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

## **MODERNISATION FUND**

### **EIB CONFIRMATION OF PRIORITY INVESTMENT**

ref. MF 2024-2 RO 0-002

*Beneficiary Member State: Romania*

*Investment Proposal: Supporting investments in new production capacities of electricity produced from renewable sources for self-consumption for public institutions – part II*

#### **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 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 03/09/2024 Romania (the “beneficiary Member State”) submitted to the EIB an investment proposal “Supporting investments in new production capacities of electricity produced from renewable sources for self-consumption for public institutions – part II” for which it envisages a contribution from the Modernisation Fund (Modernisation Fund reference number MF 2024-2 RO 0-002).

The investment proposal concerns a large-scale scheme for the period 2023-2026 relating to financing the construction of at least 262 MW of installed solar PV capacity.

The beneficiary Member State has requested funding of EUR 160 000 000 for a first disbursement under the proposed large-scale scheme, funded from the three categories of funds as following:

EUR 84 300 000 from the revenues from the auctioning of allowances referred in Article 10(1), the third subparagraph of Directive 2003/87/EC - 2%

and

EUR 60 650 000 from the revenues from the auctioning of allowances referred in Article 10(1), the fourth subparagraph of Directive 2003/87/EC - 2.5%

and

EUR 15 050 000 from the revenues from the auctioning of allowances covered by a notification pursuant to Article 10d(4) of Directive 2003/87/EC.

The beneficiary Member State has indicated a total expected Modernisation Fund funding for the investment proposal of EUR 200 000 000.

The main objective of the investment is to support the development of new renewable energy production capacities (solar PV) that will contribute to an increased share of renewable energy sources in the energy mix and reduction of greenhouse gas emissions.

Increasing the share of renewable energy by deploying solar PV generation capacities is included in the objectives and measures of the Long-term Strategy and National Energy and Climate Plan (NECP) for Romania.

### **3. Compliance with the conditions for a 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 in line with the objectives and measures set out in its NECP.
- 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 area a) the generation and use of electricity from renewable sources.
- c) The beneficiary Member State has sufficient funds available from the auctioning of allowances referred in Article 10(1), the third subparagraph of Directive 2003/87/EC - 2%, from allowances referred in Article 10(1), the fourth subparagraph of Directive 2003/87/EC – 2.5% and from the auctioning of allowances covered by a notification pursuant to Article 10d(4) of Directive 2003/87/EC 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:
  - does 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.
- g) According to the information provided by the beneficiary Member State, the duration of the scheme does not exceed five years.

#### **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 “Supporting investments in new production capacities of electricity produced from renewable sources for self-consumption for public institutions – part II” (Modernisation Fund reference number MF 2024-2 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, 7<sup>th</sup> October 2024