



Trade Commissioner Service

District Heating Systems Central and Eastern Europe (CEE)

*Markets Overview:
Romania (Bucharest)*

March 23, 2021



Romania, Bucharest: Market Overview

Bucharest population

- 2020: 1.8 million inhabitants (without the metropolitan area), with a 0,5% decrease registered per year in the last 3 years;
- Bucharest has a central City Hall and 6 District City Halls;

Construction sector trends

- High construction rates in Bucharest in recent years, especially in residential and office buildings;
- The construction sector was one of the few which registered increase (2.1%) during the 2020 Covid-19 pandemic;
- Recent regulations imposed by the Bucharest City Hall ban building projects approved at district level for one year; only projects approved at central level will be implemented;

Overview of Bucharest Energy System - Bucharest's energy system is based on several components:

- The **electricity transmission and distribution system** is well developed; Most end-consumers are connected to [ENEL Romania](#) (3 million consumers in Romania); The liberalization of the electricity market in January 2021 will open the market and increase the electricity price (predicted outcome); Few consumers use electricity for heating;
- The **district heating system** in Bucharest is the 2nd largest in Europe and is 70 years old; It is run by the state owned enterprise [Termoenergetica](#) (only the pipelines), subordinated to the Bucharest City Hall and providing heating and hot water to 1.2 million inhabitants/ 550,000 flats in Bucharest and its metropolitan area; The hot water is a by-product of the electricity produced by [ELCEN](#), power producer with 4 units using natural gas, sometimes heavy oil, SOE under the Ministry of Energy; Central heating price is heavily subsidized;
- Escaping the system - **individual central heating system** – Allowed only for individual homes, but very popular with flat owners, despite being banned by the EU in 2001, unless common certain technical requirements are met;
- **Energy poverty** – Some homes are still heated with wood, coal and waste.



Romania, Bucharest: Market Overview

Bucharest Climate Change Plan/ Environmental Department

- Bucharest City Hall **DOES NOT** have an integrated **Climate Change Plan**, but it does have an **Environmental Department**;
- Bucharest City Hall has issued an **Integrated Plan on Air Quality** for Bucharest (2018-2022), an **Energy Strategy** and a **Waste Management Plan** (2019-2025); Minimal focus on climate change aspects;

Climate change NGOs – most of them are working at national level, none with focus on Bucharest, medium level of activity, low impact

- Fundatia Terra Mileniul 3 - <https://terramileniultrei.ro/>
- Greenpeace Romania - <https://www.greenpeace.org/romania/>
- Ambasada Sustenabilitatii - <https://ambasadasustenabilitatii.ro/actiune-pentru-schimbarile-climatice/>
- No Planet B - <https://ro.noplanetb.net/>

Clean energy solutions – businesses, organizations, funders

- Romania Green Building Council - <http://www.rogbc.org/ro/> - very active in the construction sector, medium impact;

Market specific info (Projects, plans, funds)

- There is **no integrated plan** to deal with the obsolete district heating system and its complementary issues;
- The intention is to replace the 950 km of main pipes in next few years; 390 million Euro EU funding are already available for replacing 260 km of pipes; No plan for the 3,000 km of secondary pipes and limited, basic plans for energy efficiency of residential and institutional buildings;
- City Hall expressed interest to purchase ELCEN from the Ministry of Energy and refurbish the 4 power plants.



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