
MODERNISATION FUND

Accelerating the transition to climate energy

ROMANIA

MINISTRY OF ENERGY

MODERNISATION FUND
ANNUAL REPORT
2022

April 2023

1. INTRODUCTION

The Modernisation Fund is a financing program established for the period from 2021 to 2030 by Article 10d of *Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC*, which aims to support the investments in the modernisation of energy systems, improve energy efficiency and transition in coal-dependent regions in Member States with GDP per capita at market prices below 60% of the EU average (10 states).

Recognized as one of the key financing instruments contributing to the objectives of the European Green Deal, the Modernisation Fund is made up of the revenues obtained by auctioning on the market of 2% of the total quantity of greenhouse gas (GHG) emission allowances at EU level, for the period 2021-2030, Romania having allocated 11.98%.

Also, the Directive 2003/87/EC provides for the possibility that the beneficiary Member States of the MF may transfer all or part of the allocation granted free of charge under Article 10c, as well as the possibility of transferring all or part of the amount of allowances from the Solidarity Fund provided for in Article 10 para. (2) point. b) of the Directive. Romania has used this possibility of transfer and thus, the total number of certificates allocated to Romania in the MF is 200,766,069.

2. LEGAL AND INSTITUTIONAL INCIDENT FRAMEWORK

Taking into consideration the provisions of:

- Government Emergency Ordinance no. 60/2022 establishing the institutional and financial framework for the implementation and management of the funds allocated to Romania through the Modernization Fund, as well as for the amendment and completion of some normative acts, with subsequent amendments;
- Government Emergency Ordinance no. 212/2020 on the establishment of some measures at the level of the central public administration and for the amendment and completion of some normative acts, with subsequent amendments;
- Government Decision no. 780/2006 on the establishment of the greenhouse gas emission allowance trading scheme, with subsequent amendments and completions;
- Government Decision nr. 316/2021 on the organization and functioning of the Ministry of Energy, with subsequent amendments and completions,

Ministry of Energy is the national authority for the implementation and management of the Modernisation Fund provided for in Article 10d of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003, establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC.

The Annual Report of Romania for 2022 on the investments financed from the Modernisation Fund was drawn up in accordance with the provisions of Article 13 para. (1) of the *Commission Implementing Regulation (EU) 2020/1001 of 9 July 2020 laying down detailed rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the operation of the Modernisation Fund supporting investments to modernize the energy systems and to improve energy efficiency of certain Member States.*

3. OVERVIEW OF INVESTMENTS FINANCED FROM MODERNISATION FUND

3.1. Number of investments financed from the Modernisation Fund to date: 20

As a result of the evaluation of the priority and non-priority investment proposals submitted by Romania to the EIB/EC in 2021 and 2022 in order to finance from the budget allocated to Romania from the Modernization Fund, 20 investments (19 projects and a scheme) have been approved, their breakdown by priority and non-priority type being presented below:

3.1.1. Number of priority investments financed from Modernisation Fund: 18

No.	MF reference number	Name of investment	Type of investment	Investment proponent	Date of confirmation as priority investment
1.	MF 2021-2 RO 0-009	Building a new 400 kV OHL double circuit Constanța Nord – Medgidia Sud, one circuit equipped	project	CNTEE Transelectrica S.A.	12.10.2021
2.	MF 2022-1 RO 0-009	Building a new 400kV OHL single circuit Gădălin – Suceava, including interconnection to NPS (SEN)	project	CNTEE Transelectrica S.A.	23.03.2022
3.	MF 2022-1 RO 0-010	"Banat Axis" Stage II New 400 kV OHL Reșița – Timișoara/Săcălaz and retrofitting to 400KV of the 220/110 kV Timișoara substation	project	CNTEE Transelectrica S.A.	23.03.2022

