

The Bucharest district heating system is the largest in size in the EU, and the second largest in the world, serving 1.2 million inhabitants, covering around 940 kilometers of heat pipes for the transmission system and 2,800 kilometers of pipes for the distribution system.

The European Commission (EC) announced that it has approved 254 million euros of aid for the support of upgrades and modernization of district heating system in Romania's capital Bucharest. The statement from the Commission said that The planned support will take the form of a direct grant financed by EU Structural Funds managed by Romania. The funds will help Romania achieve its energy-efficiency targets and will contribute to the reduction of greenhouse gas and other pollutants emissions, without unduly distorting competition. The rehabilitation of the system will consist in the replacement of sections of main hot water transmission pipelines for approximately 10 % of the overall length of Bucharest's district heating network.

The EC concluded that, despite the reduction by around 10 % of operating costs, the overall operation of the district heating system will not generate sufficient revenues to cover the investment costs. Therefore the project would not be financially viable without public support. The contribution of a grant from EU Structural Funds is needed to cover the financing gap of the project.