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PRESS RELEASE

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THE MINISTRY OF ENERGY AND E-DISTRIBUȚIE BANAT SIGNED A FINANCING CONTRACT THROUGH THE MODERNIZATION FUND, IN A TOTAL VALUE OF 46.33 MILLION LEI, FOR THE MODERNIZATION OF THE GRIDS IN TIMIȘOARA

Timișoara, August 30, 2023 – The Ministry of Energy and E-Distribuție Banat signed a non-refundable financing contract through the Modernization Fund, in the total amount of 46,330,089.48 lei (VAT included), for the modernization of distribution networks, through the building of medium voltage looped power lines, consisting of 20 kV cables, supplied from the 110/20/10 kV Fratelia and Cetate primary substations in the Timișoara area, contributing to increasing the safety of supply to consumers in this area.

From the total value of the project, the maximum covered value from the Modernization Fund is 80% of the eligible expenses, respectively 30,647,534.14 lei, while the value covered by E-Distribuție Banat is 15,682,555.34 lei (VAT included).

The validity of the contract ends upon expiry of the duration of the monitoring period of the project, i.e. five years from the date of commissioning of the investment. According to the implementation schedule estimated by E-Distribuție Banat, the project will be completed in 2026.

As part of this project, the medium voltage lines between the Cetate and Fratelia primary substations in Timișoara will be reconfigured, on a distance of approximately 18.5 km, so that they will connect, in total, 23 secondary substations, and a medium voltage connection point will be established. Also, the existing secondary substations in the area will be modernized and new ones will be installed that will be integrated into the remote-control system, for the benefit of the residents of this area. In addition, the communications network will be prepared for the transition to more secure communications, using fiber-optic, for information exchanges for monitoring and remote control/command.

Following the modernization works, energy losses within the grid will be reduced and moderated impact on the environment will be recorded at the level of the grid. The project has a direct effect on the network's ability to distribute power to new consumers and increase the level of digitization to improve the management of unplanned outages, for the safe supply of customers.

The Minister of Energy, Mr. Sebastian Burduja explains: "From the first days of my mandate, I said that investments are my absolute priority.

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Strengthening the national energy system through the distribution network is also a priority, and it is essential to develop as much as possible green energy production capacities, from wind farms to solar energy. We can only do this through continuous investment, through the acceleration of the Modernization Fund and the absorption of European funds. We are all working at full capacity so that these projects take shape as quickly as possible".

Monica Hodor, General Manager of the E-Distribuție companies: "After, at the beginning of this year, we announced a project from our own funds, with a total value of about 50 million lei, aimed at the energy infrastructure near Timișoara, I am glad that now we are starting a new project, also for the benefit of the inhabitants of this municipality, which we will develop with the help of European funds. In this way, through large-scale investments, we reconfirm our involvement in supporting the communities where we operate."

E-Distribuție Banat has attracted, until now, non-refundable financing in the total amount of 63,449,882.07 lei for investments, through the current project via the Fund for Modernization and through the project POIM 10.2 "Intelligent interventions to optimize consumption at end customers and improve quality distribution service through the use of high-quality consumption data - Timișoara locality, Timiș county". In total, up to now, the three E-Distribuție companies have attracted non-refundable financing in the total amount of 238,995,704 lei.

E-Distribuție companies operate networks with a total length of over 133,000 kilometers in three important areas of the country: South Muntenia (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 Enel Group's environmental standards. The power grids operated by the three E-Distribuție companies include 287 primary substations and over 24,000 secondary substations. In 2022, they distributed 15.5 TWh of electricity through high, medium and low voltage power lines.