

PRIORITY INFRASTRUCTURE PROJECTS IN THE ENERGY COMMUNITY

Explanatory Note

Background

Development of energy infrastructure is vital to the process of the Energy Community. More advanced infrastructure implies increased competition, greater efficiency and higher level of security of supplies at lower consumer prices. These effects would not halt at the borders of Energy Community, but also result in enhanced security of supply at wider pan-European level.

At the 2nd Energy Community Ministerial Council meeting on 29 June 2007, the Ministerial requested the Permanent High Level Group to draw up a list of priority infrastructure projects for the Contracting Parties using the criteria established in the European Unions Trans-European Networks – Energy (TEN-E) Programme. The Decision No.1364/2006/EC of the European Parliament and of the Council (6 September 2006) laid down guidelines for trans-European energy networks.

The Energy Community Secretariat has started working with the PHLG members from the Contracting Parties and Observers in July 2007 to prepare ***the first indicative list of projects***, based on the proposals received from the Contracting Parties.

The first indicative list was finalised in September 2007 and included 154 project from all seven contracting parties and one observer (Moldova). It was circulated for information to investors and International Financial Institutions, as well as to other participants to the Energy Community Investment Conference organised on 28 September 2007 in Athens. A shorter list of priority projects shall be prepared for the endorsement of the Ministerial Council in the 3rd Meeting on 18 December 2007, in Belgrade. The priority project list will be made from the first indicative list, by selecting the projects that meet the criteria, as proposed bellow. While it is noted that the priority list includes only projects that are totally or partially located on the territories of the Contracting Parties, all the interconnection projects that would improve the supply of energy in the region are important.

Purpose

The purpose of this paper is to explain the selection of priority projects from the comprehensive list of projects proposed by the Contracting Parties, based on a number of criteria as described bellow.

The draft priority project list includes only new infrastructure projects or new units in existing generation power plants, and not rehabilitation projects. The list is organised in two parts:

Part A: includes projects that are more advanced, being either under implementation, or for which financing is been identified. For these, the expectation is to start implementation between 2008 and 2010, and the scope of having these on the list is to monitor their progress, identify barriers and solutions to remove these;

Part B: includes projects that are under preparation and their implementation is foreseen beyond 2010; for these projects, the financing is not yet identified and the preparation of documentation is undergoing. The scope of having these projects listed is to follow the progress with financing and preparation for implementation.

The criteria proposed below are taking into consideration the perspective of the project's contribution to the creation of the regional energy market, the present and forecasted national and regional energy balance, and are based on the following documents:

- a. *Guidelines for trans-European energy networks* (TEN-E) adopted by the Decision 1364/2006/EC of the European Parliament and of the Council;
- b. The *Generation Investment Study Update* prepared by South East Europe Consultants Ltd. (SEEC) Belgrade, January 2007;
- c. The South East Cooperation Initiative (SECI) report: *Evaluation of investments in transmission network to sustain generation and market development in SEE*, prepared by the SECI Working Group, November 2007;
- d. The *SEE Regional Gasification Study* prepared by a consortium of ECA, Pespen, APA and EIHP, November 2007;
- e. *Security of Supply Statements*, prepared by the Contracting Parties;
- f. *UCTE System Adequacy Forecast 2006-2015*;
- g. Other work of the Energy Community Secretariat, the 5th Joint Working Group on Gas Infrastructure Investment and Regulation, the Athens Forum, the Gas Forum, etc.

Criteria for the assessment of priority infrastructure projects:

- A. Following the TEN - E guidelines, the projects:
 - Shall fall into the following **Priorities for action**, for both electricity and gas networks:
 - adapting and developing the energy networks in support of the operation of a **regional energy market**, and in particular solving the problems of bottlenecks, especially trans-frontier bottlenecks, congestion and missing links and interoperability between the European Community and the accession and candidate countries;
 - adapting and developing networks to facilitate the integration and connection of renewable energy production;
 - developing **natural gas networks** in order to meet the Energy Community's natural gas consumption needs and to control its natural gas supply systems;
 - ensuring interoperability of natural gas networks within the Energy Community and with other countries in Europe, and diversification of gas supply sources and supply routes.
 - Shall be into the following **categories**:

In electricity networks:

- a. High voltage lines excluding those of distribution networks, and to submarine links, provided that this infrastructure is used for interregional or international transmission or connection;
- b. Any equipment or installations essential for the system in question to operate properly, including protection, monitoring and control systems;

In gas networks (transporting natural gas or olefin gases):

