

## **Montenegro: Akuo Energy 72MW WP Krnovo, EBRD financing with Poor-Siemens and GE as contractors**

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The Government of Montenegro and the European Bank for Reconstruction and Development (EBRD) signed a contract to build a wind farm. Wind farm on Krnovo near Niksic will have installed capacity of 72 megawatts (MW) and an annual production of 200-230 gigawatt hours (GWh).

"The audit of major projects is underway. The financial structure has been completed and according to estimates the project will cost between 110 and 120 MEUR. After signing a direct contract between the Government and EBRD, we expect that the works would start in a day or two", told Radomir Vulikic, representative of company Krnovo Green Energy.

Investors are Austrian "Ivicom Consulting" and the French company "Akuo Energy", which will be complete owner after the project completion.

"Financers are the European Bank for Reconstruction and Development, EBRD, KfW, the German Development Bank and Proparco, a French investment company for promotion the economic cooperation, and "Hermes" ensures all of these loans. As for the contractors, it is a well-known companies", said Vulikic.

Thus, the construction work will be carried out by the Austrian company "Por", Siemens is in charge for electrical engineering, while General Electric will deliver the machines.

"This is a unique project in Montenegro, not only for energy but also for modes of financing, as well as by the fact that the concession was got on 17 years and after that the entire project would be state- owned", said a representative of the company which is a part of the company Ivicom, which was established with the aim of building a wind farm Krnovo.

On Krnovo will be built 30 wind turbines, twenty kilometers of road, power lines, substations collection...

Preliminary design of Krnovo wind farm, which could meet the needs of nearly 20,000 households in Montenegro, was done by an expert from Zagreb Dinko Condic.

"This is a new business in Montenegro and I must commend the diligence and commitment to the project of the Ministry of the economy, particularly the involvement of the secretary in that Ministry Igor Noveljic and Ivan Boskovic, director general for transformation and investment", said Vulikic.

Poles for monitoring wind potential in Krnovo were destroyed in 2011<sup>th</sup>, after which new ones were set. For the first 12 years of operation, according to the agreement, the purchase price

of electricity produced by wind power is guaranteed and cannot be less amount of 95.99 € / MWh.

Based on the study, performed in 2007<sup>th</sup> for the first time, the most interesting zone for wind exploitation are coastal areas with an average wind speed of over six meters per second and the hills around Niksic where this rate ranges from 5.5 to 6.5 meters per second.

A square meter of land was paid 50 cents

All owners with which has been reached the agreement on compensation were paid off in the expropriation process.

However, the court proceeding is ongoing because some people complained about the low purchase price.

"It was repurchased approximately 500 thousand square meters of land at a cost of 50 cents per square meter. Everything what was bought also was paid", said Vulikic. , transmits serbia-energy.eu