

**ROMANIAN
ENERGY REGULATORY AUTHORITY**



NEWSLETTER



Third Quarter 2014

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Romanian Energy Regulatory Authority - ANRE

ANRE is an autonomous administrative body under Parliamentary control, entirely self-financed and independent as regards its decision-making process, organisation and functioning, whose scope of activity is to issue, approve and monitor the implementation of the national-wide binding regulatory framework required for the proper functioning of the electricity, heat and natural gas sectors and markets in terms of efficiency, competition, transparency and consumer protection.

ANRE General Objectives in the Electricity and Natural Gas Sectors

In exercising its responsibilities and competences, ANRE contributes to the fulfillment of the following general objectives:

- ◆ Promotion of a European internal electricity and natural gas market that is safe, competitive and environmentally sustainable and an effective opening in the benefit of all the customers and suppliers in the European Community, as well as guaranteeing adequate criteria for the efficient and reliable functioning of the electricity and gas networks, observing the longterm objectives proposed;
- ◆ Development of competitive and functional regional markets, integrated on the European internal electricity market;
- ◆ Eliminating restrictions on cross-border trade to meet the demand of electricity and improve integration of national market within the European internal market for electricity;
- ◆ Development of a safe, reliable and efficient national energy system, consumer oriented, which will allow the promotion of energy efficiency and the integration of renewable energy sources, as well as the distributed production on both electricity transmission network as well as on the electricity distribution network;
- ◆ Facilitating access to the network for new production units, especially by removing obstacles that prevent the access of new market participants to the electricity and gas markets or the use of renewable energy sources;
- ◆ Ensuring the provision of incentives to network operators and other users of electricity and gas network to increase efficiency of transmission and distribution systems functioning and to accelerate market integration;
- ◆ Consumer protection by ensuring an effective competitive market, supporting vulnerable customers, imposing quality standards for electricity and gas supply service, facilitating the access for final customers to their consumption data required for changing the electricity or gas supplier, as well as by providing accurate and complete information to consumers;
- ◆ Ensuring the compliance by operators in the electricity and natural gas sectors with their due transparency obligations.

The regulatory activity of ANRE in 2014

In 2014, through the implementation of the Third Energy Package provisions, a process that started in 2013, we can say that the rearrangement process of the Romanian energy market on the basis of competition is advanced and the prerequisites for the national energy market integration in the European market are provided.

ANRE priority objectives for 2014 in terms of regulatory activity are focused mainly on: promoting competition in the electricity and natural gas sectors, increasing efficiency of energy markets and integration in the regional European market, harmonisation of secondary legislation in line with the primary legislation provisions and the European codes, applying the provisions of European regulations on market integrity and transparency and infrastructure development, improving the regulatory framework for electricity and natural gas markets and increasing energy efficiency.

Following the completion of the public consultation process and the debates in the Regulatory Committee meeting, ANRE submitted the Regulatory Activity Programme 2014 endorsed by the Committee to the Parliamentary Commissions for approval.

Considering legislative amendments set for 2014 (Draft amendments to the Electricity and Natural Gas Law no.123/2012, transposing the Directive 2012/27/EU Energy Efficiency provisions), ANRE decided to revise, on a quarterly basis, the 2014 Regulatory Activity Programme to ensure harmonisation of ANRE regulations with the national and European legislative provisions and terms.

As a result, 94 Orders were issued by end September.

ANRE's Control Activity

ANRE control activity plays an important role in ensuring the functioning of energy sector in terms of efficiency and security and customer protection from abuse, discrimination and lack of transparency.

The regulator's control activity aims at achieving appropriate quality works and services to participants involved in the production, transmission, distribution, supply and use of electricity and natural gas, including those involved in the design and implementation facilities and equipment used for this activity.

ANRE control and consumer protection activity was conducted primarily through regional inspections, settlement of complaints and accommodation of pre-contractual disagreements by 10 Regional Structures (Arad, Braşov, Bucureşti, Cluj, Craiova, Constanţa, Galaţi, Iaşi, Târgu Mureş şi Sibiu) and the Regulation compliance monitoring Office.

Comparing to the scheduled number of 866 inspections to be conducted in 2013, in 2014 were planned 820.

As a result of receiving Inspection and necessity notes from ANRE's departments, in 2013, have been conducted more inspections than it was scheduled in the Programme. Therefore, the conducted inspection type control actions were as follows: 1267 of which 993 inspections conducted by the Regional Structures and 274 referral notes, drawn up by the ANRE departments having supervisory responsibilities for which the Regional Structures applied contraventional sanctions.