- a. High pressure gas pipelines, excluding those of distribution networks, making it possible to supply regions of the Community from internal or external sources;
- b. Underground storage facilities connected to the above mentioned high-pressure gas pipelines;

- c. Reception, storage and re-gasification facilities for liquefied natural gas (LNG) and also LNG carriers according to the capacities to be supplied;
 - d. Any equipment or installation essential for the system in question to operate properly, including protection, monitoring and control system.
- Shall display **economic viability** (The evaluation of economic viability shall be based on cost-benefit analysis which takes account of all costs and benefits, including those in the medium and/or long term, in connection with environmental aspects, security of supply and the contribution to economic and social cohesion);
 - Shall be of **cross-border** nature or have a significant impact on regional generation/transmission capacity;
 - Shall be compatible with sustainable development and meet the criteria as follows:
 - a. Strengthen security of supply in the Energy Community;
 - b. Have a significant impact on the competitive operations of the regional market;
 - c. Result in an increase in the use of renewable energy;
 - Shall be approved by the Contracting Party/Parties involved;
- B. The development of **new** power generation in the SEE shall take into consideration the cost effectiveness, and the operation of the region as a fully **interconnected power system**; from this perspective, the selection of new generation projects had in view the recommendations of the Generation Investment Study Update, as follows:
- The new thermal power plants shall (preferably) be listed under the *Base case capacity expansion plan*;
 - The new hydropower plants shall (preferably) be listed under the *Scenario for Hydro Power Plants under Medium Gas Price Forecast* which takes into consideration the hydropower plants that have the Benefit/Costs ratio larger than 1;
- C. The development of **new** transmission networks shall sustain the new generation projects (as proposed above), as well as the regional market development; therefore priority was given to projects listed in the SECI report: *Evaluation of investments in transmission network to sustain generation and market development in SEE*, mentioned above;
- D. The **new** cross border and national gas projects shall be correlated with possible large gas supply sources of interest to the region, including domestic production, LNG terminals and pipeline based in countries neighbouring the Energy Community.
- E. The projects shall contribute to increasing security of supply:
- The new generation and transmission projects shall be contributing to increasing the power available to meet the new demand through either additional capacities or reducing congestions; the Energy Community electricity growth is forecasted at approx. 28% between 2006 and 2016 (presentation by ECK Belgrade at the MAKO Cigré Meeting, Ohrid, October 2007); the UCTE System Adequacy Forecast 2006 – 2015, alerts that “for the JIEL (Serbia, Montenegro, the former Yugoslav Republic of Macedonia) + Greece Block, the remaining (generation) capacity of the block is low and reliability is not ensured. The situation of this block is very tightening since 2006; the situation will be worsened if investments are not realized”;
- F. The projects considered in the priority list are only new investments, and these shall be in a more advance preparation phase, with (pre)-feasibility study and environmental assessment studies completed, or under at least, under preparation.

The selection of projects in this list is based on information submitted to the Secretariat by the Contracting Parties or publicly available. Nothing in this document shall prejudice the results of further in-depth assessments of facts and legal compliance.

Next Steps

- The list was circulated for comments and recommendations to the Contracting Parties, and will be updated accordingly by the ECS, prior to the 7th PHLG meeting on 17 December 2007;
- The Ministerial Council is expected to endorse the list in its 3rd meeting on 18 December 2007, based on the recommendation of the PHLG, and the ECS will start monitoring the progress achieved in their implementation, or with financing and preparation of the project documentation;
- The European Commission with the assistance of the Donors' Community will look into further technical assistance for project preparation, in order to facilitate and speed up the investment process in the Energy Community.

