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## USAID Finances Energy System

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The United States Agency for International Development (USAID) is granting local Romanian authorities 1.6 million dollars in 2005-2007 for the development of efficient local impact strategies for energy consumption. USAID wants, through the program called "The Energy Program for Romania (REP 3)," to stimulate local authorities in developing projects that will lead to the rehabilitation of the local systems that generate and distribute energy for more efficient energy consumption. "The energy efficiency is three to five percent lower than that existing in other counties," said the program's coordinator, Jean Constantinescu.

USAID will offer technical assistance and projects will be drafted and approved by the local authorities. The third stage of the USAID program started in September 2005 and should end in August 2007.

A research institute has come up with six scenarios for restructuring the energy sector, mainly involving the merger of different production facilities - thermoelectric, hydro and nuclear, in an effort to reduce costs. EBRD warned of inefficiency in the production and distribution of electricity.

The restructuring of the energy sector requires a total investment of about 7.25 billion euros for the modernization of facilities and environmental programs, investments that companies in the system should make by 2020. The energy sector's restructuring project, which the government plans to adopt this year, provides for the merger of production facilities in the thermoelectric, hydro and nuclear sectors, creating companies that could produce electricity at an average price of 42 euros per MWh. Prices vary significantly now in different sectors.



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