The total amount of the applied penalties in 2013 was 7.422.700 lei, and in the first half-year of 2014

was 8.770.000 lei.

Control activities are conducted to the following economic operators:

- ♦ Licensed and certified in electricity sector,
- ♦ Licensed and certified in natural gas and energy efficiency sectors,
- ♦ Large energy consumers (economic operators that register annual consumption more than 1 thousand toe, representing the operator's total consumption of electricity, natural gas, heat and

fuel),

- ♦ Local public authorities,
- ♦ Energy labelling the equipment and devices which are subject to specific regulations on energy efficiency (domestic electrical appliances stores).

The economic operators subject to ANRE control missions are selected from the authority's database, every 2 years or following the proposals of ANRE specialty departments.

The ELECTRICITY Market

New regulation of electricity supply to final customers

The new *Regulation of electricity supply to final customers* was issued and approved pursuant to the provisions of Electricity and Natural Gas Law no.123/2012 and the Government Emergency Ordinance no.33/2007 on ANRE's organisation and functioning and represents an update of the *Regulation of electricity supply to final costumers*, approved by Government Ordinance no.1007/2004, in order to harmonise the regulatory framework of the retail market to the provisions of Electricity and Natural Gas Law no.123/2012 and electricity market developments.



The main amendments to the Regulation refers to:

- ◆ Establishing the final customers categories to whom the Suppliers of Last Resort (SoLR) are required to supply the electricity,
 - ◆ Tariffs applied by the last resort suppliers to final customers that do not use the eligibility right and do not benefit from universal service and whose electricity supplier is in the situation of license withdrawal during its activity, and to final customers that are not supplied with electricity from any other sources,
- Clauses referring to the vulnerable customers:
- ◆ Types of electricity supply contracts applicable to final customers by the SoLR
 - ◆ Setting the period when electricity supply under last resort conditions is admitted without a signed contract between the supplier of last resort and the customer,
 - ◆ Clauses referring to the conclusion of electricity supply contract by household customers,
 - ◆ Switching the electricity supplier by the final customer to whom electricity is supplied under the last resort conditions,
 - ◆ Clauses referring to the unfolding of the electricity supply contract,
 - ◆ Temporary suspension of electricity supply,
 - ◆ Measuring the electricity supplied to final customers.

Developments of 4M Market Coupling Project

Czech-Slovak-Hungarian-Romanian Market Coupling

The day-ahead price coupling project, 4M Market Coupling (4M MC), successfully continues in its intensive development. Finalisation of the implementation phase and results of the first internal tests of all IT systems have recently allowed the start of common PX-TSO testing. Thus, the project partners of the 4M MC are pleased to confirm their commitment to go-live of the project on 19 November 2014.

In line with the Project planning, coordinated national workshops are scheduled so that market players will be prepared for the launch of the 4M MC.

At the workshops, the 4M MC project parties will communicate organisation of the integrated markets together with all necessary information for trading (e.g. daily routines and processes, expected changes in market rules, description of decoupling, fall-back procedures) and related changes in the individual markets. Detailed information on upcoming member tests planned for October 2014 were communicated sufficiently in advance to market participants by respective parties on the local level. These tests were meant to mainly help market participants to better understand all processes in 4M MC before 4M MC launch as well as prove 4M MC procedures and changes of interface and functions towards the



users.

The workshops took place in Budapest on 16 September 2014, in Bratislava on 24 September 2014, in Prague and in Bucharest on 25 September 2014.

Successful Market Coupling is subject to finalisation of testing and contractual arrangements as well as final regulatory approval.

Price Coupling of Regions (PCR) is the initiative of seven European Power Exchanges (APX, Belpex, EPEX SPOT, GME, Nord Pool Spot, OMIE și OTE), to develop a single price coupling solution to be used to calculate electricity prices across Europe, and allocate cross-border capacity on a day-ahead basis.

