

While the government is trying to persuade and negotiate the kick of construction of new power plant unit at TPP Plevlja, the energy Balance Report confirmed that production capacities cannot meet consumer demand for electricity. The same trend from 2015 is expected to continue in 2016.

It was reported that Montenegro will face an energy balance shortfall amounting to 9.2% of overall consumption, or cca 316 GWh. Other key characteristics of the 2014 and 2015 Montenegrin Energy Balance Report as well as the reasons for the energy shortfall can also be found in the present congestion of transmission facilities in the SEE region that are directly related to the import of electricity in Montenegro - under very strict UCTE rules, capacity is divided bilaterally on the basis of load flow calculations for two months in advance.

Also, in 2013 EPS (Electric Power Industry of Serbia) terminated a long-term agreement on technical cooperation with EPCG (Electric Power Industry of Montenegro). The agreement, which should have been valid until 1 January 2016, provided for the delivery of 1 mW of peak power from EPCG from its Piva hydro-power plant, as an exchange for the 1.4mW of base power delivered from the EPS production units. The peak power from Piva was used for running major thermal-power plants and hydro-power plants in Serbia.

Facing the loss of 0.4mW of output from Piva, EPCG turned to the Republic of Srpska and concluded a similar long-term agreement with ERS (the Electric Power Industry of the Republic of Srpska).

Another uncertainty marking the consumption of electricity in Montenegro is the fate of the only aluminium smelter in the country - Kombinat alumijuma Podgorica (KAP), which faced bankruptcy in mid-2013. As a key purchaser, KAP consumed in excess of 50% of the energy available on the market and their continued consumption will depend on the outcome of the bankruptcy proceedings, which has generated a fair amount of uncertainty for all market participants.

In terms of interconnectivity, the Tivat-Pescara power cable project is still ongoing. This high-voltage electric interconnection project is being implemented by the Italian company Terna and will connect the electricity networks of Montenegro and Italy by 2015. The project will ultimately facilitate the export of energy from renewable sources produced in Montenegro and the Balkans to Italy.

The EUR 760 million cable is at the centre of the Montenegro-Italy power deals, which form part of a broader Italian strategy to make Italy the "energy hub of Europe" and to meet EU requirements for higher consumption of energy from renewable sources.

As for renewables, Montenegro has granted several concession agreements for the construction of small hydro-power plants (with output capacity up to 10 mW per annum) in 2012 and 2013. Past tenders have also generated significant interest from both Montenegrin and international investors, attracted by incentives.

Montenegro is part of SMM block together with Serbia and Macedonia. The Montenegrin TSO (CGES) shares national borders with Kosovo, Serbia, Bosnia and Herzegovina and Albania.

The indicative annual NTC value for the Montenegrin/Kosovan and Serbian border was set to 400 MW for the Montenegro to Kosovo and Serbia direction and 300 MW for the opposite direction in 2012, 300 MW (ME to RS direction) and 250 MW (RS to Montenegro direction) in 2013, and 200 MW for both directions in 2014.

The indicative annual NTC value for the Montenegrin/Bosnian and Herzegovinian border was set to 200 MW for both directions in 2013 and 2014

The indicative annual NTC values for the Montenegrin/Albanian border, as well as month-ahead values for all Montenegrin borders, were not published by ENTSO-E.

Day-ahead NTC values in January 2014 were set to:

Montenegro/BiH border 400 MW (for ME to BA direction) and 500 MW (for BA to ME direction) Montenegro/Serbia & Kosovo border 600 MW (for ME to RS direction) and 700 MW (for RS to ME direction)

For the direction of power flows from Montenegro to Serbia and Kosovo, the NTC values are limited by maximum generation shifts in the Montenegro, Serbia and Kosovo area to 788 MW, evaluating the Montenegrin side, and 311 MW evaluating the Serbian and Kosovan side. Network limitations in Montenegro, Serbia and Kosovo for these ranges of power exchanges are not visible at the model.

For the direction of power flows from Kosovo and Serbia to Montenegro, evaluating all 400 kV, 220 kV and 110 kV network elements on the Montenegrin side, the NTC value is set to 583 MW. It is limited by the OHL 220 kV Pljevlja - Bajina Bašta, which gets overloaded as a consequence of an OHL 400 kV Ribarevine - Peć outage. Evaluating the Serbian side and 400 kV, 220 kV and 110 kV networks, a limitation appears concerning the 110 kV line Valjevo - Kosjerić. The NTC values for this direction of power exchanges may be increased up to 534 MW if we ignore 110 kV network elements in Serbia and Kosovo. A new limitation will appear on the OHL 220 kV Pljevlja - Bajina Bašta as a consequence of an OHL 220 kV Bajina Bašta - Požega outage. The thermal rating of this line is set to 274,4 MVA on the Montenegrin side and 388,7 MVA on the Serbian side at the model, transmits Serbia-energy.eu