

Aluminium manufacturer KAP, the largest single consumer of electricity in Montenegro, has been shut down after 50 years of operation. The company failed to sign new electricity supply contract for 2022 with state-owned power utility EPCG.

The owner of KAP - Uniprom has proposed to EPCG to take over the production of aluminium free of charge for a year starting on 1 January 2022, in order to avoid the closure of the smelter.

Uniprom CEO Veselin Pejovic said that if EPCG rejects this proposal, the gradual closure of KAP will commence on 15 December. KAP said earlier that it will not be able to maintain production with new electricity prices proposed by EPCG for 2022 supply. Namely, KAP paid 45 euros/MWh during 2021, while new price for 2022 proposed by EPCG amounts to 127 euros/MWh.

On the other hand, Montenegrin Government as the largest shareholder of EPCG, proposed to KAP to decrease the production to an absolute minimum during the energy crisis and it could continue to receive electricity at the price of 45 euros/MWh.

KAP is the largest single electricity consumer in Montenegro and is responsible for about 20 % of the country's exports.