

TRANSBALKAN CORRIDOR

2nd PEI electricity group meeting
Vienna, 11th December 2017

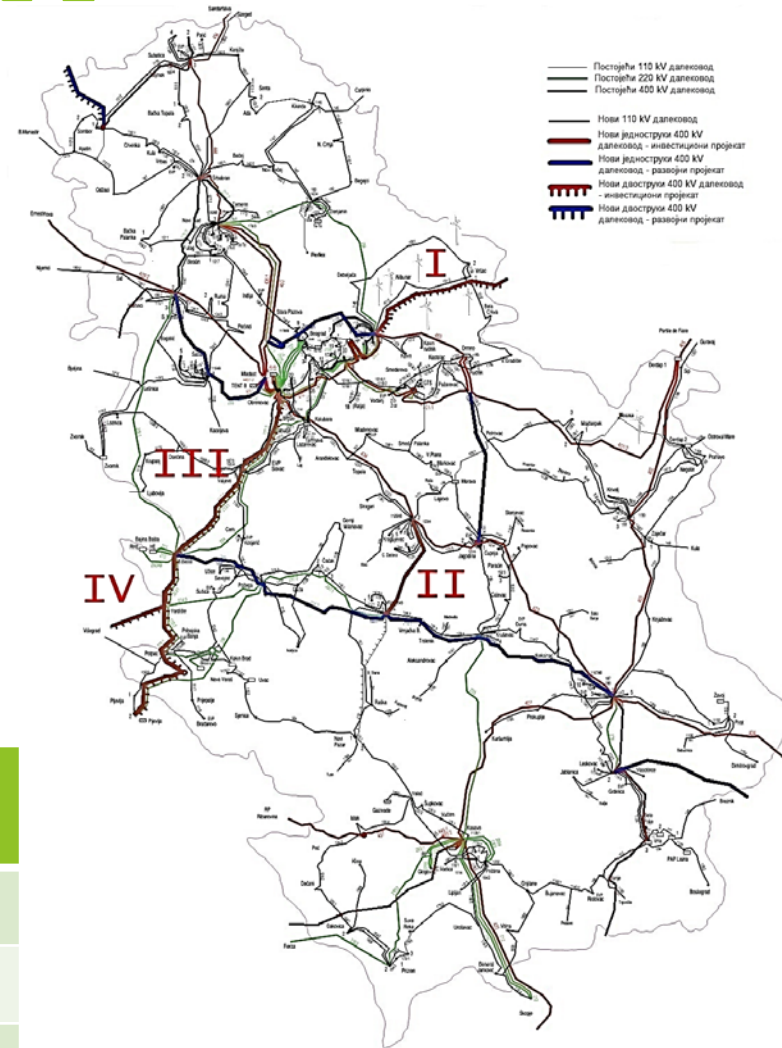
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- PHASE 1 -

❖ For PECI 2018 the following sections have been submitted:

- II - New 400 kV OHL SS Kragujevac 2 – SS Kraljevo 3, with voltage level upgrade in SS Kraljevo 3 to 400 kV voltage level
- III - New double circuit 400 kV OHL SS Obrenovac – SS Bajina Basta with upgrade of SS Bajina Basta to 400 kV
- IV - New 400 kV interconnection between Serbia, Bosnia and Herzegovina and Montenegro

Section	Length (km)	Investment (MEUR)
II	60	29.6
III	109	66.2
IV	84	41.3
Total	253	137.1



Implementation plan

- Section II is under the construction and is expected to be finished in year 2020

Section III: Obrenovac – Bajina Basta

No.	Project Stage	Status	Comments
1.	Master plan or any other relevant spatial plan	NS	Estimated to start in Q1 2018
2.	Definition of the individual investment project	C	
3.	Pre-feasibility study	C	
4.	Feasibility study and Cost-benefit analysis	WIP	Q4 2017
5.	Land ownership	NS	Estimated to start in Q3 2019
6.	Preliminary design	C	Q4 2017
7.	Detailed design	NS	Estimated to start in Q4 2018
8.	Environmental (and social) impact assessment	WIP	Q4 2017
9.	Loan and grant negotiations for the investments	WIP	Q4 2018 Loan Agreement negotiations Q4 2018 Grant Agreement negotiations
10.	Signing of loan and grant for the investments	NS	Q2 2019 Loan Agreement signing Q2 2019 Grant Agreement signing
11.	Procurement	NS	Services and Good estimated in Q2 2020
12.	Contracting of works	NS	Estimated in Q1 2021
13.	Construction and supervision	NS	Estimated to start in Q2 2021

