

Hungarian Minister for National Development Janos Fonagy said that the state does not consider applying for the EU funding of the project for the expansion of thermal power plant Matra.

Minister Fonagy explained that Matrai Eromu Zrt, the company that operates the plant, is majority owned by German RWE and the state has only a minority stake, thus it will not seek the support from EU funds for this project.

However, Hungarian media informed in April that RWE is considering the sale of its majority stake in the power plant and related coalmines. RWE spokesperson commented that the company is currently looking at all strategic options, which also includes the sale of the majority stake in the plant. RWE's minority partner in Matrai Eromu EnBW said that it is also looking at all options for its non-core assets, but refused to comment on individual holdings. RWE currently holds 50.9 % stake in Matrai Eromu, while EnBW has 21.7 % of the shares.

The media informed that bidders could submit their offers for the plant within the next two months, adding that there are five interested companies, but only two are prepared to offer a price that would satisfy RWE and EnBW. The potential bidders were not explicitly named, but said that Czech energy companies EPH and CEZ, as well as Hungarian state-owned MVM, which already has 26.15 % stake in Matrai Eromu, could be interested.

Coal-fired TPP Matra is the second largest power plant in Hungary with power output of 950 MW, covering about 14 % of the country's annual electricity consumption. Matrai Eromu Zrt. generates annual revenues of about 320 million dollars and in 2016, the company recorded a net profit in the amount of 33.4 million euros. Coal-fired units should be shut down in mid-2020s and the new 500 MW unit is planned as their replacement.