

energy - draft laws published in November and December 2016

Draft Emergency Ordinance - version revised following public consultations - for amending and supplementing Law no. 220/2008 regarding promotion of energy production from renewable energy sources was published on November 17, 2016 on the Ministry of Energy website.

The latest amendments proposed for the support scheme, aiming to find a balance between the industry and the consumer and to provide lower costs for the renewable energy sector, were cleared by the Commission on December 16, 2016 and now await implementation as a new amendment to Law no. 220/2008. The main proposed amendments are as follows:

- A new transparent manner to determine the green certificates quota is introduced, by equally spreading the entire number of green certificates expected to be issued over the years left until the end of the support scheme, in 2031, rather than the actual mechanism which provided the yearly determination of a renewable energy quota which, for 2017 has been set at 8.3%;
- Producers and suppliers shall trade the green certificates as of July 1, 2017 exclusively on the dedicated market operated by OPCOM. Any breach of this rule shall impose a sanction between 1% and 5% of the turnover achieved during the year preceding the sanctioning decision;
- The certificates issued after January 1, 2017, shall have an extended validity period, until December 31, 2031;
- Green certificates shall no longer be registered in the accounts of the beneficiaries after issuance but only after they have been traded;
- Repeated transactions of green certificates shall be banned;
- The extension of the temporary suspension from trading of green certificates for solar power until December 31, 2024;
- The extension to 8 years, starting with January 1, 2018 until December 31, 2025, of the green certificates reinsertion period for hydro and wind energy producers;
- The extension to 6 years, starting with January 1, 2025 until December 31, 2030, of the green certificates reinsertion period for solar energy producers;
- The reinsertion of green certificates will be made in equal monthly installments;
- Minimum and maximum trading values are set for each green certificate to EUR 29.4, respectively EUR 35 and the medium impact to consumer is limited to EUR 11.1/MWh.

While the purpose of these amendments is to support the progress of the renewable energy sector to achieve the target of 27 % set for 2030, it is a certainty that these measures would help the investors' cash flow and reduce their losses.

The document can be consulted at:

<http://energie.gov.ro/wp-content/uploads/2016/11/OUG-modificare-Legea-220-2008.pdf>

Draft Energy Strategy of Romania for 2016-2030, in prospect of the year 2050 was published on December 19, 2017 on the Ministry of Energy website

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The Ministry of Energy has intensively worked in 2016 to draft the Energy Strategy of Romania for 2016-2030 and, after the public consultation held between November 15, 2016 and December 19, 2016 it has managed to finalize it.

The Energy Strategy required the expertise of over 300 experts from different energy sectors, according to the ministry's statement, and aims to replace one third of the energy production park, to maintain an important role in the energetic mix for the coal, to better increase the efficiency of the heat transfer fluid and to continue supporting the energy production from renewable energy sources. However, as the former government did not manage to approve the document, its approval is to be decided by the current government.

The Energy Strategy of Romania for 2016-2030 can be consulted at:

http://energie.gov.ro/wp-content/uploads/2016/12/Strategia-Energetica-a-Romaniei-2016-2030_FINAL_19-decembrie-2.pdf

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