Timeline

30 May 2011	<i>Memorandum of Understanding among CZ, SK, HU Parties</i>
11 Sept 2012	<i>Launch of CZ-SK-HU Market Coupling</i>
Meanwhile	<i>Romanian and Polish Letter of Intent on participating</i>
July 2013	<i>Memorandum of Understanding among 5M (CZ-SK-HU+RO+PL) Parties</i>
August 2013	<i>Decision on starting 4M MC Project with the goal to implement CZ-SK-HU+RO MC; Polish parties in observer status</i>
19 Nov 2014	<i>Launch of 4M Market Coupling</i>
Near Future	<i>Further steps towards the European Price Coupling (Target Model) via CEE project to join Multi-Regional Coupling</i>

4M Market Coupling Project goal

Main goals:

- ♦ Extension of CZ-SK-HU MC to Romania,
- ♦ 4M countries wish to introduce benefits of market integration to market participants as soon as possible,
- ♦ Get prepared for joining European Price Coupling – implement MC based on PCR solution.

Context

Taking into consideration:

- ♦ the requirement of creating a single European electricity market (DIRECTIVE 2009/72/EC concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC),

- ♦ facilitating cross-border trade growth (REGULATION (EC) No 714/2009 of the European Parliament and of the Council on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003),
- ♦ the level of development reached by our electricity market,

Romania joined the market coupling project implemented by Czech Republic, Hungary and Slovakia.

The project materialised, as national legislation in: “*Regulation of operation and organisation of the electricity day-ahead market with the price market coupling mechanism*”, approved by ANRE Order no. 82/2014.

Market Coupling from Market Participants’ point of view — Main characteristics

- ♦ Market Participants will be in contact only with those PXs where they are registered members;
- ♦ In order to participate in 4M MC there is no need to be registered on all PXs, but only on the local one;
- ♦ Market Participants will use front end trading platform of its local PX for the bid submission and for receiving the results;
- ♦ After launch of MC, daily explicit capacity auction will be closed down, day-ahead OTC trading on HU-RO border will become impossible. Only long term and intraday cross-border transmission capacity will be available for OTC trade;
- ♦ When transfer of electricity is requested, MP has to be registered in seller PX and buyer PX.

CZ-SK-HU MC vs. 4M MC

- ♦ Coupled Romania means bigger liquidity via a new border (HU-RO) involved in more efficient allocation procedure;
- ♦ Implemented PCR solution has no effect on PX-Market Participant communication;
- ♦ No significant change in external procedures and timings;
- ♦ Gate Closure Time remains at 11h00 CET;
- ♦ Minimum price limit moving from -3000 to -500 €/MWh to be follow NWE/MRC benchmark.

The NATURAL GAS Market

Natural gas trading on exchange markets

The Romanian natural gas market is a functional market in a continuous process of evolution with a view to the integration in the European Single Market. Therefore, through specific amendments and complements the regulatory framework is continuously improved in order to achieve this goal.

Brief overview

In July 2013, ANRE's Regulatory Committee approved the establishment of two natural gas trading platforms to be managed by the Romanian Commodities Exchange (RCE) and the Romanian Gas and Electricity market Operator (OPCOM). The documents approved for developing the natural gas competitive markets were, as follows:

- ◆ Regulation on the organised framework for trading on the centralised market of natural gas managed by Romanian Gas and Electricity market Operator (OPCOM),
- ◆ Regulation on the organised framework for

trading on the centralised market of natural gas managed by Romanian Commodities Exchange,

- ◆ License to administer the centralised market requested by Romanian Gas and Electricity market Operator (OPCOM),
- ◆ License to administer the centralised market requested by Societatea Romanian Commodities Exchange.

For the first time in Romania, the secondary legislation issued by ANRE allowed natural gas trading on exchange markets.

Natural gas trading after 1 year

In July 2014, following the entering into force of the Government Emergency Ordinance 35/2014 amending the Electricity and Natural Gas Law no. 123/2012, starting with the 15th of July 2014 and until the 31st of December 2018, the Romanian natural gas producers or their affiliates have the obligation to conclude transactions on Romanian centralised markets in a transparent and non-discriminatory manner, for the sale of a minimum amount of 20% of the natural gas they produce internally for domestic consumption via the competitive market. Also, starting with the 1st of March 2015 until the 31st of December 2018, licensed providers have the obligation to conclude transactions on the centralised markets, in a

transparent and non-discriminatory manner, for the sale / purchase of a minimum quantity of natural gas, in accordance with regulations issued by the energy regulator.