4.	MF 2022-1 RO 0-011	" Banat Axis"*, Stage III - New OHL 400 kV Timișoara/Săcălaz – Arad, Retrofitting of 110kV Arad substation and of 400 kV Arad and Săcălaz substations	project	CNTEE Transelectrica S.A.	23.03.2022
5.	MF 2022-1 RO 0-012	Converting to 400 kV voltage of 220 kV axis Brazi Vest-Teleajen-Stâlpu	project	CNTEE Transelectrica S.A.	23.03.2022
6.	MF 2022-1 RO 0-013	Pilot project - Refurbishment of the 220/110/20 kV Alba Iulia station – in digital concept station	project	CNTEE Transelectrica S.A.	23.03.2022
7.	MF 2022-1 RO 0-014	Installation of two modern means of compensating reactive power in the 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu substations	project	CNTEE Transelectrica S.A.	23.03.2022
8.	MF 2022-1 RO 0-015	Optimising the operation of the existing 400 kV OHL in NPS (SEN), used for interconnection and power output from Cernavodă nuclear power plant and the renewable-energy power plants in Dobrogea, by installing on-line monitoring systems (SMART GRID)	project	CNTEE Transelectrica S.A.	23.03.2022
9.	MF 2022-1 RO 0-016	Digitalisation of Electricity Transmission Network in Romania by installing two online systems, for Metering and Data Management for measuring the electricity on the wholesale electricity market and for Monitoring the quality of electricity	project	CNTEE Transelectrica S.A.	23.03.2022
10.	MF 2022-1 RO 0-001	Construction of a Photovoltaic Park on the Waste Pile Rovinari East Open Pit Mining Unit	project	CE Oltenia S.A	23.03.2022
11.	MF 2022-1 RO 0-002	Construction of a Photovoltaic Park on the Waste Pile Pinoasa Open Pit Mining Unit	project	CE Oltenia S.A	23.03.2022
12.	MF 2022-1 RO 0-003	Construction of a Photovoltaic Park on the Waste Pile Bohorelu – Jilt Open Pit Mining Unit	project	CE Oltenia S.A	23.03.2022
13.	MF 2022-1 RO 0-004	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Isalnița	project	CE Oltenia S.A	23.03.2022
14.	MF 2022-1 RO 0-005	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Rovinari	project	CE Oltenia S.A	23.03.2022

15.	MF 2022-1 RO 0-006	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Turceni	project	CE Oltenia S.A	23.03.2022
16.	MF 2022-1 RO 0-007	Construction of a Photovoltaic Park on the Inner Waste Pile within Tismana 1 - Rosia-Rovinari Open Pit Mining Unit	project	CE Oltenia S.A	23.03.2022
17.	MF 2022-1 RO 0-008	Construction of a Photovoltaic Park on the Inner Waste Pile within the Tismana 2 - Roşia – Rovinari Open Pit Mining Unit	project	CE Oltenia S.A	23.03.2022
18.	MF 2022-1 RO 0-017	Support for the expansion and modernization of the electricity distribution network	scheme	Ministry of Energy	23.03.2022

3.1.2 Number of non-priority investments financed from Modernisation Fund: 2

No.	MF reference number	Name of investment	Type of investment	Investment proponent	Date of approval by IC
1.	MF 2022-1 RO 1-001	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 850 MW at Slsalnită - CE Oltenia	project	CE Oltenia S.A	07.04.2022
2.	MF 2022-1 RO-1-002	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 475 MW at Turceni - CE Oltenia	project	CE Oltenia S.A	07.04.2022

3.2. Number of on-going, completed and discontinued investments

- Number of on-going investments 20
- Number of completed investments: 0
- Number of discontinued investments 0

3.3. Overall ratio of the financing provided to priority investments against non-priority investment

Taking into consideration that in 2022, 17 projects were confirmed as priority investments, with an approved value of financing from the Modernization Fund of 1.970.974.458.98 euro and 2 projects as non-priority investments, with a value of the financing granted from the Modernization Fund of EUR 420,630,117, the overall ratio between the financing granted to priority investments and the financing granted to non-priority investments in 2022 is: 82.4/17.6

4. INFORMATION ON EACH INVESTMENT FINANCED FROM MODERNISATION FUND

List of costs of implementation of priority investments financed from the Modernisation Fund

