

Internal Information

ČEZ Considers Selling Počerady And Chvaletice Power Stations

The energy company ČEZ is thinking about selling its Počerady and Chvaletice power stations. Neither power station has undergone modernisation, and their future operation will require an investment into reducing emissions to meet the emission limits applicable from 2016. The main reason behind the considered sale of both power stations is the uncertainty of coal supplies after 2013 due to as yet inconclusive negotiations with the fuel supplier, Czech Coal.

So far documentation has been put together for pre-investment screening of potential buyers, and contractual documentation is in a preparations stage. Works are also underway to spin off the Počerady power station into an independent joint stock company. The Chvaletice power station has already been spun off in view of its potential sale. Spinning off these two companies will provide flexibility in strategic negotiations.

Czech Coal and EPH have already expressed an interest in both power stations. Other potential buyers may join these two companies. A final decision whether to sell or keep and further develop the two plants within own portfolio will depend mainly on the buy prices offered, the quantity of brown coal available to ČEZ Group in the coming years, and on an economic feasibility of operating these two facilities.

The Počerady power station is running five blocks with installed output 5 x 200 MW. The blocks were gradually commissioned during the years 1970 to 1975; in the 1990s the power station was desulphurised and its operation made more ecological. The facility generates annually about 6 TWh of electricity by burning brown coal from the Vršany open cast mine 5 km away.

The Chvaletice power station is situated in the Elbe basin, approximately twenty kilometres west of the city of Pardubice. Its total installed output is 800 MW, generated in four blocks of 200 MW each. The plant was built between 1973 and 1979 at the locality of former Rhodonite Works (Mangano-kyzové závody). Emissions of sulphuric oxide were reduced by installing desulphurisation equipment the technology of which is based on a wet limestone process. The first stage of installing this equipment (desulphurisation of Blocks 3 and 4) was completed towards the end of 1997, and the second stage in 1998.

Neither of the two powers stations has so far undergone a second wave of modernisation. This applies to Tušimice, Prunéřov and Ledvice power stations. Whether it is about complete retrofitting as in the case of Tušimice and Prunéřov, or about developing a completely new block as in Ledvice, the projects will require an investment of around 20 billion crowns. And because of the new emission limits, investments into these plants will be required, too.