

On Krnovo will soon begin construction of 30 wind turbines with total power of 72 MW. The expected annual electricity generation of wind power plant Krnovo is about 160 GWh. The European Bank for Reconstruction and Development will largely finance the construction of the windmills.

After construction, the wind farm will be connected directly to the local electricity network. Ministry of Sustainable Development and Tourism issued a building permit last year to the Company "Krnovo Green Energy" for the construction of wind turbine on Krnovo worth 120 MEUR. Building permit is covered by the construction of two substations in Brezna and Krnovo, access transmission lines, windmills systems and buildings maintenance.

Wind turbines, the first of its kind in Montenegro, will build French investor "Akuo Energy", and time limit is two years.

All decisions on expropriation of immovable property necessary for the construction of wind farms are final and registered in the real estate and the previous owners have not challenged this procedure, so the purpose of those properties is not questionable from both sides. Started disputes are related solely to assess the value of the mentioned real estate, rather than their intended purpose.

The state - owned land is leased by treaty for a period of 20 years, with the possibility of extension up to a maximum of 5 years.

What is written in the contract: For the first 12 years of wind farms operation, the purchase price of electricity produced by wind power is guaranteed and cannot be less amount of 95.99 € / MWh.

The lease agreement for the land and wind farm construction on the site Krnovo (municipality of Niksic, Savnik and Pluzine) was concluded on August 5<sup>th</sup>, 2010<sup>th</sup>, with the consortium "MHI-rimmed Consulting GmbH" whose members were "Mitsubishi Heavy Industries" from Japan and "Ivica Consulting" GmbH from Austria. Rental period is 20 years, with the possibility of extension up to a maximum of 5 years. Shortly thereafter, the consortium addressed the Ministry of Economy with request that instead of "Mitsubishi Heavy Industries", the French company "Akuo Energy" approached the consortium as a new leader of the consortium, after which the Ministry of Economy on September 24<sup>th</sup>, 2012<sup>th</sup>, concluded that the company "Akuo Energy" met the requirements of the tender documents and that it could replace the company "Mitsubishi Heavy Industries" in the consortium.

Source; ESIASEE