

Comments to the Draft Detailed Spatial Plan (DSP) for the alignment of the transmission line from the Coast of Montenegro to Pljevlja and the undersea transmission line Italy – Montenegro

General comments:

- The Draft DSP showed that the construction of the undersea interconnection is envisaged for the energy export from the region towards Italy;
- The Draft DSP failed to prove that it is in the interest of future financial benefits of Montenegrin citizens to devastate irreversibly a significant part of our territory;
- The Draft DSP is not aligned with the Law on Spatial Development and Construction of Structures nor the Spatial Plan of Montenegro as the highest-level planning document;
- The Draft DSP leaves the issue whether the future power line will be part of Montenegrin transmission system open;
- The DSP drafters contrive the data that the project is needed for the implementation of future energy-related projects in Montenegro, development of tourism amenities and job creation, but the Draft itself failed to verify the gains for Montenegro of this project's implementation, but implies that the Italian company will have benefits;
- The Draft DSP was done without valid base studies, and the relevance and objectivity of the numerous data used is questionable, in particular those done by Terna as a party with a direct stake in the project;
- The Draft DSP failed to verify that the proposed solution is the best in the light of spatial criteria and sustainable development principles;
- The Draft DSP shows intended huge physical undertakings that would have many an adverse impact on the environment.



1. The draft DSP for the undersea line failed to respond to the basic issue whether and why Montenegro needs such transmission grid:

The DSP drafters failed to respond to the key issues of whether and why, energy and economy wise, Montenegro needs the envisaged transmission grid or whether that was the request of the Italian partner Terne, with which the agreement for this deal has already been signed.

Apart from the statement that transboundary connections need to be increased, the drafters failed to offer any valid arguments to confirm Montenegro's gains from the transmission line and the undersea interconnection development.

2. The Draft DSP for the transmission and the undersea line confirm that the undersea interconnection is envisaged for the sake of energy exports from the region to Italy:

The Draft DSP states that "at this point in time at the north of Montenegro towards BiH and Serbia there is not a single 400 kV connection. Given the plans for the development of generation facilities in BiH and Serbia, to the north of Montenegro, as well as the project of the undersea line between Montenegro and Italy, at least one 400 kV interconnection towards the transmission system of Montenegro would be of great benefit in case of exports from Bosnia and Herzegovina, or Serbia to Italy and it would enable secure and smooth transit of energy".

This quote from page 67 of the Draft DSP indubitably shows the actual reasons behind this project, i.e. energy transit to Italy.

3. The Draft DSP leaves the issue whether the future power line will be part of Montenegrin transmission system open:

Apart from not being aligned with the power and transmission grid facilities envisaged by the Spatial Plan of Montenegro, for the whole length of the transmission line there is only one substation foreseen where power would be transferred to the domestic 220 kV, 110 kV or 35 kV grid.

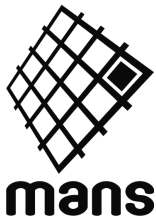
This could lead to a conclusion that the whole transmission line is envisaged only for the transit of power from Montenegro, Serbia, Bosnia and Herzegovina, and Albania to Italy, in which case it does not constitute an improvement of the domestic transmission grid, although it uses the space on the territory of our state.

4. The DSP drafters contrive the data that the transmission and the undersea line are needed for future power generated in Montenegro:

As one of the basic considerations underpinning this project, the drafters state the planning of transmission grid development that needs to be ready to absorb all technically usable hydro-, wind or sun power potential. Then they move on to list all future energy sources: Morača HPPs, Komarnica HPP, Berane TPP, wind power plant at Krnovo, as well as a group of small hydros in the municipality of Šavnik.

Given that the future energy sources are planned with the existing power system of Montenegro in mind, such allegations are seen as contriving, because it stems from the Draft that the transmission line serves the undersea connection as a separate transmission system to facilitate the energy export to Italy.

It is inexcusable for the drafters to justify the project need with the energy sources for which it is uncertain whether and when they will be developed.



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5. Speaking of interconnections between the transmission systems of Montenegro and Bosnia and Herzegovina, the drafters mention the possible construction of the Buk Bijela HPP, thus overlooking the fact that the protection of the Tara River was reinforced by the Declaration of the Parliament of Montenegro:

In the DSP section mentioning the construction of the new substation at Brezna, the drafters state that it would enable linking Montenegrin power transmission system with the neighbouring one in Bosnia and Herzegovina from several more directions, such as substation Gacko, or “from the direction of the Buk Bijela HPP if Bosnia and Herzegovina opts for its construction”.

