

## energy – legal changes published in September 2017

**Order no. 80/2017 amending and supplementing the Regulation on setting the method of collecting the contribution for high efficiency cogeneration and paying the bonus for the electricity produced in high efficiency cogeneration approved by the Order of the President of the National Regulatory Authority for Energy no. 116/2013, issued by NRAE**, was published in the Official Gazette of Romania, Part I, no. 721 of September 6, 2017.

The Order amends and supplements the Regulation on the collection of the contribution for high efficiency cogeneration and the payment of the bonus for electricity produced in high-efficiency cogeneration, establishing inter alia that:

- Contribution payers are required to send to the support scheme administrator monthly, by the 10th of each month, the total amount of electricity invoiced to consumers - including energy consumed at their own locations sites in the previous month;
- Contributors must pay the bills submitted by the support scheme administrator within 7 days of their receipt but no later than the 20th of each month following the month of usage;
- NRAE decisions on the amount of overcompensation and / or undue bonus are mandatory for producers and are implemented for recovery by issuing a decision by the support scheme administrator;
- the contribution for cogeneration left unpaid by electricity suppliers to Romanian consumers to the support scheme manager, for which all legal steps have been taken, will be recovered by including it in the cogeneration contribution adjustment analysis.

*Date of entry into effect: 6 September 2017.*

**Order no. 81/2017 regarding the modification of the Regulation for the qualification of the production of electricity in high efficiency cogeneration and for the verification and monitoring of the fuel consumption and the production of electricity and useful thermal energy in high efficiency cogeneration approved by the Order of the President of the National Authority of the Energy Regulation no. 114/2013, issued by NRAE**, was published in the Official Gazette of Romania, Part I, no. 721 of 06 September 2017.

The Order amends and supplements the qualification Regulation for the production of electricity in high efficiency cogeneration and the verification and monitoring of the fuel consumption and the production of electricity and useful heat in high efficiency cogeneration:

- the Regulation applies to CHP producers, to the support scheme administrator, as well as to the suppliers of household customers who own cogeneration units;
- Regulating the difference between the total amount of electricity produced in high-efficiency cogeneration and delivered from the plant that was entitled to benefit from the support scheme in year  $n$  and the total amount of electricity delivered from the plant that actually benefited from the support scheme in year  $n$  is made at the end of the first quarter of year  $n + 1$ , based on the qualification decision issued in year  $n + 1$ ;
- For a cogeneration production configuration that qualified the EEE as the electricity produced in high efficiency cogeneration, the amount of electricity benefiting from the ESS support scheme is determined using the following formula:  $ESS = \min (E_{delivered}, EEEEC) [MWh]$

*Date of entry into effect: 6 September 2017*

**Order no. 82/2017 approving the Regulation on connection to natural gas transmission systems issued by NRAE**, was published in the Official Gazette of Romania, Part I, no. 739 of 14 September 2017.

The regulation on the connection to the natural gas transmission systems is addressed to the economic operators holding the license for operation of the natural gas transmission systems (TSO), NRAE authorized economic operators for the design and execution of natural gas transmission systems, type PT and ET, as well as applicants seeking connection to natural gas transmission systems and establishes the stages and conditions for connection to natural gas transmission systems.

According to the regulation, the connection to natural gas transmission systems is a process that takes place after the access to transport systems and is addressed to applicants who have an annual consumption at least equal to the average annual flow rate for a point of exit to the system transport of natural gas.

The Regulation contains regulations on the process of connection to the natural gas transmission system, the operator of which is a transmission system operator licensed by NRAE, as well as rules on information and communication channels.

**Order no. 84/2017 approving the Procedure for the submission to the National Regulatory Authority for Energy of the information regarding the composition and pressures of gaseous fuels used on the territory of Romania, issued by NRAE**, was published in the Official Gazette of Romania, Part I, no. 744 of 15 September 2017.

