



Ms Margrethe Vestager
Executive Vice-President for A Europe fit for the Digital Age
Commissioner for Competition
European Commission

Copy to: stateaidgreffe@ec.europa.eu

By electronic mail

9 April 2021

Re: Romania must comply with state aid rules

Dear Executive Vice President,

On 4 December 2020, Romania notified the Commission of a €1.3 billion restructuring plan for the state-owned coal company Oltenia Energy Complex (OEC). This plan follows a six-month rescue loan of € 251 million that the Commission authorised on 24 February 2020.

On 5 February 2021, the Commission opened an in-depth investigation into the restructuring plan, doubting it can be found compatible with the internal market.

Our organisations believe that the Commission should not authorise the notified restructuring plan, since it will increase OEC's CO₂ emissions, force Romanian taxpayers to pay the costs of OEC's pollution and inaction, and hinder Romania's just transition towards a coal-free and sustainable energy system. We reserve the right to submit additional observations on the restructuring plan within the deadline set by the Commission.

We have learned that, on 31 March 2021, the Romanian government adopted an emergency order by which it will offer OEC an additional rescue aid sum of € 241.4 million, this time in the form of a grant, for the payment of the CO₂ emissions allowances for 2020, which is due by the end of April 2021 (see Annex).

According to the emergency order, this rescue grant would be part of the implementation of the restructuring plan. To our knowledge, however, Romania has failed to notify the Commission of this additional measure, and the approval of the restructuring plan by DG Competition is still pending. Therefore, the rescue grant is illegal and in violation of Article 108(3) TFEU. Furthermore, Romania plans to disburse this rescue aid with conditions that appear to be

unduly more favorable than the ones applied to the rescue loan for the 2019 allowances authorised on 24 February 2020.

Indeed, by offering a grant instead of a loan, as it did in the case of the previous rescue aid, Romania would transfer the costs of emissions, which should be borne by OEC, to taxpayers, in violation of the polluters pays principle enshrined in Article 191(2) TFEU and in breach of the prohibition of aid for complying with EU environmental obligations.

Whilst we accept that Romania should have the possibility to adopt urgent measures to protect the livelihood of OEC's workers, we also consider that such measures must be enacted in accordance with Union's state aid law, must not preempt the outcomes of the ongoing assessment and must not constitute an undue circumvention of EU rules that require fossil fuels companies to bear the costs of their negative externalities.

We therefore urge you to ensure that Romania does not breach EU state aid rules and refrains from implementing the restructuring plan before the conclusion of the pending investigation or, in any case, without the assessment and authorisation of the Commission.

Our organisations will contact your services in the coming days to discuss their input to the ongoing investigation on the restructuring plan.

Yours sincerely,



Jorgo Riss
Executive Director
Greenpeace European Unit



Mahi Sideridou
Managing Director
Europe Beyond Coal



Alexandru Mustață
Just Transition Coordinator
Bankwatch Romania