

WIND POWER MONTHLY

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REMOVING THE GEARBOX

The pros and
cons of direct
drive examined

INVESTORS RUN SHORT

Loss of appetite
for US tax credit

NEGATIVE PRICING

Potentially a
good instrument



vices. Regional bank Caja Sur and local business consortium Séneca are joining EUFER in the bid. EUFER says that the partners will together own “up to 20%” of the venture. The company adds that it plans to hire workers locally, but does not give an estimate for the number of jobs that the wind farm construction will provide.

Higher prices on the way

Romanian market framework reform

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Windpower Monthly
Italy

Romania's parliament approved legislation last month that should significantly increase the incentive price paid to producers of wind power and other renewables generation. Once the law goes into effect, after it is published in the country's official gazette in the next month or so, it should also provide project investors

with greater transparency on revenues. Romania's wind market, with just 9 MW of wind plant installed, has been a hot spot for international developers, although the expiry of the existing incentive program already in 2012 has proved a deterrent to investment.

Among key measures in the new legislation is an initial doubling of the volume of green certificates to be issued to wind producers from one certificate for each megawatt hour of generation to two certificates. At the same time, the cap on the maximum price certificates can be sold for is being raised from €0.042/kWh to €0.055/kWh. The minimum price is also being bumped up slightly, from €0.024/kWh to €0.027/kWh.

To date, the maximum price has been the going rate for certificates and that is expected to continue for the next several years. The prices hold for the 2008-2014 period, after which the legislation says the minimum price cannot be less than the minimum price applied in 2014.

“When you put the price for green certificates together with that for selling energy, the total for wind is about €0.15/kWh,” notes Cristian Tantareanu of Romanian renewable

energy promotion agency Enero. “It may even be a bit too enthusiastic,” he adds.

Romania's green certificate system is tied to a renewables obligation for electricity retailers, which amounted to 3.74% of total electricity supplied in 2007 and will rise to 8.3% in 2010-2012. The new legislation also provides a formula for calculating the proportion of renewables in the supply mix that will be legally required through 2020 and establishes that the economics and finance ministry will set the percentage from 2021 to 2030 at a level that must be at least equal to 2020. While it is not possible to say exactly what the percentage will be in 2020, Marta Popa of Romanian law firm Voicu & Filipescu expects it could be around 16.8%.

Popa says the legislation also gives renewable energy producers the chance to opt for a fixed purchase price, although it provides no further details. Aside from incentive prices for renewable energy, she points to a number of other measures to encourage investments. These include tax and levy exemptions or deductions on reinvested profit for a three-year period and government financial contributions for creating new jobs.