



Albania – the former Yugoslav Republic of Macedonia Power Interconnection (I): Grid Section in Albania

Partners:

- Transmission System Operator in Albania (OST sh.a.)
- The Ministry of Energy and Industry, Albania
- The Ministry of Finance, Albania

EU contribution:

- €14 million (20% of investment cost)
- €2.53 million (project identification and preparation costs)

Estimated total investment:

- €70 million

Estimated KfW loan:

- €50 million

Beneficiary contribution:

- €5 million

Other grants:

- €1 million

Energy

This project is part of the European Commission's initiative to establish an East – West electricity transmission corridor between Bulgaria, the former Yugoslav Republic of Macedonia, Albania, Montenegro and Italy.

The section between Bulgaria and the former Yugoslav Republic of Macedonia has been completed, and the construction of the submarine cable between Italy and Montenegro is underway. In addition, a new 400 kV connection between Albania and Montenegro is now in operation while an undersea cable between Albania and Italy is in the planning stages.

In Albania a 400 kV transmission system will connect Fier to Elbasan and from there to the border with the former Yugoslav Republic of Macedonia. Two substations will be upgraded as part of the project¹.



Modern substation in Elbasan, Albania.

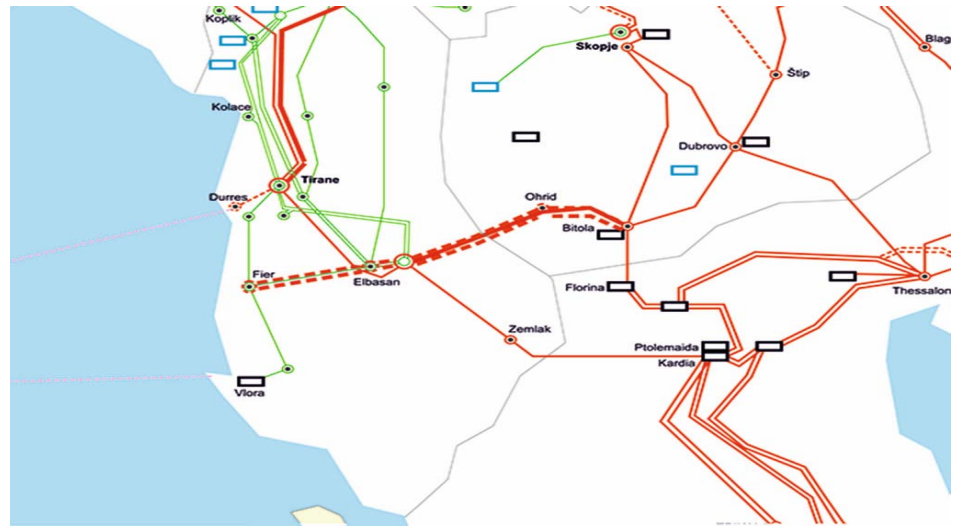
Results:

- Albanian power transmission system integrated into the European energy market.
- Approximately 130 km of 400 kV overhead transmission line from Fier to the border with the former Yugoslav Republic of Macedonia.
- Fier and Elbasan substations upgraded.



Existing 400 kV transmission lines in Elbasan, Albania.

¹ Subject to a final decision by the budgetary authorities.



Albania – the former Yugoslav Republic of Macedonia electricity transmission interconnections.

Estimated Start Date:

- First quarter 2017

Estimated End Date:

- June 2020

Estimated Loan Repayment Period:

- 11 years

Significant increases in annual power load and several new generation sources added to the Albanian grid have put a strain on existing transmission systems, leading to frequent interruptions in electricity supply to domestic and industrial consumers alike.

The existing transmission systems would not be able to cope with the new power generation sources planned for development in southern Albania (e.g. hydropower plants in Devoll, Vjosa, and Osumi river cascades and new gas-powered electricity plants).

The new high voltage supply system will make the power supply system in Southern Albania more reliable and help connect the Albanian power transmission systems to the wider region. At least 800,000 people and numerous industries in the Fier and Berat/Kucova and Elbasan region will benefit from uninterrupted electricity supply.

The European Commission and the European Bank for Reconstruction and Development provided financial assistance for the project identification and preparation phases, as part of the Western Balkans Investment Framework.

The project is now at detailed design stage and the preparation phase is due to be completed in 2016.

No population resettlement will be needed and impact on biodiversity will be minimal since the new facilities will be built on degraded parklands or agricultural land with low productivity.

Benefits

- The investment is expected to generate an additional €314.7 million to Albanian Gross Domestic Product.
- At least 800,000 people and numerous industries in the southern part of Albania will benefit from uninterrupted electricity supply.
- Reduced transmission losses, leading to lower electricity prices for Albanian consumers, industry and investors.
- Secure power supply in Albania by eliminating overloads in the system and so reducing the outages.
- Reduced CO₂ emissions in Albania through increased capacity for production of renewable energy.