

Insolvent electricity supplier Getica 95 has notified the municipal utility provider in Giurgiu that it will be terminating its electricity supply contract. This is the second large customers with whom Getica 95 has terminated the contract, after the company which manages ports in Constanta, Midia and Mangalia.

Namely, the supplier asked for a 67 % price increase in order to continue the supply. In both cases, Getica 95 proposed the two customers to sell them electricity from the spot market plus a mark-up, instead of the fixed price in accordance to the contract of 50.3 euros/MWh.

The Giurgiu utility provider can now either accept the offer of the supplier of last resort, in its case it is E.ON with 137.5 euros/MWh, or seek another supplier on the free market. Getica 95 may be suspected of abusing the regulations when invoking the provisions in the insolvency law, however, state-owned Hidroelectrica did the same when declaring insolvency to get rid of contracts in favor of private traders.

In June, the largest Romanian independent electricity supplier Getica 95 has filed for insolvency due to cash flow problems. According to the company's owner Viorel Tudose, the situation is not so difficult such as to force the company to terminate supply contracts, but the withdrawal of the financiers, on top of the deteriorating collection rate, forced it to resort to insolvency protection. However, he did not specify what led to such situation in the company.

Getica 95 and Tinmar are the sole independent players on a market dominated by privatized suppliers that are de facto vertically integrated, despite all the formal unbundling procedures they were subject to, and enjoy robust financial support from parent groups. Getica 95 is the biggest independent electricity supplier, which held 9.9 % market share in January 2021, second only to Electrica Furnizare, and the biggest supplier on the free market with 12.15 % market share in January.