No.	MF reference number	Type of investment (project or scheme)	Name of investment	Total investment cost without VAT/ the total volume of the scheme excluding VAT (EUR)	Amounts received by Romania from Modernization Fund	Amounts from the Modernization Fund received by Romania, but which have not yet been paid to the initiator of the project	Dates and amounts of payments from the Modernization Fund to the project proponent	Amounts recovered by Romania from the project proponent
1.	MF 2021-2 RO 0-009	P	Building a new 400 kV OHL double circuit Constanța Nord – Medgidia Sud(one circuit equipped)	22,992,330.00	22,992,330.00	22,992,330.00	0	0
2.	MF 2022-1 RO 0-009	P	Building a new 400kV OHL single circuit Gădălin – Suceava, including interconnection to NPS(SEN)	101,623,150.00	101,208,938.00	101,208,938.00	0	0
3.	MF 2022-1 RO 0-010	P	"Banat Axis" Stage II New 400 kV OHL Reșita – Timișoara/Săcălaz and retrofitting to 400KV of the 220/110 kV Timișoara substation	68,643,138.75	63,610,823.75	63,610,823.75	0	0
4.	MF 2022-1 RO 0-011	P	" Banat Axis"* , Stage III - New OHL 400 kV Timișoara/Săcălaz – Arad, Retrofitting of 110kV Arad substation and of 400 kV Arad and Săcălaz substations	57,580,289.00	57,506,448.00	57,506,448.00	0	0
5.	MF 2022-1 RO 0-012	P	Converting to 400 kV voltage of 220 kV axis Brazi Vest-Teleajen-Stâlpu	51,229,685.00	51,067,426.00	51,067,426.00	0	0
6.	MF 2022-1 RO 0-013	P	Pilot project - Refurbishment of the 220/110/20 kV Alba Iulia station – in digital concept station	46,956,108.65	46,956,108.65	46,956,108.65	0	0

7.	MF 2022-1 RO 0-014	P	Installation of two modern means of compensating reactive power in the 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu substations	52,491,441.21	52,336,142.93	52,336,142.93	0	0
8.	MF 2022-1 RO 0-015	P	Optimising the operation of the existing 400 kV OHL in NPS (SEN), used for interconnection and power output from Cernavodă nuclear power plant and the renewable-energy power plants in Dobrogea, by installing on-line monitoring systems (SMART GRID)	10,475,032.47	10,475,032.47	10,475,032.47	0	0
9.	MF 2022-1 RO 0-016	P	Digitalisation of Electricity Transmission Network in Romania by installing two online systems, for Metering and Data Management for measuring the electricity on the wholesale electricity market and for Monitoring the quality of electricity	18,327,256.51	18,251,593.18	18,251,593.18	0	0
10.	MF 2022-1 RO 0-001	P	Construction of a Photovoltaic Park on the Waste Pile Rovinari East Open Pit Mining Unit	104,090,452.27	72,863,317.00	72,863,317.00	0	0
11.	MF 2022-1 RO 0-002	P	Construction of a Photovoltaic Park on the Waste Pile Pinoasa Open Pit Mining Unit	68,431,830.49	47,902,281.00	47,902,281.00	0	0
12.	MF 2022-1 RO 0-003	P	Construction of a Photovoltaic Park on the Waste Pile Bohorelu – Jilt Open Pit Mining Unit	18,476,771.24	12,933,740.00	12,933,740.00	0	0
13.	MF 2022-1 RO 0-004	P	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Isalnița	76,331,437.79	53,432,006.00	53,432,006.00	0	0
14.	MF 2022-1 RO 0-005	P	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Rovinari	73,125,623.48	51,187,936.00	51,187,936.00	0	0
15.	MF 2022-1 RO 0-006	P	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Turceni	100,582,366.43	70,407,657.00	70,407,657.00	0	0
16.	MF 2022-1 RO 0-007	P	Construction of a Photovoltaic Park on the Inner Waste Pile within Tismana 1 - Rosia-Rovinari Open Pit Mining Unit	114,406,488.62	80,084,542.00	80,084,542.00	0	0

17.	MF 2022-1 RO 0-008	P	Construction of a Photovoltaic Park on the Inner Waste Pile within the Tismana 2 - Roşia – Rovinari Open Pit Mining Unit	115,357,809.74	80,750,467.00	80,750,467.00	0	0
18	MF 2022-1 RO 0-017	S	Support for the expansion and modernization of the electricity distribution network	1,100,000.000.00	100,000,000.00	100,000,000.00	0	0
	TOTAL			2,182,793,955.14	993,966,788.98	993,966,788.98	0	0