ENERGY INFRASTRUCTURE PROJECTS IN THE ENERGY COMMUNITY, UNDER IMPLEMENTATION, OR WITH FINANCING IDENTIFIED

Draft Proposal - Priority projects in the Contracting Parties - Part A

Code	Title	Type	Location (Contracting Parties)	Project value estimate in Euro	Status/potential start-end date	Financing by sources (Euro)	Reference
Electricity interconnection projects							
Electricity Interconnection 01	Construction of new 400 kV transmission interconnection line Tirana – Podgorica.	Electricity Transmission Greenfield	ALBANIA Tirana MONTENEGRO Podgorica	41.8 Mio.	Implementation phase; contract signed in July 2007; Environmental assessment performed; Sept. 2007- Sept.2009	Public loan: KfW	The project is listed in Annex III: Transeuropean Energy Networks: Projects of common interest of the Decision 1364/2006/EC; The interconnection is key for the electricity supply of Albania; second circuit will be connecting Vau Dejes - Albania to “Kosovo B” power plant - UNMIK; the line will be part of the interconnection Montenegro - Greece, completing the missing link in the regional power market . The project is under implementation.
Electricity Interconnection 02	Construction of new 400 kV OHTL transmission interconnection line Tirana – Elbasan.	Electricity Transmission Greenfield	ALBANIA Tirana - Elbasan	13 Mio.	Environmental assessment performed Tendering phase; Nov. 2007- June 2009	Italian Government credit	The project is in a mature financing phase and will be part of the interconnection Montenegro - Greece; the line is also important from the viewpoint of membership of Albania to UCTE.

Electricity Interconnection 03	Construction of interconnection line the former Yugoslav Republic of Macedonia - Albania - Italy: 400 kV overhead line from 400/220/110 kV Bitola substation up to Elbasan substation, 400 kV Transmission line Elbasan - Durres, Construction of 400/220 kV Dures substation; Construction of the new AC/DC substations in Durres and Foggia; Construction of new submarine cable from Dures substation up to Foggia substation approximately 330 km.	Electricity Transmission Greenfield	THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA Bitola ALBANIA Elbasan - Durres- ITALY Foggia	450 Mio. in total; Albania's investment 50 Mio.	The feasibility study was prepared in cooperation with SEETEC; preliminary environmental assessment performed	Public funding: EBRD expressed interest to finance the Albanian side of the project: approx. 50 Mio. public funding; KfW expressed interest to finance parts of the project	Proposed in the SECI report as part of the Corridor 8 project under new options; the project will support the connection between EU member states and non - member states, especially candidate countries.
Electricity Interconnection 04	Construction of the overhead transmission line 2x400 kV Ernestinovo (Croatia) – Pecs (Hungary)	Electricity transmission Greenfield	CROATIA North-East HUNGARY Baranja area	40 Mio. Croatian side: 21 Mio.	Pre-feasibility, Feasibility study, and Environmental assessment completed; - Right of way received - Construction permit filed but not received yet - Contract on Construction signed bilaterally (settling rights and obligations of signatory parties) June 2008-March 2010	Croatian Government/ Public funding	Proposed in the SECI report as the one yielding the largest benefits to the SEE transmission grid ; the project is also listed in Annex III: Transeuropean Energy Networks: Projects of common interest of the Decision 1364/2006/EC, for the connection with the EU 27; It is listed in the UCTE System adequacy forecast as development of international interconnection needed to ensure system adequacy. Contributes to increasing security of supply by providing additional transmission capacity on the north-south route.

Electricity Interconnection 05	Construction of new overhead transmission line 2x110 kV Plat – Herceg Novi	Electricity transmission Greenfield	CROATIA (south-east along Adriatic coast) MONTENEGRO	To be determined	Pre-feasibility study (initiated) 2011 -	Croatian Government/ Public funding in Croatia	It represents the first transmission connection between Croatia and Montenegro; will contribute to strengthening security of supply in the border area of Montenegro, by foreseeable connection of the wind generation farms to be developed in Konavle area in Croatia.
Electricity Interconnection 06	Construction of new 400 kV interconnection line between Croatia and Bosnia and Herzegovina	Electricity transmission Greenfield	CROATIA BOSNIA AND HERZEGOVINA	To be determined	Pre-feasibility study (initiated) 2010 -	Croatian Government/ Public funding in Croatia	The new link is expected to contribute to enhancing security of supply in both CPs and also increase the transit capacity in the region.
Electricity generation projects with regional significance							
Electricity generation 01	Construction of the Combined Cycle Power Plant at Vlore; Capacity: 97 MW, dual fired on distillate oil/natural gas	Electricity Generation Greenfield	ALBANIA Vlore	92 Mio.	Implementation phase May 2007 - May 2009	Public loans: IDA: 15.6 Mio. EBRD: 38.4 Mio. EIB: 38.0 Mio.	Listed in the GIS update as new generation plant, in 2009; this power plant is key for Albania's security of supply and reduces dependence on hydropower.
Electricity generation 02	Construction of Skavica HPP Generation capacity up to 350MW	Electricity Generation Concession	ALBANIA Skavica/Peshkopi	550 Mio.	Under negotiation; tentative end year: 2012	Private funding: Consortium TGK Group Italy	The GoA has awarded a Build Own Transfer concession; the plant is expected to generate one third of Albania's electricity demand; this will reduce the country's shortage of electricity and will reduce the pressure for electricity imports from the SEE region.
Electricity generation 03	New HPP Glavaticevo, 3x9.5 MW /172 MW on Neretva River	Electricity generation Concession DBOT principle	BOSNIA AND HERZEGOVINA Glavaticev, Konjic	73 Mio./180 Mio. (OTL and TS costs are not included)	Pre-feasibility and environmental assessment prepared 2008 -2012	Concession and license to private investors for IPP (independent power producer); negotiations with a private investor	The HPP Glavaticevo is listed as candidate for expansion programme in GIS update, under the medium and high gas price forecast scenarios.

