

Albania – North Macedonia Power Interconnection (II): Grid Section in North Macedonia

Project Financing

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|---|-------|--------------------|---------------------|
| WBIF | Grant | WB9-MKD-ENE-01 | € 864,000 |
| EBRD | Loan | | € 37,000,000 |
| WBIF | Grant | WB-IG00-MKD-ENE-01 | € 12,000,000 |
| WBIF | Grant | WB4BIS-REG-ENE-01 | € 803,000 |
| Beneficiary Contribution (MEPSO) Own Contribution | | | € 1,000,000 |
| Total | | | € 51,667,000 |
| Total Grants | | | € 13,667,000 |
| Total Loans | | | € 37,000,000 |

Project Description

This project is part of the European Commission's initiative to establish an East-West electricity transmission corridor between Bulgaria, North Macedonia, Albania, Montenegro, and Italy. It provides for the construction of a 400kV transmission system from Bitola to Ohrid and from there to the border with Albania.

In addition, the project includes the upgrade of a remote monitoring and control system (SCADA) in the Dubrovo substation in Negotino, hardware, and software, and more sophisticated automated demand response mechanisms, which would create a smart grid type of network. This would help MEPSO improve energy forecasting, stabilise load flows, and manage ancillary services. In their turn, these investments will contribute to the improvement of the current energy dispatching between the two countries and allow for the inclusion of renewable energy resources into the current mix.

The WBIF has provided close to €14 million in technical assistance for project preparation as well as investment grants, out of which €13 million represent EU contribution through the Instrument for Pre-Accession Assistance (IPA). The project is now at the detailed design stage for the transmission system, while works on the smart grid component are underway. Works on the transmission system are estimated to commence by mid-2019.

Results and Benefits

- decrease of technical losses in both transmission systems, upgrade of the transmission system in the view of the new constructions of generation units and links of the regional market
 - improvement of the reliability of the network and security of supply, creation of trading opportunities, reserve capacity sharing, and emergency support
 - an interconnection between the two system will help balancing the power markets and reducing the hydrology risk in Albania
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- **Countries:** North Macedonia

- **Code:** PRJ-MKD-ENE-005
- **Sector:** Energy
- **Monitor IFI:** EBRD
- **Status:** Implementation
- **Beneficiary:** Public Energy Transmission Operator AD MEPSO

Related Documents

- [Connectivity Agenda: Co-financing of Investment Projects in Western Balkans in 2015](#)