

Energy Minister: Gov't to partially offset electricity bill for average income or average consumption households

The government will offset a portion of the electricity bills for average income or average consumption households, starting with November 1, Energy Minister Virgil Popescu said on Tuesday after attending the meeting on electricity and natural gas prices held at the Victoria Palace of Government between Prime Minister Florin Citu and the representatives of the National Energy Regulatory Authority (ANRE), the Competition Council, Transelectrica electricity transmission corporation and the OPCOM national energy market administrator.

"In addition to compensating vulnerable consumers, we want to support consumers up to the average income or the average consumption, and we want to do this throughout this winter season, starting November 1 and ending March 31," the Minister said, adding that this compensation will be made regardless of whether the Vulnerable Consumer Bill will be passed in due time or not.

According to the Energy Minister, there are 4.5 million households - or over 10 million Romanians - with an annual electricity consumption of up to 1,000 kWh.

"We are now calculating the budgetary impact, but the source of financing is definitely the additional income tax from gas price deregulation, and according to our estimates the amounts are twice as high as last year, due to the higher price. There is also the dividend tax charged on companies where the state is a shareholder, and let us not forget that at Hidroelectrica there is that additional dividend of 800 million lei still unpaid and which is kept as a source of financing for electricity compensation," the Minister showed.

He explained that the compensation for the average income will be in the form of a certain compensation rate for all average income Romanians, while the compensation for average consumption will take into account the invoiced amount of electricity.

Asked what a citizen should do if they suddenly receive a much higher bill, the EnerMin replied: "I would not foot it, I would complain with the supplier, I don't think they'll be cut off the grid if the bill is miscalculated. If they don't settle the matter with the supplier, let them file a complaint with ANRE and the National Consumer Protection Agency."

State subsidies for heating energy will also be granted, the Minister added.

Asked by the journalists if the authorities are considering lowering taxes for energy companies, as the latter have demanded, Virgil Popescu said: "I don't think it's normal that the VAT cut should benefit even those who don't need this facility. If we talk about the average income, it's OK, but in the case of very high incomes I don't think this is normal. A VAT reduction also benefits those with very high incomes."