

Romania: Marubeni wins 1 billion euro deals for 2 major power generation projects in SEE

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Marubeni will build new gas power plant in Romania, in accordance with the agreement signed last year with the Romanian Electrocentrale Bucuresti (ELCEN), which is owned by the state. According to the agreement the plant of installed capacity of 250 megawatts will be built, and the total investment value is about 170 million euros. The construction works will take 18 months, and operating start of the plant is planned for 2017.

Two most important projects in the region that should be implemented by the Japanese company Marubeni in the next few years, are gas power plant Fantanele Gas Power in Romania, for which the contract had been already signed, while for the second project - Block C of the power plant Plomin in Croatia, the negotiations are in progress.

Marubeni will get 90 percent of ownership in the new company, while ELCEN is going to be the owner of the remaining ten percent. The new company, Fantanele Gas Power, will be an independent producer of electricity.

According to words of Hiroshi Tachigami, the president of Marubeni Europower, this is the first infrastructure investment project of Marubeni in Romania and it is a part of a long-term strategy of the company in order to give more contribution to Central and Eastern Europe.

Gas power plant will be built on the site instead of the former power plant Fantanele, which was dismantled. ELCEN will provide site for the power plant construction and existing buildings, while Marubeni will invest directly 30 percent of the investment, which is around 51 million euros. The remaining funds will be provided by bank loans.

Marubeni was selected as the first-ranked company in the tender for the construction of the third block with a 500-megawatt of the thermal power plant Plomin in Croatia; this project is worth 800 million euros.

Tachigami said that Croatia produced only 80 percent of its energy needs and by joining the European Union it would be connected with the energy systems of these countries. He explained that Marubeni was seeking an opportunity to build a plant that would be primarily stable, even when it was not individually highly profitable.

Marubeni should be financed by block Plomin C, considering that HEP is unable to borrow for such an expensive project. Marubeni could provide funding through the Japan International Cooperation Agency and the Development Bank of Japan.

If the agreement with HEP, will be made in the first quarter of 2015, as it is expected, this will be the first green-field investments of Japanese companies in Croatia. According to reports in

the press, Marubeni is also interested in other investments in Croatia, primarily for the construction of a terminal for liquefied gas (LNG) on the island Krk.