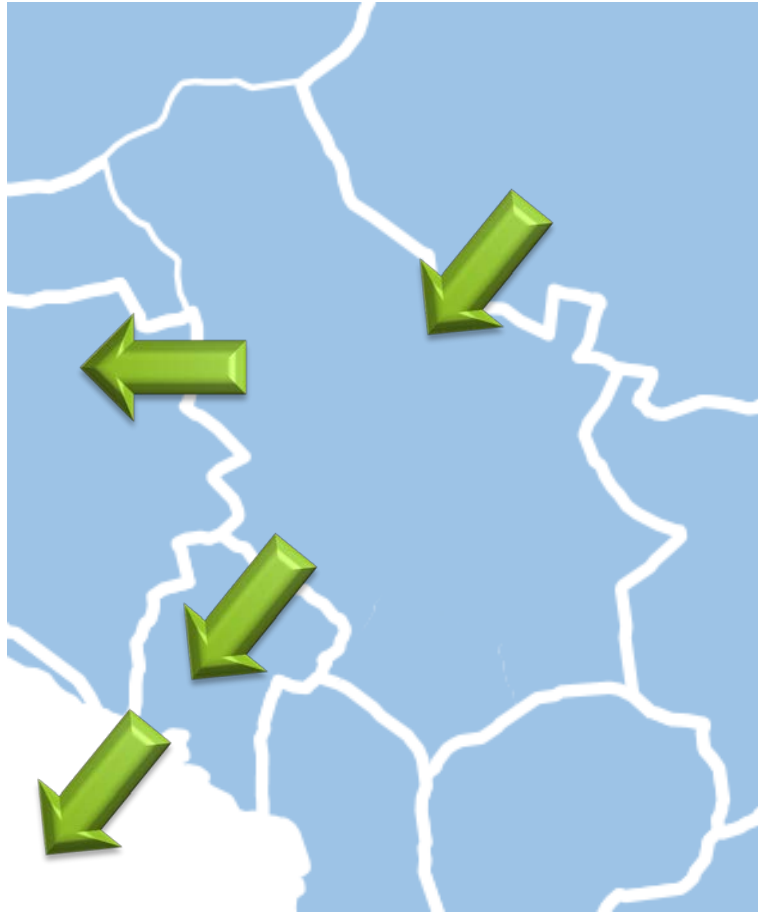
Section IV: RS-ME-BA interconnector

No.	Project Stage	Status	Comments
1.	Master plan or any other relevant spatial plan	C	Adopted in November 2017
2.	Definition of the individual investment project	C	
3.	Pre-feasibility study	C	
4.	Feasibility study and Cost-benefit analysis	C	Completed in Q1 2015.
5.	Land ownership	NS	Estimated to start in Q3 2018
6.	Preliminary design	C	Completed in Q1 2015.
7.	Detailed design	NS	Estimated to start in Q2 2018
8.	Environmental (and social) impact assessment	C	Completed in Q1 2015.
9.	Loan and grant negotiations for the investments	WIP	Q4 2018 Loan Agreement negotiations Q4 2018 Grant Agreement negotiations
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- MAIN REASONS-

- Increasing of SoS in western Balkan area
- Market coupling between Balkan and Italy
- Strengthening the important regional and pan-European energy paths:
 - From the **Northeast** to **Southwest**
 - From the **East** to **West**
- Full utilization of HVDC cable IT-ME
- Higher integration of RES in the region



Financing and risks of the projects

Section	Project Investment costs	National contribution	Grant	Loan	Company (financial) FNPV
	(MEUR)				
II	29.6	8.1	6.5	15	-15.6
III and IV	107.5	12	21.9+4.7	68.9	-21.3

RISKS:

- Financial – Lack of grant support for sections III and IV will delay the projects
- Economic – economic downturn of Serbia could impact the economic return of the projects
- Permit – delays in obtaining all the necessary permits from national authorities