Electricity generation 04	New TPP Stanari, lignite fired: Installed capacity 410 MW	Electricity generation Greenfield Concession	BOSNIA AND HERZEGOVINA Republic of Srpska Stanari	661.1Mio.	Project design has been prepared; permitting undergoing 2008 - 2012	Public – Private Partnership(PPP): negotiations undergoing with a private investor	The agreement of the Gov. of Republika Srpska was obtained by the Energy Financing Team in 2006, and also the investor purchased 76%of the shares in the Stanari open pit mine; the plant is expected to produce 3,000 GWh/year and contribute to the energy balance of the region.
Electricity generation 05	New unit TPP Gacko 2, lignite fired: Option 1: installed capacity 300 MW Option 2: installed capacity 660 MW	Electricity generation Expansion	BOSNIA AND HERZEGOVINA Republic of Srpska (RS) Gacko	To be determined	Feasibility study under preparation 2008-2013	PPP between the power utility of Republic Srpska and CEZ	Gacko TPP is listed in the GIS update under justified rehabilitations for 2009; CEZ signed an agreement in December 2006 with the government of Republika Srpska according to which it will invest approximately 1.5 Billion Euro in the refurbishment and expansion of the Gacko coal-fired thermal power plant); in May 2007, the construction works started officially; The annual production of app. 4.5 TWh will contribute to reducing shortage of electricity in Bosnia and Herzegovina and the region.
Electricity generation 06	Lignite to Power Generation – TPP “Kosovo C” - Development of a new lignite field - Development of a new lignite-fired TPP “Kosovo C” up to 2,100 MW of final installed capacity	Electricity Generation Greenfield Expansion Concession	UNMIK	3.5 billion, including (i) mining 600 Mio., (ii) TPP “Kosovo C” 2,700 Mio.	Short list of four qualified consortia prepared Tender dossier under preparation 2008 - 2012(2020)	Private investor Competitive selection of private investor undergoing KfW expressed interest in co-financing the project	Listed in the GIS update as new generation plant, in 2016. The plant is designed to export electricity to the region and the neighboring EU member states. It is in a mature preparation stage; negotiations with the investor are expected to be concluded in 2008.

Gas transmission network and LNG terminals							
Gas transmission network and LNG terminals 01	Construction of the Trans - Adriatic pipeline (TAP- Albanian part)	Gas Transmission and Storage/ Greenfield	GREECE ALBANIA ITALY	1.1 Billion in total; the Albanian side's cost is not yet estimated	Preparation of feasibility study and environmental assessment 2008 - 2011	Private funding: Elektrizitats Gesellschaft Laufenburg AG (EGL)	The project is listed in Annex III: Transeuropean Energy Networks: Projects of common interest of the Decision 1364/2006/EC; it may supply gas from Caspian region to the southern EC Gas Ring (when developed). The project is in an advanced stage of preparation.
Gas transmission network and LNG terminals 02	Construction of the gas pipeline Greece-Albania and the construction of a new TPP (Combined Cycle Power Plant) in Korca Region with capacity 350 MW.	Gas Transmission and TPP/ Greenfield	GREECE ALBANIA Korce	287 Mio. of which for the TPP 185 Mio.	Pre-feasibility study under preparation; Preliminary Environmental assessment	Prometheus Gas SA Greece	This project represents an option for gas supply to Albania via Greece. If the CCGT will be constructed, it will contribute to the energy balance of Albania and diversification of fuel mix (less reliance on hydropower).
Gas transmission network and LNG terminals 03	Integrated gas and power production and transmission project: LNG terminal for 10 bcm/year at the Albanian seaside in Fieri District, Trans-Adriatic (Albania-Italy) gas pipeline, TPP in Fier and Trans-Adriatic HVDC (High Voltage Line)	Gas Transmission and Storage and TPP/ Greenfield	ALBANIA Fier ITALY Puglia	800 Mio.	Under preparation 2008 - 2011	Private financing ASG Power SA	ASG Power SA has signed agreements for the LNG re-gasification, power plant and undersea pipeline construction with the Italian-U.S. joint venture of SAIPEM SpA (SPM.MI) and Black & Veatch Holding Cpo. (BAV.XX), and with the German company ABB Ltd. (ABB) for all electrical interconnections and high voltage DC line construction, according to the company's statement in April 2006.
Gas transmission network and LNG terminals 04	Bosanski Brod – Zenica gas pipeline Total length excluding branch lines 114 km	Gas transmission Expansion / Concession	BOSNIA AND HERZEGOVINA Federation of BiH and Republic of Srpska	45 Mio. for 16 inch diameter of gas pipeline; 57.5 Mio. for 20 inch	Proposal phase; Feasibility Study will be funded by the EBRD 2009 - 2011	Public/Private; EBRD and EIB expressed interest to finance the project	This gas pipeline will make the connection with the Croatian gas pipeline Zagreb - Putina - Slavonski Brod, and will also facilitate the gasification of Bosnia and Herzegovina; it will also contribute to reducing

