

Regional Study – Consortium approach to developing the Gas to Power Initiative and the Energy Community (EnC) Gas Ring in South East Europe

Project Financing

WBIF Grant WB7-REG-ENE-SD-14 € 1,000,000

Total € 1,000,000

Total Grants € 1,000,000

Total Loans € 0

Project Description

The concept of an Energy Community Gas Ring was first proposed in the South East Europe Regional Gasification Study, 2009, a piece of work sponsored and managed jointly by the World Bank and KfW. Building on this initial concept a WBIF grant was provided to examine development options and to develop financing arrangements for the implementation of the Energy Community Gas Ring, and the associated gas-to-power initiative, through public-private partnership (PPP) consortia.

The development of the gas ring would include the creation of gas anchor loads, which are envisaged to be combined cycle gas turbine power stations amounting to 2-3 billion m³ per annum of gas demand and located at strategic points on the proposed gas ring. This concept is a relatively new approach to attracting the private sector to participate in the development of gas power plants through the establishment of a consortium of investors. These investors could be private energy companies, IFIs, state-owned companies (electricity generators, suppliers, gas suppliers, and traders), big electricity consumers and municipalities. In the net of contracted sales to the national utilities, each shareholder would have the freedom and the responsibility to sell his share of the electricity to distribution companies and/or eligible consumers, in the territory of the corresponding contracting party and/or in the regional electricity market, depending on their preferences (within the constraints of the regional network). This approach (contrasting with the more normal practice of selling to national utilities under long-term power purchase agreements) is chosen to promote and support both investment and competition in the national and regional electricity markets. The consortium would determine the required gas infrastructure needed to deliver gas to its national PPP companies which would build the power plants. This infrastructure would be in line with the development intentions of the [Energy Community](#) Gas Ring.

- **Countries:** Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia
- **Code:** PRJ-MULTI-ENE-008
- **Sector:** Energy
- **Lead IFI:** WB
- **Status:** Completed
- **Beneficiary:**