

State investments in the energy sector carried out by Elektroprivreda (EPCG), the Montenegrin Electric Distribution System (CEDIS) and the Montenegrin Electric Transmission System (CGES) last year fell compared to the comparable annual period, stated the Regulatory Agency for Energy and Regulated Communal Activities (REGAGEN). This was shown by the officially available Report on the State of the Energy Sector for 2021, prepared by the Regulatory Agency for Energy and Regulated Utilities (REGAGEN).

### **Wandering in the dark**

The President of the REGAGEN Board, **Branislav Prelevic**, pointed out in the report that “given that we practically do not have a long-term strategy for the development of energy, or any document of that kind to determine some strategic decisions, I think we are wandering in the dark.”

“That is why it is the ultimate moment to speed up the activities on the drafting of the umbrella energy documents prescribed by the Energy Act: general energy policy guidelines and the National Energy and Climate Plan. All spheres of our society have been politicized, and the politicization of energy with all that it means for every country is a catastrophic and never-recoverable damage. Serious investments in energy are too slow and too complex to be politically attractive. It’s the same with pricing policies, correct decisions are usually not popular. That’s why depoliticization of the sector would be mutually beneficial, both for politicians and for energy”, said Prelevic.

EPCG’s total investment last year was 11.75 million euros, and the largest part of that amount, in the amount of 8.06 million euros, was invested in the modernization and extraordinary maintenance of the Perućica (phase II) and Piva (phase II) hydropower plants, as well as at the Pljevlja Thermal Power Plant and the reclamation of the Maljevac landfill. Compared to 2020, the energy company’s investments are 10 million euros lower. EPCG’s total investments in 2020 were 21.74 million euros, and the largest part of that amount, in the amount of 14.82 million euros, was invested in production capacities and as an advance for the ecological reconstruction of the Pljeval Thermal Power Plant.

According to the data from the report, EPCG invested a total of 67.15 million euros in the period from 2016 to 2021, i.e. an average of 11.19 million per year.

### **Accelerate investment in “Gvozd” and “Briska Gora”**

The regulator states that last year activities on the construction of the wind power plant “Gvozd” and the solar power plant (SE) “Briska Gora” slowed down.

“EPCG invested 59,808 thousand euros in the realization of VE “Gvozd”. The current dynamics of the activities carried out on this project, while appreciating the mentioned investments in 2021, indicate that it needs to be implemented more intensively in order not to jeopardize the closing of the electricity balance planned by the Long-Term Energy Balance for the period 2023-2025, which foresees the commissioning of this wind farm installed capacity of 54.6 megawatts for 2024,” the regulator pointed out in the report.

It was further explained that SE “Briska Gora” should be done in two phases and that in November 2021, the Government made a decision on changes and additions to the spatial plan for the municipality of Ulcinj, which should be completed on January 12, 2023. The regulator indicates that the activities on this project must also be accelerated in order not to jeopardize the closure of the electricity balance planned by the Long-Term Energy Balance for the period 2023-2025, which foresees the commissioning of the first phase of SE “Briska Gora”, with an installed capacity of 50 megawatts, in 2024.

According to the report, the state energy company invested 2.7 million euros in production last year, and the most significant investments in that part were investments in HPP “Perućica”, within the project of revitalization of generators G1 and G2 and the project of delivery and installation of block-transformers T1-T5 and investment in HPP “Piva” as part of the capital overhaul project of unit A3.

### **Energy crisis warning**

“The energy crisis that started in 2021 once again exposed the fact that the sovereignty of each country depends on its energy sovereignty and highlighted the necessity of using its own energy sources to the greatest extent possible. The production capacities of EPCG, despite the realized investments in the period from 2016 to 2021, remained at almost the same level. Bearing the above in mind, and in order to ensure energy security and economic development of the country, it is advisable to direct efforts and available resources into investments in production capacities”, the report stated.

When it comes to CEDIS, the total value of the planned investments foreseen in the approved Updated Investment Plan for 2021 was 29.79 million, while the company invested 17.83 million, of which 13.15 million refers to the investments that were planned for 2021, year, and the remaining amount of 4.6 million on investments whose implementation was foreseen for previous years.

Compared to 2020, CEDIS had fewer investments last year. For that year, the total value of the planned investments foreseen in the approved Investment Plan was 27.73 million, of which CEDIS realized investments worth not 32.61 million, which was more than the plan approved.

Last year, the Montenegrin Electric Transmission System (CGES), which planned 55 investments worth 24.26 million, realized 12.58 million of the approved investments, which is 52 percent of the plan.

### **The risk is a change in state ownership in the energy sector**

Prelevic emphasized that the unclear vision and uncertain return on invested funds do not motivate serious investors to invest in the construction of new production facilities.

“That’s why changing the status of state ownership in the sector at this moment is a high-risk activity, both financially and in terms of security”, said Prelevic.

According to him, the protection of vulnerable groups must be the priority of all actors in

our energy sector, but this goal can only be achieved with focused and carefully designed measures.

“And, not at all by artificially suppressing energy prices for all customers, regardless of their financial status, the amount of energy consumed, its purpose and degree of efficiency. Everything else is a mere contribution to the reckless consumption of limited energy resources, which we have at our disposal as a society”, concluded Prelevic, Vijesti writes.