

The ordinance adopted by the Government which allows producers to sign power purchase agreements, namely contracts for the sale of produced electricity outside the centralized market, for new generation facilities commissioned after 1 June 2020, will boost investments in the energy sector, said Romanian Minister of Economy and Energy Virgil Popescu.

Minister Popescu said that since the ordinance has been issued, a large number of foreign investors have contacted the Ministry and expressed their intent to invest in Romania's energy sector. He added that investors in electricity generation projects will now be able to conclude electricity sales contracts in advance, which are necessary for obtaining bank loan guarantees.

He also reminded that state-owned energy companies have to approve their investment strategies, with clear deadlines and financing sources, by 15 June. All energy companies under the authority of the Ministry will have to draft and approve an investment plan for the next five years. The purpose of this move is to use the financial resources these companies have accumulated for stimulating the economic activity. According to Minister Popescu, some of the state-owned energy companies have very high profits, but no investment plans. The strategies will have to outline the new investment projects to be carried out between 1 July 2020 and 1 July 2025, as well as the modernization of the current assets in operation. The strategy of each company will have to include clear deadlines, the estimated cost of each investment, and the financing sources. The acquisition of shares in other companies is not the subject of this strategy nor the purchase of assets already in operation.