Poklecani Wind Farm

Project Financing

<table>
<thead>
<tr>
<th></th>
<th>Grant</th>
<th>WB5-BIH-ENE-05 € 380,000</th>
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<tbody>
<tr>
<td>WBIF</td>
<td>Loan</td>
<td>€ 110,000,000</td>
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<tr>
<td>EIB</td>
<td>Own Contribution</td>
<td>€ 27,000,000</td>
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<td>Beneficiary</td>
<td>Other Sources</td>
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<tr>
<td>Contribution</td>
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<td>Total</td>
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<td>Total Grants</td>
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Project Description

The project aids the establishment of a second pilot wind park in Bosnia and Herzegovina, which is being developed in order to increase the portfolio of renewable generation assets in the electricity generation and supply company, based in Mostar (EPHZHB). Wind energy will be complementary to the company’s existing hydro generation capacity.

For the site at Poklecani, previous measurements of wind energy potential have been conducted, and indicate that this location has a potential capacity of around 72 MW (estimated by using 36 machines with 2 MW capacity each), and has the potential to generate 248 GWh per year.

WBIF is supporting the project with the preparation of a feasibility study starting with an independent wind energy assessment of the raw wind energy data, and will consider technical factors such as site and access characteristics, the proposed layout and class of the wind turbines, access to land including roads, access to electricity transmission lines, the economic and financial viability of the project, financing options and capacity of the promoter (EPHZHB) to take a loan. An important element is a detailed site-specific environmental and social impacts assessment with mitigation strategies.

The overall objective is to determine if the project is viable, and if so to elaborate the project documentation to the extent that is required to facilitate the loan process to the satisfaction of the IFI’s, and benefit EPHZHB in its planning and implementation. One beneficial outcome of the study is that the wind energy assessment has improved the energy output forecast by adjusting the machine height, locations and spacing, and has proposed to increase output at the concession site to 108 MW by installing 3 MW machines. This higher capacity option is attractive and the final configuration will be left to the tenderers proposals.

In addition to the financial benefits to the developer EPHZHB, the main benefit to society is in switching to renewable energy from more traditional fossil fuel types of generation. These benefits relate to the well-perceived need to reduce CO₂, particulates and other environmentally damaging combustion products into the atmosphere. Reducing these emissions will improve air quality and will contribute to climate change mitigation. In addition, there are several social benefits to the local community such as improved access to the mountain and potential employment opportunities during construction.

This project supports the EU climate change initiatives and Kyoto protocols, and is one of several such projects
under development in BiH at present. In addition, the project is aligned with the national strategies and policies of BiH to develop new renewable energy. The project’s promoter, EPHZHB (JP Elektroprivreda HZ HB d.d. Mostar) has experience in renewable energy production, mainly hydropower, and this second wind generation facility with the WBIF technical input means that the project has good prospects for sustainable implementation.

Results and Benefits

- sustainable utilization of wind resources, extension of wind capacity for energy generation in BiH
- Increase in the reliability of supply in the region
- increase in the percentage of electric power generation from wind potential and its contribution to an overall decrease in CO2 emission, in accordance with EC requirements
- employment of local people (new working places)
- establishing the conditions for the extended exploitation of wind resources, especially through multipurpose utilization and managing of these resources (tourism, recreation, health treatment etc.)

- **Countries**: Bosnia and Herzegovina
- **Code**: PRJ-BIH-ENE-001
- **Sector**: Energy
- **Monitor IFI**: EIB
- **Status**: Preparation
- **Beneficiary**: JP Elektroprivreda HZ HB dd Mostar