Thus, the drafters ignore the fact that the Buk Bijela HPP development project failed before since it would endanger Tara river, leading the Montenegrin Parliament to adopt the Declaration for its protection.

6. The solutions from the Draft DSP for the transmission and the undersea line fail to consider different scenarios regarding KAP when referring to the energy deficit:

The drafters refer to the excerpt from the Energy Strategy of Montenegro that there is “a gap of many years in developing own energy sources, a highly pronounced import dependence for more than 1/3 of energy needs, a large share of untapped and energy quality potential”.

It remains unclear why the drafters neglected the fact that KAP is delivered one third of total generation. Given that the arrangement with KAP of privileged power delivery is in force until 2012, and that the plant owner is obliged henceforth to procure the power in the open market, it means that Montenegro does not have an energy deficit issue for domestic consumption.

The drafters also failed to take note of the fact that in 2015 a free energy market is to be established for Montenegrin consumers, meaning that they would be able to buy energy from other systems, thus the construction of new energy facilities a not be put in connection with the need to resolve the energy deficit.



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1. The Draft DSP for the transmission line and the undersea connection was done without valid base studies:

The text states that “due to the timeframe for the Plan development and commitments to the overall project assumed by the Government of Montenegro, the Plan was done without additional studies that would significantly facilitate the work on the DSP” (page 176).

It may be inferred from the text that no feasibility study was done to factor in the environmental and social protection aspects, and in particular no real economic analysis has been offered to confirm the social benefits of the project.

Thus, the drafters have directly admitted to have worked hastily on the DSP in order for the plan to be completed as soon as possible, opening the issue whether and to what extent the proper solutions have been considered.

2. The approach in which the economic market forecasts are based on limited information and the information presumed to be true is unacceptable and lacks seriousness:

The DSP drafters admit that “the economic and market forecasts are based on publicly available and in many respects limited information and other documents presumed to be true at the time of reporting.” (page 168)

Note was also taken of many project implementation impacts to be only indirect, while the direct ones may be quantified at this stage “only preliminarily and the precise indicators may be obtained only after the detailed design of the transmission line and other facilities”.

Such an approach is unacceptable and lacks seriousness, because the public needs to hold full information on the gains and losses stemming from the project.

3. The drafters contrive the data of project impact on tourism facilities development:

The drafters envisage the project to ensure the development of upscale market tourism with diversified supply in the undeveloped areas of the Municipality of Budva, such as Jaz, Lučice and Buljarica, and new facilities in the subarea of Kotor and other settlements.

Tourism development is also envisaged for Žabljak, without any elaboration of how this energy development would have a predominant impact on high-end tourism development.

4. The draft DSP for the transmission and undersea line does not contain any data indicative of its financial benefits for Montenegro:

The text states that “Montenegro will probably have comparably more benefits than other countries involved from better use of hydro power and easier access to export (import) of energy from/to other countries stemming from possible integration of the South East European market and between SEE and Italy. The implementation of the transmission and undersea lines would increase the transmission capacities”. (page 172).

It is also noted that according to preliminary studies it is expected that the revenues of Prenos would increase in the first year for 5 to 6 million, and in the stage of full use for 10 to 11 million, promising that this revenue would be used to offset transmission costs payable by Montenegrin consumers. There is no mention that this revenue is accrued by a company in mixed ownership which at some point may become a fully private one.

5. The draft DSP for the transmission and undersea line is sent for public discussion without the social and environmental study in place:

The text takes note that in future work the drafter will be using the data from the Feasibility Study currently being prepared by the expert team of Prenos, which analyses social and environmental aspects.

It is also noted that according to the preliminary findings the main aim is early identification of conflicts in the area of environment and society for the lack of prior base studies needed for the DSP development.

Such an approach is ludicrous, given that this is a project to have huge impact on the environment, and thus such studies must have made an indispensable base for drafting DSP.

III SPATIAL ASPECT AND THE LOCATION OF THE FACILITY IN LASTVA

1. The draft DSP for the transmission and undersea line show that huge undertakings are envisaged bound to have a set of adverse impacts on the environment:

The Draft states that the area covered by the DSP includes a 1 km wide corridor from Montenegrin territorial waters to the Coast, via Lastva Grbaljska to Čevo and onwards to Pljevlja.

The corridor has the total of 181 km in length (31.5 undersea, 5.5 km subterranean and 144 km of areal transmission line) and it crosses eight Montenegrin municipalities – Kotor, Budva, Cetinje, Nikšić, Plužine, Šavnik, Žabljak and Pljevlja, and the total area covered is over 14,000 hectares or 1% of Montenegrin territory.

