

## Montenegro: French-Austrian consortium "Akuo-Ivicom" seeks a loan of 100 MEUR from EBRD for the construction of windmills at Krnovo

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**Date :** October 7, 2014

The French-Austrian consortium "Akuo-Ivicom", sought a loan from the EBRD for the construction of windmills at Krnovo. It is estimated that the value of this project, for which construction permits were issued between 100 and 120MEUR.

"Given that this is a very large investment, total investment is estimated at about 100 to 120 MEUR, an investor could not provide these funds from commercial banks, but he has already contacted the development banks which have asked for additional terms and conditions of the loan. In this sense, there has been a series of meetings and intensified communication with representatives of the European Bank for Reconstruction and Development (EBRD) in order to find common solutions to enable the project financing of the construction of mentioned windmill", according to the government information.

Soon Draft of direct agreement: At the same time, as stated in the Government document, through negotiations with the investor and mentioned bank, the preparation of the Draft Direct Agreement is underway which, among other things, will allow introduction of the replacement company during the period of the contract (namely step-in right) ; the guaranteeing of the price from the underlying contract during the status period of the privileged electricity producer and guaranteeing the fulfillment of legislative jurisdiction by the Montenegrin Electricity Market Operator, or its possible legal successors. Bearing in mind that the negotiations on the Draft of the direct agreement are in the final stage, after the reconciliation of the final version, such agreement will be sent to the Government of Montenegro for consideration and approval, writes in the text.

By the initial contract the state-owned land is leased for a period of 20 years, with possibility of extension for a maximum of 5 years. The investor has paid the rent from the beginning of the lease period for 2013th and 2014th totaling 34,078.10 EUR.

What does writes in the previous Contract?: During the first 12 years of windmill operating, the purchase price of electricity produced in windmill is guaranteed and cannot be less than 95.99 EUR/ MWh. The contract of land leasing and windmill construction at the site Krnovo (Municipality of Niksic, Savnik and Pluzine) was concluded on August 5th, 2010th with the consortium "MHI-IVICOM Consulting GmbH" whose members were "Mitsubishi Heavy Industries" from Japan and "Hansel Consulting GmbH" from Austria. Leasing period is 20 years, with possibility of extension for a maximum of 5 years. Shortly thereafter, the consortium addressed the Ministry of Economy with the request that the French company "Akuo Energy" joined the consortium as the new leader of the consortium instead of "Mitsubishi Heavy Industries". After that the Ministry of Economy concluded on September 24th, 2012th that the company "Akuo Energy" met the requirements of the tender

documents and it could replace the company" Mitsubishi Heavy Industries "in the consortium. Preliminary design of Krnovo windmill did the experts from Zagreb Dinko Condic.