

Since the Italians have not managed to introduce a third partner for TPP, they negotiated about a possible exit of 2A from EPCG, but unsuccessfully.

Representatives of the Government and Italian A2A did not success even until yesterday, in the third prolonged period of time, to agree on future arrangements and the possible continuation of the partnership with the Italian partner in EPCG.

It was originally speculated that it would be agreed additional time for negotiations, but negotiators of executive management will, as things stand, however, wait for the official opinion of the Government about it.

It's practically a new postponement of the negotiating deadline. The next session of the Government will be on August 20th.

Government and A2A have agreed positions on priority investments. Italians believe that the construction of the second unit of the thermal power plant in Pljevlja is not cost-effective now, on which the Government insists. The project will cost at least 338 MEUR. It was expected from A2A to find a third partner to finance TPP, and Czech Skoda has been selected as equipment supplier.

Since Italians are not able to introduce a third partner to finance TPP, parallel were led negotiations on a possible exit of A2A from EPCG, but even an agreement on this version has not been reached yet.

They unsuccessfully tried to sell the stake in EPCG for which they cannot get even close to 430 MEUR, how much they pay the share of 2009th. The state has 57 percent of EPCG.

The five-year contract between the Government and the Italian partner, which they do not fulfill, expired at the end of March this year. Originally, the negotiations, which began in late 2014th, should have been completed by the end of March, but were extended until the end of June and then until July 31st.

Among the A2A requirements are a guarantee of the invested capital profitability, autonomy in management and safety when it comes to the regulatory framework (the price), finding a third partner to finance thermal units...

Italians have announced several times the possibility to initiate arbitration against the state of Montenegro because of a regulatory framework and financial problems that KAP caused in EPCG in which it has about 42 percent of the shares.

The State Prosecution has investigated for months whether and how A2A with a pair of related companies over suspected consulting services, and bypassing tenders, pulled around 14 MEUR from Electric Power Industry.