To this purpose, ANRE's Regulatory Committee approved ANRE Order 62/2014 on establishing the obligation for natural gas producers and suppliers to conclude transactions on centralised markets in Romania (OPCOM and RCE) according to which every producer or affiliate participants in the natural gas market have the obligation to conclude transactions on centralised markets for selling a minimum of 20% of the natural gas they produce internally for domestic consumption via the competitive market, starting with 15th of July 2014

and until 31st of December 2014.

Introducing the obligation of trading on centralised markets is a transitional measure that was taken in order to increase market liquidity and prices

transparency as well as to accustom the participants to a market functioning under competitive mechanisms, so that year by year more participants may register on the centralised markets.

Natural gas trading in upcoming years

ANRE will continue to support the development of natural gas centralised markets, diversification of trading product and increasing the markets liquidity, taking into consideration the undeniable benefits that these markets bring to all participants

on natural gas market.

Once it develops into a completely liberalised natural gas market, the Romanian centralised markets will register a more active participation.

The Iași-Ungheni gas pipeline was launched

On August 27, 2014, Moldova marked the 23rd anniversary of independence by launching the Ungheni - Iași gas pipeline. Romanian Prime Minister Victor Ponta, his Moldovan counterpart Iurie Leancă, European Commissioner for Energy Gunther Oettinger two states' official delegations and locals attended the ceremony held in Zagarancea - Ungheni rayon, Republic of Moldova.



According to Romanian Energy Department representatives:

“Romania’s state-owned gas producers Romgaz and OMV Petrom, the largest local oil&gas, both sent offers to the Moldovan state-owned gas company to deliver gas from Romania to Moldova. The two Romanian companies asked for a 20% lower price compared to Russia’s Gazprom. Construction and commissioning of Iași - Ungheni pipeline represents an alternative for consumers from Ungheni rayon to Russian gas supply.

The Iași - Ungheni pipeline construction started on 27 August 2013. Its length on the Romanian territory is 32 kilometers (19.8 miles). Some 736 meters (about 2400 feet) have been constructed under the river Prut, and another 11 kilometers are located on the territory of Moldova. The pipeline will carry 1.5 billion cubic metres of natural gas per year, which exceeds the gas consumption of 1.3 bln cu.m. of Moldova. The construction project of the Iași-Ungheni gas pipeline has a budget of EUR 26.5 M, including EUR 7 M which represents the financial contribution of the EU. The project of Iași - Ungheni pipeline will be finalised in two years, after the two compressor stations are completed. The total cost of the stations is EUR 120 M, of which, Romania has already allocated EUR 72 M.

Romanian Prime Minister Victor Ponta, European Commissioner for Energy Gunther Oettinger, and Moldovan Prime Minister Iurie Leanca at the opening of the Iași-Ungheni pipeline



Protocol on co-operation between ANRE Romania and ANRE Republic of Moldova

Romanian Energy Regulatory Authority (ANRE) and National Energy Regulatory Agency of Moldova (ANRE) signed a protocol on co-operation in the field of energy regulations and sector functioning. The document was signed by the president of Romanian Energy Regulatory Authority, Mr. Niculae Havrileț, on an official visit to Chișinău, and the director of Energy Regulatory Agency of Moldova, Mr. Sergiu Ciobanu.

The Protocol objective regards the collaboration between the parties on elaborating the regulatory framework required for the proper functioning of the electricity, heat and natural gas sectors and markets in terms of efficiency, competition, transparency and consumer protection. The document establishes the directions and instruments for cooperation, including the exchange of information and documents related to both parties regarding the elaborated regulations and transposition of European legislation in the energy sector, working on improving the legislation framework from both countries and providing advices in areas of mutual interest .

The director of Energy Regulatory Agency of Moldova, Mr. Sergiu Ciobanu, expressed his confidence that the protocol signed with the Romanian Authority will serve as a catalyst for a sustainable partnership co-operation between the two authorities and will help strengthen the institutional capacity of the Agency. He mentioned that the Agency was interested in the experience of romanian colleagues in terms of adjusting the national regulatory framework at European Union (EU) Acquis, in particular implementation of the Third Energy Package and application of its provisions.

In turn, the president of Romanian Energy Regulatory Authority, Mr. Niculae Havrileț, said that the Romanian Authority is ready to share its experience and assist the colleagues from Moldova regarding the elaboration of the regulatory framework in accordance with the provisions of the Third Energy Package for the integration of Moldova into the EU Single Market and the implementation of best regulatory practices from european energy sector.

