

## Draft law on energy sector's decarbonisation is adopted

**The draft law for the approval of OUG (gov't emergency ordinance) 108/2022 regarding the decarbonisation of the energy sector, which regulates the closure and conservation of lignite and black coal based energy groups, the closure of lignite quarries and black coal mines, as well as support measures for the closure and conservation of electric power capacities' production based on lignite and black coal was adopted on Tuesday, by the plenary session of the Chamber of Deputies, the decision-making chamber, with 155 votes in favour, 44 against and 37 abstentions.**

According to the piece of legislation, the black coal (or bituminous coal) will be gradually decommissioned until December 31, 2032 at the latest. The execution of safety works, closure and greening works of quarries and mines shall be completed by the same date.

The total installed capacity of electricity based on lignite and black coal that will be phased out gradually until 2032 at the latest is 4,920 MW, of which 3,780 MW until the end of 2025, is also shown in the project.

According to another amendment, the energy capacities based on bituminous coal and lignite remaining available on December 31, 2021 are gradually taken out of operation and can be transferred to the technical reserve at the disposal of the national energy dispatcher, according to the provisions of this emergency ordinance, as follows: until the end of 2022, 660 MW of lignite-based electricity production capacity; until the end of 2025, another 1,425 MW of electricity production left capacity based on lignite; until the end of 2032 at the latest, additional electricity production capacities based on lignite and black coal of 1,140 MW.

In order to replace the lignite and black coal-based electricity production capacities that will be closed and in order not to endanger the safety of the National Energy System, new production capacities will be created, the project also provides.

According to the Restructuring Plan of the Oltenia Energy Compound (CEO), approved by the European Commission by Decision C(2022) 553 final of January 26, 2022, for which financing was obtained from the Modernization Fund in the amount of 897 million euros, with the participation of the Oltenia Energy Compound there will be made new investments in natural gas capacities and renewable energy sources, as follows: two CCGT-type ready for hydrogen natural gas groups, with a total capacity of 1,325 MW: Isalnita: 850 MW - with commissioning in 2026 - Turceni 475 MW - with commissioning in 2026; eight photovoltaic parks with a total capacity of 735 MW - until 2024.

The black coal-based electricity production capacity of the Hunedoara Energy Complex, namely the Paroseni 4 energy group, with an installed capacity of 150 MW, will ensure, until the end of 2030, the neutralization of the black coal resulting from the safety works of black coal deposits.

The non-commissioning of black coal and lignite-based electricity production capacities by the due dates provided by the draft law constitutes a contravention and is sanctioned with a fine of up to 5% of the net turnover of the economic operator operating the production capacities based on black coal and lignite, which were not taken out of operation at the due dates, the document states.