

## CMS | Romania Rolls Out €578 Million State Aid Scheme to Support Industrial Competitiveness and Green Transition Romania



**On March 27, 2025, the Romanian Government enacted an Emergency Ordinance establishing a state aid scheme designed to support large energy-consuming industrial companies in Romania. This initiative aims to foster competitiveness while aligning with both national and European efforts to mitigate greenhouse gas emissions. The scheme is expected to be operational until December 31, 2031, with a substantial budget of approximately €578 million allocated for its duration.**

The core objective of this state aid scheme is to provide financial relief to industrial companies that are exposed to significant risks of carbon leakage due to their energy-intensive operations. In particular, the scheme seeks to exempt certain final consumers from obligations under Romanian law which governs the promotion of renewable energy production. Specifically, the state aid will partially exempt companies from the obligation to purchase green certificates.

The financial support mechanism is structured as a reduction of up to 85% or 75% of the costs associated with purchasing green certificates, depending on the nature of the company's activities. However, it is stipulated that the reduced costs must not fall below a threshold of €0.5/MWh annually. This measure is in line with the European Union's broader goals of reducing greenhouse gas emissions by 2030 and achieving climate neutrality by 2050.

The state aid is primarily targeted at economic operators engaged in sectors highly vulnerable to carbon leakage risks and those heavily reliant on energy for their operations. The total annual aid per beneficiary will not exceed €150 million, and it is estimated that up to 200 companies may benefit from the scheme. The Ministry of Energy is designated as the responsible authority for administering the scheme, and aid will be granted annually upon application and approval based on supporting documentation.

The implementation of this state aid scheme is subject to the conditions for approval by the European Commission. The scheme's funding is allocated in alignment with the European Commission's Decision C(2024) 8139 final, concerning Romania's energy tax reductions for large consumers. Additionally, the Ordinance provides for mechanisms related to compliance verification, state aid recovery, and post-award monitoring to ensure the proper allocation of funds and adherence to eligibility criteria.

State aid is granted annually on the basis of the applicant's application submitted to the Ministry of Energy, if the Ministry of Energy has assessed the supporting documents and accepted the application for State aid. For the year 2025, applicants may submit the application, accompanied by the relevant documentation, within 30 working days from the date of entry into force of the Emergency Ordinance, namely 4 April 2025.

The Romanian Government's adoption of this Emergency Ordinance represents a significant step in ensuring the sustainability and competitiveness of Romania's energy-intensive industries. It supports the country's transition toward a low-carbon economy while preserving its industrial base, aligning with European decarbonization objectives and mitigating the risk of carbon leakage.

For more information on Romania's state-aid schemes for industry, contact your CMS client partner or these CMS experts **Cristina Popescu** and **Laura Capata**.