The president of Romanian Energy Regulatory Authority, Mr. Niculae Havrileț, and the director of Energy Regulatory Agency of Moldova, Mr. Sergiu Ciobanu after signing the Protocol



Transposition of the Commission Directive 2012/27/EU on Energy Efficiency

In August 2014 entered into force the **Law no. 121/2014 on energy efficiency**. The Law transposes the European Union regulations set out under Directive 2012/27/UE regarding energy efficiency into national legislation. The main purpose of the Law is to establish a coherent legislative framework for the development and application of the national energy efficiency policy in order to achieve the national target for increasing energy efficiency.

The established measures for energy efficiency apply to: primary resources, production, distribution, supply, transmission and final consumption. Until 2020 is set an indicative national energy efficiency target for reducing energy consumption by 19%.

Law provisions will be transposed into secondary legislation through the Energy Efficiency Department, established within the ANRE that will:

- ♦ draft policy proposals and delegated legislation on energy efficiency;
- ♦ monitor the implementation of the National Energy Efficiency Action Plan as well as related programs for increasing energy efficiency at national level;
- ♦ cooperate with national and international bodies to promote energy efficient usage and reduce the negative impact on the environment;
- ♦ elaborate technical regulations in order to increase energy efficiency in all the sectors of activity;
- ♦ authorise energy auditors and certificate energy managers;
- ♦ regularly update the list of energy services suppliers that are qualified and certified, as well as their qualifications/certifications;
- ♦ develop synthesis of implementation stage by operators of the energy efficiency programs ;
- ♦ promote to consumers the usage of renewable resources, through additional actions to regulatory activity;
- ♦ participate to substantiating the indicative targets for energy saving and the necessary measures;
- ♦ monitor voluntary agreements initiated by competent authorities;
- ♦ collaborate with National Authority for Regulating and Monitoring Public Procurement in order to support central public administration authorities to meet the obligation of purchasing only high efficiency performance products, services and buildings, as far as the requirements for cost effectiveness, economic feasibility, high viability, technical compliance and a sufficient level of competition are met.

Secondary regulations

In order to update the regulatory framework in accordance with legislative provisions of the Third Energy Package, the main orders issued by ANRE in the 3rd quarter of 2014 are:

- ♦ **Order no.61/2014** on the approval of Methodology for setting the tariffs for issuing and updating the connection technical approvals, connection permits/certificates and location approvals;
- ♦ **Order no.62/2014** on establishing the obligation for natural gas producers and suppliers to conclude transactions on centralised markets in Romania;
- ♦ **Order no.64/2014** on the approval of Regulation of electricity supply to final customers;
- ♦ **Order no.65/2014** on the approval of the Regulation for organizing and carrying out simultaneous auctions with descending price on the centralised market for universal service;
- ♦ **Order no.66/2014** on the amendment of the General rules on the centralised natural gas market, approved by Order of the President of ANRE no.50/2013;
- ♦ **Order no.67/2014** amending and supplementing the Regulation on the organised framework for trading on the centralised market of natural gas managed by Romanian Commodities Exchange – S.A., approved by Order of the President of ANRE no. 51/2013;
- ♦ **Order no.68/2014** amending and supplementing the Regulation on the organised framework for trading on the centralised market of natural gas managed by the Operator of the Electricity and Natural Gas Market OPCOM – S.A., approved by Order of the President of ANRE no. 52/2013;
- ♦ **Order no.70/2014** on the approval of the regulated income, total income and transmission tariffs for the natural gas transmission activity through the national transmission system;
- ♦ **Order no.71/2014** on the approval of certification of the National Power Transmission Company “Transelectrica” – S.A. as transmission and system operator of the national power system;
- ♦ **Order no.72/2014** on the approval of certification of the National Gas Transmission Company “Transgaz” – S.A. as transmission and system operator of the National Gas Transmission System;
- ♦ **Order no.73/2014** on the approval of General conditions associated to licenses for the provision of the electricity distribution service;
- ♦ **Order no.74/2014** for the approval of the framework content of technical connection approvals;
- ♦ **Order no.78/2014** on the approval of the Regulation on modalities for the conclusion of electricity bilateral contracts through extended auction and continuous negotiation and by processing contracts;
- ♦ **Order no.83/2014** on the approval of the Regulation for the authorisation of natural persons who carry out activities in the gas sector;
- ♦ **Order no.84/2014** on the approval of Framework conditions for the validity of the license to operate the gas distribution system;
- ♦ **Order no.86/2014** on the approval of the Guidelines for developing and analysing energy balance.

