

Electricity Network Expansion for the Development of New Renewable Energy Sources

Project Financing

WBIF Grant WB6-MNE-ENE-06	€ 1,030,000
EBRD Loan	€ 26,800,000
Total	€ 27,830,000
Total Grants	€ 1,030,000
Total Loans	€ 26,800,000

Project Description

While Montenegro has an abundance of hydro and wind power generation potential it still needs to import about 35% of the country's total energy consumption. One of the main constraints on the development and the use of these renewable energy sources (RES) is an insufficiently developed transmission network, which does not allow for significant amounts of new renewable electricity to be connected to the existing grid.

The WVBIF (EU) has provided a technical assistance grant to defray the costs of a feasibility study, including preliminary design, for the potential construction of a 110 kV overhead transmission line from Vilusi to Herceg Novi and of the associated 400/110/35 kV Brezna substation. Once built these investments would allow for the integration of renewable energy resources into the national grid, particularly wind, as well as for a better connection to the Trans-Balkan Corridor.

However, while the feasibility study and preliminary designs for the substation went ahead as due, it has been impossible to identify a suitable option for the electricity line, despite extensive iterations and consultations with local municipalities and the beneficiary/partner, because of potential implications on the environmentally sensitive areas in the region, including a potential Emerald zone. Consequently, while the study is now complete, the project is currently on hold.

Results and Benefits

- would assure the security of electricity supply, as well as enabling the development of renewable energy sources
- improvement of the quality of life and the growth of the areas, due to the employment of young people, the reconstruction of the local roads and the improvement of the electricity network

- **Countries:** Montenegro
- **Code:** PRJ-MNE-ENE-003
- **Sector:** Energy
- **Lead IFI:** EBRD
- **Status:** Preparation
- **Beneficiary:** Crnogorski Elektroprenosni Sistem AD

Related Documents

- [Post-earthquake Housing Reconstruction in Kraljevo, Serbia](#)