

CE Oltenia to join Isalnita power plant building on 59.9pct stake

The Oltenia Energy Complex will join a project to build a gas-fired power plant at Isalnita by owning a 59.9% stake in the share capital.

CE Oltenia's 59.9% stake means a contribution of 65 million euros. The selected investor, Alro SA, will own a 40.1% stake, meaning a contribution of over 43.5 million euros.

"The total value of the project is estimated at 506 million euros. The project has also received funding from the Modernisation Fund, and the new special-purpose vehicle (SPV) will get financial grants covering 50% of the project value. The Romanian government will pay these amounts directly to the new SPV, as the final beneficiary of the Modernisation Fund, under a funding agreement to be concluded between the SVP and the Ministry of Energy. Also, the project will get bank funds for which CE Oltenia in August 2022 mandated an important commercial bank to act as the organiser of a syndicate," the release reads.

The date of commissioning of the Isalnita gas-fired power plant is 2026. It will replace units 7 and 8, both coal-fired, of a capacity of 315 MW.

The main shareholders in CE Oltenia are the Ministry of Energy (77%) and Fondul Proprietatea (21.5%). Its share capital is 270 million lei.