List of costs of implementation of non-priority investments financed from Modernisation Fund

No.	MF reference number	Type of investment (project or scheme)	Name of investment	Total investment cost without VAT(EUR)	Amounts received by Romania from Modernization Fund(EUR)	Amounts from the Modernization Fund received by Romania, but which have not yet been paid to the initiator of the project	Dates and amounts of payments from the Modernization Fund to the project proponent	Amounts recovered by Romania from the project proponent
1.	MF 2022-1 RO 1-001	P	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 850 MW at S.E. Isalnita - CE Oltenia	506,250,603.00	253,125,302.00	253,125,302.00	0	0
2.	MF 2022-1 RO-1-002	P	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 475 MW at Turceni - CE Oltenia	335,009,630.00	167,504,815.00	167,504,815.00	0	0
	TOTAL			841,260,233.00	420,630,117.00	420,630,117.00	0	0

Assessment of the added value of investments financed from Modernisation Fund in terms of energy efficiency and modernisation of the energy system

No.	Name of the project/scheme	Energy saved in MWh/an		Expected cumulative MWh saved by the end of the investment lifetime		GHG saved (tCO2/an)		Expected cumulative tCO2 saved by the end of the investment lifetime (tCO2)		Additional renewable energy capacity installed, if applicable (MW)	
		Projected	31.12.2022	Projected	31.12.2022	Projected	31.12.2022	Projected	31.12.2022	proiectat	31.12.2022
1.	Building a new 400 kV OHL double circuit Constanța Nord – Medgidia Sud(one circuit equipped)	1,020	N/A	48,960	N/A	16,212	N/A	778,176	N/A	N/A	N/A
2.	Building a new 400kV OHL single circuit Gădălin – Suceava, including interconnection to NPS(SEN)	37,540	N/A	1,801,920	N/A	36,387	N/A	1,746,576	N/A	N/A	N/A
3.	"Banat Axis" Stage II New 400 kV OHL Reșița – Timișoara/Săcălaz and retrofitting to 400KV of the 220/110 kV Timișoara substation	From the decrease in energy losses, according to the calculations of 2020: 31,000 MWh/year	N/A	5,040,000	N/A	According to the calculations of 2020: 42Kt = 42,000 tCO2/year According to calculations from 2022: 162 kt =	N/A	According to the calculations of 2022: 7,776,000 tCO2	N/A	N/A	N/A

		From the decrease in energy losses, according to the calculations in 2022: 105,000 MWh/year				162,000 tCO2/year					
4.	" Banat Axis"* , Stage III - New OHL 400 kV Timișoara/Săcălaz – Arad, Retrofitting of 110kV Arad substation and of 400 kV Arad and Săcălaz substations	952.4	N/A	45,715.2	N/A	76,444	N/A	3,669,312	N/A	No	N/A
5.	Converting to 400 kV voltage of 220 kV axis Brazi Vest-Teleajen-Stâlpu	31,951	N/A	1,214.14	N/A	23,353	N/A	887,414	N/A	The line will allow an increase in the discharge capacity of renewable energy by 230 MW (winter) and 190 MW	N/A

