



23.05.2014

Grupa Azoty Zakłady Azotowe Kędzierzyn S.A. signs contract with PBG Group's RAFAKO for construction (Phase I) of new CHP plant

On May 23rd 2014, representatives of Grupa Azoty Zakłady Azotowe Kędzierzyn S.A. and RAFAKO S.A. signed a contract for Phase 1 construction of the 'New CHP Plant at Grupa Azoty ZAK S.A.' project, with costs estimated at PLN 375m. RAFAKO S.A. is to complete the contracted works by the end of 2016.

"The planned Kędzierzyn CHP plant is an important investment for the Company, and for the entire Grupa Azoty Group. Pursuit of goals in the Grupa Azoty Group Strategy for 2013–2020 meets EU requirements and provides energy security," said Adam Leszkiewicz, CEO of Grupa Azoty ZAK S.A. "The Kędzierzyn CHP's BAT technology will benefit the environment and add state-of-the-art plant and equipment to the company's asset base.

Coal was chosen as the best available fuel option following a thorough analysis of material factors in Grupa Azoty ZAK S.A.'s environment. It will be used to provide heat and power for the Company's production needs and, in part, the needs of the urban community, while supporting the implementation of the long-running strategy of purchasing feedstocks from domestic sources," added Mr Leszkiewicz.

The contract for the 'New CHP Plant at Grupa Azoty ZAK S.A. – Phase 1' project provides for the delivery by RAFAKO S.A. of a 25 MWe pass-out and condensing turbine, a 140 Mg/h steam boiler, a semi-dry flue gas desulphurisation system, and a facility to house a DCS control centre and welfare facilities for staff. The EPC contractor is to complete the construction on a turnkey basis by the end of 2016. "We are proud to have been awarded this contract. It is a vote of confidence from one Polish company with established international presence to another Polish company with a long-standing tradition," said Paweł Mortas, President of the Management Board of RAFAKO Grupa PBG. "The project presents a great challenge, but we are well prepared. In traditional boiler construction we have no equal. Also note that this is an exemplary pro-environmental investment showing that a coal-fired unit really can be eco-friendly."

The need to build the new CHP plant at Grupa Azoty ZAK S.A. is due to the significant wear and tear of technical equipment and installations in operation and the need to reduce the emission of gaseous and particulate matter arising from the requirements of the IED.

Phase II of the project is planned for 2017–2019. The new CHP plant will operate in parallel with the existing one until around 2019, when the latter will be shut down and its boilers decommissioned.