

Montenegrin Government adopted an information on the realization of the project for the construction of hydropower plant Komarnica, as well as a decision on awarding a concession for the construction and operation of said HPP to state-owned power utility EPCG.

The Ministry of Capital Investments is tasked with carrying out negotiations with EPCG in order to harmonize the final text of the concession agreement within the next 60 days. It is envisaged that the concession will be awarded directly to EPCG, without launching the public tendering process.

The draft concession agreement for HPP Komarnica was awarded to EPCG in August 2020. EPCG will have to decide whether it will build HPP Komarnica by itself or in partnership, as well as whether it will finance the project by itself or through a loan.

In 2021, Montenegrin media reported that the new management of EPCG is keen to develop HPP Komarnica project in cooperation with Serbian power utility EPS. EPS has long been interested in the construction of HPP Komarnica, and the new management will refer to an alleged contract from the 1980s, which gives Serbia the right to build HPP Komarnica on the basis of research funding.

In early 2020, the Government adopted the detailed spatial plan for the area where the plant should be built. The new version envisages that HPP Komarnica will have installed capacity of around 170 MW, with estimated annual electricity production of 209 GWh, however with a lower elevation of the accumulation compared to the most profitable option. This means that the project will not be as cost effective as it could be, but this version is more environmentally acceptable. The cost of the project has also been increased to 246.5 million euros, significantly higher than the valuation of 185 million euros from 2018. EPCG claims that the initial cost was based on an obsolete study dating from 1988.

HPP Komarnica is envisaged as a upstream step of existing HPP Piva, and will use the hydro potential of the Komarnica river, located some 45 kilometers from HPP Piva. It is estimated that the plant could be built in five years.