

## energy - legal changes published in November and December 2016

**Order of the President of the National Energy Regulatory Authority no. 117/2016 amending the Order of the National Energy Regulatory Authority no. 119/2013 approving the contribution for high efficiency cogeneration and certain provisions regarding its billing** was published in the Official Gazette of Romania, Part I, no. 1057 of December 28, 2016.

The Order of the President of National Regulatory Authority for Energy aims to reduce the contribution for high efficiency cogeneration from 0.01381 lei / kWh excluding VAT to 0.01301 lei / kWh excluding VAT.

**Order of the President of the National Energy Regulatory Authority no. 118/2016 on the approval of tariffs and money contributions collected by the National Regulatory Authority for Energy in 2017** was published in the Official Gazette of Romania, Part I, no. 1057 of December 28, 2016.

The President of the National Authority for Energy Regulation ("ANRE") issued the order for approval for 2017 of (i) the charge for operators engaged in electricity, heating and gas for granting authorizations and licenses (ii) the fee charged for the issuance of certificates and permits to operators who provide design, construction, inspection and operating services for power and natural gas, (iii) the fee charged for the authorization of individuals involved in electricity, heating and natural gas, as well as (iv) tariff and monetary contributions collected annually by ANRE from economic operators carrying out activities in electricity, heating and natural gas, which, by law, is under ANRE's regulatory jurisdiction.

**Government Decision no. 971/2016 amending and supplementing Government Decision no. 780/2006 regarding the establishment of emissions trading greenhouse gas emissions and amending Government Decision no. 204/2013 amending and supplementing Government Decision no. 780/2006 regarding the establishment of trading emissions of greenhouse gases** was published in the Official Gazette of Romania, Part I, no. 1063 of December 29, 2016.

Among the changes introduced, the decision replaced, within the greenhouse gases certificate trading scheme, the single registry with the EU registry of greenhouse gas emissions.

Also, the National Agency for Environmental Protection ("Agency") will become one of the competent authorities responsible and the only competent authority to implement the provisions of Council Decision 2011/278 / EU establishing Union-wide rules for the harmonized and free assignment of emission allowances under Article 10a of Directive 2003/87 / EC. Furthermore, the Agency will become the central public administration authority issuing the authorization on emissions of greenhouse gases.

As a transitory measure, the greenhouse gas emissions authorizations are valid on the entry into effect of this decision and remain valid until its expiry, according to the law.

**Government Decision no. 1014/2016 approving the annual mandatory quota of electricity produced from renewable energy sources, benefiting from the green certificates promotion system for 2017** was published in the Official Gazette of Romania, Part I, no. 1065 from December 29, 2016.

According to the law, for 2017, the mandatory quota of electricity produced from renewable energy sources, benefiting from the green certificates promotion system is 8.3% of the gross final consumption of electricity.

**Order of the President of the National Regulatory Authority for Energy no. 119/2016 on establishing estimated mandatory quota of green certificates purchasing for the year 2017** was published in the Official Gazette of Romania, Part I, no. 1069 December 30, 2016.

According to the order President of the National Regulatory Authority for Energy, the mandatory estimated share of green certificates for economic operators who have the obligation to acquire green certificates for 2017 is set at EUR 0.320 green certificates / MWh, corresponding to a consumer final electricity exempted from payment of green certificates of 6,700 GWh.

**Law no. 203 of 7 November 2016 amending the Law on electricity and natural gas no. 123/2012** was published in the Official Gazette number 892 dated November 8, 2016.

Some of the most important amendments targeted by the law are aimed at:

- obligation of electricity producers to maintain a reserve of fuel at a sufficient level or, where appropriate, sufficient reserves of water, to ensure safety of the NES (defined by the new law as representing ensuring supply continuity by the transmission system operator the carrier and system of a generation mix and system services, so that they can take over the removal of any energy capacity without disconnecting consumers from the grid) and for fulfilling the duty of continuous production and supply of electricity, which shall be remunerated in accordance with applicable regulations;
- electricity producers' right to conclude contracts with other manufacturers, creating an energy mix, in order to offer power locally or for exporting
- making it obligatory for transmission system operators to provide the public transmission service for all users of electricity transmission grids ensuring the same price to any applicant under non-discriminatory terms.
- the criteria for promoting electricity generated from renewable sources take into consideration promoting the use of renewable energy in the most efficient way so as to obtain the best price to the end user.

**Government Decision no. 778 of 26 October 2016 establishing percentage rates set out in art. 177 par. (3<sup>4</sup>) and (3<sup>5</sup>) of the Electricity and Gas Law no. 123/2012** was published in the Official Gazette number 879 dated November 2, 2016.

The normative act, which took effect on November 2, 2016, establishes the following:

- 30% is the percentage corresponding to the obligation of every natural gas producer in the period between December 1, 2016 - December 31, 2017 to conclude agreements for the sale of natural gas in accordance with regulations issued by NRAE for the sale of a minimum quantity of gas from its own production which may not be less than the percentage of the amount of natural gas for which they conclude sale-purchase agreements, during that period, as seller.
- between December 1, 2016 - December 31, 2017, each gas supplier who is not also a producer, to the extent that they contract the sale / purchase of gas, is obliged to conclude contracts on centralized markets in Romania in accordance with regulations issued by NRAE, to purchase a minimum quantity of natural gas that can not be less than the rate of 20% of the natural gas for which they conclude sale-purchase agreements, in that period, as the buyer.
- between December 1, 2016 - December 31, 2017, each gas supplier who is not also a producer, to the extent that they contract the sale / purchase of gas, is obliged to conclude contracts on centralized markets in Romania in accordance with regulations issued by NRAE for the sale of a minimum quantity of natural gas to wholesale customers, which may not be less than 30% of the natural gas for which they concluded sale agreements in that period, as seller, with wholesale customers.

**Order of the President of the National Energy Regulatory Authority no. 77 of November 9, 2016 on amending and supplementing the Regulation for accreditation of producers of electricity**

**from renewable energy sources for the implementation of the green certificate promotion system, approved by Order of the President of the National Energy Regulatory Authority no. 48/2014** was published in the Official Gazette number 957 dated November 28, 2016.

The Order clarifies the accreditation process of power plants producing electricity from renewable sources and on the documentation required for accreditation.

The Order also establishes that within 120 days of its entry into force, network operators are obliged to seal the power measuring systems based on which the green certificates are granted, placed in electrical installations belonging to accredited operators, including accredited individuals for applying to the system of green certificates. According to the Order, the National Regulatory Authority for Energy ("NRAE") publishes and updates annually on its website the list of accredited economic operators and accredited power plants to apply the system of green certificates promotion.

Within 90 days of the entry into force of this order, accredited economic operators that produce electricity using biomass as fuel or raw material send to the NRAE for approval the procedures used to determine the inferior calorific power of the fuel being used.

Economic operators, including individuals, holding units / plants for the production of E-RES which request accreditation / are accredited for applying the system of green certificates promotion and the network operators will carry out the provisions of this order. In this regard, the Order introduces criteria for measuring the amount of RES used and determining the inferior calorific power of the RES being used.

For additional details on this material, please do not hesitate to contact us.

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