Update on Investment Projects

10th PHLG Meeting 24 September 2008
Nine months later! Where are we?

- Progress reported on many of the projects
- Significant progress made by few of them
- Use of IPA IPF funds - quite successful for the first round
- What next?
Progress update

ELECTRICITY INTERCONNECTIONS and GENERATION (PART A)


- Construction of the new 400kV transmission interconnection line Tirana – Elbasan (AL): Construction contracts signed early 2008.

- Construction of the overhead transmission line 2x400 kV Ernestinovo (CR) – Pecs (H): construction started!

- New TPP Stanari, lignite fired (410 MW), BIH Republika Srpska: 30 ys concession to EFT, Feb. 2008 to construct and operate the TPP coal fired capacity of 600-700 MW as well as develop the adjacent coal field, announced Feb. 2008.

- New unit TPP Gacko 2 in BIH Republika Srpska: JV with CEZ to modernise Unit 1 and build Unit 2, develop coal field, Febr. 2008
GAS CONNECTIONS (PART A)

- **TRANS - ADRIATIC pipeline (TAP- Albanian part):** The feasibility study and basic engineering has been concluded; a construction decision is expected in 2008.

- **IONIAN – ADRIATIC PIPELINE (IAP):** Gas Transmission system Albania (Fier) – Croatia (Ploce): The feasibility study is under preparation.

- **Gas Transmission Pipeline System:** Dravaszerdahely (Hungary) – Donji Miholjac (Croatia) – Slobodnica (Croatia) – Basonski Brod (Bosnia and Herzegovina): The three segments are in different phases; EIA completed for phase I and II and in progress for phase III; Basic design is either completed or in progress.
Progress update

ELECTRICITY INTERCONNECTION and GENERATION (PART B)

- Construction of the OHL 400 kV line from the 400/220/110 kV “Tirana 2” (AL) substation to “Kosovo B” (UNMIK) substation: MoU between the two TSOs for the construction of the line signed on 28 June 2008; construction expected to start in 2009 and end in 2011; KfW has signed a MoU for financing the project.

- Construction of the OHL 400 kV interconnection between the former Yugoslav Republic of Macedonia and Serbia: In the Former Yugoslav Republic of Macedonia: the procedure for approving the KfW loan has started. In Serbia: Section 1: SS Nis - Leskovac expected to be finished early 2009. Section 2. SS Leskovac – to the border: evaluation of tender bids for construction is ongoing.

- Construction of the OHL 400kV Serbia (SS SOMBOR 3) - Hungary (Pecs): Preparation of ToR for Pre-feasibility study and Feasibility study for the Substation Sombor 3 starting from Sept.2008 with WYG International under IPA – IPF assistance.
Progress update

- Construction of the OHL 400 KV Serbia (Novi Sad) – Romania (Timisoara): Ongoing tender for consultancy services for Feasibility study, Cross border study, Preliminary design study and EIA study. Contract in dec.2008. These are expected to be finished by end of 2009.

- Construction of Ashta HPP in Drin River, Albania: The METE has invited pre-qualification applications by February 2008 for a concession contract involving design, financing, construction, operation and maintenance of the hydro – power plant. IFC is the lead adviser of the government.

- Construction of 3- 4 HPP on Devoll’s River, in cascade, Albania: The tender was awarded to EVN Austria in January 2008; three storage HPP with a combined power of appr.400 MW; construction expected to start late 2009.
Progress update

- New generation capacity at TPP TUZLA VI, unit 7, 1x 370 MW (capacity to be confirmed), coal fired (FBIH); Tuzla VI unit 7 was in principle awarded (decision to the Parliament expected); the Government approved in December 2007 the selection of EnBW Germany as the strategic partner for the construction and exploitation of the power plant.

- New generation unit, TPP KAKANJ 8, 1x230 MW at the existing location of TPP TE Kakanj (FBIH); Kakanj 8 was in principle awarded (decision of the Parliament expected; the government of FBIH approved it) to KazTranGaz and the Swiss Kazakh group BMG as strategic partners for the construction and exploitation of the power plant.

- HPP Buk Bijela on the Drina river (BiH - Republika Srpska and SR): EPRS (BiH and its subsidiary) signed a protocol of understanding with EPS Serbia in February 2008 for the establishment of a joint venture to build, own and operate the Gornja Drina (former Buk Bijela) hydro power plant.
Progress update

New HPP Cebren (3x 110.85 MW) and HPP Galiste (3x 64.50 MW) with the associated dams – (former Yugoslav Republic of Macedonia): Verbund and the consortium from RWE and Holding Slovenske Elektrarne submitted offers, responding to the tender launched by the Government.

IPA - Investment Project Facility (IPF): 1st Call – short list and next selection round

The list of projects selected is as follows:

TA – ALB – 11  Upgrade of transmission system
TA – FYRMAC – 02  FS for the pilot project wind park development
TA – MON – 02  FS for the electricity network development
TA – SER – 19  PFS, FS for the OHL 400 kV Serbia – Hungary

Next evaluation in January 2009; applications on a rolling basis.
THANK YOU FOR YOUR ATTENTION!