

The European Bank for Reconstruction and Development, the European Investment Bank, European Union and the World Bank are providing a 270 million euro (\$320 million) package to finance a permanent interconnection between the electrical networks of Moldova and Romania, seenews.com reads.

This interconnection is of critical importance for the diversification of Moldova's electricity resources, the EBRD said in a press release on Wednesday.

The package includes EIB and EBRD loans of 80 million euro each, a 70 million euro loan from the World Bank and a 40 million euro investment grant from EU funds.

The investment covers the construction of a new 400 kV high-voltage overhead line between Vulcanesti, in the southern Moldova and in the capital Chisinau, the upgrading and expansion of the substations in Chisinau and Vulcanesti and the construction of a 600 MW back-to-back converter substation in Vulcanesti.

The interconnections will be built by Moldova's public electricity utility Moldelectrica over three years - between 2019 and 2022.

"The implementation of investment projects to develop the electricity interconnection between Moldova and Romania is a strategic objective aimed at achieving a more efficient and competitive energy system that will ensure the country's energy security, the modernisation of existing energy infrastructure and integration into the EU energy market," deputy prime minister and economy minister Octavian Calmic said.

"Not only will this project provide a higher level of energy security, it will also contribute to competitive prices on the domestic electricity market, permanent access to the regional electricity market and, as a result, an energy price that is less burdensome for consumers," Calmic added.

At the moment, Moldova depends on a single plant fuelled by natural gas, oil and coal and electricity imports from Ukraine for up to 80% of its supplies. The link to the Romanian electrical network will considerably enhance the stability and reliability of its power supply - a prerequisite for the country's economic development.

Diversification of electricity resources will open up Moldova's electricity market to increased competition, with the enhanced access to the European market generating economic benefits for both companies and citizens. The project will ultimately pave the way towards Moldova's integration into the European electricity grid, ENTSO-E.

"The project is a game changer for Moldova's energy security. It will introduce genuine competition for the existing sources of electricity by allowing Moldova to access supplies from Romania and, through Romania, the wider region," EBRD director for power and energy Harry Boyd-Carpenter said.



EBRD, EIB, EU, World Bank finance Moldova-Romania power link with 270 mln euro

For his part, EIB vice-president Alexander Stubb commented that safe and diverse energy supplies are key factors enabling the Moldovan economy to develop further.

Source: actmedia