

The largest Romanian electricity producer Hidroelectrica said that it will propose to its shareholders to approve the tenders for the provision of merger and acquisition, as well as due diligence consultancy services that will aid the company's efforts to purchase up to three electricity and natural gas suppliers in the Romanian market.

The statement from the company said that it plans to further expand its supply portfolio in order to shield itself from the volatility of wholesale energy markets, thus allowing an increase in the predictability of the company's revenues. Also, the expansion of the supply portfolio is the most efficient way to monetize the green certificates obtained from its renewable energy production portfolio. Last year, Hidroelectrica acquired a 108 MW Crucea wind farm.

According to informal sources, one of the potential targets could be Electrica Furnizare, the supply subsidiary of the Electrica Group and one of the largest suppliers in the country with more than 3 million customers.

Hidroelectrica has been considering similar acquisition for some time already, since the Government is planning to provide cheap electricity for larger number of consumers in the domestic market. Hidroelectrica is already supplying electricity to residential customers and has some of the most affordable rates on the market.

According to market sources, Electrica should not accept less than 150 million euros for its supply subsidiary.

The Romanian state holds 80.06 % stake in Hidroelectrica. The company has in its portfolio 209 hydro power plants with a total installed capacity of 6,482 MW, plus the 108 MW Crucea wind farm .