

Romania: Hidroelectrica cleared from all court claims

Categories : [SEE Energy News](#)

Date : December 5, 2016

Last week, the Bucharest Appeal Court has rejected the appeals of EFT, aluminium producer Alro Slatina and Andritz Hydro which contested the previous decision of the Bucharest Court that rejected their claims against Romanian electricity producer Hidroelectrica and Euro Insol, its former judicial administrator.

EFT claimed 2.5 million euros from Hidroelectrica, after the company activated the force majeure clause in all bilateral contracts in 2011, due to severe draught. EFT claimed that Hidroelectrica did not deliver the agreed quantity of electricity, but it was found that in 2011, Hidroelectrica delivered the contracted quantity of electricity to EFT, even exceeding the contracted quantity by 10 %. Alro Slatina claimed 28.6 million euros in damages for the same reason. The company was unable to provide the electricity to the aluminium producer at the agreed price of 25.7 euros/MWh, since the production price stood at 40.8 euros/MWh and the market price reached 48.8 euros/MWh.

The claim by Andritz Hydro related to the retooling contract for HPP Iron Gates II (Djerdap) and the Appeal Court rejected the the company's claims for alleged additional works under the abovementioned contract.

Hidroelectrica declared insolvency in June 2012, after the company lost about 1.4 billion dollars due to the unfavorable long-term contracts, which it has cancelled after going into insolvency. The company was in insolvency on two occasions. For the first time, the company was insolvent between June 2012 and June 2013, while it entered insolvency for the second time in February 2014.

Hidroelectrica recorded a gross profit of 244 million euros in the first nine months of 2016, which still makes it the most profitable state company in Romania. Gross profit increased by 29 % compared to the same period in 2015, while net profit margin increased by 8 %. The company's turnover stood at 533.2 million euros at the end of the third quarter.