KOSTOLAC WIND FARM CONSTRUCTION

Objective and benefits:

This investment will install a 66 MW wind farm in Kostolac, in eastern Serbia, on the sites of depleted open-cast mines. The plant is expected to produce 187 GWh of electricity per annum, equivalent to the energy demand of more than 46,000 households, and displace 174,000 tons of CO_2 annually. The investment includes the works for the access roads and the equipment and works for the grid connection. The project is part of the country's effort to diversify the energy mix, increase renewable electricity generation, reduce dependence on fossil fuels, support decarbonisation, and clean up and reuse the site of the exhausted coal mine.

Financing:

Total investment
€144
million

This is being achieved through a mix of grant funds which do not have to be paid back and two concessional loans.

Wind farm details:

20 wind turbines with a total installed power capacity of 66 MW (3.3 MW each)

- Wind turbines total height is 179 m, Towers height 114 m, Blades length approx. 65 m
- Access roads and connections to state roads for maintenance and operations
- Grid connection facility (35/110 kV Substation and Switchyard)
- Constructing locations: Drmno, Petka, Ćirikovac and Klenovnik
- Life span of wind farm is 20 years

Republic of Serbia

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Grants:

GRANT

EU grant in the amount of **€30 million**

KfW grant in the amount of **€1.8 million**

Loan

KfW concessional loan in the amount of **€80 million**

EPS funds **€32.2 million**

Time frame:

- **Consulting services for tender phase commenced in May 2019**
- **Preparatory works started in April 2021**
- **Expected works completion is January 2025**

Background:

The new Kostolac Wind Farm is a flagship investment endorsed by the Western Balkans Investment Framework (WBIF) within the Investment Window "Clean Energy" as foreseen in the EU's Economic and Investment Plan for the Western Balkans. It is also part of the Energy Support Package that aims at addressing immediate, short-term and medium-term needs in the Western Balkans in the context of the ongoing energy crisis. The project is the first wind farm construction endeavor in Elektroprivreda Srbije (Electric Power industry of Serbia - EPS) history.

EU Energy support to Serbia:

€500 M

has been provided by the EU to Serbia in the energy sector since 2007. Another important project is the complete modernisation of the energy and heating system in the military hospital VMA for instance or the new gas interconnector with Bulgaria. By building this new gas pipeline, the EU helps Serbia to reduce CO2 emissions and become less dependent on Russian gas. With the Trans Balkan electricity corridor the EU - with its partners - constructs a new electricity highway to connect Serbia with neighbouring countries and provides a greater level of energy security. The EU also provided financial support to the state budget for energy bills of vulnerable households and businesses.