over 600 people, and this number will exceed 900 at the end of the year. Panić is convinced that the new power plant will not be a threat to the environment of Doboje region and beyond. He says that he personally, like the residents of Stanari believes in “high environmental standards TPP Stanari”, reminding us of the EFT contractual obligations in terms of compliance with relevant EU directives. However, a lot of associations for the protection of the environment do not think the same. Centre for Environment (CZZS) from Banja Luka has been warning for years that BiH thermal power plants, including the new plant in Stanari, could significantly harm the environment, as well as the country’s progress towards the European Union, due to non-compliance with environmental standards of thermal power plants with the regulations of the Energy Community.

There are no reasons for concern about ecology, at least regarding Stanari, says technical director Savo Mirković. “The characteristic of our coal from Stanari is low sulfur content – 0.13% percent and low ash content of not more than 10 percent on average. The chimney is 150 meters high and it is equipped with sophisticated sensors that record all changes in the quantity of pollutants. All is done in accordance with the EU directive, the emission limit value is about 200 mg of sulfur oxide per cubic meter of gas, nitrogen oxides and ash are also less than 30 mg “, says Mirković. He adds that another feature of the new power plant

is extremely low water consumption, some 80 cubic meters per hour, as opposed to conventional thermal power plants, which are using more than 1,000 cubic meters of water per hour in cooling towers, and their vapors in the atmosphere are incomparable larger and can affect the climate.

The political connotations - problems, interests and damage
Environmental issues were not the only problem. The politics got involved with the project, which extended and made difficult the expected project implementation. The problem was primarily in the fact that, as Vuk Hamović believes, electricity trade in this region, where electricity is traditionally controlled exclusively by the state, was a completely unknown story difficult for people to understand. This incomprehension and misunderstanding of the character of the transaction on one hand and the relatively large volume of work for a private company on the other hand, adds Hamović, "created the suspicion that something is not right."

"The attack was reinforced by the fact that (at that time the High Representative of the international community) Paddy Ashdown had a political agenda to reduce the influence of national parties, primarily the SDS, the strongest party in the RS then. Since he saw the Electric Power Industry as one of the main sources of funding for SDS, he deemed it necessary to change the management of Elektroprivreda RS. In order to justify this shift, he could not say he is replacing them because they are SDS, but because they are corrupt," says Hamović. He clarifies that EFT, as the largest trading partner of Elektroprivreda RS "found itself in the position of one who gave bribe".

Years of investigation followed which showed that the former High Representative was wrong, and all charges against EFT were dropped. "Project TPP Stanari has been realized regardless of the reputational problems that we suffered from as collateral damage because of various political interests, and EFT has become the dominant retailer of electricity in the region," concludes Hamović. He says that he intends to continue to expand operations in the region. "We think of at least 10 projects. If you are not thinking about new projects, you are going downhill."