

ELCEN, the largest producer of heat in Romania, and Marubeni Corporation of Japan signed the contract for the joint venture project that will build a gas central Fântânele (Mures), the investment of 170 million and will be completed in 2017 .

Joint venture, SC Fântânele Gas Power SA, will be owned 90% by Marubeni Corporation, the remaining 10% of shares back Electrocentrale Bucharest. Gas plant will have a capacity of about 250 MW, and the newly created company will operate as an independent power producer (IPP).

“Fântânele project implementation in collaboration with Marubeni, is beneficial not only for ELCEN but also to Romania National Power System. Flexibility and efficiency of the technical solution chosen provides a source for system balancing and capacity as reserve sources, said the general manager of ELCEN Gabriel Ignat.

Signing documents for the joint venture was attended by general manager of ELCEN and Hiroshi Tachigami, Marubeni Europower President and other representatives of the two companies and the authorities.

“Fântânele is our first investment in infrastructure project in Romania and we are delighted to achieve this stages of development, as part of long-term strategy for greater participation in Central and Eastern Europe. Marubeni Europower seeks to expand its presence in Romania, and this pilot project can demonstrate the stability, safety and functionality of an energy market that tends towards an energy independent, said President Marubeni Europower.

Project involves development of electricity generation units fuelled by natural gas, located inside the former Fântânele thermoelectric plant, which is now disused.

Regarding funding, about 30% of the capital will be contributed in cash to the capital of the company Marubeni mixed with the remainder to be covered by loans from credit institutions and / or commercial banks. ELCEN will contribute in kind contribution by land required for the project and access to utilities.

New company will be registered in the Trade Register during the month August 2014, will be taken all the steps necessary to achieve financial closure. Current estimates plant construction will be completed within approximately 18 months from the date of financial closure of the project. Entry in the commercial operation of the new plant would take place in 2017.