



ALBANIA

Partners:

- OST (Transmission System Operator in Albania)
- The Ministry of Energy and Industry, Albania
- The Ministry of Finance, Albania

EU contribution:

- €14.3 million

Estimated total investment:

- €70 million

Estimated KfW loan:

- €50 million

Beneficiary contribution:

- €5 million

Albania – the former Yugoslav Republic of Macedonia Power Interconnection (I): Grid Section in Albania

This project is part of the European Commission's initiative to establish an East – West electricity transmission corridor between Bulgaria, the former Yugoslav Republic of Macedonia, Albania, Montenegro, and Italy. The corridor is essential in allowing for cross-border energy exchange, more efficient use of existing and planned power capacities, and better load flow balancing in the region.

The section between Bulgaria and the former Yugoslav Republic of Macedonia has been completed, and the construction of the submarine cable between Italy and Montenegro is underway. In addition, a new 400 kV connection between Albania and Montenegro is now in operation while an undersea cable between Albania and Italy is in the planning stages.

In Albania a 400kV transmission system will connect Fier to Elbasan and from there to the border with the former Yugoslav Republic of Macedonia. In addition, a new substation (Elbasan 3) will be built while the substation in Fier will be upgraded to 400 kV level.



Modern substation in Elbasan, Albania.

Results:

- Albanian power transmission system integrated into the European energy market.
- Approximately 130 km of 400 kV overhead transmission line from Fier to the border with the former Yugoslav Republic of Macedonia.
- Fier and Elbasan substations upgraded.



Existing 400 kV transmission lines in Elbasan, Albania.

Previous EU contribution:

- €1.45 million (project identification and preparation costs)

Estimated Start Date:

- Mid 2019

Estimated End Date:

- End of 2022

Estimated Loan Repayment Period:

- 11 years



Albania – the former Yugoslav Republic of Macedonia electricity transmission interconnections.

Significant increases in annual power load and several new generation sources added to the Albanian grid have put a strain on existing transmission systems, leading to frequent interruptions in electricity supply to domestic and industrial consumers alike. The existing transmission systems would not be able to cope with the new power generation sources planned for development in southern Albania (e.g. hydropower plants on Devoll and new gas-powered electricity plants). In addition, due to its reliance on hydropower generation sources (90% of overall energy mix), Albania is highly dependent on annual precipitations and thus potentially vulnerable to climate change impact.

The new high voltage supply system will make the power supply system in Southern Albania more reliable and help connect the Albanian power transmission systems to the wider region.

The project is now at detailed design stage, with tendering for works planned to commence in the last quarter of 2018, in two lots. Lot 1 will concern the construction of the 400 kV transmission line between Fier, Elbasan and Qafe-Thane (border with the former Yugoslav Republic of Macedonia), while Lot 2 concerns the construction of the new

Elbasan 3 substation and the upgrade of the substation in Fier.

No population resettlement will be needed and the impact on biodiversity will be minimal since the new facilities will be built on degraded parklands or agricultural land with low productivity.

Benefits

- An estimated 1 GWh will be exchanged annually between Albania and the former Yugoslav Republic of Macedonia.
- 150 jobs created during construction and another 10 for the operation and maintenance of the new facilities.
- At least 2,800,000 people and numerous industries in the southern part of Albania will benefit from uninterrupted electricity supply.
- Reduced transmission losses, leading to lower electricity prices for Albanian consumers, industry, and investors.
- Secure power supply in Albania by eliminating overloads in the system and so reducing the outages.
- Reduced greenhouse gas emissions through the reduction of technical losses (estimated at 50,000 tCO₂).