

energy - legal changes published in December 2017

NRAE Order no. 119/2017 for the designation of suppliers of last resort was published in the Official Gazette of Romania, Part I, no. 1004 of December 18, 2017.

Until the implementation of a competitive selection mechanism of the suppliers of last resort and their appointment based on this mechanism, the following licensees for electricity supply are designated as suppliers of last resort:

- (a) ELECTRICA FURNIZARE - S.A.;
- (b) ENEL ENERGIE MUNTENIA - S.A.;
- (c) ENEL ENERGIE - S.A.;
- (d) E.ON ENERGIE ROMÂNIA - S.A.;
- (e) CEZ VÂNZARE - S.A.

Each license holder referred to above is required to ensure the supply of electricity as the supplier of last resort to the places of consumption located in the geographical area(s) foreseen under the specific conditions associated with the power supply license for which the license holder had the obligation to ensure the supply of electricity at regulated fees until the date of their elimination and which belong to the final customers in one of the following situations: they did not exercise their right of eligibility; they meet the conditions imposed by universal service law and, after having exercised their eligibility right, they request to benefit from universal service; they do not have an ensured supply of electricity from any other source, except for customers disconnected for electricity theft or failure to pay, in accordance with the legal provisions in force.

Date of entry into force: January 1, 2018.

NRAE Order no. 120/2017 for repealing the Order of the President of the National Regulatory Authority for Energy no. 83/2013 on the approval of the Pricing Methodology for the electricity sold by producers on the basis of regulated contracts and the quantities of electricity from the regulated contracts concluded by the producers with the suppliers of last resort, was published in the Official Gazette of Romania, Part I, no. 1004 of December 18, 2017.

On the date of entry into force of this Order, the Order of the President of the National Regulatory Authority for Energy no. 83/2013 regarding the approval of the methodology for setting the prices for electricity sold by producers on the basis of regulated contracts and the quantities of electricity from the regulated contracts concluded by the producers with the suppliers of last resort, published in the Official Gazette of Romania, Part I, no. 732 of November 28, 2013, is repealed.

Date of entry into force: January 1, 2018.

NRAE Order no. 121/2017 for the approval of the conditions of application of the competitive market component fee was published in the Official Gazette of Romania, Part I, no. 1004 of December 18, 2017.

In bills issued to end-users who benefit from the universal service, the CMC fee or the differentiated CMC fee, based on the customer's option, applies to all electricity consumption recorded by them after the effective date of this order.

At the written request of the end user benefiting from the change of universal CMC service fee into a differentiated CMC fee, the supplier of last resort shall ensure the change within 10 business days of the date of filing the request.

CMC Fees applied by providers of last resort approved by the National Energy Regulatory Authority do not include taxes such as green certificates, high efficiency cogeneration, statutory excise duties, value added tax. These fees will be highlighted separately in the invoice and will be included in the total amount for payment.

When calculating the invoice value, the CMC rates are used in the form approved by the National Regulatory Authority for Energy with four decimal places. Rounding to the minimum monetary unit (1/100 lei) is made at the invoice value before VAT is applied.

The order approves time zones specific to the differentiated CMC fee for household customers, as set out in the appendix that forms an integral part of this order.

The suppliers of last resort comply with the provisions of the hereby order and the specialized directorates within the National Energy Regulatory Authority are monitoring its application.

Date of entry into force: January 1, 2018.

NRAE Order no. 125/2017 for the approval of the regulated fee applied by the electricity market operator was published in the Official Gazette of Romania, Part I, no. 1016 of 21 December 2017.

The Order approves the regulated fee applied by the electricity market operator.

The act repeals the Order of the President of the National Regulatory Authority for Energy no. 106/2016 for the approval of the regulated fee applied by the electricity market operator.

Date of entry into force: January 1, 2018.

NRAE Order no. 126/2017 regarding the approval of fees and financial contributions collected by the National Regulatory Authority for Energy in 2018 was published in the Official Gazette of Romania, Part I, no. 1016 of 21 December 2017.

The act approves the fee pertaining to economic operators performing activities in the field of electricity, heat and natural gas sector for the granting of permits and licenses and the fee charged for issuance of permits and authorizations to economic operators providing design, execution, verification and exploitation services for power and natural gas installations.

The Order also approves:

- (a) the fee charged for the authorization of natural persons working in electricity, heating and natural gas, and
- (b) the fee and yearly contribution charged by the National Regulatory Authority for Energy from economic operators in the electricity, heat and natural gas sectors, which, according to the law, are within the competence of the National Regulatory Authority for Energy.

Date of entry into force: January 1, 2018.

Decision of the Government of Romania no. 925/2017 regarding the establishment for the year 2018 of the percentages stipulated in art. 177 par. (3⁶) and (3⁷) of the Law on Electricity and Natural Gas no. 123/2012 was published in the Official Gazette of Romania, Part I, no. 1018 of 22 December 2017.

The Decision sets out the following percentages for the minimum quantity of natural gas to be traded on the centralized market in Romania for the year 2018:

- (a) The percentage provided in Art. 177 par. (3⁶) of the Law on Electricity and Natural Gas no. 123/2012, as amended and supplemented for 2018, is 30%;
- (b) The percentage provided in Art. 177 par. (3⁷) let. a) of Law no. 123/2012, as amended and supplemented for 2018, is 20%;
- (c) The percentage provided in Art. 177 par. (3⁷) let. b) of Law no. 123/2012, as amended and supplemented for 2018, is 30%

Date of entry into force: December 22, 2017

NRAE Order no. 123/2017 regarding the approval of the contribution for high efficiency cogeneration and some provisions regarding its invoicing was published in the Official Gazette of Romania, Part I, no. 1023 of December 22, 2017.

Article 1 of this act approves the contribution for high efficiency cogeneration, at the value of 0,01194 lei / kWh, excluding VAT.

The suppliers of customers on the territory of Romania shall invoice the contribution provided for in art. 1 to consumers with whom they have concluded electricity supply / purchase contracts.

The Order defines the phrase "the suppliers of customers on the territory of Romania" as: (i) the electricity suppliers; (ii) producers with right to supply; (iii) suppliers / producers supplying their own consumption sites (self-supply).

The Order supplements the supply / purchase contracts for electricity concluded with end users.

Date of entry into force: January 1, 2018.

NRAE Order no. 127/2017 amending the Order of the President of the National Regulatory Authority for Energy no. 77/2017 for the approval of the Regulation on the organization and operation of the green certificates market was published in the Official Gazette of Romania, Part I, no. 1031 of December 28, 2017.

The act amends Order no. 77/2017 for the approval of the Regulation on the organization and operation of the green certificates market, as follows:

- (a) it is provided that OPCOM S.A., the Market Operator of the Electricity and Natural Gas Market ensures the necessary conditions for the allocation of green certificates resulting from transactions concluded in a trading session on the centralized anonymous green certificates spot market in proportion to green certificates for sale / purchase offerings starting January 1, 2019;
- (b) it is established that the provisions of Art. 28 par. (3) of the regulation set out in the Appendix to the Order for the correlation of green card sales / purchase bids from a trading session on the centralized anonymous green certificates spot market in relation to time mark expires on 31 December 2018;
- (c) it is foreseen that as from 1 January 2019, the allocation of green certificates resulting from transactions concluded in a trading session on the centralized anonymous green certificates spot market shall be made in proportion to the green certificates sale/purchase offers.

Date of entry into force: January 1, 2018.