

Under thermal energy producer's (ELCEN) reorganization plan, adopted in July 2020, the Energy Ministry and/or the Municipality of Bucharest had six months from that date to declare their intention to take over ELCEN's assets and operations, directly or indirectly, together or separately. The market value established by an authorized evaluator for the respective assets is around 300 million euros.

The Mayor of Bucharest Nicusor Dan said that the Bucharest City Hall wants to buy ELCEN. The company, which is currently in insolvency, is controlled by the state through the Ministry of Energy.

State-owned natural gas producer Romgaz previously expressed a similar intention as it owes significant claims against ELCEN. However, both interested parties might need more time to submit a formal offer. Romgaz already said that the six-month deadline set last July was too tight.

The district heating system in Bucharest is currently on the brink of collapse because of the faulty distribution network. Hundreds of apartment buildings in Bucharest have been left without heat and hot water in recent weeks as the heat distribution pipes broke.

The faulty network and the lack of investments have led to huge losses for the municipality's heating provider RADET, which went bankrupt. RADET's unpaid debts to ELCEN have also pushed the electricity and heat producer into insolvency as it couldn't pay its bills to gas supplier Romgaz.

Last year, the heat distribution network was transferred to a new company controlled by the municipality, but the situation hasn't improved significantly.