										(summer)	
6.	Pilot project - Refurbishment of the 220/110/20 kV Alba Iulia station – in digital concept station	1,117.386	N/A	22,347.72	N/A	2,021.71	N/A	40,434.2	N/A	0.144	N/A
7.	Installation of two modern means of compensating reactive power in the 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu substations	N/A	N/A	N/A	N/A	16,329,992	N/A	620,539,696	N/A	N/A	N/A
8.	Optimising the operation of the existing 400 kV OHL in NPS (SEN), used for interconnection and power output from Cernavodă nuclear power plant and the renewable-energy power plants in Dobrogea, by installing on-line monitoring systems (SMART GRID)	Decrease in network losses by 14,938 GWh per year	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9.	Digitalisation of Electricity Transmission Network in Romania by installing two online systems, for Metering and Data	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	Management for measuring the electricity on the wholesale electricity market and for Monitoring the quality of electricity										
10.	Construction of a Photovoltaic Park on the Waste Pile Rovinari East Open Pit Mining Unit	410,888	N/A	10,272,200	N/A	122,126	N/A	3,053,150	N/A	110	N/A
11.	Construction of a Photovoltaic Park on the Waste Pile Pinoasa Open Pit Mining Unit	253,173	N/A	6,329,325	N/A	75,249	N/A	1,881,225	N/A	65.78	N/A
12.	Construction of a Photovoltaic Park on the Waste Pile Bohorelu – Jilt Open Pit Mining Unit	73,932	N/A	1,848,300	N/A	22,024	N/A	550,600	N/A	19.21	N/A
13.	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Isalnița	331,772	N/A	8,294,300	N/A	98,594	N/A	2,464,850	N/A	85	N/A
14.	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Rovinari	311,242	N/A	7,781,050	N/A	92,506	N/A	2,312,650	N/A	83.35	N/A
15.	Construction of a Photovoltaic Park on the ash and slag	428,810	N/A	10,720,250	N/A	127,451	N/A	3,186,275	N/A	111.68	N/A

	closed deposits of SE Turceni										
16.	Construction of a Photovoltaic Park on the Inner Waste Pile within Tismana 1 - Rosia-Rovinari Open Pit Mining Unit	487,669	N/A	12,191,725	N/A	144,944	N/A	3,623,600	N/A	128.3	N/A
17.	Construction of a Photovoltaic Park on the Inner Waste Pile within the Tismana 2 - Roşia – Rovinari Open Pit Mining Unit	49,717	N/A	12,442,925	N/A	147,933	N/A	3,698,325	N/A	131.67	N/A
18.	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 850 MW at S.E. Isalnita - CE Oltenia	7,472,275	N/A	186,806,875	N/A	3,045,920	N/A	76,148,000	N/A	N/A	N/A
19.	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 475 MW at Turceni - CE Oltenia	3,927,637	N/A	98,190,925	N/A	1,672,200	N/A	N/A	41,805,000	N/A	N/A

5. EXPECTED CONTRIBUTION OF THE INVESTMENT TO THE TERRITORIAL JUST TRANSITION PLAN

No	Name of investment	Type of investment	Expected contribution of the investment to the Territorial Just Transition Plan
1.	Construction of a Photovoltaic Park on the Waste Pile Rovinari East Open Pit Mining Unit	Priority	An advantage that helps to achieve the realization of the investment is the reconversion/modernization/decommissioning of the sites and infrastructure related to the lignite extraction activity being fulfilled in line with the priorities of the Just Transition Fund "Priority 3 – A just transition by reducing pollution and strengthening the circular economy: Investments in the regeneration and decontamination of disused industrial sites, land restoration and inclusive, where necessary, green infrastructure and conversion projects'. Direct jobs created through the implementation of the investment: 44 jobs during the implementation period and 10 jobs during the operation period.
2.	Construction of a Photovoltaic Park on the Waste Pile Pinoasa Open Pit Mining Unit	Priority	An advantage that helps to achieve the realization of the investment is the reconversion/modernization/decommissioning of the sites and infrastructure related to the lignite extraction activity being fulfilled in line with the priorities of the Just Transition Fund "Priority 3 – A just transition by reducing pollution and strengthening the circular economy: Investments in the regeneration and decontamination of disused industrial sites, land restoration and inclusive, where necessary, green infrastructure and conversion projects'. Direct jobs created: 44 jobs during the implementation period and 6 jobs during the exploitation period.
3.	Construction of a Photovoltaic Park on the Waste Pile Bohorelu – Jilt Open Pit Mining Unit	Priority	An advantage that helps to achieve the realization of the investment is the reconversion/modernization/decommissioning of the sites and infrastructure related to the lignite extraction activity being fulfilled in line with the priorities of the Just Transition Fund "Priority 3 – A just transition by reducing pollution and strengthening the circular economy: Investments in the regeneration and decontamination of disused industrial sites, land restoration and inclusive, where necessary, green infrastructure and conversion projects'. Direct jobs created: 30 jobs during the implementation period and 4 jobs during the exploitation period.

