



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

Partners:

- *Electricity Transmission System Operator of Macedonia (A.D. MEPSO)*

EU contribution:

- €12 million (24%, out of which €9 million investment and €3 million technical assistance costs)
- €1.8 million (project preparation costs)

Estimated total investment:

- €49 million

Estimated EBRD loan:

- €37 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 a submarine cable between Italy and Montenegro is underway. In addition, a new 400kV connection between Albania and Montenegro is now in operation while an undersea cable connecting Albania and Italy is also planned for the medium term.

Investments¹ in the former Yugoslav Republic of Macedonia include a 400 kV transmission system from Bitola to Ohrid and from there to the border with Albania. It will thus complete the 400 kV electricity ring between Albania, the former Yugoslav Republic of Macedonia and Greece.



Existing 400 kV lines in the former Yugoslav Republic of Macedonia

Results:

- Balanced energy market between the former Yugoslav Republic of Macedonia and Albania.
- 95 km of 400 kV overhead transmission line between Bitola and the border with Albania (via the Bitola – Resen – Ohrid – Struga corridor).
- Bitola substation upgraded and new Ohrid substation built and operational.



View of existing 110 and 400 kV transmission lines.

¹ Subject to a final decision by the budgetary authorities.



Albania – the former Yugoslav Republic of Macedonia Power Interconnections.

Estimated Start Date:

- First quarter 2017

Estimated End Date:

- June 2020

Estimated Loan Repayment Period:

- 12 years

Electricity generation in Albania is predominantly based on hydropower, while approximately 85% of the power generated in the former Yugoslav Republic of Macedonia is from coal. Connecting the two systems will help to balance the two power markets and enable more efficient management of the reserve and emergency capacities in both countries. Moreover, the new transmission line will trigger better and less expensive energy supply to residents and businesses in the former Yugoslav Republic of Macedonia by normalising voltage levels, stabilising load flow and frequency fluctuations, and decreasing technical losses in the overall transmission system.

The new high voltage supply system will thus not only help complete the connection with the wider region but also improve the capacity and reliability of the power supply system in the former Yugoslav Republic of Macedonia.

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

The section from Bitola to the border with Albania is now at detailed design stage; the project preparation phase is due to be completed in 2016.

Construction will not involve population resettlement and will have a minimal impact on existing biodiversity.

Benefits

- At least 270 jobs created by MEPSO and its contractors for the duration of building works, i.e. a minimum of 36 months.
- Reduced transmission losses leading to lower electricity prices for householders, industry and investors in the former Yugoslav Republic of Macedonia.
- Power supply in both countries secured by eliminating overloads in the existing systems and thus reducing the outages.