

 Early Warning System

EBRD-55982

GrCF3 W2 - OSHEE Tirana substation project



Quick Facts

Countries	Albania
Specific Location	Tirana
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-03-28
Borrower	Operatori i Shperndarjes se Energjise Elektrike (OSHEE)
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	\$ 24.47 million
Loan Amount (USD)	\$ 24.47 million
Project Cost (USD)	\$ 24.47 million



Project Description

As stated by the EBRD the project consists of an up to EUR 22.5 million senior sovereign-guaranteed loan to Operatori i Shperndarjes se Energjise Elektrike (OSHEE), the state-owned electricity distribution and supply company in Albania. The loan proceeds will be used for investment purposes to finance the construction of the underground 110/20 kV substation in central Tirana. The original cost estimate for the substation of EUR 14.5 million, was based on a preliminary assessment. However, the final technical design, developed by a specialised external consultant, revealed an increase of ca. EUR 8 million. This increase was primarily attributable to inflationary pressures on raw material prices, enhanced project specifications, and the incorporation of final technical requirements.

The project will enable OSHEE to replace an old electric substation, with a new and innovative underground substation. It will be the first underground substation to be implemented in Albania and the wider Western Balkans region. It will be the first digitally-operated substation of OSHEE. Full digitalisation is expected to improve operational efficiency, quality of supply and improve health and safety parameters. The project will incentivise OSHEE to accelerate transition to digital infrastructure and implement organisational programmes (including trainings) to support the swift implementation and transition to digital infrastructure.

The project aims to reduce technical losses in the power grid and protect the substation from extreme weather events, corrosion and vandalism. The use of proceeds will support an electricity system where the grid emissions factor is below 100 gCO₂e/kWh, which is the case in Albania due to its nearly 100% hydro-based power generation.

By replacing an over-the-ground substation with an underground one, the project will utilise the loan proceeds to fund the modernisation of OSHEE's critical infrastructure, specifically targeting the improvement of system reliability and operational flexibility. This will enable OSHEE to achieve significant reductions in transmission losses, bringing its performance closer to international best practices.



Investment Description

- European Bank for Reconstruction and Development (EBRD)



Private Actors Description

As stated by the EBRD, OSHEE is the 100% state-owned electricity distribution and retail supply company of Albania. OSHEE supplies all Albanian regulated customers and acts as the supplier of last resort for unregulated customers. OSHEE is responsible for the distribution network and acts as the offtaker of electricity produced by most independent power producers ("IPPs") in Albania. OSHEE's primary supplier is KESH who has a Public Service Obligation (PSO) to supply OSHEE with the necessary amount of energy to satisfy regulated demand.



Early Warning System

GrCF3 W2 - OSHEE Tirana substation project

EBRD-55982

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Operatori i Shperndarjes se Energjise Elektrike (OSHEE)	Client	Energy



Contact Information

Client - Operatori i Shperndarjes se Energjise Elektrike (OSHEE):

Enea Karakaci

Email: Enea.Karakaci@oshee.al

Website: www.oshee.al

Address: Blv. Zhan D'Ark, Tirane, Albania

ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



Bank Documents

- [PSD Translation \(Albanian\)](#)