

Montenegro: 300MEUR worth offers expected for construction of new TPP Pljevlja unit, financing agreement thru forward electricity sales or property ownership for investors

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Investors interested in realization of the project of TPP Pljevlje's second block construction shall define final offers by July or August so that the final decision can be made afterwards- Minister of Economy, Vladimir Kavarić stated. Montenegro energy company EPCG is the owner of Pljevlja TPP and power utility company is partially owned by Italian A2A.

"Interested investors suppose to define final offer in the following period i.e. in July or August. The decision i.e. the appropriate law for it shall be adopted on the base of selected offer by the end of the year", Kavarić said after the Government Session where Information for the Second Block Construction was discussed. He added that 5 investors from China, Czech Republic, Slovakia and Poland are interested in construction of the second block currently.

"The basic economy analysis which the offers for the second block construction estimation is based on, done by EPCG and Government, show that basic performances of the project we have at the table currently are better than expectations for offers to be defined on the base of project done by EPCG in cooperation with Slovenians Institutes in this area", Kavarić said. He stated that there are some expectations that offers defined in July and August will be better than basic project performances. Basic project performances were considering the average price per MW to be 1,5 million EUR for the value of investment of 366 million EUR.

"We have 300 million EUR worth offer at the table currently. We need to stress that the project is not based on state guarantees issuance so it will be financed on the base of internal EPCG potentials i.e. contract for electricity sale in the following period or in the collateral base for property of electricity company", Kavarić said.

He reminded that procedure was launched last week by sending the final letter from EPCG to all bidders.

Source; EPCG/Serbia Energy See desk