INVESTMENTS IN THE ENERGY COMMUNITY

by

Energy Community Secretariat

www.energy-community.org

7th PHLG Meeting

17 December 2007
Belgrade
Indicative (initial) list included 154 Projects proposed by the Contracting Parties:

- Organised in two parts:
  - Part A - Projects under implementation or with financing secured: 45
  - Part B - Projects under examination or preparation: 109
- Electricity projects: 127
- Gas projects: 26
- Oil project: 1
PROJECT PRIORITISATION

PROPOSED CRITERIA/GUIDELINES

CROSS BORDER INTERCONNECTIONS OF ELECTRICITY AND GAS

- EU Trans-European Networks for Energy guidelines
  (Decision No.1364/2006/EC)
- Technical and economic criteria for transmission network investments
  (SECI Report: Evaluation of investments in transmission networks to sustain generation, November 2007)

- The new transmission investments shall be (preferably) recommended by the SECI report, which takes into consideration the SEE regional perspective for interconnection and power plants developments.
  (SEE Gasification Study, November 2007)
- The new gas connections have relevance to the gasification of the region as presented in the SEE Gasification study.

POWER GENERATION PROJECTS

- Cost effectiveness and consideration of the region as an interconnected power system are applied
  (Generation Investment Study Update, January 2007)

- The new generation project shall be (preferably) listed in the Base case capacity expansion plan
- The rehabilitation projects shall be (preferably) listed in the Justified rehabilitation plan
- New Hydropower plants shall have Benefit/Costs ratio larger than 1.
SECURITY OF SUPPLY REQUIREMENTS

- Increasing the power available to meet the new demand through additional capacities
- Reducing power transmission congestions
- Diversifying gas sources and/or routes.

ADDITIONAL MERITS

- Advanced preparation stage
- Easy connection to existing or planned gas pipelines
- Located (entirely or partially) on the territory of the Contracting Parties and endorsed by these
- New projects or new units in existing power plants above 100MW
- Financing has been either identified or investors have expressed interest.
PROJECT PRIORITISATION (cont.)

PRIORITY LIST, PART A

ELECTRICITY INTERCONNECTIONS

Six projects:
- ALBANIA – MONTENEGRO (400 kV OHL)
- ALBANIA TIRANA-ELBASAN (400 kV OHL)
- THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA/ALBANIA/ITALY (400 kV OHL and substation, AC/DC submarine cable)
- CROATIA – HUNGARY (2x 400 kV OHL)
- CROATIA – MONTENEGRO (2x 110 kV OHL)
- CROATIA – BOSNIA AND HERZEGOVINA (400 kV OHL)

ELECTRICITY GENERATION

Six projects:
- TPP VLORE (97 MW, DISTILATE OIL), ALBANIA
- HPP SKAVICA (350 MW), ALBANIA
- HPP GLAVATICEVO (172 MW), BOSNIA AND HERZEGOVINA
- TPP STANARI (410 MW, Lignite), BOSNIA AND HERZEGOVINA
- TPP GACKO 2 (330 MW, Lignite), BOSNIA AND HERZEGOVINA
- TPP KOSOVO C (UP TO 2,100 MW, Lignite), UNMIK.
GAS INTERCONNECTIONS, LNG AND STORAGE

Eight projects:

- GREECE – ALBANIA – ITALY
- GREECE – ALBANIA (Including TPP in Korca region)
- ALBANIA – ITALY (Including TPP in Fier region and Trans-Adriatic HVCD)
- BOSNIA AND HERZEGOVINA – Connection with CROATIA
- CROATIA – Connection with IONIAN ADRIATIC PIPELINE
- ALBANIA – MONTENEGRO – CROATIA (IONIAN ADRIATIC PIPELINE)
- HUNGARY – CROATIA – BOSNIA AND HERZEGOVINA
- CROATIA – SLOVENIA
PROJECT PRIORITISATION (cont.)

PRIORITY LIST, PART B

ELECTRICITY INTERCONNECTIONS

Seven projects:
ALBANIA – UNMIK (400 kV OHL)
CROATIA – ITALY (HVDC submarine cable)
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA - SERBIA (400 kV OHL and Substation in SERBIA – 2 projects)
SERBIA – HUNGARY (400 kV OHL)
SERBIA – ROMANIA (400 KV OHL)
UNMIK – THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA (400 KV OHL)

ELECTRICITY GENERATION

Thirteen projects:
HPP on Drin River (80MW), ALBANIA
HPP on Devoll’s River cascade (up to 370 MW), ALBANIA
HPP on Vjosa River cascade (up to 400 MW), ALBANIA
TPP TUZLA VI, unit 7 (370 MW, Lignite), BOSNIA AND HERZEGOVINA
TPP KAKANJ, unit 8 (230 MW, Coal), BOSNIA AND HERZEGOVINA
HPP BUK BIJELA (max. 450 MW) on Drina River, BOSNIA AND HERZEGOVINA and SERBIA
HPP CEBREN 3x 110 MW) and HPP GALISTE (3x64MW), THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA
ELECTRICITY GENERATION (cont.)

- HPP cascade on Moraca River (693 MW), MONTENEGRO
- HPP KOMARNICA (168 MW), MONTENEGRO
- TPP Pljevlja 2 (225 MW, Coal), MONTENEGRO
- TPP KOLUBARA B (700 MW, Lignite), SERBIA
- CHPP NOVI SAD new block (450 MW, Gas), SERBIA
- HPP ZHUR (292 MW), UNMIK

GAS INTERCONNECTION AND STORAGE

Three projects:
- BOSNIA AND HERZEGOVINA – pipeline connection with CROATIA and SERBIA
- CROATIA gas storage at Benicanci
- SERBIA and ROMANIA
NEXT STEPS

• The Ministerial Council to endorse the proposed list in the 3rd Meeting on 18 December 2007; the list is nevertheless considered as indicative and non-binding and reflects the state of play of November 2007. It shall be regularly updated to reflect progress and new opportunities.

• ECS to start monitoring the progress achieved in the preparation and financing, and later in the implementation of the priority projects.

• The Donors’ Community is invited to contribute with technical assistance for project preparation, in order to facilitate investments and speed up the process.

• Project Preparation Facility for Infrastructural Investments (CARDS Programme) may be used for (pre) feasibility studies, technical design, advice on financing aspects, projects documentation, tender documents, etc.; estimated budget 16 Million Euro; provisional commencement date: March 2008.
THANK YOU FOR YOUR ATTENTION!

ENERGY COMMUNITY

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