

The construction of large hydropower plants in Montenegro are completely stopped because no investor showed interest for the construction of hydropower plants on Moraca river, and for hydropower on Komarnica river which have potential geological problems with land that needs to be tested.

The second block of the thermal power plant in Pljevlja, it will be the first new major source of electricity that will be built in Montenegro after more than three decades. Regarding HPP on Moraca, a tender failed in late 2011 because potential investor did not offer for the construction of power plants with a lower angle of the largest HPP on Moraca-Andrijevo. Meanwhile, the Ministry of Economy has spoken with other potential investors from Italy, Turkey, Azerbaijan and China regarding submission of their bids for the construction of hydropower plants on Moraca. For this purpose all relevant documentation was delivered for HPPs on Moraca, but of these potential investors nobody submitted any bid, nor even any request for clarification of the documents.

According to the existing technical documentation of power utility EPCG, complex of hydropower plants on Moraca river includes four HPPs: HE Andrijevo, HE Raslovici, HE Milunovići and HE Zlatica, with total projected capacity of 238 MW and estimated average annual production of 694 GWh. The anticipated period of construction of four hydropower plants is six years, and the estimated total cost of about 540 million euros.

HPP Komarnica has problems with the geology of the land. EPCG informed the Ministry of Economy that there is a serious problem with the terrain for the dam, whose size and way of solving will be known only after the audit of the final report, which will also have an impact on potential investors' offers.

Electric Power Industry of Serbia agreed that the documentation that has been made or will be made in accordance with the previous Agreement on joint financing with EPCG can be put on to potential investors HPP Komarnica.

Meanwhile, the Ministry of Economy has interviewed with other potential investors from Italy, Turkey, Azerbaijan and China (Synohydro Corporation Limited) regarding submission of their bids for the construction of HPP Komarnica. For this purpose, submitted the appropriate documentation for the HPP Komarnica to potential investors. The most serious discussions were held with Chinese company Synohydro Corporation Limited, each of which was obtained information that the offer can not be prepared without the Final Report on geological exploration works. HPP Komarnica is planned as a peak power plant with accumulation in the catchment area of the river Piva, with the dam at the end of the backwater of the existing reservoirs Piva. Hydroelectric power plant would have a reservoir capacity of 260 million m³ with an angle normal slowdown of 816 m asl, concrete-arch dam height of 176m, with the dam operator hall and two aggregate installed capacity of 168 MW and average annual generation of 232 GWh.

The anticipated construction period is six years, with a cost estimate of about 183 million

euros.