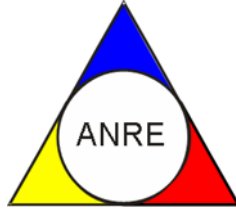




European Energy Network



ROMANIAN ENERGY REGULATORY AUTHORITY

EnR Regular Meeting (M61)

hosted by ANRE, EnR President 2017

EnR Network Presidency 2017/2018

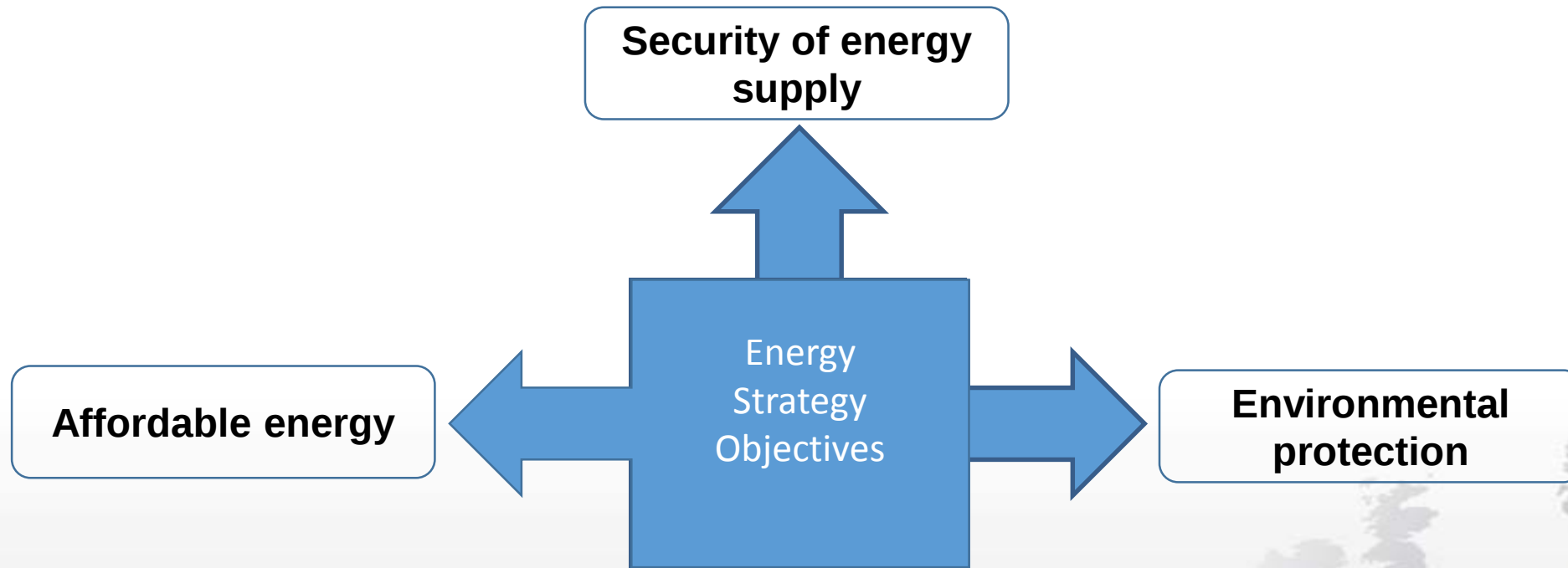
Mr. Emil CALOTĂ, PhD.

