

energy - draft laws published in December 2017

Draft order on the approval of the Framework validity conditions associated to the natural gas supply license was published on the website of the National Regulatory Authority for Energy on 4 December 2017.

The draft terms of validity of the gas supply license was elaborated in order to update the regulatory framework for natural gas supply and was under debate as a discussion document by posting on NRAE's website in two stages - on 29.06.2015, with the deadline for receiving the observations on 31.07.2015, and 14.10.2016 with the deadline for receiving the observations on 26.10.2016.

After analyzing the observations, proposals and points of view received, as well as the amendment of the regulatory framework applicable to the natural gas sector, substantial changes were made to the draft "Framework conditions for the validity of the natural gas supply license", requiring the return to public consultation of this draft regulation. The draft can be viewed at:

<http://www.anre.ro/download.php?f=fq97hA%3D%3D&t=wOutwdHbn8%2BcmLPfvrrV5ps%3D>

Draft order for the approval of the methodology for setting the calculation method and the price endorsement conditions applied by last resort suppliers to final customers was published on the website of the National Regulatory Authority for Energy on 5 December 2017.

The draft order aims to establish milestones, deadlines and conditions for determining the final prices applied by suppliers of last resort in electricity bills issued to end customers.

The draft order mainly contains the following elements:

- (a) to use the notion of mandatory last resort provider and of the optional last resort supplier introduced by the draft Order for the approval of the Competition Selection Regulation to designate suppliers of last resort;
- (b) the prices approved by NRAE do not include charges for services, which will be included by SLR in final prices applied to final customers;
- (c) NRAE establishes for each mandatory SLR on a network area the maximum price for the universal service calculated as the sum of the average unit cost of electricity purchased from the centralized markets by the economic operators who also have the SLR quality and the unitary cost of supply determined on the basis of the realized values within a defined time period;
- (d) the price for universal service applied to final customers benefiting from universal service from mandatory SLR portfolio is determined by it in relation to the maximum price for the universal service;

- (e) the price for universal service applied to final customers benefiting from universal service from optional SLR portfolio is determined by applying a discount to the price for universal service applied by mandatory SLR;
- (f) the price applied by the suppliers of last resort to final customers who do not benefit from universal service and who have not chosen a competitor is established by applying a percentage increase in the price applied by the SLR to the customers that benefit from the universal service;
- (g) the price applied by the suppliers of last resort to final customers taken over because they remained without a supplier is determined on the basis of the purchase price made by the SLR during the billing period.

The draft can be viewed at:

<http://www.anre.ro/download.php?f=fq98gQ%3D%3D&t=wOutwdHbn8%2BcmLPfvrrV5ps%3D>

The draft order for the amendment of the General Conditions related to the license for the provision of the electricity distribution service by the economic operators who are not concessionaries of the power distribution service was published on the website of the National Regulatory Authority for Energy on 11 December 2017.

The Draft Order proposes to amend Art. 7 of the General Conditions attached to the license for the provision of the electricity distribution service by economic operators who are not concessionaries of the electricity distribution service with a view to eliminate the restriction imposed on the licensees of this type in the purchase of electricity for their own technological consumption, by eliminating the phrase "final client" in the article. The amendment is necessary in order to apply equal treatment to economic operators who are not concessionaries of the distribution service, in relation to those who are concessionaires of this service, regarding the possibilities of purchasing electricity for their technological consumption on the wholesale market, under the regulations in force.

The draft can be viewed at:

<http://www.anre.ro/download.php?f=fq98hg%3D%3D&t=wOutwdHbn8%2BcmLPfvrrV5ps%3D>

Draft Order on the approval of the Regulation on the functioning and settlement of the balancing market and the Regulation for calculation and settlement of imbalances between the parties responsible for balancing was published on the website of the National Regulatory Authority for Energy on 13 December 2017.

In July 2017, the Appendix to the order including the Compensation and Imbalances Settlement Regulation of Parties responsible for balancing in the modified version was again submitted to the public consultation. As a result of the observations received, the following significant changes were made:

- (a) rewriting the definition of the unplanned exchange definition and formula, mentioning the prior known emergency aids;
- (b) the addition of definitions for committed, final, canceled transactions used for resolving network and virtual restrictions that were introduced and explained in the market balancing and settlement regulation but lacked a definition in this regulation;
- (c) the view of a place of production and consumption as separate, one for production and one for consumption, depending on the flow direction, which makes it possible to keep the rule whereby a place of production / consumption must be under the responsibility of a PRE and only one;
- (d) the inclusion of the probation period between the exceptions to the requirement that each TL has one and only one PRE;
- (e) establishing the maximum duration of 6 months for the return of a PRE within the admitted size limits after it is found to have exceeded them;
- (f) added obligation for each PRE to send to the TSO the imbalances of each of its members, noted after measurement;
- (g) eliminating the additional verifications made by the TSO to the registration of a PRE compared to those made by NRAE upon licensing (knowledge, technical means, behavior);
- (h) providing a single procedure for all OR for aggregation of measured values;
- (i) checking the uniqueness of the PRE for one place is made by the OR and TSO;
- (j) the classification and notification of SBs (except the modification of the SB definition in RPUPCD) between the PREs of the suppliers supplying together a consumer, of the quantities corresponding to the consumption provided by the supplier who does not assume the responsibility for balancing and correlatively, the consumption assigned to this supplier being considered zero.
- (k) replacing the transmission of information notes with the uploading on the dedicated platform, under obligation to record the date of uploading.

