MODERNISATION FUND
EIB CONFIRMATION OF PRIORITY INVESTMENT

ref. MF 2022-1 RO 0-015

Beneficiary Member State: Romania
Investment Proposal: Optimising the operation of the existing 400 kV OHL in NPS (SEN), used for interconnection and power output from Cernavodă nuclear power plant and the renewable-energy power plants in Dobrogea, by installing on-line monitoring systems (Smart Grid)

1. Background

The Modernisation Fund was set up pursuant to Article 10d of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (the "ETS Directive").

The legal basis for the operation of the Modernisation Fund is set out in the Commission Implementing Regulation (EU) 2020/1001 of 9 July 2020 laying down detailed rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the operation of the Modernisation Fund supporting investments to modernise the energy systems and to improve energy efficiency of certain Member States (the "Implementing Regulation").

In accordance with Article 10d(6) of the ETS Directive, the European Investment Bank (the "EIB") is to confirm whether a proposed investment falls into a priority area. The EIB may confirm the proposal as a priority investment if the conditions specified in Article 6(7) of the Implementing Regulation are met.

2. Investment proposal

Pursuant to Article 4(1) of the Implementing Regulation, on 23/02/2022 Romania (the "beneficiary Member State") submitted to the EIB an investment proposal "Optimising the operation of the existing 400 kV OHL in NPS (SEN), used for interconnection and power output from Cernavodă nuclear power plant and the renewable-energy power plants in Dobrogea, by installing on-line monitoring systems (Smart Grid)" for which it

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envisages a contribution from the Modernisation Fund (Modernisation Fund reference number MF 2022-1 RO 0-015).

The investment concerns the installation of Dynamic Line Rating (DLR) monitoring systems for twenty-three 400 kV overhead lines of the national transmission system. DLR monitoring systems will be installed on 10 interconnection lines and 13 power transmission lines used for power output from Cernavodă nuclear power plant and the renewable energy power plants in Dobregea region.

The beneficiary Member State has requested funding of EUR 10 475 032,47 for a disbursement under the proposed project.

The main objective of the investment is to modernise the transmission system as well as to improve the security of supply and the flexibility of the transmission network.

The project is aligned with the objectives set out in the National Energy and Climate Plan (NECP) for Romania with regards to the internal energy market dimension.

3. Compliance with the conditions for priority investment

a) The beneficiary Member State has demonstrated that the investment complies with the requirements laid down in Article 10d(1) of the ETS Directive as it supports the modernisation of the energy system and it is in line with the objectives and measures set out in its NECP.

b) According to the information provided by the beneficiary Member State and pursuant to Article 10d(2) Directive 2003/87/EC, the investment is considered as a priority investment as it falls under the priority area “modernisation of energy networks”.

c) The beneficiary Member State has sufficient funds available for the requested disbursement according to the statement of the available funds referred to in Article 5(1) of the Implementing Regulation and after deduction of any amounts to be disbursed for investments already confirmed in accordance with Article 6(9) of the Implementing Regulation.

d) The beneficiary Member State has provided evidence that the investment proposal does not constitute State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union.

e) The beneficiary Member State has confirmed in writing that the investment complies with any other applicable requirements of Union and national law.

f) According to the information provided by the beneficiary Member State, the amounts requested from the Modernisation Fund are not intended to cover the same costs of the investment as those financed by another Union or national instrument.

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4. Conclusions

The EIB has assessed the investment proposal based on the information submitted by the beneficiary Member State in accordance with Article 4 and Annex 1 of the Implementing Regulation and it has concluded that the investment proposal has met the conditions specified in Article 6(7) of the Implementing Regulation.

In view of the above, and in reliance on the information and evidence provided and the confirmations given by the beneficiary Member State as described at paragraph 3 above, the EIB confirms the proposal "Optimising the operation of the existing 400 kV OHL in NPS (SEN), used for interconnection and power output from Cernavodă nuclear power plant and the renewable-energy power plants in Dobrogea, by installing on-line monitoring systems (Smart Grid)" (Modernisation Fund reference number MF 2022-1 RO 0-015) as a priority investment.

This confirmation is without prejudice to the requirement for a disbursement decision to be made pursuant to Article 10d(3) of the ETS Directive.

European Investment Bank
Luxembourg, 23rd March 2022

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