				diameter of gas pipeline			dependence on the Russian gas supply, through the possible link to Nabucco pipeline, when constructed. EBRD has funded the Feasibility Study and approved it in June 2007.
Gas transmission network and LNG terminals 05	Gas Transmission Pipeline Bosiljevo - Ploče	Gas Transmission system Greenfield	CROATIA Lika and Dalmatia	443 Mio. for the entire investment cycle; 193 Mio. for the project	Feasibility study completed; Environmental assessment in preparation 2007 - 2011	Public PLINACRO (Croatia); EIB loan 190 Mio.	It will allow the link with the Ionian Adriatic Pipeline (when constructed), and also facilitate the gasification of Bosnia and Herzegovina.
Gas transmission network and LNG terminals 06	IONIAN – ADRIATIC PIPELINE (IAP) Gas Transmission system Albania (Fier) – Croatia (Ploce)	Gas Transmission system Greenfield	ALBANIA MONTENEGRO CROATIA	230 Mio.	Pre-feasibility study 2010-2012 Political declaration between Albania, Croatia and Montenegro, MoU signed between respective companies	Public: PLINACRO (Croatia) Private: EGL (Switzerland) KfW expressed interest in co-financing the project	The pipeline may also be connected with Trans Adriatic pipeline (Turkey, Greece, Albania, Italy) when this latter will be constructed' The project was also listed by Albania as a priority project .
Gas transmission network and LNG terminals 07	Gas Transmission Pipeline System Dravaszerdahely (Hungary) – Donji Miholjac (Croatia) – Slobodnica (Croatia) – Bosanski Brod (Bosnia and Herzegovina)	Gas Transmission system Greenfield	HUNGARY CROATIA BOSNIA AND HERZEGOVINA	443 Mio. for the entire investment cycle; 59 Mio. for the project	Feasibility study performed Environmental assessment is under preparation	Public funding PLINACRO (Croatia); EIB loan 190 Mio.	Cross border gas pipeline connecting three Parties; the regional significance may increase when the planned underground gas storage at Beničanci will be connected.
Gas transmission network and LNG terminals 08	Gas Transmission Pipeline System Lucko (Croatia) – Zabok (Croatia) Rogatec (Slovenia)	Gas Transmission system Greenfield	CROATIA SLOVENIA	443 Mio. for the investment cycle; 44.5 Mio. for the project	Feasibility study prepared 2010 - 2011	Public funding PLINACRO (Croatia); EIB loan 190 Mio.	This project offers additional capacity for gas to be supplied into the Energy Community.