2. The project development will have a major impact on the farming land:

Over the total transmission line path of some 145 km in length, some 15 ha of land will be permanently usurped. Adding to this the 24 ha in Lastva, the minimum of 39 hectares of land will be permanently usurped.

Possible damage to farming and other land, as well as the overall environment, does not only refer to placing power poles and transmission line pathway, but also the need to make access roads, as well as the construction of necessary substations or other needed power facilities.



3. There are doubts into the objectivity and impartiality of studies for the preliminary undersea line path, given that it was done by Terna, as a company supposed to be the project developer:

The drafters say that the assessment of the undersea line pathway was done by Terna and state furthermore that based on detailed studies of the sea (the coastal and the undersea area) Terna will identify the detailed preliminary pathway and the detailed bathymetry of the given area, which will be used in the design and execution stage.

This means that there is no other study available with the exception of the one done by Terna, thus leading to the question of how thorough and objective this study is, given that Terna holds a direct stake in the deal.

4. It is questionable whether an optimal solution was found for the cable entry point at the Montenegrin coast, and a particular cause for concern is presented in the question whether the drafters entered into the draft the solution proposed by Terna for the converter facility:

The drafters take note that the only acceptable site for the line reaching land out of the sea is the Jaz promontory, provided that it is very carefully sited and that strict protection requirements observed; nevertheless, they admit that without serious exploration to gauge the thickness of deposits at the Jaz beach, it is not possible to consider the possibility of laying the cable by using the HDD (Horizontal Directional Drilling) technique.

Given the above, the question raised here is how serious would be the field exploration works for selecting the proper site for the cable entering the sea and whether the proposed solution is an optimal one.

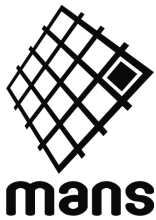
Moreover, regarding the site for converter facility and the substation, it is recalled that the Terms of Reference propose the site of Blato in Lastva Grbaljska as a result of the joint feasibility study carried out by Terna and Prenos.

This underpins doubts whether the drafters have just inserted the preselected site, and that all the rest, touched upon in several sentences each, were just considered for the sake of appearances of having several alternative solutions.

5. Regarding the corridor, the Draft DSP calls upon studies not known to the public:

On page 8, the drafters state that “the possibility of connecting the two systems via a new 400/110kv Bar 2 substation was considered as the alternative solution. The analyses of power flows and reliability of supply for consumers in Montenegro, as well as the analyses of possible routes for laying the undersea cable and the interconnection of Italy and Montenegro by the new HVDC proposed by the Feasibility Study, done by the Electrical Energy Coordination Centre, showed a number of advantages of the first option.”

It is unclear which analyses showed that the transmission line corridors envisaged by the Spatial Plan of Montenegro are an inferior solution to the pathway proposed by the DSP, which do not feature in the former at all. This also implies that the selection of site for the point where the undersea cable enters Montenegrin land, as well as the transmission line path from the DSP were adapted to the power system of Italy and the economic interests of the strategic partner.



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6. Envisaged transmission line pathway does not make use of any of the existing and envisaged infrastructure corridors:

The DSP provides utterly incontrovertible arguments in favour of the corridor path (Bar – Boljare motorway corridor is not used because it crosses the NP Skadar Lake, but the proposed corridor, though, crosses both the NP Lovćen and the NP Durmitor with the Tara River gorge). Moreover, the Risan – Žabljak highway corridor is ruled out because “400 kV transmission may not follow a highway corridor because it is conditioned by the location of the converter facility and the targeted point of Čevo defined by the ToR and the needs of the transmission grid” which is absurd since it practically puts the ToR above the Spatial Plan of Montenegro.

With this regard, it is important to note that around 80 km of the pathway (some 8,000 ha or over 55%) passes through woodland, thus putting some 300 ha of forests under the “immediate influence of the corridor”, meaning, it will be cut down. This is illustrative of the total disregard for natural environment in pursuit of most cost-effective solutions for the strategic partner.

7. The drafters disregard the protected areas of nature given that the envisaged transmission line path crosses two national parks:

According to the draft DSP, the selected transmission line pathway crosses the NP Lovćen, with the suggestion from the side of the drafters to avoid and to the maximum extent possible move away from the parts of the park designated as areas of special protection and strict conservation.

