

The Republic of Albania won arbitration over hydropower plant Kalivac against Italy's Hydro S.R.L, Albanian infrastructure and energy ministry announced.

The International Court of Arbitration ruled in favor of Albania in a breach of contract in the Kalivac construction case and the Albanian government will receive EUR 172 million in damages.

In October 2014, Albania was sued by Hydro S.R.L. for not respecting the concession agreement concluded between the two sides for the construction of a hydropower plant in Kalivac. Italian company requested the breach of contract and the EUR 137 million in compensation, plus costs of the claimant and the arbitration process.

Albania filed a counterclaim, arguing that Hydro S.R.L. was in breach and failed to fulfill the concession contract. That caused an EUR 158 million damage, which Albania requested as well as EUR 12,9 million of unpaid interest on accounts of the company's failure to complete the HPP construction.

In its decision, the Paris-based arbitration tribunal said Hydro S.R.L must pay the compensation, the interest and a further 1.25 million euro in court expenses, the ministry explained in the statement.

In May 2017, the Albanian Ministry of Energy and Industry published a new tender for the construction of the Kalivac hydropower plant on the river Vjosa, emphasizing that special attention was going to be cast to the environmental impact of the submitted proposals.

In October, Ayen Enerji & Fusha, a Turkish-Albanian consortium, won a contract for construction and operation of a 120 MW Kalivac HPP, with a 35-year concession period. The Ministry highlights that special attention was paid to the environmental impact of the projects. Thus measures were taken for reducing the impact on the water stream by creating a special fishway.

Construction works on Kalivac are projected to cost EUR 125.3 million and last two years and a half, the ministry of energy and infrastructure in Tirana said last year. Annual electricity production at the future hydropower plant located near Kalivac village, in southern Albania, is projected at 366.6 million kWh.

Source: balkangreenenergynews