

## **Romania: For 2015 Hidroelectrica announces major HPPS retrofitting cycle, refinancing the loans with creditors**

**Categories :** [SEE Energy News](#)

**Date :** November 21, 2014

Hidroelectrica now has bank deposit of 164MEUR, and next year company expect investments of about 400 million euros in upgrading large hydropower plants. Plans are to start works on old projects Stejaru Vidraru Big River - Retezat and Mărișelu. Hidroelectrica plans to resume the work on suspended investment projects in 2012, respectively Dumitra hydro-Bumbești, Siriu-Surduc Câineni and Cerna.

To complete work on HPP Bumbești Dumitra company requires 15MEUR and for HPP Siriu-Surduc needs 15MEUR, plus 10 million euros each for HPPS Câineni plants and Cerna - Belarenca stated Remus Borza the lawyer in Hidroelectrica.

Considering all these ambitious projects, the creditors' committee convened on 17 November to approve reducing the price of loans and extension of loans. Hidroelectrica wants to refinance a loan of 73 million euro, contracted from Unicredit Austria. Also, since the investment program is expensive, company wants to have some sort of safety net, even if Hidroelectrica has sufficient liquidity. Therefore, Hidroelectrica proposed the extension of creditors loans.

Thus, lenders will need to consider the opportunity of amending the credit agreement worth 50 million euros between Romanian Commercial Bank SA and Hidroelectrica to reduce the price of this loan. Lenders will have to approve and amend the current contract worth 4 million euros between ING Bank NV Dublin Branch and Hidroelectrica to reduce costs and extend the maturity to December 7, 2018, granting a grace period until September 7 2016 for principal repayment of the credit rates.

Another contrast is proposed to change the current value of 28,235,294 euros, between ING Bank NV Dublin Branch and Hidroelectrica SA. Lenders will have to approve the loan price reduction, extending the maturity to December 7, 2018 and granting a grace period until March 7, 2016 in respect of the loan principal repayment rates.

On the agenda of the committee of creditors Hidroelectrica expects approval of service contract with Fortum Power year ended Heat OY (Finland). It aims at making risk management procedures to monitor trading activity in the market OTC (over the counter) and markets in Serbia and Hungary, which include defining the internal process of setting limits hedge their output and limits trading, but also define the consideration and analysis process to define credit limits that may be granted to partners.

Remus Borza explained: "We have great need of such services to protect us from risk of default. In the current context market, we can not require payment in advance for the energy they sell. So we will have to evaluate very carefully partners. "

According to data published in the bulletin of insolvency proceedings in the case covering objection against the opening of insolvency proceedings Hydropower has been filed by the opponents Alpiq Alpiq RomIndustries RomEnergie and extrajudicial expertise provided by Univ. Dr. Ali Eden.