

The European Commission has opened an in-depth investigation to evaluate if the Romanian state's support for local energy producer Complexul Energetic Hunedoara complies with EU regulation on state aid to companies in financial difficulty.

On April 21, 2015, the EC approved temporary rescue aid of EUR 37.7 million to the Romanian energy producer Complexul Energetic Hunedoara, which had been in financial difficulty since 2013. At that time, Romania committed to submit a restructuring plan aimed at ensuring the future viability of CE Hunedoara, if the company were unable to pay back the rescue aid in six months' time.

In a separate decision dated April 20, 2015, the Commission concluded that CE Hunedoara had to repay around EUR 6 million of incompatible state aid. In 2016, CE Hunedoara filed for insolvency with over EUR 500 million debt owed to various state entities. The insolvency process is currently suspended.

"At this stage, the Commission has doubts whether the proposed restructuring plan could restore the long-term viability of the company without continued state aid," reads the EC notice.

CE Hunedoara operates several coal mines and two coal power plants. The company has a market share of about 5% of the local electricity market and about 6,600 employees.

Source: romania-insider