

Transgaz obtains new funding from the Modernization Fund for strategic projects: EUR 8.5 million for supplying Işalnița and Turceni power plants

Bucharest, 27 September 2024 - The Minister of Energy, Mr. Sebastian Burduja, and the Director - General of SNTGN Transgaz SA, Mr. Ion Sterian, signed the financing contract for `Increasing the transmission capacity of the NTS and the security of natural gas supply of the Işalnița Electrocentrale Branch (Dolj county) and the Turceni Electrocentrale Branch (Gorj county)`. The financing is provided by the Modernization Fund, and amounts to approximately EUR 8.5 million.

The project carried out by SNTGN Transgaz SA has a total value of lei 143,601,585.81 (EUR 28,850,722.43), and the amount of financing from the Modernization Fund is lei 42,131,102.75 (EUR 8,464,480.00).

On the occasion of the contract signature, **Mr. Ion Sterian, the Director-General of SNTGN Transgaz SA**, declared: *`By signing this financing contract, Transgaz reaffirms its firm commitment to continue to develop, modernize and expand the natural gas transmission infrastructure using grants. The project ensures the supply of natural gas necessary for the production of base load power for the two gas-fired power plants, 850 MW Işalnița and 475 MW Turceni, and is also part of the decarbonization process undertaken by Romania. We reiterate on this occasion once again the firm message addressed to the new leadership of the European Commission and to the commissioners responsible for the environment, climate change and energy to take into account that security of supply, diversification of energy sources, reducing energy prices and combating climate change all have a common denominator: natural gas and natural gas transmission infrastructure. Only by ensuring a significant level of funding for the natural gas transmission infrastructure, ready for green hydrogen, can the prerequisites for reindustrialization, decarbonization, lower energy prices and an increase in the quality of life of the population be ensured. By this investment, Transgaz achieves two more major objectives: increasing the security of natural gas supply for the South-East of Romania and creating the necessary conditions for the connection of the region's localities to the National natural gas Transmission System, these developments of course allowing the supply of other domestic and industrial consumers in the area. The gas transmission pipelines to be constructed by Transgaz, CCGT Işalnița connection pipeline (Dolj county) - 0.610 km, TN Hurezani – TN Turburea gas transmission pipeline (Gorj county) - 24.165 km and Țânțăreni – Turceni gas transmission pipeline (Gorj county)- 11.055 km, have a total length of over 35.5 km, a DN 500 diameter and are designed for a pressure of 40 bar. They will cross two counties, allowing the connection to the natural gas network of 12 localities, meaning more than 42,000 citizens, 15,500 households, 82 educational establishments, 24 places of worship, 22 medical establishments and 11 cultural centres. This means improved quality of life for citizens and real opportunities for sustainable development for the local and national economy.`*

INFORMATION ABOUT THE PROJECT

The project **`Increasing the transmission capacity of the NTS and the security of natural gas supply of the Işalnița Electrocentrale Branch (Dolj county) and the Turceni Electrocentrale Branch (Gorj county)`** with the support of the Ministry of Energy, was declared a project of national importance in the field of natural gas by Government Resolution 549/2023 and Government Resolution 551/2023.

SNTGN Transgaz SA has submitted through the Ministry of Energy, a number of 12 projects for the extension and upgrading of the natural gas transmission infrastructure, with 4 projects approved so far to be financed under the Modernization Fund.

The Modernization Fund (MF) is made up of revenue from the auctioning on the market of 2% of greenhouse gas (GHG) emission certificates at EU level for the period 2021-2030, with Romania having allocated 11.98%, which represents a budget of over EUR 15 billion that can be used until 2030.

The works for the natural gas transmission pipeline **Increasing the transmission capacity of the NTS and the security of natural gas supply of the Ișalnița Electrocentrale Branch (Dolj county) and the Turceni Electrocentrale Branch (Gorj county)** are located outside the built-up area of the localities Hurezani, Vladimir, Săulești, Aninoasa, Turburea, Filiași, Țânțăreni, Brănești and Turceni in the counties of Gorj and Dolj. The pipeline is located in the counties of Gorj (RO 412) and Dolj (RO 413) in the South-West Region (RO41).