

# TECHNOLOGY SUPPLY TENDER ON-GOING EQUITY CO- INVESTOR WANTED



## 10 MWe PHYTOMASS POWER PLANT IN HRADEC KRÁLOVÉ, CZECH REPUBLIC

### The Project

Pilot project  
Steam condensing Rankin in Clausius power plant  
10 MW net electricity supply  
Main fuels: energy plants and grain straw  
Supplementary fuels: wooden chips, agricultural waste  
Location: Industrial site in the outskirts of Hradec Králové, Czech Republic

### Key Parameters

Boiler rated heat output	42 MWt
Turbine generator set rated capacity	12 MWe
Projected capacity utilization	80%
Gross electricity production	84 100 MWh/yr
Net electricity supply	70 000 MWh/yr
Fuel consumption	83 500 t/yr
Fuel average heat value	14 GJ/t
Emission reductions	80 000 tCO <sub>2</sub> /yr

### Financial Parameters (EUR mn)

(may change substantially after the technology supply tender completion)

Investment budget	15.8
Initial working capital	1.1
Annual revenues	5.8

(assuming the electricity price CZK 2.50 per kWh, the electricity sales at the bottom of the expected range and with zero emission reduction revenues)

Annual operating costs	3.7
Operating Profit	2.1

### Czech Republic

Joined the EU on May 1, 2004  
Signatory to the Kyoto Protocol  
Target renewable energy share in 2010: 8%  
Additional RES capacity to be built to meet the target: 3.7 TWh/yr  
Supports new RES erection through subsidized renewable electricity prices  
five-year tax holiday

### Current State of the Project

Suitable piece of land secured  
Positive master planning decision obtained  
Technology supply tender announced  
Building permit application being prepared, the permit to be obtained by the end of 2004  
Czech Government grant applied for  
EU structural funds grant application being prepared  
Negotiations with equity investors on-going

### Fuel Supply

Grain straw  
Major fuel source in the first few years  
Current oversupply in the Czech Republic expected to grow in the view of the latest state agricultural policy developments and the new bioethanol promotion legislation.

### Energy plants:

Major fuel source in the long run  
Ideal use of the land redundant for the food production  
The market in the Czech Republic to be established yet  
Hectare yield: 10 to 15 t/ha  
Cropped area to fully cover the facility fuel demand: 8 000 ha  
Preliminary agreements with ca 150 farmers cover the fuel demand in the first year of operation  
Long term deliver-or-pay agreements pre-agreed, to be executed after the facility construction commencement  
Fuel auctions will be used to establish the biomass fuel market

### The Site

2.3 ha industrial site plot at the outskirts of Hradec Králové  
In the ownership of EGST  
May accommodate up to 3 units of the projected size in the future  
Nearby 110/6 kV switching station, 200 m from the plot border!  
Two railway sidings  
Favourable road-access location  
Sufficient infrastructure (gas, electricity, water, sewage) in place  
Satisfactory results of the hydro-geological, emission dissemination, noise, humidity and other studies  
Master planning decision issued

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