Vicepresident ANRE, Romania

Head of the Energy Efficiency Department

Bucharest, 14 - 15 June 2017

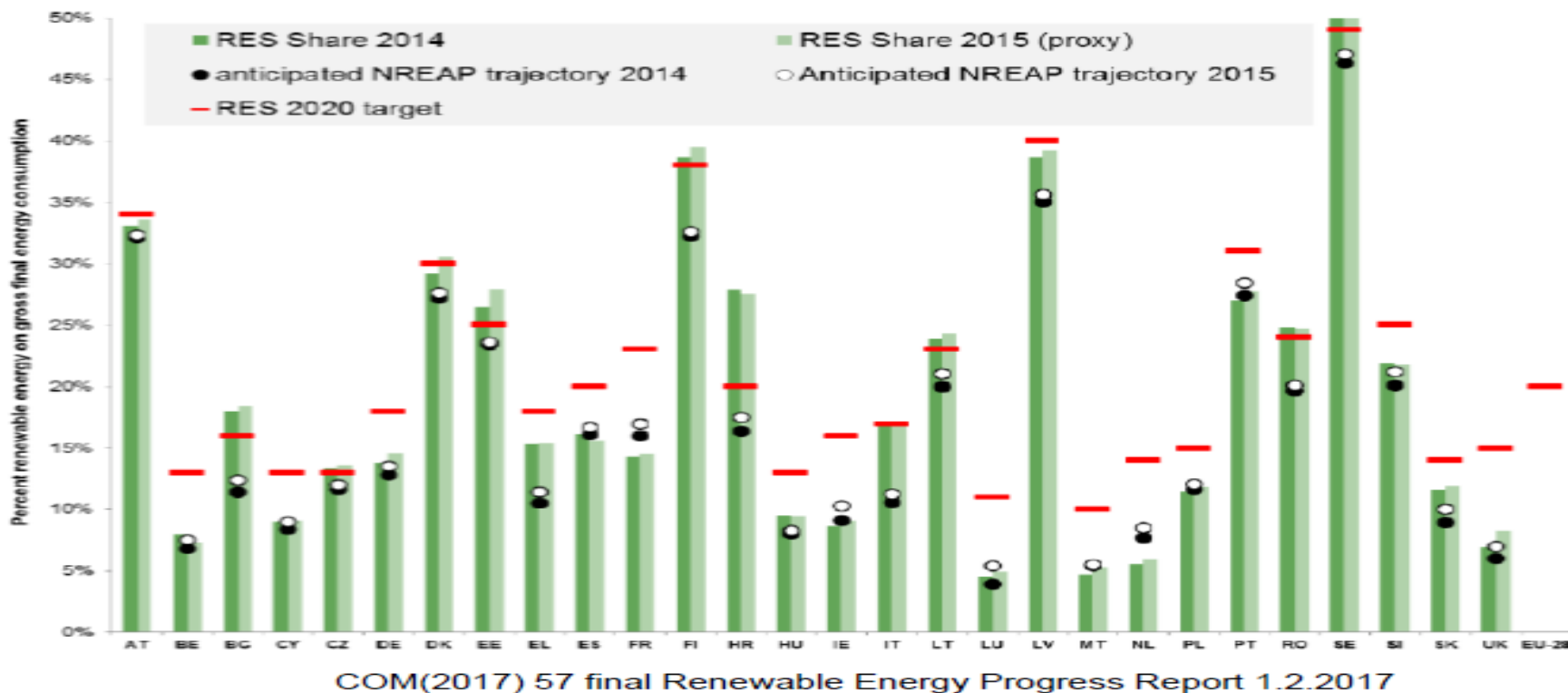
GUIDING PRINCIPLES OF THE ENERGY STRATEGY IN ROMANIA



The Romanian Energy Strategy 2007-2020, approved by Governmental Decision no. 1069/2007 followed the achievement of the main objectives of the European energy – climate change policies, also assumed by Romania.

