

The price of electricity supplied to end-consumers cannot be low and at the same time cover the necessary investments in the energy sector, said Bogdan Badea CEO of the largest Romanian electricity producer Hidroelectrica.

Badea explained that the free market is the only one that can give a fair price to the consumer and vet the price needed to make investments. He said that 10 % lower electricity bill may not save much for the individual consumer, but the supplier is losing significant funds which could be invested in new generation projects. He added that new investment projects can be financed partly through the price paid by consumers and partly by grants provided by the European Commission.

Badea also said that he expects the market to be much more aggressive with liberalization from 1 January 2021, and Hidroelectrica is preparing to be a very serious competitor in the supply to final consumers segment.

Earlier this week, Hidroelectrica reduced the offer price for residential consumers from 52.8 euros/MWh to 49.5 euros/MWh. This move came after the company was accused by the Minister of Economy and Energy Virgil Popescu, who said that it could provide much cheaper electricity to residential consumers, which in turn would lead to the decrease of prices in the whole market. He stressed that the price for residential consumers should be around 41.5 euros/MWh.

Minister Popescu said that this is the main reason why ANRE revoked the company's license as a supplier of last resort, because Hidroelectrica had less than 3,000 customers on the market, due to uncompetitive pricing.