They, moreover, note that a part of the proposed option, i.e. the section between Čevo and Šavnik, is characterised in a major way by the adverse economical aspects due to the increased length of the pathway, whereas a major advantage is more favourable location compared to the envisaged transmission grid facilities, particular with reference to Komarnica HPP and envisaged wind generators at the site of Krnovo to the west of Nikšić. Thus, the drafters confirm their pursuit of a more costly option for the sole reason of having the transmission line closer to the new energy sources, which additionally confirms the concerns that the envisaged transmission line pathway is solely linked to the interests of the strategic partner.

8. The project threatens the environment of major cultural and historic heritage of Montenegro:

The corridor is envisaged to pass three kilometres to the north of the Đurđevića Tara bridge, a true built heritage landmark, and the drafters suggest it is necessary to secure least impact possible on the nature and cultural heritage, primarily the Mausoleum as the single most prominent piece of material culture in Montenegro, and that care should be taken in the area around the Church of Holy Transformation, with surrounding unexplored sites, the monastery and the monastic quarters of the Ivan Crnojević’s 15th century building and a clearly visible necropolis towards the northern part of the nearby basin.



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The calls upon prospective investor's "sensitivity" seem naive at best, given the common-knowledge fact that investors are interested in profit-making, and not in sensitivity for preservation of cultural and natural assets.

9. In selecting the site for converter facility in Lastva Grbaljska the drafters were not led by the public interest given that the plan covers only the elements of interest for the prospective investor:

The detailed elaboration of the converter facility and the substation contains a mention of the possibility of having 110/35 kV substation at the same spot as well, but only as "a matter of future discussions with the EPCG", while the 400/110 kV substation is described in detail.

Given that all 35 kV and above transmission and distribution grid facilities are regarded as facilities of general interest, it may be said that the general interest has been put aside given the elaboration of only the elements of interest for the investor, while the improvement of the local supply remained only circumferential and without clear guidance.

10. In selecting the site for locating the converter facility, the drafters disregarded the fact that the Spatial Plan of Montenegro envisages good quality farming land to be preserved and safeguarded against changing purpose and development:

The site in Lastva Grbaljska covers 35ha of good quality farming land with the system of irrigation canals.

According to the national Spatial Plan, such land should be protected against changing their use and development. Nevertheless, the construction of the said facility at some other site was in all probability not cost-effective for the investor and, hence, the drafters circumvented the guidance set by the highest-level plan.

11. In seeking the site for the converter facility, the drafters disregarded the fact that it involves land encumbered with disputed ownership:

The detailed elaboration of this site fails to mention the property relations or expropriation, although the land is owned by several entities, including, apart from the state and state-owned companies "Montepranzo" and "Bokaproduct", also the Municipality of Kotor, Montenegrin Metropolitan and a large number of individuals.

This is an interesting issue given that, formally and legally, this facility constitutes a facility of general interest, but owned privately.

IV LEGAL ASPECTS AND PLAN ALIGNMENT

1. The Draft DSP is not aligned with the Law on Spatial Development and Construction of Structures:

The current Law on Spatial Development and Construction of Structures has no mention of the possibility of DSPs being able to change the basic elements of Special Purpose Spatial Plans (SPSP), on the contrary it may be inferred that a SPSP is of higher order than a DSP. However, this draft DSP imposes solutions nonexistent in "Marine zone", "NP Lovćen" and "NP Durmitor" SPSPs.

It is unclear based on what this DSP is treated as a plan of higher order than the plans for special, protected areas, and based on what the DSP planning solutions bear more weight and importance than the solutions from Special Purpose Spatial Plans.



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2. The Draft DSP is not aligned with the Spatial Plan of Montenegro:

The 400kV transmission line paths featuring in DSP does not exist in the Spatial Plan of Montenegro by 2020. It only partially coincides with the 220kV pathway from the Spatial Plan, but for the greatest part it is freely flowing and unaccounted for in the higher-level plan.

Moreover, the DSP recalls to a much greater extent the Energy Development Strategy than the Spatial Plan. Although the impact of the energy lobby is more than evident, the plan drafter should know that various sectoral strategies are not binding documents in a system of spatial planning and development in our country, but higher-order plans are.

3. The converter facility site in Lastva Grbaljska is not envisaged by the Spatial Plan of Montenegro:

Although the Spatial Plan by 2020 does mention the interconnection between Montenegro and Italy and the construction of a 400 kV station at the coast, the said location in Grbalj was not mentioned. This gives a strong indication that Montenegro did not have a clear strategy and defined terms of reference, but gave way to the demands of the Italian energy corporation.

Podgorica, June 24th 2011



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