

Romania: Termoenergetica accumulated huge debt in the few months

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Termoenergetica has accumulated debts of over 80 million euros to thermal energy supplier ELCEN in the few months since taking over the operation of the district heating network in Bucharest.

The company has already filed lawsuits to recover its debts and warns that Termoenergetica already meets the conditions for entering into insolvency following the accumulation of outstanding debts.

ELCEN complains that invoices for January, February and March 2020 were not paid and has calculated that the Bucharest City Hall registered arrears on the payment of the subsidy for the period November 2019 - February 2020 in the amount of 112 million euros.

Also, given the fact that there is a major risk of repeating the ELCEN-RADET situation as a result of increasing outstanding debts, with the risk of compromising the ongoing reorganization of ELCEN and the district heating system in Bucharest, ELCEN has the obligation to take into account all the legal options for the recovery of these debts, including the possibility of formulating a request for the opening of the insolvency procedure of Termoenergetica.

Last December, newly established Termoenergetica became the operator of district heating system in Romania's capital Bucharest, instead of RADET who went into bankruptcy.