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PRESS RELEASE

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THE MINISTRY OF ENERGY AND E-DISTRIBUȚIE SIGNED TWO FINANCING CONTRACTS THROUGH THE MODERNIZATION FUND, TOTALING 122,799,965.59 MILLION LEI, FOR THE MODERNIZATION OF THE GRIDS IN ILFOV COUNTY AND TIMIȘOARA

Bucharest, August 30, 2023 – The Ministry of Energy and E-Distributie signed two non-refundable financing contracts through the Modernization Fund, totaling 122,799,965.59 lei (VAT included), for the modernization of the grids in two of the areas where the distribution operator activates.

Thus, E-Distributie Muntenia will carry out a project totaling 76,469,876.11 lei (VAT included), to increase the security of electricity supply of Dascălu and Petrăchioaia localities, by modernizing the Petrăchioaia power line in Ilfov County. The maximum covered amount from the Modernization Fund is 80% of the eligible expenses, respectively 50,578,291.16 lei, and the value covered by the beneficiary is 25,891,584.95 lei (VAT included).

The project aims to modernize the electricity distribution networks, to reduce losses within the grid and increase the safety and continuity conditions of the distribution service in the Dascălu, Petrăchioaia, Ștefănești, and Afumați areas in Ilfov County. The medium voltage circuits will be resized and reconfigured, the secondary substations will be modernized from overhead to concrete cover and the new secondary substations will be integrated into the remote-control system.

In its turn, E-Distributie Banat will carry out a project totaling 46,330,089.48 lei (VAT included), for the modernization of distribution networks, by building 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.

Of 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).

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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 inhabitants 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 grid's ability to distribute energy to new consumers and increase the level of digitalization to improve the management of unplanned outages, for the safe supply of customers.

The validity of both contracts ends upon expiry of the duration of the monitoring period of the projects, i.e. five years from the date of commissioning of investments. According to the implementation schedule estimated by the E-Distribuție companies, the projects will be completed in 2026.

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

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 E-Distribuție companies: "We have been talking about the energy transition for some time now and we are glad to see that attention is starting to be paid to electricity distribution networks, namely exactly those that are the base for this transition and need significant investments in development and modernization to meet the needs of the future. The two projects for which E-Distribuție companies will now receive non-refundable funding, along with those that are already being implemented, will contribute to the smooth transition to the new paradigm in energy."

E-Distribuție Banat has so far attracted non-refundable funding totaling 63,449,882.07 lei for investments, through the current project via the Modernization Fund and through the POIM 10.2 project "Smart interventions to optimize consumption at final customers and improve the quality of the distribution service by using high-quality consumption data - Timișoara, Timiș County". E-Distribuție Muntenia has so far attracted non-reimbursable funding totaling 91,173,057.45 lei - through the current project via the Modernization Fund and through POIM 10.2 "Smart interventions to optimize consumption to final customers and improve the quality of distribution service by using high-quality consumption data in Giurgiu County ". In total, so far, the three E-Distribuție companies have attracted non-refundable funding totaling 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

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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.