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**MODERNISATION FUND**  
Accelerating the transition to climate neutrality



## **MODERNISATION FUND** **EIB CONFIRMATION OF PRIORITY INVESTMENT**

ref. MF 2023-2 RO 0-002

*Beneficiary Member State: Romania*

*Investment Proposal: DigiTEL Green Pilot Project – Refurbishment of 220/110/20kV Mostistea in digital and low environmental impact substation concept*

### **1. Background**

The Modernisation Fund was set up pursuant to 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 “ETS Directive”).

The legal basis for the operation of the Modernisation Fund is set out in 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 modernise the energy systems and to improve energy efficiency of certain Member States (the “Implementing Regulation”).

In accordance with Article 10d(6) of the ETS Directive, the European Investment Bank (the “EIB”) is to confirm whether a proposed investment falls into a priority area. The EIB may confirm the proposal as a priority investment if the conditions specified in Article 6(7) of the Implementing Regulation are met.

### **2. Investment proposal**

Pursuant to Article 4(1) of the Implementing Regulation, on 12/09/2023 Romania (the “beneficiary Member State”) submitted to the EIB an investment proposal “DigiTEL Green Pilot Project – Refurbishment of 220/110/20kV Mostistea in digital and low environmental impact substation concept” for which it envisages a contribution from the Modernisation Fund (Modernisation Fund reference MF 2023-2 RO 0-002).

The investment proposal concerns a project for the refurbishment of the 220/110/20 kV Mostistea substation with new non-SF6 technology equipment and natural oil transformers, digital solutions and smartgrid architecture. The investment also leads to energy efficiency improvements by reducing the energy losses of the substation.

The beneficiary Member State has requested funding of EUR 48 340 733.89 for a disbursement under the proposed project.

The aim of the investment is to modernise the transmission system and introduce a new standardised architecture for the protection and control system of substations. Moreover, it aims at improving the energy efficiency of the substation.

The project is aligned with the objectives set out in the National Energy and Climate Plan (NECP) for Romania with regards to the power transmission infrastructure and it is included in the Ten-Year Development Plan of the Romanian Power Transmission Grid, 2022-2031.

### **3. Compliance with the conditions for priority investment**

- a) The beneficiary Member State has demonstrated that the investment complies with the requirements laid down in Article 10d(1) of the ETS Directive as it supports the modernisation of the energy system and it is included in the Ten-Year Development Plan of the Romanian Power Transmission Grid, 2022-2031.
- b) According to the information provided by the beneficiary Member State and pursuant to Article 10d(2) Directive 2003/87/EC, the investment is considered as a priority investment as it falls under the priority areas “modernisation of energy networks” and “improvement of energy efficiency”.
- c) The beneficiary Member State has sufficient funds available for the requested disbursement according to the statement of the available funds referred to in Article 5(1) of the Implementing Regulation and after deduction of any amounts to be disbursed for investments already confirmed in accordance with Article 6(9) of the Implementing Regulation.
- d) The beneficiary Member State has provided evidence that the measures under the investment proposal do not constitute State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union.
- e) The beneficiary Member State has confirmed in writing that the investment complies with any other applicable requirements of Union and national law.
- f) According to the information provided by the beneficiary Member State, the amounts requested from the Modernisation Fund are not intended to cover the same costs of the investment as those financed by another Union or national instrument.

#### **4. Conclusions**

The EIB has assessed the investment proposal based on the information submitted by the beneficiary Member State in accordance with Article 4 and Annex 1 of the Implementing Regulation and it has concluded that the investment proposal has met the conditions specified in Article 6(7) of the Implementing Regulation.

In view of the above, and in reliance on the information and evidence provided and the confirmations given by the beneficiary Member State as described at paragraph 3 above, the EIB confirms the proposal “DigiTEL Green Pilot Project – Refurbishment of 220/110/20kV Mostistea in digital and low environmental impact substation concept” (Modernisation Fund reference number MF 2023-2 RO 0-002) as a priority investment.

This confirmation is without prejudice to the requirement for a disbursement decision to be made pursuant to Article 10d(3) of the ETS Directive.

European Investment Bank  
Luxembourg, 9<sup>th</sup> October 2023