ENERGY INFRASTRUCTURE PROJECTS IN THE ENERGY COMMUNITY, UNDER PREPARATION

Draft Proposal - Priority projects in the Contracting Parties - Part B -

Electricity interconnection projects							
Electricity Interconnection 01	Construction of the 400 kV line from the 400/220/110 kV "Tirana 2" substation to "Kosovo B" substation, around 240 km	Electricity Transmission/ Greenfield	ALBANIA UNMIK	45 Mio.	The feasibility study and environmental study undertaken by CESI under a World Bank financing	KfW currently engaged in financing negotiations; Interest to finance it was expressed by KfW, EBRD and EXIM Bank of Norway	As cross border interconnection between Albania and UNMIK this is also recommended as priority project by the SECI report; it is expected to facilitate exchanges of electricity between UNMIK and Albania and increase security of power supply especially in Albania. The project is also supported by UNMIK.
Electricity Interconnection 02	High-Voltage Direct Current (HVDC) interconnection (submarine cable) between Croatia and Italy	Electricity transmission Greenfield	CROATIA ITALY	To be determined	Feasibility study under preparation	Public/Private partnership To be identified	The project would enable supplying Italy and the internal energy market; the project is also listed as a priority in the SECI report.
Electricity Interconnection 03	400 kV interconnection OHL between the former Yugoslav Republic of Macedonia and Serbia	Electricity transmission Greenfield	THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA/ Skopje or Stip SERBIA Nis /Vranje / Leskovac	48.0 Mio. total cost The Former Yugoslav Republic of Macedonia 9.0 Mio. Serbia: 39.0 Mio.	Study for connection point on the transmission network is in preparation; Memorandum of Understanding between the two TSOs was signed.	Funding from the German Government / KfW has been requested to finance it	The project would enable power transmission from the exporting countries towards the importing ones (the former Yugoslav Republic of Macedonia, Albania and Greece).
Electricity Interconnection 04	Construction of a substation SS 400/110 KV VRANJE 4	Electricity transmission Greenfield	SERBIA Southern part, near border with THE FORMER	10 Mio.	Pre-feasibility study prepared; Feasibility study under	Company funds (30%) + loans (70%) to be identified	The substation is required for the cross-border interconnection by OHL400 kV (Nis – Leskovac – Vranje – the

			YUGOSLAV REPUBLIC OF MACEDONIA		preparation; environmental assessment under preparation. 2009-2010		former Yugoslav Republic of Macedonia border – Skopje) recommended by SECI report; the Serbian part of the OHL 400kV to connect Skopje of Stip in the former Yugoslav Republic of Macedonia to Nis (Serbia) is already being financed by the EAR.
Electricity Interconnect ion 05	Construction of the OHL 400kV SERBIA (SS SOMBOR 3 - HUNGARY (Pecs)	Electricity transmission Greenfield	SERBIA Sombor HUNGARY Pecs	5 Mio. (on the Serbian side)	MoU between parties is not yet signed 2010-2012	To be identified	The interconnection is recommended by SECI report; it is also listed in Annex III: Transeuropean Energy Networks: Projects of common interest of the Decision 1364/2006/EC.
Electricity Interconnect ion 06	Construction of the OHL400 KV SERBIA - ROMANIA	Electricity transmission Greenfield	SERBIA Novi Sad ROMANIA Timisoara	27 to 40 Mio. for both sides	Pre-feasibility (energy) study prepared; Feasibility study possibly financed by EAR; MoU and JPP signed by both parties; 2009 - 2011	To be identified	The interconnection is recommended by SECI report.
Electricity Interconnect ion 07	Construction of 400kV Line between UNMIK and THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA corridor of the line 215, SS “Kosovo A” – SS Skopje	Electricity transmission Greenfield	UNMIK THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	23 Mio.	Ongoing discussion between the two TSOs	To be identified	Construction of this new 400kV overhead line would permit the establishment of new power corridor in the region and will allow for efficient and high power exchanges, significantly lower regional power losses and mitigate also some electricity network congestions in existing lines. This project is pending the agreement from the former Yugoslav Republic of Macedonia.

Electricity generation projects with regional significance							
Electricity generation 01	Construction of Ashta HPP in Drin River watershed Capacity 50-80 MW	Electricity Generation/ Concession	ALBANIA Ashta/ Shkoder	To be determined	Under preparation for tendering; technical, economic and financial due diligence expected to be finalised by Oct.2007; Environmental and Social impact appraisal to be finalised by Oct. - Nov. 2007; Invitation for Expression of Interest published in October 2007	Private investors to be selected	The HPP will be a pilot public private partnership under the new Concession Law published in January 2007; this will contribute to reducing shortage of electricity supply in Albania and reduce pressure on imports of electricity from the region.
Electricity generation 02	Construction of 3-4 HPP on Devoll's River, in Cascade Capacity up to 370 MW	Electricity Generation/ Concession	ALBANIA Korce, Gramsh	1.0 Billion	Tendering phase	Private investors to be selected	These will increase Albania's generation capacity and reduce the pressure on imports of electricity.
Electricity generation 03	Construction of three HPP on Vjosa River Cascade Generation capacity up to 400 MW	Electricity Generation/ Concession	ALBANIA Gjirokaster, Tepelene, Seman	To be determined	Unsolicited proposals, under evaluation	Private investor to be selected	These will increase Albania's generation capacity and reduce the pressure on imports of electricity.
Electricity generation 04	New Generation capacity at TPP TUZLA VI, unit 7, 1x 370 MW (capacity to be confirmed), coal fired	Electricity generation/ expansion	BOSNIA AND HERZEGOVINA Federation of BiH Tuzla	440 Mio. (without coal costs)	The preparation of TPP Tuzla VI construction was developed in the period 1988-1991. Basic design done	Public-private partnership (PPP) with strategic partners through public invitation Investors	The TPP Tuzla 6 is listed in the GIS update under justified rehabilitation plan; the construction of a new unit (7) is supported by the FBiH government as a priority, The

