

## **Romania: ENEL sale of electricity companies attracts China State grid corporation as most serious bidder**

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**Date :** July 31, 2014

ENEL Italy is trying to sell its Romania subsidiaries. In Romania, the Italian company has three former subsidiaries of electricity distribution and supply of electricity in the EMS, including Bucharest, Banat and Dobrogea. Among potential buyers are Electrica, and investment funds, State Grid Corporation of China, RWE AG and Electricite de France.

Sales will involve a 64.4% stake in Enel Muntenia and Enel Energie Muntenia distribution, 51% of Enel Distribution Banat, Enel Distribution Dobrogea and Enel Energie and Enel Romania 100% of the shares.

General Director of Enel, Francesco Starace, committed to sell by the end of the assets in Romania and Slovakia, to strengthen the company's balance sheet. Among potential buyers are Electrica, and investment funds, State Grid Corporation of China, RWE AG and Electricite de France.

'We believe that this event has indirect implications, but significant and positive for Enel. The company will be successful asset sales plan ', said Panzacchi.

A spokesman for the German company RWE, Michael Murphy, declined to comment on possible bid for the assets of Enel, as did EDF spokesman.

Any sale could be delayed after the Society Participation in Energy Management (SAPE), a company drawn from electrical and subordinated Department of Energy announced it would open an action against Enel Arbitral Tribunal in Paris, where sale of the minority stake in Electrica Muntenia Sud former subsidiary of the Italian company and ask for a payment of 521 583 000 euros.

Enel expects this action to affect the sale of assets, said a spokesman for the Italian company.

Under the provisions of the privatization agreement signed in July 2007, Electrica has the right to sell and Enel has the obligation to buy a part or the whole package of 23.57% stake in the former Enel Electrica Muntenia Sud.

Romanian State has right of first refusal on Enel divisions in the country and did not specify whether or not the assets concerned.

'Enel's distribution assets in Romania could be taken over by private investors and state-owned or Romanian investors, but it is also possible that the intent of sale will not materialize, "said Minister for Energy, Razvan Nicolescu.

Enel wants to sell a 66% stake owned utility company Slovenske Elektrarne Slovak among the Czech group CEZ potential buyers.

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