ANRE Management Participation at Energy Sector Events

- ♦ *7th of August, 2014* — The President of ANRE, Mr. Nicolae Havrileț, participated at the XXII-th edition of Focus Energetic Conferences, that took place under the auspices of ANRE. The main debate subject referred to „Financing the investments in energy under conditions of new national and



European visions”. The event was attended also by: Mr. Emil Calotă, Vicepresident of ANRE, Mr. Attila Korodi, Minister of Environment, Mr. Rodin Traicu, member of Industry and Services Committee of the Chamber of Deputies, Mr. Ion Lungu, the president of AFEER, Mr. Filip Cârlea, the



Executive director of Romanian Investors Forum, Mr. Remus Borza, Judicial administrator of Hidroelectrica, Mr. Mihai Darie, Financial director of Nuclearelectrica, Mr. Valeriu Bivol, Director at Oltenia Energy Complex, representatives of public and private companies, analysts, specialists, representatives of embassies, World Bank, and media. One of the most disputed issue referred to reintroducing direct contracts for sale/purchase of electricity, which is the most used method by banks to grant loans to companies from the industry. The participants, also, discussed the development of natural gas market and the gas trading.

- ♦ *7-8th of September, 2014* — The President of ANRE, Mr. Nicolae Havrileț, attended the Romanian delegation, with Mr. Răzvan Nicolescu, the Minister Delegate for Energy, to participate at a meeting with representatives of DG Energy and DG Enterprise within European Commission, in Brussels. At this meeting, the participants continued the discussions started during the last meeting that took place on 25th of August 2014, on reasoned opinions approved by EC on 10th of July 2014 concerning the Infringement no.2012/2014 which considers that Romania has not fulfilled its obligations under the Articles 35 and 36 of TFEU and under the Article 40 c) of Directive 2009/73/CE concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC, by the fact that the current Romanian legislation requires natural gas producers in Romania to provide their output, with priority, on internal market.

- ♦ *10-11th of September 2014* — Experts from ANRE attended the biannual meeting of ADCO expert groups attached to Energy

Labelling Directive (Directive 2010/30/UE) and Directive 2009/125/CE establishing a framework to set mandatory ecological requirements for energy-using and energy-related products, in Rome, Italy. The event was attended by representatives of national market monitoring authorities from 21 EU member-states. The main objectives of the meeting were: analysing the activity of both ADCO expert groups, setting the next steps and activities and approving the new format of ADCO groups meeting (one meeting for both groups, one secretariat and one president).

- ◆ *16th of September 2014* — The President of ANRE, Mr. Niculae Havrileț, participated at the IInd edition of "Energia în priză" Conference, organised by the BURSA media group, supported by ANRE and ANRM. The main topics of discussion referred to: investments in energy companies, the stage of



electricity and gas market liberalisation, regional energy exchange, OPCOM listing on stock exchange, green certificates and energy efficiency.

- ◆ *18th of September* — The President of ANRE, Mr. Niculae Havrileț, attended the debate on "Energy resources mix — solution for re-organising the energy productions", organised by MediaUno press group in collaboration with Industry and Services Committee from the Chamber of Deputies and in partnership with

Employers' Federation of the Associations of Energy Utility Companies (ACUE), Romanian Energy Center (CRE) and Adrem Invest. The event was, also, attended by: representative of Romanian Parliament, Ministry of Economy, Department for Energy and of companies from energy sector. The main discussed subjects were: the principles of energy strategy for guaranteeing energy security and efficiency, diversification of energy alternative sources for increasing energy independence, for or against holdings in the energy field.

- ◆ *22nd of September 2014* — Representatives of ANRE attended the 2nd ANRE—Austrian Energy Agency Workshop. The meeting was part of the activities for cooperation provided by the Memorandum of Understanding signed by both institutions on 23rd of April 2014. The participants discussed the energy efficiency from Romania and Austria.

- ◆ *24th of September 2014* — Representatives of ANRE attended the event „Energy Breakfast Club”, organised by energynomics.ro, in order to discuss some solutions for energy efficiency of industrial projects from building and commercial sectors. 60 specialists from energy sector were present at the event.

- ◆ *25th of September 2014* — Representatives of ANRE participated at "Energy Efficiency – an unused/at least used resource" Conference, organised by the Department for Energy, CNR -CME, ANRE and ARPEE. The topics discussed were: the applicability of Energy Efficiency Law no. 121/2014, the importance of establishing the Department for Energy Efficiency within ANRE, and the involvement of companies in the efficient use of energy resources.

