

The Romanian government has reached an agreement with China Huadian Engineering (CHEC) on an energy project at Oltenia Energy Holding's (OEH) Rovinari Power Plant Branch, with an estimated value of EUR 848 million, say government officials, according to business-review.ro.

The plant will use as its main fuel the coal extracted from nearby mines, and domestically produced equipment and materials in its construction and operation, according to company representatives. It will generate sales of 4.6 million tons of coal annually, securing 3,000 jobs and creating another 1,800, they add, and shore up the Romanian energy system.

The EUR 848 million investment is expected to repay itself in approximately 12 years. The project has a lifespan of 30 years and is due to become operational in 2019.

The green/brownfield type project will be implemented by a mixed capital company in which CHEC and OEH will hold shares. It will see the construction of a 600 MW power plant at OEH's Rovinari power plant branch.

The Chinese partner's initial cash contribution has been set in principle at "at least 30 per cent of the total registered capital needed to make the investment" with the subsequent assurance of financing. OEH will contribute plots of lands and buildings. The power plant will use as fuel coal supplied by OEH's Rosia, Tismana and Pinoasa mines.

source: energyworldmag.com