The draft can be viewed at:

<http://www.anre.ro/download.php?f=fq98iA%3D%3D&t=wOutwdHbn8%2BcmLPfvrV5ps%3D>

Draft Order for amending the Order of the President of the National Regulatory Authority for Energy no. 145/2014 on the implementation of smart metering systems was published on the website of the National Regulatory Authority for Energy on 19 December 2017.

NRAE Order no. 145/2014 as amended and supplemented contains provisions on investments in smart electricity metering systems made by electricity distribution operators only until 2017.

In order to ensure the continuity of the activities necessary for the implementation of smart metering systems, until the approval of a regulation on the implementation timetable and of the national implementation plans for the smart metering systems, this draft was published in view of the extension of the term of application of the NRAE Order no. 145/2014 and supplementing it with provisions regarding the possibility of electricity distribution concession operators to achieve investments in smart metering systems in 2018, subject to certain specific conditions for their approval and inclusion in the regulated fees.

The draft can be viewed at:

<http://www.anre.ro/download.php?f=fq9%2Bhw%3D%3D&t=wOutwdHbn8%2BcmLPfvrrV5ps%3D>

Draft Order for the amendment and supplementation of the Procedure for the elaboration and approval of the investment programs of economic operators in the electricity distribution service, approved by the Order of the President of the National Regulatory Authority for Energy no. 8/2016, was published on the website of the National Regulatory Authority for Energy on 21 December 2017.

The draft order envisages modifying the procedure, mainly under the following aspects:

- (a) Clarifying Art. 17 for the purpose of establishing the obligation for operators to review the annual program submitted in accordance with NRAE's observations resulting from the analysis of the documents made available by them and the right of operators to modify the annual program originally submitted and revised as appropriate, upon observance of the conditions of the procedure.
- (b) Supplementing Art. 23, which requires the distribution operators to achieve annually investments amounting to at least 95% of the total amount of the annual investment program approved by NRAE for the respective year at the beginning of the regulatory period.
- (c) Supplementing Art. 24 paragraph (1) (b) with regard to the documents for completion of each investment, to be submitted by the operators for analysis by NRAE, in order to establish a centralizing unit for their follow-up.
- (d) Clarifying the deadlines for transmitting completion documents for each investment so that NRAE has the time to analyze it. Thus, these documents must be transmitted simultaneously with the monitoring template of August and December, even if these layouts can subsequently be revised, given that the documents exist and are available at the proposed deadlines.
- (e) Clarifying the provisions of art. 35 to avoid misinterpretation that the procedure would cease to apply during the fourth regulatory period.
- (f) The obligation to submit substantiation documents on both CD / DVD and USB support is introduced.

The draft can be viewed at:

<http://www.anre.ro/download.php?f=fq9%2BiQ%3D%3D&t=wOutwdHbn8%2BcmLPfvrV5ps%3D>

Draft Order approving the green certificates billing Procedure was published on the website of the National Regulatory Authority for Energy on 22 December 2017.

The draft bill proposes the approval of the Green Certificates Billing Procedure, which establishes:

- (a) how to bill green certificates to end customers;
- (b) how to regularize green certificates to end customers;
- (c) Reporting obligations on invoicing / regularization of green certificate invoices delivered to final customers by electricity suppliers, distribution operators other than concession distributor operators who resell the electricity purchased from one or more energy suppliers electricity to final consumers of electricity connected to its electricity distribution network and by electricity producers supplying electricity to consumers connected by direct lines to power plants they own.

The draft can be viewed at:

<http://www.anre.ro/download.php?f=fq9%2Fgg%3D%3D&t=wOutwdHbn8%2BcmLPfvrV5ps%3D>

Draft Order for the approval of the Regulation on the organization and conduct of auctions on the centralized market for universal service was published on the website of the National Regulatory Authority for Energy on 28 December 2017.

The draft order was published on the NRAE website, as a discussion paper, during the period November 20, 2017 - December 4, 2017, together with the Presentation Note, for the interested economic operators to submit their observations and proposals on the draft regulation subject to public consultation.

As a result of the observations received during the public consultation and during the public debate session, the second version of the draft order for the approval of the present Regulation was elaborated.

Regarding the previously published draft, amendments and additions are made to the following issues:

- (a) the trading mechanism has been changed in the sense that it is not traded through simultaneous auctioning with a decreasing price; it proposes a new trading mechanism consisting of two stages, namely an open auction stage and a continuous negotiation stage;
- (b) the timing of the pre-bidding stages changed and the auction scheduling timetable changed (auction sessions calendar will be published at the beginning of each year for the entire calendar year);

- (c) auctions are conducted bi-monthly (according to the auction sessions calendar) for standard trading products and annual, half-yearly and quarterly delivery times;
- (d) SLR will only be able to participate in a bidding session as buyers by auction;
- (e) the way of setting the starting price of the CMUS auctions has changed; the obligation to deposit the financial guarantee for participation was repealed;
- (f) the "Penalties" section has been inserted;
- (g) the CMUSO attributions chapter was modified and supplemented in accordance with the change of trading mechanism on the CMUS;
- (h) provisions regarding the rights and obligations of SLRs and bidders in view of changing the trading mechanism on the CMUS have been supplemented and amended.

The draft can be viewed at:

<http://www.anre.ro/download.php?f=fq9%2FhA%3D%3D&t=wOutwdHbn8%2BcmLPfvrV5ps%3D>