

European Commission investigating Romanian support measures in favour of CE Oltenia

The European Commission has opened an in-depth investigation to assess whether Romanian support measures in favour of Complexul Energetic Oltenia SA (CE Oltenia) would be in line with EU rules on state aid to companies in difficulty, according to a press statement released by the European Commission on Friday.

CE Oltenia, a Romanian majority state-owned lignite-based electricity producer, has been experiencing financial difficulties.

Following a temporary rescue aid granted by Romania to the company after being approved by the Commission under EU State aid rules in February 2020, on 4 December 2020, Romania notified to the Commission a plan for the restructuring of CE Oltenia.

The restructuring plan foresees around 2 billion euros (RON 9.93 billion) of support to CE Oltenia, of which 1.33 billion euros (RON 6.48 billion) of public support by the Romanian state, in the form of grants and loans (including a 251-million- euro rescue loan that CE Oltenia did not reimburse). The remaining amount would be covered by EU funds, more specifically a grant by the Modernization Fund, that Romania would apply for.