

Romania most attractive for RES investors for its incentive FiT system

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Romania has regained its position in a ranking of renewable energy investment attractiveness and remains a favorite location for international projects. The new renewable energy report from consultancy firm Ernst & Young again ranks Romania 13th out of 40 countries around the world for December 2012 to February 2013.

The ranking puts Romania ahead of many other European and regional countries, such as Poland, ranked 14th, Turkey, Ukraine and Bulgaria (ranked 40th). Romania is also ahead of many EU states, including Spain, Belgium, Portugal, Ireland, Greece, Denmark, The Netherlands, Finland and Austria.

The big EU economies, Germany, the UK, France and Italy are deemed more attractive to renewables investment.

Romania scores even more highly in Ernst & Young's wind energy index. Here, Romania is tenth, in between Poland and Ireland. Again Romania outranks the majority of EU countries in the index, behind only the big EU economies plus China, the US, Canada and India, as in the overall table.

But Romania does not score so highly for solar energy, ranking down in 24th place. In spite of its bottom half position, Romania is still ahead of Poland and Bulgaria for solar energy investment attractiveness. The solar market is, however, very busy in Romania, according to Ernst & Young. There are substantial growth projections for installed capacity of solar power in 2013 and Ernst & Young mentions particularly favorable conditions for investment at the moment. A number of solar projects should come online in the coming year, according to the report, including a project developed by EDP Renovaveis.

Although the good renewables times appear to be rolling on in Romania, the report raises the specter of uncertainty, which could spook potential investors. “Because discussions arose in the market about possible modifications of the scheme to support renewable energy projects, the rate of new projects was to some extent slowed. If this uncertainty is resolved positively, investors will surely be more inclined to invest in wind and solar projects Romanian,” said Florin Vasilica of Ernst & Young Romania.

Global consultancy firm Ernst & Young publishes quarterly updates on the investment climate for renewable energy projects in countries around the world. This most recent report also found growing public discontent over energy bills, which calls into question granting big subsidies for renewable energy projects. There is increasing competition from shale gas exploitation, which could compete with renewables for energy sector investments, according to Ernst & Young.

Source Romania insider