EUROPE 2020 – ROMANIAN OBJECTIVES

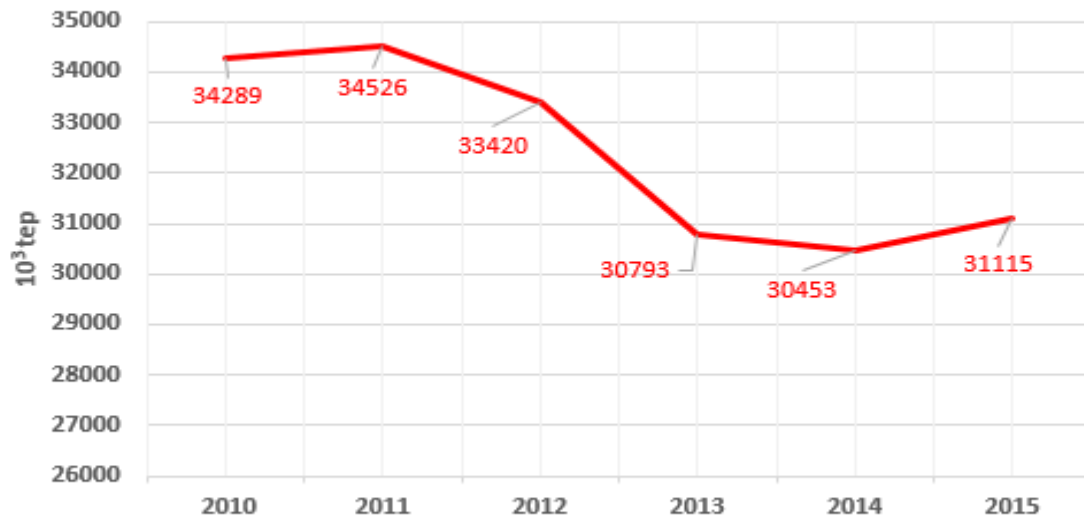
		2015	2020-RO	2030 - UE
Energy from renewable sources (E-RES)	energy from renewable sources (E-RES) in gross final energy consumption	24.8% (Eurostat)	24%	27 %
Energy efficiency	Primary energy consumption – Mtoe-	31,3 (Eurostat)	43	
	Increasing energy efficiency (Expressed as a reduction in primary energy consumption)	19 % (ANRE estimation) (7 Mtoe - ANRE estimation)	19% (10 Mtep)	30%
Greenhouse gas emissions (GHG)	greenhouse gas emissions (GHG): 20% lower than 1990 level	43,68% (Eurostat - 2014)	19%	40%



- Concerning Romania's target for 2020 of 24% share of energy from renewable sources in the consumption structure, by the end of 2015 this figure was overtaken, reaching 24.8%.

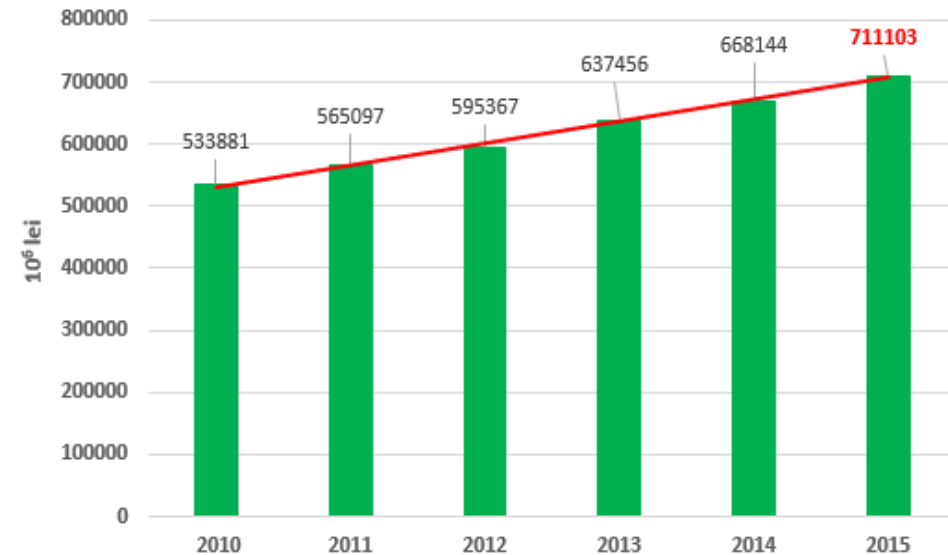
Evolution of primary energy consumption and GDP in Romania

