

Last week, Minister Popescu said that the Government prepared a new restructuring plan of EC Oltenia, which is well received by the European Commission. Greenpeace Romania announced that the Government has extended a 240 million euros loan to troubled coal-based electricity producer Energy Complex (EC) Oltenia before receiving the final opinion from the European Commission on its plans to support the company. The organization reminded that the Energy Minister Virgil Popescu previously informally said that the state will extend the bridge loan to EC Oltenia in order to purchase emission certificates for 2020, but the recently signed ordinance envisages that the loan provided by the state would convert into a grant after the company's successful implementation of restructuring plan. The loan will have to be returned only if EC Oltenia fails to implement the plan in full.

According to the new plan, EC Oltenia will operate just two coal-fired units at TPP Rovinari by 2026-27, which means 1,000 MW less in coal-fired capacity, since the initial version envisaged 1.650 MW of coal-fired capacity in operation in 2026. He stressed that this is the largest decarbonization effort made by Romania. Installed capacity of TPP Rovinari will be reduced from 3,570 MW in 2021 to 660 MW in 2027, which is 82 % reduction in six years. This will also result in the reduction of annual CO₂ emissions from 8.6 million tons in 2021 to 2.6 million tons in 2027. He also added that, after 2025, the remaining two units will be solely operated on market principle, without and subsidies. In late 2020, the Romanian Government has signed the Memorandum for the restructuring of state-owned EC Oltenia under a five-year program that involves some 2 billion euros of support from both state and the European Union's decarbonization program. The memorandum involves 1.33 billion euros of state aid, out of which 250 million was already extended as a rescue loan that the company could not return. The company will use the state aid for financing the purchase of CO₂ certificates over the period when the group is replacing its traditional coal-fired power unit with more modern gas-fired units and renewable energy capacities. Last month, The European Commission said that it has initiated an in-depth investigation into the restructuring plan of EC Oltenia, expressing doubts about the process.