

Press release

Rețele Electrice companies attract new European funding, of 191 million lei, for investments in distribution infrastructure

- *The companies will carry out 3 projects, worth over 265 million lei, of which European funding will cover approximately 191 million lei*
- *Over 90 transformer substations will be modernized, as well as approximately 126 km of medium voltage grid, respectively 170 km of low voltage cables, and approximately 5,000 connections will be restored*
- *The total value of the projects with European funds carried out by the Rețele Electrice operators through the Modernization Fund thus exceeds 1.1 billion lei*

Bucharest, August 1, 2024 - The Ministry of Energy and the companies Rețele Electrice Muntenia, Rețele Electrice Banat and Rețele Electrice Dobrogea (part of the PPC Group in Romania) have signed three new non-reimbursable financing contracts through the Modernization Fund, for projects targeting the electricity distribution infrastructure in Ilfov, Calarasi and Arad counties.

The three investment projects that will be carried out by the electricity distribution operators have a total value of over 265 million lei (excluding VAT), of which the amount covered by the Modernization Fund will be about 191 million lei (excluding VAT).

The projects aim to improve the quality of services for consumers in Mogoșoaia commune (Ilfov), Perișoru commune (Călărași county), as well as the city of Nădlac (Arad county). As part of the projects, over 90 transformer substations will be modernized, as well as approximately 126 km of medium voltage grid, respectively 170 km of low voltage cables, and approximately 5,000 connections will be restored.

Rețele Electrice Muntenia will implement a project targeting **Mogoșoaia** and, partially, **Chitila, Ilfov**, where the total value of the project is 61.4 million lei, excluding VAT, of which the maximum insured value from the Modernization Fund is 48.3 million lei. A total of 58 transformer substations will be targeted, of which 25 are existing and 33 are to be installed. The medium voltage network will be modernized and extended over a length of over 80 km, of which 57 km of cables replaced and 22.6 km newly installed. Also, the low voltage network will be extended by almost 6 km.

Rețele Electrice Dobrogea will carry out in **Calarasi** County a project to modernize the 20kV overhead power line (LEA) in the area of **Perisoru commune**, with a value of 81.3 million lei, excluding VAT, of which the maximum amount from the Modernization Fund is 57 million lei. The works will consist of the modernization of the medium and low voltage networks over a total distance of approximately 85 km, by replacing medium voltage and low voltage cables and conductors, the modernization of 11 transformer substations and the installation of 9 new substations, the introduction of grid elements in the remote-control system and the restoration of over 2,500 connections.

Rețele Electrice Banat will implement a project in **Nădlac, Arad County**. The modernization project that will be carried out by the electricity distribution operator will consist of the partial underground passage of the medium voltage overhead lines over a distance of 13.5 km, the dismantling of a number of 18 overhead transformer stations and placing them into concrete envelope, partial placement into underground of some low-voltage overhead power lines (LEAs) and replacement of conductors with insulated ones over a total length of 155 km. Also, over 2,700 connections will be replaced. The total value of the project amounts to over 122.5 million lei, excluding VAT, of which the maximum value insured from the Modernization Fund is 85.9 million lei.

The validity of the three contracts ends at the end of the period of monitoring the sustainability of the projects, i.e. 5 years from the date of commissioning of the investments.

Mihai Pește, General Manager of Rețele Electrice: *"The three contracts signed today, with a total value of almost 265 million lei, are in addition to the other 12 already signed during the last year, through which we have secured at least one large-scale project in each of the counties where we operate. Thus, we have underway, at different stages, projects of over 1.1 billion lei supported via the Modernization Fund, for the benefit of consumers from various communities in nine counties. We focus equally on works in rural and small urban areas where we pass underground part of the medium voltage networks to increase their resilience, protecting them from extreme weather conditions, and we do the same with some of the transformer substations that we move from the poles to concrete tires or modernize the existing ones. We also target localities in the peri-urban area of Bucharest, which has an accelerated development pace, for which it is necessary to resize the structure of the network elements. With each new project we move forward to increase the resilience of the distribution network for the energy transition and to demonstrate our commitment to our customers."*

So far, the total value of the projects from non-reimbursable funds signed through the Modernization Fund by the three Rețele Electrice companies (including those referred to above) amounts to over 1.1 billion lei excluding VAT, of which the value of the grants is over 844 million lei, excluding VAT.

The Rețele Electrice companies operate networks with a total length of over 134,000 kilometers in three important areas of the country: Muntenia Sud (including Bucharest), Banat and Dobrogea, covering a third of the local distribution market, and are developing an investment program to improve the quality of services, safety and performance of the networks and the local implementation of the environmental standards of the PPC group. The electricity networks operated by the three Rețele Electrice companies number 288 transformer stations and over 25,000 transformer substations.