

An emergency ordinance was passed by Romanian Government, and through the ordinance the Government has granted 135 million euros to coal-based electricity producer Energy Complex (EC) Oltenia.

The statement from the Ministry of Energy said that the granted state aid is in line with the restructuring plan for the company, which has been approved by the European Commission. However, despite the Government's claim, the opinion of the European Commission on amended restructuring plan for EC Oltenia will be available in late April.

In early March, the European Commission initiated an in-depth investigation into the restructuring plan of EC Oltenia expressing doubts about the process. The plan should meet the principal conditions of the 2014 Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty to be declared compatible with the internal market regulations. The EC asked Romania to submit its comments and provide all the information that may help it assess the restructuring aid within one month. The objection noted by the European Commission are quite significant and hard to address, particularly upon such short notice. The Commission claims that EC Oltenia is not ready to contribute to financing the restructuring plan, and the stakeholders are not prepared to share the burden. The Commission preliminarily concluded that the sources of financing as proposed by Romania do not constitute a significant, real and actual, free of aid own contribution of at least 50 %. The plans also does not restore long-term viability of the company, while the compensatory measures aimed at mitigating the risks of the aid on competition are insufficient. Earlier in April, Minister of Energy Virgil Popescu said that the Government prepared a new restructuring plan of coal-based electricity producer Energy Complex (EC) Oltenia, which is well received by the European Commission. 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.