4.	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Isalnița	Priority	An advantage that helps to achieve the realization of the investment is the reconversion/modernization/decommissioning of the sites and infrastructure related to the lignite extraction activity being fulfilled in line with the priorities of the Just Transition Fund "Priority 3 – A just transition by reducing pollution and strengthening the circular economy: Investments in the regeneration and decontamination of disused industrial sites, land restoration and inclusive, where necessary, green infrastructure and conversion projects'. The number of newly created jobs during the period of operation of the photovoltaic park is 10. In the phase of carrying out the works related to the investment
5.	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Rovinari	Priority	An advantage that helps to achieve the realization of the investment is the reconversion/modernization/decommissioning of the sites and infrastructure related to the lignite extraction activity being fulfilled in line with the priorities of the Just Transition Fund "Priority 3 – A just transition by reducing pollution and strengthening the circular economy: Investments in the regeneration and decontamination of disused industrial sites, land restoration and inclusive, where necessary, green infrastructure and conversion projects'. Direct jobs created: 44 jobs during the implementation period and 7 jobs during the exploitation period.
6.	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Turceni	Priority	An advantage that helps to achieve the realization of the investment is the reconversion/modernization/decommissioning of the sites and infrastructure related to the lignite extraction activity being fulfilled in line with the priorities of the Just Transition Fund "Priority 3 – A just transition by reducing pollution and strengthening the circular economy: Investments in the regeneration and decontamination of disused industrial sites, land restoration and inclusive, where necessary, green infrastructure and conversion projects'. Direct jobs created: 44 jobs during the implementation period and 10 jobs during the exploitation period
7.	Construction of a Photovoltaic Park on the Inner Waste Pile within Tismana 1 - Rosia-Rovinari Open Pit Mining Unit	Priority	An advantage that helps to achieve the realization of the investment is the reconversion/modernization/decommissioning of the sites and infrastructure related to the lignite extraction activity being fulfilled in line with the priorities of the Just Transition Fund "Priority 3 – A just transition by reducing pollution and strengthening the circular economy: Investments in the regeneration and decontamination of disused industrial sites, land restoration and inclusive, where necessary, green infrastructure and

			conversion projects'. Direct jobs created through the implementation of the investment: 44 jobs during the implementation period and 10 jobs during the operation period.
8.	Construction of a Photovoltaic Park on the Inner Waste Pile within the Tismana 2 - Roşia – Rovinari Open Pit Mining Unit	Priority	An advantage that helps to achieve the realization of the investment is the reconversion/modernization/decommissioning of the sites and infrastructure related to the lignite extraction activity being fulfilled in line with the priorities of the Just Transition Fund "Priority 3 – A just transition by reducing pollution and strengthening the circular economy: Investments in the regeneration and decontamination of disused industrial sites, land restoration and inclusive, where necessary, green infrastructure and conversion projects'. Direct jobs created through the implementation of the investment: 44 jobs during the implementation period and 10 jobs during the operation period.
9.	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 850 MW at S.E. Isalnita - CE Oltenia	Non-priority	The investment will participate in Romania's energy transition, contributing to the gradual elimination of solid fuels by replacing the existing capacities on lignite within CE Oltenia, will use the existing infrastructure for energy evacuation and natural gas supply, ensuring (restoring) the circulation of powers necessary to balance the transport network in Romania, by maintaining production capacities in the south-western area. The Decarbonisation Plan will be the basis for CE Oltenia's recovery, which will thus become a profitable company starting with 2026. The necessity of implementing the proposed investment also results from the last appropriate study of the National Power System conducted in 2021 by the Romanian Transmission System Operator, namely, CNTEE Tranelectrica which concludes that the new gas power plants proposed to be built by CE Oltenia could balance / reduce the deficit / imbalance created in the system by gradually eliminating the coal-fired power plants. The investment will contribute to the implementation of the Just Territorial Transition Plan of Gorj County by creating 300-400 jobs during the construction period and 80 jobs during the operation period, but also to the development of new companies providing services.
10.	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 475 MW at Turceni - CE Oltenia	Non-priority	The investment will participate in Romania's energy transition, contributing to the gradual elimination of solid fuels by replacing the existing capacities on lignite within CE Oltenia, will use the existing infrastructure for energy

