

Romania: Wind electricity producers mark losses in 2015

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A study, commissioned by the Romanian Wind Energy Association (RWEA), has shown that the net loss of wind power industry in Romania increased by 420 million euros last year and reached 0.9 billion euros in 2014-15 period.

The results are even more worrying, given the fact that investments in wind power in Romania totaled 1.1 billion euros, which is by far the most important investment in Romanian energy system since 1989. In the past two years, there is a serious asset depreciation of about 0.9 billion euros. At the same time, an average of 30 years is needed in order to repay the loans obtained for the construction of wind farms, while their operational life is some 20 years.

President of RWEA Claudia Brandus said that the investors continued to accumulate huge losses in 2015, while their assets are still devaluing, thus they are unable to repay the loans. Given the average electricity price of 37 euros/MWh in 2015 and this year's prices which are even below that level, it becomes obvious that wind farms are in need of state aid for the investment amortization. She added that current state aid is incorrectly calculated and pushes producers towards bankruptcy.

According to data by the Romanian electricity transmission system operator Transelectrica, total installed capacity in renewable energy in Romania has reached 4,690 MW at the end of the first half of 2016. The installed capacity has significantly decreased from 5,142 MW recorded at the end of 2015.

Wind farms were accounted for 2,959 MW, solar power plants for 1,312 MW, small hydropower plants had total installed capacity of 316 MW, while biomass and biogas power plants had 103 MW of installed power.