

Romgaz CEO Adrian Volintiru said that the company has taken the first step in gas supply to end consumers and a step in the affirmation of Romgaz in gas supply and distribution market. In July, Romgaz announced its intentions to enter, now fully liberalized, gas supply and distribution market by the end of the year. The Board of Directors of Romanian state-owned natural gas producer Romgaz approved the establishment of the Drobeta-Turnu Severin supply branch, a few days after signing a memorandum with Mehedinti Gaz for the installation of dozens of small gas-fired power plants in the city.

Romanian Minister of Economy and Energy Virgil Popescu said that the heating of the city of Drobeta-Turnu Severin will be solved through these small-scale district power plants, but also the gas distribution network will be expanded, so that consumers will have a choice between a heating system at home and the district heating plant.

The operator of the natural gas network in Drobeta-Turnu Severin recently completed a pilot project through which it installed small-scale district heating plant, with an investment of about 100,000 euros. The cost of a heating has dropped by about 50 % compared to the current price for heating in the city, provided by old heating plant which runs on fuel oil. The memorandum between Romgaz and Mehedinti Gaz envisages the installation of 38 such thermal units in the city. The business model, as well as the contribution of each party, are not yet established, but are to be clarified in an upcoming feasibility study.