

Romania: Almost 84 % of Energy Ministry budget for 2017 goes to TPP Iernut project

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Date : March 1, 2017

According to the Government's proposal, which should be adopted by the Parliament, the budget for 2017 of the Romanian Ministry of Energy will amount to 0.057 % of gross domestic product (GDP). The total amount for 2017 is about 103 million euros, which is over 46 million euros less than in 2016.

Three of the main projects that should be financed through the Ministry's budget are mining related, although the highest amount is allocated to the project for the construction of combined cycle gas power plant Iernut, which should be financed with 86.5 million euros. Other projects that should be financed through Ministry's budget are: rehabilitation and modernization of unit 4 at TPP Rovinari operated by EC Oltenia (13.5 million euros), rehabilitation and modernization of unit 7 at TPP Isalnita operated by EC Oltenia (7.3 million euros) and lignite production rehabilitation at Jilt South and Jiu Rosia (3.2 million euros).

On 18 January, Romanian Ministry of Energy has approved Romgaz' application for the funding of a new gas-fired unit at thermal power plant Iernut through the National Investment Plan (NIP).

In early November 2016, Romgaz has concluded an agreement worth 268 million euros (without VAT) with a consortium of Spanish company Duro Felguera and Romanian Romelectro for a turnkey project for the construction of new power plant within its Iernut thermal power plant. The deadline for the completion of the new combined cycle power plant is 36 months from the effective date of the contract, which shall be within 5 working days from the date the NIP financing is approved. Romgaz took over Iernut thermal power plant in 2013 from Bucharest-based thermal energy producer ELCEN in exchange for deleting a 145 million euros debt.