

Montenegro's state power utility Elektroprivreda Crne Gore (EPCG) has signed a EUR 33 million loan agreement with German development bank KfW for Phase II of a project to overhaul and modernize the Perućica hydropower plant (HPP), the country's oldest.

The loan agreement for the second phase of HPP Perućica's reconstruction and modernization was signed by EPCG CEO Igor Noveljić and Bodo Schmuelling, project manager at KfW, according to a press release from EPCG.

The second phase of HPP Perućica's reconstruction and modernization will cover the reconstruction and modernization of hydromechanical and electrical equipment at three of the plant's seven units - the A5, A6, and A7 - and other equipment and the reconstruction of the Opačica and Moštanica canals.

Tendering for construction works will be launched during October/November, while the works are expected to begin in the spring of 2020, Ivan Mrvaljević, head of development at EPCG, was quoted as saying.

Tendering for the reconstruction and modernization of hydromechanical and electrical equipment is envisaged to be launched in early 2020, while the works are planned to start in the early fall of 2020.

### **Loan deal to help prepare documentation to build new unit at HPP Perućica**

A EUR 700,000 portion of the loan will be used to produce project and tendering documentation for a EUR 23 million project to build a new, A8 unit at HPP Perućica, said Mrvaljević. The A8 unit, with a design capacity of 58.5 MW, would increase HPP Perućica's overall installed capacity from 307 MW currently to 365.5 MW, he said.

At the signing ceremony, Montenegro's Economy Minister Dragica Sekulić welcomed the fact that the loan agreement paves the way for adding some 60 MW of capacity to HPP Perućica, which is marking 60 years of operations next year.

For his part, Schmuelling noted that the loan agreement represents a continuation of KfW's successful cooperation with EPCG, aimed at supporting Montenegro in securing reliable energy supplies from renewables and reducing greenhouse gas emissions. The EUR 33 million loan has been approved under KfW's new Greening Public Infrastructure program, which earmarks EUR 80 million in favorable, subsidized lending for Montenegro, he said.

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