- ◆ *29th of September 2014* — The Vicepresident of ANRE, Mr. Emil Calotă, attended the reunion of Interministerial Council for the state of aid policy application (CIAS), to discuss state aid cases that should be treated with priority by the European Commission.

- ♦ *30th of September 2014* — The President of ANRE, Mr. Nicolae Havrileț, participated at XIIth edition of "Mediafax Talks about Energy" Conference, organised by Mediafax media group. The discussed topics referred to: new information concerning Romanian Energy Strategy, how is Romanian energy system affected by Russian decisions, nuclear power, oil

and natural gas, financing the investments in energy sector. The conference was attended by almost 200 participants: the best lecturers in energy sector, representatives of high ranked authorities, of BVB, BRM, OPCOM, energy/gas/oil regulatory authorities, analysts, NGOs, scientists, investors, consultants, mass media.

New website launch — www.anre.ro.

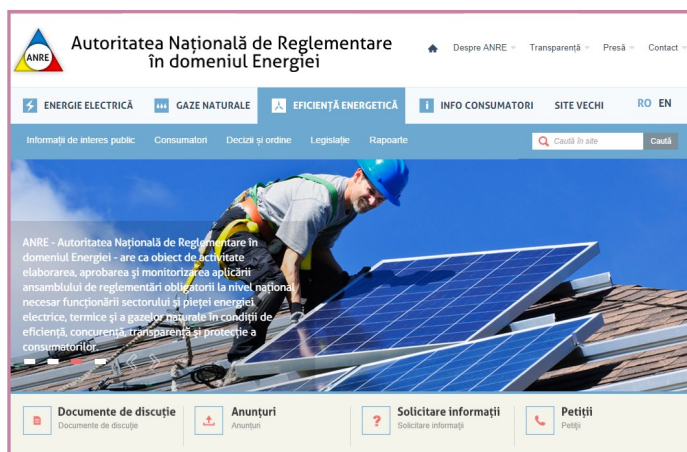
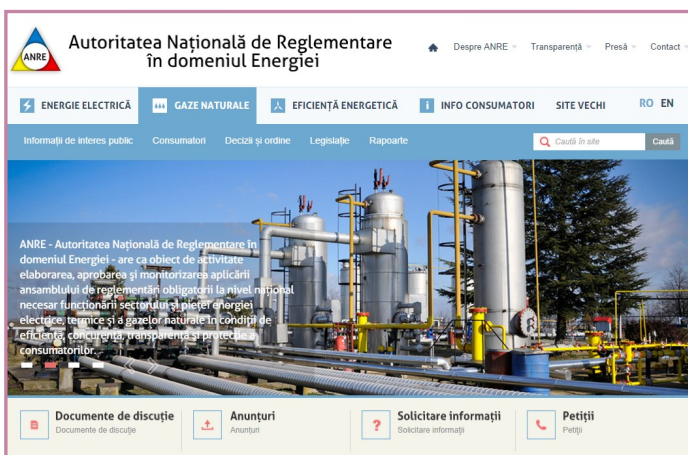
One of the key components of ANRE's activity in terms of the new regulatory framework represents the communication with key stakeholders in the energy sector, consumers, regulated industry, media and general public.

In order to achieve efficient communication, ANRE launched, in July 2014, a new website — www.anre.ro. It provides quick and easy access to information and to documents, online communication with users and links to the websites of ANRE and major institutions and organisations from energy sector, acting at national and international level.

One of the first documents posted on the new website was ANRE Code of Ethics & Standards of

Professional Conduct. The Code aims to improve the quality of work within the authority, eliminate “red-tape”, conflict of interest and prevent acts of corruption. According to the new Code, ANRE personnel are required to act with integrity, competence and respect to ensure the general public's and stakeholders' confidence in the impartiality, administrative transparency and efficiency of the competent Authority. Furthermore, they have the obligation to defend the prestige of the institution with loyalty and to refrain from any act or fact which may prejudice the integrity, image or its legal interests.

An Ethics Committee monitors the compliance of ANRE staff and management with the provisions of the Code in a fair and consistent manner.



