Projects of Energy Community Interest

29th PHLG meeting
19th June 2013
Substantial investments of approx. €39 billion is needed for CPs to meet supply adequacy

Developing a modern and efficient energy infrastructure to:

- Create a properly functioning regional energy market
- Enhance security of supply
- Increase energy efficiency
- Integrate more renewable energy sources
Candidate PECI projects and assessment methodology

- 100 project submitted by project promoters from CP and EU MS
  (Questionnaires prepared by ECS similar with one used for PCIs)
- An independent consultant hired to carry out the assessment
- Assessment and ranking of PECIs using CBA methodology and additional criteria
  (Oil infrastructures projects only by CBA)
- Two Public Consultations
- Regulatory Authorities engaged

19 June, 2013
A total of 100 project proposals was submitted by Project Promoters from 9 CPs plus one company (TAP).

<table>
<thead>
<tr>
<th>Contracting Party/Project Promoter</th>
<th>Electricity Transmission</th>
<th>Electricity Generation</th>
<th>Gas</th>
<th>Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>B&amp;H</td>
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<td>15</td>
<td>4</td>
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<tr>
<td>Croatia</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Kosovo*</td>
<td>6</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>fyr of Macedonia</td>
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<td>3</td>
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<tr>
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<tr>
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<td>9</td>
<td>2</td>
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<td>Ukraine</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
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<tr>
<td>TAP Company</td>
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<td>0</td>
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<td><strong>TOTAL</strong></td>
<td><strong>30</strong></td>
<td><strong>43</strong></td>
<td><strong>23</strong></td>
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</tbody>
</table>
3 Multi-Criteria Assessment

Result of CBA

Additional Criteria

Criteria

- Change in Socio-Economic Welfare
- Enhancement of Competition
- Improvement of System Adequacy
- Progress in Implementation
- Facilitation of RES

Indicators

- Net Present Value
- Competition Enhancement Index
- System Adequacy Index
- Implementation Progress Indicator
- RES Support Indicator

Ability of each project to fulfill criterion

- Score 1 to 5

Weights

- 0.47
- 0.19
- 0.17
- 0.11
- 0.06

Total score of each proposed project

Ranking of projects according to scores
## Electricity Infrastructure - proposed PECIs

<table>
<thead>
<tr>
<th>Contracting Party</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL - FYR of MK</td>
<td>400 kV OHL SS Bitola (FYR of MK) – SS Elbasan (AL)</td>
</tr>
</tbody>
</table>
| HR - BiH and HR internal line reinforcement | 400 kV OHL Banja Luka (BiH) – Lika (HR)  
400 kV OHL Brinje – Lika – Velebit – Konjsko including 400 kv substation Brinje |
| IT - AL           | 400 kV OHL SS Vlora - Bari West |
| Kosovo* - AL      | 400 kV OHL Tirana (AL) - Pristina (Kosovo*) |
| MD - RO           | OHL Balti (MD) and Suceava (RO) |
| ME - RS - BiH and ME internal line reinforcement | 400 kV OHL SS Bajina Basta (RS) - SS Pljevlja (ME) - SS Visegrad (BiH)  
400 kV OHL Pljevlja - Lastva |
| RS                | 400 kV OHL SS Kragujevac - SS Kraljevo |
| RS                | 400 kV OHL SS Bajina Basta - SS Kraljevo  
400 kV OHL SS Obrenovac - SS Bajina Basta |
| RS - RO           | 400 kV OHL SS Resita (RO) - SS Pancevo (RS) |
Regulatory measures proposed to support PECI

ECRB Recommendation

19 June, 2013
DG Enlargement and other stakeholders in the Western Balkan Investment Framework - WBIF
- Currently discussing on the possibility of expanding the range of financial instruments available under the WBIF to support, amongst other things, infrastructure investments

Options being examined include:

- Long-term loan guarantees,
- Promotion of select PPP operations
- Risk sharing facilities and (eventually)
- Project bonds
Thank you for your attention!