# PGE Energia Ciepła and the consortium of Polimex Mostostal and Polimex Energetyka have signed a contract for the construction of a new cogeneration and district heating source in Bydgoszcz.

10/28/2022

**Following the selection of the bid from the Polimex Energetyka sp. z o.o. consortium (Consortium leader) and Polimex Mostostal S.A. (consortium partner) by PGE EC S.A. in a tender procedure, the companies signed an agreement for the turnkey construction of a gas-fuelled cogeneration source with a capacity of min. 50 MWe based on gas engines and a standby/peak heat source at PGE EC S.A. CHP Branch in Bydgoszcz.**

The subject of the EPC Contract is the Contractor's execution of the design, construction and installation works and other works to build a turnkey gas-fired combined heat and power (CHP) plant based on cogeneration units, including gas engines and an electrode water boiler, a standby-peak boiler and a steam generator.

The period of performance of the Task shall be 30 months from the date of entry into force of the EPC Contract and the service contract may last for a maximum of 10 years.

The value of the contract for the Polimex Mostostal Group is PLN 359.3 million net plus a maximum remuneration of EUR 23.3 million for the provision of maintenance services.

The construction of the gas-fired boiler plant will be carried out on the basis of a

contract signed on 26 September 2022 between PGE Energia Ciepła S.A. and a consortium of Polimex Energetyka Sp. z o.o. and Polimex Mostostal S.A.

According to the contract, the realiser will complete the construction, installation and commissioning of the gas boiler plant in Q1 2025. Its tasks, in addition to the design and construction of the gas boiler plant, will include its commissioning, handover and warranty service.

As a result, for less than three years already, ecologically produced heat will flow from the Bydgoszcz CHP plant, significantly improving the city's air quality as well as the health of its residents.

The main source of electricity and heat generation in Bydgoszcz will be cogeneration units consisting of 5 complete sets of generation equipment and their ancillary installations. Each unit comprising a gas-fired reciprocating internal combustion engine with air compressor and generator, together with fuel supply, power output, exhaust outlets, installations and exchangers for heat recovery and dissipation (from the engine, air compressor, oil and exhaust) and all necessary fittings and metering, together with control, synchronisation and protection devices. The electrical capacity of the five units of the new cogeneration unit in Bydgoszcz will be 52.60MWe and 50.775MWt in total.

The other main components of the new plant will be a water electrode boiler with a capacity of min. 25MWt, a 38MWt high-methane natural gas-fuelled standby/peak boiler and a 12.5MWt steam generator (1.0MPa steam), together with the associated installations necessary for their operation.

The other components of the new plant will be buildings and premises where the light-gauge steel-built generation sources will be installed, the heat piping and exchangers, the gas reduction and preparation station, the flue gas exit system with steel chimneys, the electrical system, the electrical power exit system with R110kV field equipment, the power supply system for auxiliary needs, the automation system, the cooling system with fan coolers, fluid and oil management, the compressor room, as well as yards and access roads.

Another contract signed, which will come into effect after the commissioning of the new plant, is the Service Agreement for the CHP units with a maximum net value of €23.3 million.

The term of the service agreement is valid until each CHP unit has worked 60,000 operating hours, but no longer than 10 years from the effective date of the Service Agreement.

The project is in line with Polimex Mostostal S.A. Capital Group's objectives for 2022, which include maintaining the position of EPC leader in the energy segment with regard to the construction of large power projects on the Polish market based on its competence, human resources and experience from completed or ongoing projects.

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