

Press release

Rețele Electrice Companies attract new European financing, of over 433 million lei, for investments in networks in the 3 electricity distribution regions

- *The companies will carry out 6 projects, worth about 558.3 million lei, of which European financing will cover about 433.7 million lei*
- *The works in Ilfov, Ialomița, Calarasi, Caras Severin, Arad and Hunedoara counties will serve about 35,000 customers*

Bucharest, February 14, 2024 - The Ministry of Energy and the companies Rețele Electrice Muntenia, Rețele Electrice Banat and Rețele Electrice Dobrogea (part of the PPC group in Romania, previously named E-Distributie Muntenia, Banat, respectively Dobrogea) signed six non-reimbursable financing contracts through the Modernization Fund, for projects targeting the electricity distribution infrastructure in Ilfov, Ialomița, Calarasi, Caras Severin, Arad and Hunedoara counties.

The 6 investment projects to be carried out by the electricity distribution operators have a total value of about 558.3 million lei (excluding VAT), of which the amount covered by the Modernization Fund will be about 433.7 million lei (excluding VAT). The projects of transformation, reconfiguration and modernization of power grids aim to improve the quality of services for almost 35,000 customers.

Muntenia Electric Networks will implement a project with a total value of almost 167 million lei without VAT, and the maximum value insured from the Modernization Fund is 131.8 million lei. The project aims to modernize and increase the transmission capacity of several 20kV and 0.4kV overhead lines in the area of **Balotesti, Ilfov County**, for the benefit of 15,000 customers. The works will consist in modernizing the medium voltage network (20kV) by moving it underground, effectively replacing and reconfiguring the network on a length of 113 km, in the perimeter of Balotești, Săftica, Magura, Ghermănești, and the area of the Ana Aslan Institute. Under the same project, 89 new transformers will be installed and 40 existing transformers will be upgraded. Also, new sections of low-voltage network with a length of 26 kilometers will be put into operation, which will serve mainly household customers.

Rețele Electrice Dobrogea will carry out in Călărași and Ialomița counties two projects for the benefit of almost 11,000 customers, with a cumulative value of about 181.9 million lei, of which the value of the non-reimbursable financing is almost 140 million lei.

In **Călărași County**, parts of the medium and low voltage networks in five localities will be modernized, the value of the project being 106.7 million lei, of which the maximum value from the Modernization Fund is 131.8 million lei. Approximately 7,600 customers from Frumușani, Vasilați, Gălbinași, Plătărești and Fundeni will benefit from the modernization of 37 km of medium voltage network, over 7 km of low voltage, 59 transformers and about 150 connections. At the same time, the network in the area will be extended by over 32 km for the medium voltage segment, respectively by another 8 km for the low voltage segment and four new transformers will be installed.

In **Ialomița County**, Dobrogea Power Grids will carry out a project with a value of 45.3 million lei, of which the maximum insured value from the Modernization Fund is about 33 million lei. Approximately 3,200 customers in the Manasia area will have improved services following the modernization of the existing medium voltage network by moving it underground on a length of 23 km, and 12 existing transformers and 1,960 connections will be upgraded or replaced. At the same time, 34 km of new low-voltage grids will be built.

Rețele Electrice Banat will implement three projects worth a cumulative amount of 209.3 million lei in Arad, Caraș Severin and Hunedoara counties, targeting networks serving over 9,000 customers. The value of European funding for these projects is over 162 million lei.

In the **Aradul Nou** area, the project to be carried out by the electricity distribution operator will consist in modernizing and moving partially underground 16.5 km of medium voltage network, respectively of 40.5 km of low voltage network; Also, 23 transformers and 1,770 connections will be modernized. These works will benefit existing and future customers in the area. The value of the project is 86.7 million lei, of which the maximum value insured from the Modernization Fund is 67.4 million lei.

In **Caraș Severin County**, works will be carried out in Berzovia, Duleu, Remetea Pogănici, Valea Mare and Bocsa, with a total value of 74 million lei, of which the maximum insured value from the Modernization Fund is 57.7 million lei. In Berzovia, 65.7 km of 20 kV overhead lines will be upgraded by partially moving underground. The work will also include the modernization of 21 transformers, by replacing them with new stations in concrete enclosures. In the other four localities, the low-voltage network will also be modernized, benefiting 4,700 customers.

In **Hunedoara County**, Rețele Electrice Banat will carry out a project worth 48.6 million lei, out of which the maximum value financed from the Modernization Fund is 36.9 million lei. It will target the modernization of medium and low voltage power grids in Geoagiu, Geoagiu Băi and eight other localities: Aurel Vlaicu, Bozeș, Cigmău, Homorod, Mermezeu-Văleni, Renghet, Poienari and Văleni. In total, 37 km of medium voltage networks and 86 km of low voltage networks will be upgraded. At the same time, 33 transformers and 1,700 electrical connections will be modernized.

The validity of the six contracts ends upon expiry of the sustainability monitoring period of the projects, i.e. 5 years from the date of commissioning of the investments.

Sebastian Burduja, Minister of Energy: "Since the beginning of my mandate, we have focused on two main directions: accelerating investments in energy infrastructure and ensuring a quality service for all citizens. Through these new European financings obtained by Rețele Electrice through the Modernization Fund, we are taking important steps on both levels - we are modernizing distribution networks in vital areas of the country and investing in technologies that will support Romania's transition towards a sustainable and efficient energy future. All this means modernizing electricity distribution networks and increasing their degree of resilience in the context of climate change, absorbing as many prosumers as possible, digitizing networks and - most importantly - all these investments are made from non-reimbursable funds, without putting pressure on the distribution tariff, so without increasing the bills of end users. At the same time, it is essential to ensure access to a high-quality and reliable service for all consumers, especially in rural and peri-urban areas.

Through these investments, we ensure that Romania aligns itself with current energy requirements, but is also prepared for the future, with a robust infrastructure adapted to new technologies and environmental standards."

Mihai Pește, General Manager of Rețele Electrice companies: "We have signed six new projects for all three areas where we operate, whose total value is significant, almost 560 million lei. These projects mainly target rural localities in five counties, as well as a peri-urban area of Bucharest. We will upgrade more than 350 km of medium and low voltage grids, 277 substations, all to make the distribution network ready for the resilient energy transition, especially given the very intense weather phenomena we will face more and more often in the future. At the same time, we support the growth and development of communities through quality services so as to stimulate the economic competitiveness and well-being of those communities."

So far, the total value of the projects from non-reimbursable funds signed by the three companies Electric Networks (including those referred to above) amounts to over 1.1 billion lei with VAT, of which the value of grants is over 780 million lei, excluding VAT.

Rețele Electrice Companies operate networks with a total length of over 133,000 kilometers in three important areas of the country: Muntenia Sud (including Bucharest), Banat and Dobrogea, covering one third of the local distribution market, and are developing an investment program to improve service quality, network safety and performance and local implementation of PPC Group's environmental standards. The power grids operated by the three Power Grids companies include 287 primary stations and over 24,000 transformer substations.