			<p>evacuation and natural gas supply, ensuring (restoring) the circulation of powers necessary to balance the transport network in Romania, by maintaining production capacities in the south-western area. The Decarbonisation Plan will be the basis for CE Oltenia's recovery, which will thus become a profitable company starting with 2026.</p> <p>The necessity of implementing the proposed investment also results from the last appropriate study of the National Energy System conducted in 2021 by the Romanian Transmission System Operator, namely, CNTEE Transelectrica which concludes that the new gas power plants proposed to be built by CE Oltenia could balance/ reduce the deficit / imbalance created in the system by gradually eliminating the coal-fired power plants</p> <p>Direct jobs created through the implementation of: investment: 300 - 400 jobs during the construction period and 80 jobs during the operation period.</p>
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6. ADDITIONAL INFORMATION ABOUT INVESTMENTS OTHER THAN SCHEMES

No	Name of project	Milestones achieved since the previous annual report;	Expected entry into operation	Identified or expected delays in implementation	Identified or expected changes in eligible costs, technology applied or results of an investment
PRIORITY					
1.	Building a new 400 kV OHL double circuit Constanța Nord – Medgidia Sud (one circuit equipped)	<p>There were approved PT and CS (Technical Project + Specifications), elaborated by ISPE Proiectare și Consultanță SA, based on the Design and Consultancy Services Contract no. 547/2015, as follows:</p> <ul style="list-style-type: none"> - Opinion CTA UTT Constanța no. 32/20.04.2022; - Opinion CTES CNTEE Transelectrica SA no. 179/21.07.2022 	December 2026	No	N/A

2.	Building a new 400kV OHL single circuit Gădălin – Suceava, including interconnection to NPS(SEN)	Completion of the Terms of Reference for the execution works of the OHTL 400 kV	December 2030	N/A	N/A
3.	”Banat Axis” Stage II New 400 kV OHL Reșita – Timișoara/Săcălaz and retrofitting to 400KV of the 220/110 kV Timișoara substation	No	May 2027	No	N/A
4.	” Banat Axis”*, Stage III - New OHL 400 kV Timișoara/Săcălaz – Arad, Retrofitting of 110kV Arad substation and of 400 kV Arad and Săcălaz substations	No	May 2027	No	N/A
5.	Converting to 400 kV voltage of 220 kV axis Brazi Vest-Teleajen-Stâlpu	N/A	May 2027	N/A	N/A
6.	Pilot project - Refurbishment of the 220/110/20 kV Alba Iulia station – in digital concept station	N/A	May 2027	N/A	N/A
7.	Installation of two modern means of compensating reactive power in the 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu substations	N/A	May 2027	N/A	N/A
8.	Optimising the operation of the existing 400 kV OHL in NPS (SEN), used for interconnection and power output from Cernavodă nuclear power plant and the renewable-energy power plants in Dobrogea, by installing on-line monitoring systems (SMART GRID)	N/A	September 2025	N/A	N/A
9.	Digitalisation of Electricity Transmission Network in Romania by installing two online systems, for Metering and Data Management for measuring the electricity on the wholesale electricity market and for Monitoring the quality of electricity	It was signed the contract no. C637/05.04.2022 for works execution System A - SCMPA	-May 2025 for System A – SCMPA -May 2027 for System B - PQMS	No	N/A
10.	Construction of a Photovoltaic Park on the Waste Pile Rovinari East Open Pit Mining Unit	N/A	2025	N/A	N/A
11.	Construction of a Photovoltaic Park on the Waste Pile Pinoasa Open Pit Mining Unit	N/A	2025	N/A	N/A
12.	Construction of a Photovoltaic Park on the Waste Pile Bohorelu – Jilt Open Pit Mining Unit	N/A	2025	N/A	N/A