					and revised by the EP BiH in 1989. 2008 - 2012	short listed were invited for negotiations in September 2006	new capacity will contribute to the energy balance of FBiH and the SEE region.
Electricity generation 05	New unit, TPP KAKANJ 8, 1x230 MW at existing location of TPP TE Kakanj; domestic coal fired	Electricity generation/ expansion	BOSNIA AND HERZEGOVINA - FBiH Zenica-Doboj canton, Kakanaj	200 Mio.	Exiting documentation needs to be revised and updated 2008 - 2012	Public-private partnership (PPP) with strategic partners through public invitation To be selected	The TPP Kakanj 6 is listed in the GIS update under justified rehabilitations; the new unit TPP KAKANJ 8 is considered to be the most economic of the 15 new projects proposed by the government of the Federation of Bosnia and Herzegovina. In September 2006, the short listed investors were invited to conduct further negotiations.
Electricity generation 06	HPP Buk Bijela on the Drina river Installed capacity ≤ 450 MW (depends on options)	Electricity generation/ Greenfield	BOSNIA AND HERZEGOVINA – Republika Srpska SERBIA	Depends on options ≤ 290 Mio.	Main project design documentation prepared; major part of land expropriation and preparatory works in value of 30 mill EUR fulfilled; workers settlement accomplished.	Electric Power Utility's own funds (ELEKTROPRIVR EDA RS), loans and a strategic partner	The HPP is listed as candidate for expansion programme in GIS update, under the medium gas price forecast scenario, with HPP Srbinje; at present the RS invited the initial bidders to reaffirm their plans considering a smaller plant (300MW) with a reduced hydro reservoir located only on its territory; the plant will be improving the security of electricity supply of Bosnia and Herzegovina, Serbia (when constructed jointly with Serbia) and the region.

Electricity generation 07	New HPP Cebren (3x 110.85 MW) and HPP Galiste (3x 64.50 MW) with the associated dams	Electricity generation/ Greenfield/ Concession	THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	520.62 Mio.	Preliminary design; International competition for expression of interest in prequalification procedure for construction of two HPPs on the Crna River – June 2006 2008 - 2015	Public/Private/PPP Public funding: Equity (AD ELEM): 35.86 Mio. Private investment: 484.76 Mio. To be identified	The HPP Cebren and Galiste are listed in the GIS update as options for new HPP under the medium gas price forecast; having a large generation capacity it may contribute to the regional security of supply in case of crisis in the region; it can also contribute to the electricity export to the region.
Electricity generation 08	New HPPs in cascade on Morača river, including: HPP Andrijevo (127.4 MW), HPP Zlatica (37MW), HPP Raslovići (37MW) and HPP Milunovići (37MW), in total 238.4 MW installed capacity with a possible electricity production of 693.7 GWh	Electricity generation/ Greenfield	MONTENEGRO	430.1 Mio.	Preliminary engineering designs were done (in 1987) as well as construction site organization was prepared. Tender documentation is finalized.	KfW shows tentative interest in financing the project	The HPPs Andrijevo and Zlatica are listed as options in the GIS update under the Medium Gas Price Forecast for 2015; the plants will reduce the dependency of Montenegro for imports of electricity; The HPPs are also recommended in the Montenegro Government Energy Strategy for commissioning in between 2012 and 20115.
Electricity generation 09	New HPP Komarnica on Piva River; 168 MW (2turbines x 84 MW)	Electricity generation/ Greenfield	MONTENEGRO	134.1 Mio.	Feasibility study undertaken in 2006; geological and site studied undertaken in 2007; 2008 - 2015	KfW financing to be confirmed	The HPP is listed as candidate for expansion programme in GIS update, under the medium gas price forecast scenario, for 2012; the plant is the most advanced of EPCG's projects and could improve the country's and the region's energy balance. It is also listed in the Montenegro Government's Energy Strategy for commissioning in 2015.