The act approves the procedure for submitting to the National Regulatory Authority for Energy information regarding the composition and pressures of the gaseous fuels used in the territory of Romania, provided in the annex that is an integral part of the order.

The procedure provides, inter alia:

- Persons applying the procedure: (a) natural gas producers; (b) natural gas storage operators; (c) transmission system operators; (d) operators of natural gas distribution systems; (e) holders of biogas / biomethane licenses; (f) holders of LNG supply licenses; (g) holders of LNG supply licenses; (h) the holders of the LPG supply licenses.
- Mentioning that this procedure does not apply to the composition and pressures of gaseous fuels relating to appliances specifically designed for: (a) use in industrial processes carried out in industrial premises; (b) use on aircraft and railways; (c) for research purposes for temporary use in laboratories.

The obligation of the PNG (the natural gas producer who is a natural or legal person that has as its specific activity the production of natural gas, biogas / biomethane or other types of gas), the SO (the natural gas storage operator), the TSO transport and system operator), DSO (the operator of the natural gas distribution system) and biogas / biomethane, LNG (liquid natural gas) and LPG (liquefied petroleum gas) to communicate to NRAE the following information by 2 October 2017: a) the upper calorific value and the Wobbe index, as set out in Annex no. one; (b) the composition of the gaseous fuel, as set out in Annex II. 2; (c) the toxic components contained in the gaseous fuel, expressed as a percentage by volume of the total content. PNG, SO, TSO and DSO shall communicate by the same date the following values: a) Gaseous fuel pressure at the point of delivery, expressed in mbar (nominal, minimum and maximum); b) loss of permissible pressure in end-use facility, expressed in mbar (nominal, minimum and maximum).

*Date of entry into effect: 15 September 2017*

**Order no. 83/2017 for repealing the Order of the President of the National Regulatory Authority for Energy no. 19/2007 regarding the approval of the Methodology for Establishing, Implementation and Utilization of the Technological Reserve Capacity System, issued by NRAE** was published in the Official Gazette of Romania, Part I, no. 746 of 18 September 2017.

The act repeals the Order of the President of the National Regulatory Authority for Energy no. 19/2007 regarding the approval of the Methodology for Establishing, Implementing and Using the Technological Capacity Reserve System Technology Service, published in the Official Gazette of Romania, Part I, no. 507 of July 30, 2007, as amended.

*Date of entry into effect: 18 September 2017*

**Order no. 85/2017 for the approval of the Methodology for calculating the neutrality fees for balancing, including their distribution among the users of the natural gas transmission network, issued by NRAE**, was published in the Official Gazette of Romania, Part I, no. 769 of 28 September 2017.

The act approves the Methodology for calculating the neutrality fees for balancing, including their distribution among the users of the natural gas transmission network.

The methodology aims at allocating to the network users the difference between the expenses and revenues recorded by the National Transmission System Operator as a result of the activity carried out in order to fulfill the obligations regarding the balancing of the natural gas transmission network obligations under Regulation (EU) no. 312/2014 establishing a network code for the balancing of gas transmission networks and in the Network Code for the National Gas Transmission System, approved by the Order of the President of the National Energy Regulatory Authority no. 16/2013.

*Date of entry into effect: 28 September 2017.*

**Order no. 86/2017 amending and supplementing the Methodology for establishing and monitoring the overcompensation of the production of electricity and heat in high efficiency cogeneration benefiting from the bonus support scheme approved by the Order of the President of the National Regulatory Authority for Energy no. 84/2013, issued by NRAE,** was published in the Official Gazette of Romania, Part I, no. 769 of 28 September 2017.

The Order amends the Methodology for establishing and monitoring the overcompensation of the production of electricity and heat in high efficiency cogeneration benefiting from the bonus support scheme.

According to the amendments, the fixed costs of amortization related to assets made from financial contributions received free of charge from donations or purchased from the Energy Development Fund or other non-reimbursable funds as well as those related to fixed assets are not taken into account establishing the overcompensation.

*Date of entry into effect: 28 September 2017*