

Montenegrin state-owned power utility EPCG will focus on the environmentally oriented reconstruction of its sole coal-fired thermal power plant Pljevlja and modernization and upgrades of its two large-scale hydropower plants Piva and Perucica in an effort to extend their operational life. EPCG will be investing in two renewable projects as well - solar power plant Briska Gora and wind farm Gvozd, whose construction is expected to start in this year. EPCG plans to invest 51 million euros in 2020, primarily in electricity generation projects, according to a report, adopted last month by company's management.

Last November, EPCG announced that it has selected a consortium consisting of Dongfang Electric Corporation (DEC), Bemax, BB Solar and Permonte as a contractor for the environmentally oriented reconstruction of TPP Pljevlja. The selected consortium offer to perform the reconstruction for around 54.4 million euros including VAT, while the offers by two other bidders were significantly higher: Shanghai Electric Group offered 97.9 million euros and Hamon-Rudis consortium offered 72.5 million euros.

Project implementation is scheduled to take place in the period 2019-2021, after which the operation of TPP Pljevlja will be enabled to continue for the next 20 years. Reconstruction will assure compliance with the requirements and adherence to the strictest environmental protection parameters as envisaged under the latest EU Decision 2017/1442. The environmental reconstruction project includes the construction of the desulphurization system, denitrification system, enhancement of ESP operation as well as development of the waste water treatment system. Revitalization of Maljevac landfill valued at additional 20 million euros will take place concurrently. Close to 9 million euros was already spent on the project for revitalization of the landfill in the last year. The reclamation of the landfill will take place in stages between 2019 and 2023.

In May 2018, the Ministry of Economy has published a tender for a 30-year lease of more than 6 million square meters of land for the construction of solar power plant with power output of more than 200 MW. The minimum required bid for the solar plant project is 0.05 euros per square meter a year, or a total of some 330,000 euros annually, meaning that a 30-year lease would cost no less than 9.93 million euros. The land in question is at the location of Briska Gora near Ulcinj. In late 2018, consortium of EPCG and Finnish Fortum was selected as the winner of the tender. The first stage of the project envisages the construction of 50 MW solar power plant within 18 months from the date of the signing of the contract. The second stage envisages the increase of installed capacity to 200 MW, which should be done within 24 months from the completion of the first stage of the project. In late 2018, EPCG and Austrian company Ivicom have signed a Memorandum of Understanding (MoU) on the construction of Gvozd wind farm. Total investment in the construction of this 50 MW wind farm, located near Niksic, will amount to 70 million euros. Its estimated annual electricity production should be 140 GWh. CEO of EPCG Igor Noveljic said that the project will be cost effective as the submarine power cable between

Montenegro and Italy will offer opportunities for export of “green” energy to Italian and European markets. The construction of Gvozd wind farm will be financed through loans, which will be provided by international financial institutions and is expected to start in 2020.