Electricity generation 10	New unit of 225 MW installed at TPP Pljevlja 2 (coal fired)	Electricity generation/ expansion	MONTENEGRO	175 Mio.	Part of the documentation was prepared when the TPP Pljevlja 1 was constructed, but it needs updating and completing; environmental assessment is also needed.	To be determined	The project is listed as a priority in Montenegro Energy Strategy; The privatisation of TPP Pljevlja and the associated lignite mine is expected to result also in the construction of the second unit.
Electricity generation 11	TPP Kolubara B, 700 MW (2x350 MW) lignite-fired subcritical power plants, closed cooling system	Electricity generation/ Greenfield / expansion	SERBIA	750 Mio.	Pre-feasibility study and General plan for urbanism are completed; Study on environmental impact is under preparation. - 2012(2014)	IPP/private funding to be identified; pre-qualification of investors to be announced in the autumn of 2007	The project is identified in the GIS update as new investment in 2011 - 2012; the plant will provide base load electricity to Serbia and will contribute to the regional electricity balance; the Government of Serbia is considering this investment as a priority.
Electricity generation 12	Reconstruction and Extension of CHPP Novi Sad Optimization of existing plant and installation of a new block - 450 MW gas-fired combined-heat-and-power plant, combined cycle gas turbine	Electricity generation New unit/ expansion	SERBIA	120 – 160 Mio.	Pre-feasibility study draft completed; General plan for urbanism to be completed by the end of 2007; Partnership between PE EPS and the City of Novi Sad established; Pre teaser distributed to potential investors 2008 - 2011	PPP: strategic partner to be selected through public tender, by the end of 2007	This will be the country's first combined cycle gas turbine for CHP; the power plant could improve the security of supply in the region and also be and the use of gas and thus contribute to the development of the Energy Community Gas Ring (when agreed upon), and finally meet environmental standards. The project is supported by the Government of Serbia.

Electricity generation 13	Hydropower generation at "HPP Zhur"; -Size: 292.8 MW installed capacity	Electricity Generation Greenfield/ Concession	UNMIK	206 Mio.	Existing pre-feasibility study to be reviewed soon Environmental assessment to be conducted; Associated transmission studies to be conducted; 2009 - 2012 (2013)	Private investor to be selected	Listed in the GIS update as cost efficient new generation plant (rank 2) under the medium gas price forecast scenario, in 2012. The HPP will be utilized as peak load plant with large storage capacity; this will offer flexibility and reliability in power generation in UNMIK as well as the region.
Gas transmission network and LNG terminals							
Gas transmission network and LNG terminals 01	Gas transmission pipeline Bijeljina – Banja Luka – Novi grad (pipeline Sava) Technical characteristics: - Capacity 1.2 billion m ³ /year - Length 300 km - Length of all branches 156 km - Total length 456 km	Gas transmission/ Greenfield/ Concession	BOSNIA AND HERZEGOVINA Republic of Srpska and neighboring countries CROATIA and SERBIA	130 Mio.	Technical documentation under preparation 2007 - 2010	Private funding	The pipeline is of national interest; nevertheless it will be connected to the Bosanski Brod - Sarajevo pipeline that links Bosnia and Herzegovina to Croatia gas network and it may become part of the EnC Gas Ring (when agreed upon); It is also recommended by the SEE Gasification study for Bosnia and Herzegovina.
Gas transmission network and LNG terminals 02	Underground gas storage at Benicanci Total capacity: 0,5 – 1 bcm working gas	Gas storage Greenfield	CROATIA	To be determined	Pre-feasibility study 2009 - 2012 (2013)	To be determined	The project proposes the development of a gas storage that can be connected with the Energy Community Gas Ring (when agreed upon) and can serve as a regional storage.

Gas transmission network and LNG terminals 03	Interconnection of the Serbian gas network with the gas transmission system of Romania	Gas transmission/ Greenfield	SERBIA Mokrin ROMANIA Arad	27.360 Mio.	Pre-feasibility study prepared; bilateral negotiations stopped in 2002, but recently reconsidered	PPP/Concession or other to be determined KfW shows interest in financing the project	The project will create an alternative supply route to Serbia and reduce the current winter constraints; it may also become a supply link into the SEE region. The link is also important for the connection of Romania to the Western countries.
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