13.	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Isalnița	N/A	2025	N/A	N/A
14.	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Rovinari	N/A	2025	N/A	N/A
15.	Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Turceni	N/A	2025	N/A	N/A
16.	Construction of a Photovoltaic Park on the Inner Waste Pile within Tismania 1 - Rosia-Rovinari Open Pit Mining Unit	N/A	2025	N/A	N/A
17.	Construction of a Photovoltaic Park on the Inner Waste Pile within the Tismania 2 - Roșia – Rovinari Open Pit Mining Unit	N/A	2025	N/A	N/A
NON-PRIORITY					
18.	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 850 MW at S.E. Isalnita - CE Oltenia	N/A	2027	N/A	N/A
19.	Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 475 MW at Turceni - CE Oltenia	N/A	2027	N/A	N/A

7. ADDITIONAL INFORMATION ON INVESTMENTS INVOLVING SCHEMES

Multiannual scheme "SUPPORT FOR THE EXPANSION AND MODERNIZATION OF THE ELECTRICITY DISTRIBUTION NETWORK"

- **Total amount of the scheme without VAT:** EUR 1,100,000,000
- **Amount requested for the first tranche:** EUR100,000,000
- **Eligible applicants:** electricity distribution system operators
- **The main results expected** from the implementation of the scheme are:
 - Kilometers of new or upgraded electricity distribution network: 4,000 km;
 - Increasing the security of energy supply by reducing the number of interruptions;
 - Creating the necessary infrastructure for the development of new economic activities, as well as developing the national energy infrastructure at European standards applicable in the field;
 - Rational use of energy resources by reducing losses;
 - Minimizing the negative impact on the environment;
 - Reducing the maintenance costs of the distribution networks;
 - Creating the necessary technical conditions for the connection of the electric charging stations.

- **Status:** On 11.10.2022, at 14.00, it was launched on the ME website at the address: <https://energie.gov.ro/lansare-procedura-necompetitiva-sprijinirea-investitiilor-pentru-extinderea-si-modernizarea-retelei-de-distributie-a-energiei-electrice/>, the uncompetitive call for projects with deadline for submission 30.06.2024, 17.00 - **Investment Support for the expansion and modernization of the electricity distribution network.**

The Applicant's Guide for this call for projects was approved by the Order of the Minister of Energy no. 1023/11.10.2022 and targets applicants who wish to obtain non-reimbursable financing for investment projects in energy infrastructure, within **key Program 3: Modernization and construction of new sections of energy infrastructure** - *Support for the modernization and construction of new sections in the electricity and gas transmission and distribution networks, including for the transition to natural gas transmission and distribution networks capable of taking over green hydrogen also for the construction and modernization of natural gas storages and for increasing the level of interconnectivity of the electricity transmission network* referred to in Article 3, paragraph 6 of Government Emergency Ordinance no. 60/2022 *on the establishment of the institutional and financial framework for the implementation and management of the funds allocated to Romania through the Modernization Fund, as well as for the amendment and completion of some normative acts* - investment field 3.2 **Energy infrastructure – Investment support for the expansion and modernization of the electricity distribution network.**

Until 31.12.2022, 8 project proposals have been submitted within this call, which are currently in the evaluation phase. The process of submitting projects by potential beneficiaries will continue until the deadline for submission specified in the applicant's guide of 30.06.2024.

8. CONCLUSIONS

Romania is among the beneficiary member states that have accessed the funds made available through this financing mechanism to support the modernization of the energy system in accordance with Article 10d of *Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC*, registering at the end of the second year of operationalization of the Fund for Modernization a total of 20 investments approved for financing from the Fund for EUR 1,414.59 million, of which the financing from the FM related to 2022 was EUR 1,391.60 million.

Furthermore, Romania through the Ministry of Energy, will monitor the implementation of investments benefiting from funding from the Modernization Fund in accordance with the provisions of the applicable European and national legal framework.

At the same time, Romania will continue the implementation of the Modernization Fund through the eight key programs provided by GEO 60/2022, carrying out in this regard the steps for the presentation to the EIB and the Committee for Investments of new proposals for investment projects in order to benefit from financing from the funds allocated to Romania through this mechanism, in order to achieve the national targets set for 2030 by the Integrated National Plan in the field of Energy and Climate Change 2021-2030, approved by H.G. no. 1.076/2021, the development of a solid, sustainable and resilient energy infrastructure, with low CO₂ emissions and the improvement of energy efficiency.