

The Lithuanian INVL Renewable Energy Fund I is beginning activities in Romania and plans to invest around 120 million euros in the development of solar power plants it has acquired. Namely, under agreements that have been signed, the fund has acquired two companies which are developing solar power plants with an installed capacity of 166 MW in Romania. Managing Partner Liudas Liutkevicius said that Romania is a very rapidly developing and promising EU market which is giving increasing attention to green projects. The fund sees huge potential in this market for developing renewable energy projects and believes that these investments will not only reduce pollution of the environment but will also allow the fund to earn an attractive return for investors.

The solar energy projects in Romania that are being added to the fund's portfolio already have approved network connections and should enter commercial operation in 2024. Liutkevicius said that the fund constantly monitors electricity markets in EU countries and evaluates varied investment opportunities. It has been watching the Romanian market for some time, but only went into action after the state amended legislation to allow the development of electricity generation facilities on the basis of power purchase agreements (PPA). The Romanian market is attractive for its geographical location and annual hours of sunlight - that makes it possible to achieve about 20 % higher solar power plant efficiency comparing to Poland and increase the competitiveness of the electricity price in the market. The changed legislative environment will no doubt attract big investments to the renewable energy sector and enable Romania to address structural challenges related to its electricity production balance and energy independence.

Electricity consumption in Romania last year totaled more than 60 TWh and it imports some of its electricity, i.e., it does not have enough domestically produced electricity to satisfy demand. It is a nuclear energy country, but planned upgrades of nuclear power plants in the next few years mean that some reactors will have to be temporarily shut down. Renewable energy is clearly an effective way to increase any country's energy independence, security and resilience to commodity price shocks.

After the acquisition in Romania, the fund's portfolio includes development projects for more than 200 MW of solar power plants. All the projects already have conditions for network connection and their construction will take place in 2023-2025.