

Energy Community Secretariat

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Number: 7021/3-D/26-1460/1

Podgorica: 15.05.2026. godine

**Subject: Reply to Civic Initiative “Save Brezna” about project nomination for PECEI 2026, projects E01 and E03**

According to correspondence via mail from 12th of May, CGES received letter from Civic Initiative „Save Brezna“, regarding PECEI 2026 nomination for project E01 – OHL 400 kV Gacko – Brezna and E03 – OHL 400 kV Brezna – Sarajevo 20.

In submitted letter according to point “5. Requested procedural handling“, we respond as follows:

**I. The status of SS Brezna 400kV;**

The project of extension 110/35 kV Brezna SS to future 400/110/35 kV Brezna SS is in preparation phase. Financing was provided through an EBRD loan of 28 mil€ from 2024, and a WBIF grant of 6.4 mil€ was also provided, with a smaller part of the own funds provided by CGES mainly for the payment of land and taxes. The tender procedure for the selection of the PIU consultant has been completed (CESI Italy was selected) and the delivery of the 2x300MVA transformer (Supplier XEnergy - Astor Turkey). The tender for the Main Contractor is currently being prepared, which is expected publication during the current year, and the works will be opened in 2027. The purchase of the land is in the final stage, so despite Civic Initiative “Save Brezna” appeal, CGES acquired the land on which the substation needs to be expanded.

**II. Geotechnical study;**

110/35kV Brezna substation was built by the Investor VE Krnovo, and CGES took it over a few years after the completion of construction, in 2019 to be exact. Problems were noticed in the operation of the substation, which were remedied but due to the recurrence of the problem, Detailed geotechnical survey were carried out and a project is in progress, which should propose measures for the permanent rehabilitation of the small substation.

As for the new expansion project, investigations were carried out which showed that the terrain is challenging from the point of view of geology, but nothing unusual for the conditions that occur in the wider environment. The measures that have been proposed include deep funding and other measures that the project will have to implement. CGES additionally decided to reduce the dimensions of the SS through the implementation of GIS, which increases safety and optimizes the project.

The Main Contractor's obligation is to carry out the main project with detailed geotechnical investigations and obtain all permits from the competent authorities so that there is no doubt that all measures will be implemented during the works themselves. The issue of geotechnics

from the Civic Initiative (CI) side is not justified, especially when the same CI mentions that the intention is to build residential and tourist facilities on the same land.

**III. Public consultations;**

Consultations with the local community were carried out in several iterations. It should be said that the location of the substation was determined 15 years ago, through the preparation of the Detailed Spatial Plan for the construction of the 400 kV Lastva-Pljevlja (Trans-Balkan corridor, Section in Montenegro) transmission line from 2011 and the Spatial Plan of Plužine from 2012. The same location was confirmed through all other plans that were passed in the meantime, and public consultation are mandatory during the adoption of these plans, including the public consultation that was held last year in the village Brezna itself through the preparation of the Spatial Plan of Montenegro. The problem is that CI "Save Brezna" wants to move the location of the substation and does not want to discuss any other options, so any discussion that does not lead to their goal is not considered relevant.

**IV. Alternatives;**

The location of the substation was determined 15 years ago, and after that a lot of work was done on the construction of the network so that the substation in question could easily fit in. Above the location, the OHL 400 kV Lastva-Pljevlja was already built, so when the substation is expanded, the transmission line should be cut off and introduced into it without a single new pole. Any relocation of the location outside the jurisdiction of CGES is really not easy to do because it would mean the relocation of the 400 and 110kV network that has already been built.

CGES has applied for and has already adopted an amendment to the Law of energy, which enables environmental and social compensation to local communities up to 6% of the project budget. We believe that this is a good basis for reasonable negotiations with GI, with the application of appropriate measures that will reduce the impact of the project such as the GIS substation, cabling of 110kV connections etc.

**V. EBRD - IPAM Compliance process;**

The EBRD issued the first IPAM report. The report took in place the views of CGES and EBRD management that the project supported by the bank is important.

The conclusion is that mediation failed, which is the first goal of the IPAM mechanism. It failed because GI requests for a new location and CGES cannot grant it to them because it is not CGES jurisdiction. The report suggested that compliance with the EBRD rules be done in the future.

The letter prepared,  
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