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Energy Financing Workshop - Romania

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EIB support to District Heating and Networks under Energy Lending Policy

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Investment opportunities
(examples from the National Investment Plan in Energy Sector)

- Capacity increase of electricity transmission lines and cross-border interconnection — ca. RON 4.6 billion – driven by:
  - new production capacities including production from intermittent renewable sources;
  - development of the electricity market, at national, regional and European level
- National District Heating Program - modernization of district heating infrastructure in 15 territorial administrative units with a value total of RON 650 million

EIB Eligibility (1)

- Electricity Gas and Oil Networks

  - All electricity transmission and distribution infrastructure is eligible except for direct connection of generating capacity based on coal and lignite

  - Oil infrastructure as well as gas transmission and distribution network projects are **not eligible** for Bank support, with the exception of the following:
    - gas projects included in the 4th PCI list cofounded with the EU budget, and approved by the EIB Board before end 2021;
    - connection to new sources of low-carbon gases;
    - gas network projects to transport low carbon gases, including the rehabilitation and adaptation of existing gas infrastructures when it is part of this goal;
    - smart meters intended to reduce gas consumption.

EIB Eligibility (2)

- District Heating and Cooling Infrastructure (Network)
  - A DH/DC network projects are eligible and contribute to energy efficiency and climate action if the network is part of an ‘’efficient district heating and cooling system’’, as defined in the EU energy efficiency directive*, i.e. a system using at least:
    - 50% renewable energy or, 50% waste heat or, 75% cogenerated heat or, 50% of a combination of such energy and heat:

AND

  - The project will not increase combustion of coal, peat, oil or non-organic waste on an annual basis.

* In case of refurbishment or expansion of an existing DH/DC network that does not comply with the definition of efficient DH/DC an investment plan or clear corporate strategy to reach compliance within a determined time frame (5 or 10 years) may suffice.

EIB Eligibility (3)

- District Heating and Cooling Infrastructure (Generation)
  - Energy generation projects for DH/DC are eligible (for Bank financing and CA/mitigation) if the facility uses:
    - **renewable energy, low carbon fuel, waste heat**, or
    - **high-efficient cogeneration** of heating/cooling and power with **GHG emissions that do not exceed 250 gCO2/kWh**,
    - or a combination thereof.
  - In addition, **efficient gas-fired small boilers** applicable for buildings or SMEs are eligible where in line with the EU Eco-Design Directive, or appropriate standards outside the EU.
  - Peak/reserve boilers operating on gas (or oil, if gas is not available) are eligible for Bank-financing, only if the DH/DC network is eligible for Bank-financing. However, these components are not eligible for Climate Action.

Emission Standard and Combined Heat and Power

- In the case of gas-fired co/tri-generation, the project is eligible if it results in emissions in the production of power of less than 250 g CO2 per kWhe.
- GHG emissions are allocated between heat and power using the heat bonus approach.

$$\text{Unit Specific GHG emissions of power generation} = \frac{\text{(Total GHG emissions CHP plant – Total GHG emissions of an alternative heat source*)}}{\text{Total net electricity generation of the CHP plant}}$$

* The alternative heat source is a heat-only boiler with a standard efficiency for the type of fuel and boiler, as per the Annex II of Commission Delegated Regulation (EU) 2015/2402.

EIB Relevant Project Examples

- **TRANSGAZ BRUA GAS INTERCONNECTION PROJECT (2014-0240)**
  - Investment to build the Romanian section of the Bulgaria-Romania-Hungary-Austria (BRUA) natural gas transmission corridor, thus allowing better market integration and increasing security of supply.
- **ROMANIAN POWER GRID NETWORK (2010-0072)**
  - Support to the medium-term investment programme for the refurbishment and expansion of the energy transmission network in Romania.
- **SARMASEL UNDERGROUND STORAGE EXPANSION (2019-0484) –** under appraisal, grandfathered based on the new ELP
  - Increase of the Sarmasel underground gas storage capacity from 900 Mm3 to 1,550 Mm3.

EIB Relevant Project Examples

- **PROGRAMME LOAN HEATING SECTOR IN POLAND (2017-0974)**
  - The project consists of a Programme Loan to finance investments in the heating sector in Poland.
- **BUDAPEST DISTRICT HEATING STRATEGIC INVESTMENTS (2018-0061)**
  - Investments in the district heating system of Budapest for the period 2018-2019 to improve network performance, to optimize the heat generation mix and to reduce emissions of greenhouse gases and other air pollutants.
- **EIB Project Assistant Team (JASPERS) support –**
  - to Managing Authority of Large Infrastructure Operational Programme and the Beneficiaries of European Funded Projects in the District Heating Sector (Local Authorities and Operators of District Heating Systems) for the Municipalities of Oradea, Focsani and Bacau.

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Thank you for your attention!