The ENERGY SECTOR at a glance

- ◆ According to a Government Decision, starting on July 2014, the cogeneration tax paid by electricity exporters has been eliminated.
- ◆ LUKERG Renew, through its subsidiary Land Power, has signed a project finance loan agreement (total amount of €57 million) to finalise the 84 MW Topolog-Dorobantu wind farm located in the Romanian region of Tulcea.
- ◆ LUKERG Renew GmbH, through its subsidiary Land Power SRL, obtained a loan facility of 57 million Euro, in order to finance the 84 MW Topolog - Dorobantu wind farm located in the Romanian region of Tulcea.
- ◆ Mr. Martin Zmelik took over the management of CEZ Group in Romania, replacing Mr. Jan Veskrna, after a 9 year term.
- ◆ Romania's major electricity distribution company S.C. Electrica S.A began trading on the Bucharest Stock Exchange and London Stock Exchange in July 2014, after Romania's largest ever initial public offering attracted a host of individual and institutional investors.
- ◆ During 2013, CEZ Distributie continued to focus on the achievement of the investment plan approved by ANRE that aims to improve the quality of the distribution services. The investment programme of SC CEZ Distributie SA for the activity of electricity distribution, financed from own sources, reached a value of 200 960 thousand LEI and there was a comissioning programe of 198 244 thousand LEI.
- ◆ The European Bank for Reconstruction and Development (EBRD) has invested over 320 million RON (equivalent to 75 million Euro) for an 8.6 per cent stake in Romanian electricity distribution company S.C. Electrica S.A., as the firm moves towards privatisation in the country largest-ever IPO.
- ◆ State owned Hidroelectrica, Romania's largest electricity producer, made a gross profit of EUR 162 million (RON 719 mil) in the first eight months of this year, 12% higher compared to the same period of 2013.
- ◆ Romania's energy exports amounted in the first six months to 3.6 TWh, up 86 percent year-on-year, according to data from the European Network of Transmission System Operators for Electricity (ENTSO-E).
- ◆ Electrica Distributie Transilvania Sud SA started in July the construction of a 110/20 kW station at Sânpaul that will provide additional electrical power of 22 MW, as part of an European funded project of nearly 3 mil EUR.
- ◆ Alba County Council Nearly intends to invest nearly 4 mil LEI in a small hydroelectric river Sebes, the objective will be located inside the intervention pump-station Petrești.
- ◆ Total energy import in first semester of 2014 was 4548,4 thousand toe, an increase of 11,6% than in the corresponding period of 2013, and domestic production was 10822,7 thousand toe, an increase of 0,3% than in the corresponding period of 2013, according to data published by the National Statistics Institute (INS).
- ◆ Romanian Energy Regulatory Authority and National Association for Consumer Protection and Promotion of Programs and Strategies from Romania - InfoCons signed a Cooperation Protocol to develop a framework for cooperation in order to ensure consumers protection and information through specific programmes and activities.

- ◆ High voltage power line project Resita-Pancevo, linking Romania to Serbia, will require an investment of USD 157.5 million and will be implemented in 26 months, according to a Government Decision (HG) approving the technical-economic indicators of the project.
- ◆ China National Electric Engineering Construction Corporation will handle the refurbishment of the Deva thermal power plant under a USD 271 million contract.
- ◆ According to Mr. Razvan Nicolescu, delegate minister for Energy, the energy sector in Romania will need annual investment of EUR 4-5 billion every year for the next 10 years for updating transport networks, electrical energy, oil and gas, Petrom, energy production.
- ◆ Final consumption of electricity in the national economy was 32.9 billion kWh in the first eight months of the year, 1.1% lower than in the corresponding period of 2013, according to data published by the National Statistics Institute (INS). Public lighting decreased by 25.1%, while household consumption fell by 1.6%.
- ◆ The gas pipeline interconnecting Romania and Bulgaria, between the cities of Giurgiu and Ruse, is expected to be ready by the end of this year, according to Kiril Temelkov, the director of Bulgarian Bulgartansgaz.
- ◆ The regional energy exchange will be operational starting with 11th of November 2014, announced OPCOM representatives.
- ◆ Switzerland will provide CHF 10 million financing (EUR 8.5 million) for an energy project in Arad, with a total value of CHF 12.2 million (EUR 10.1 million). The project includes upgrades for the central heating station and public lighting network.
- ◆ American company Stratum Energy will become the third largest gas producer in Romania, after investments of USD 150 million in the country, according to Romanian Minister for Energy Răzvan Nicolescu.

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