Evolution of primary energy consumption

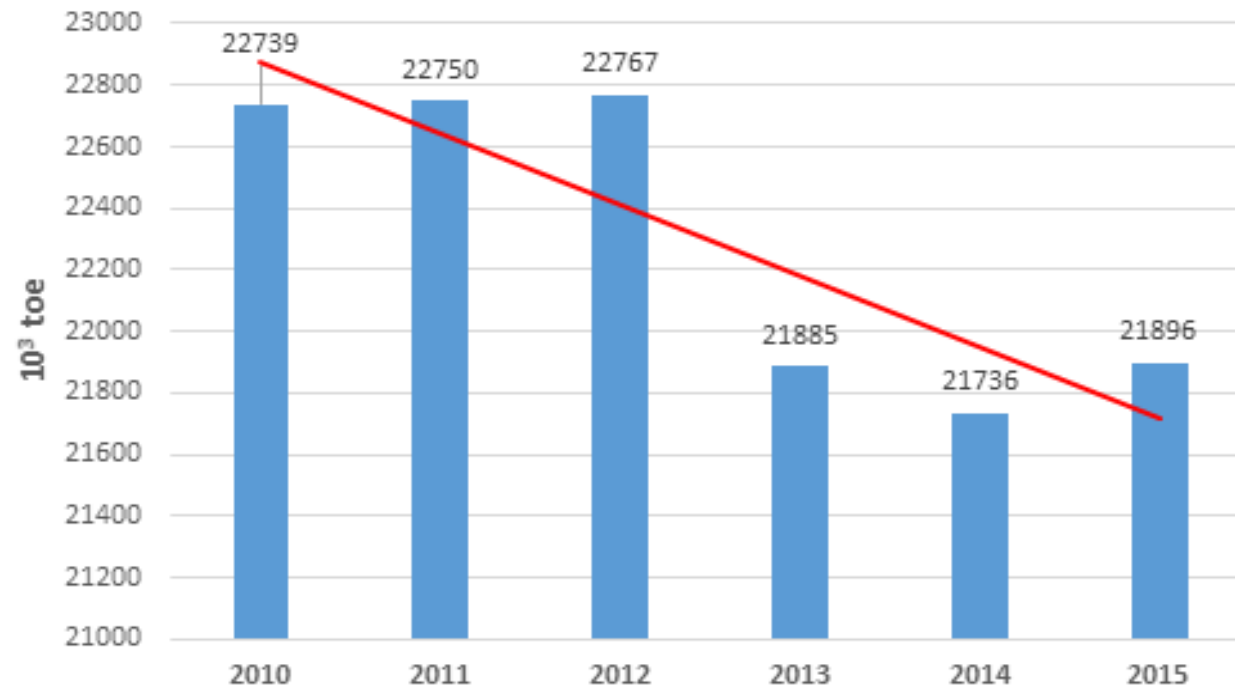


After three consecutive years of decline, primary energy consumption increased (only) by 2.1% in 2015 compared to the previous year, with GDP growth of 3.9%. Compared to 2011, primary energy consumption decreased by 10.2% while GDP grew by 11.6%.

GDP growth



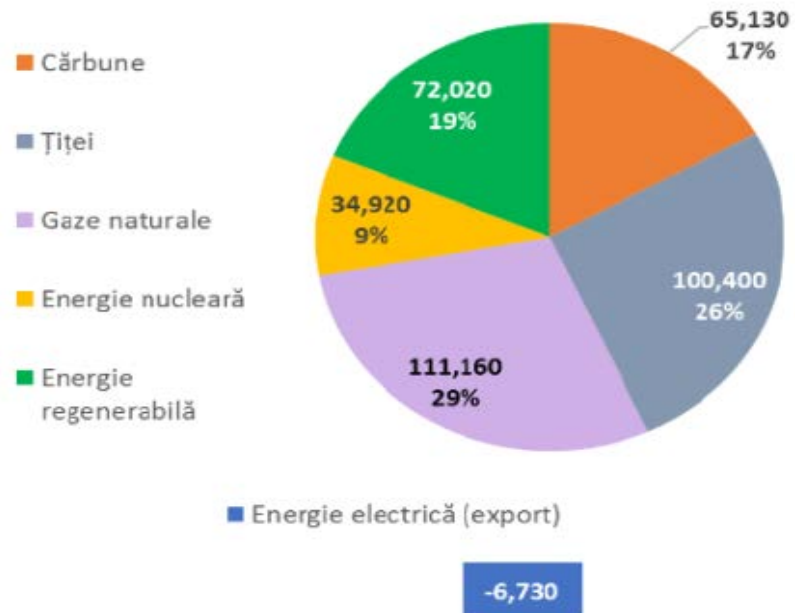
Evolution of final energy consumption



- Final energy consumption increased by 0.8% in 2015 compared to the previous year, in terms of increasing energy efficiency in the final consumer sectors.

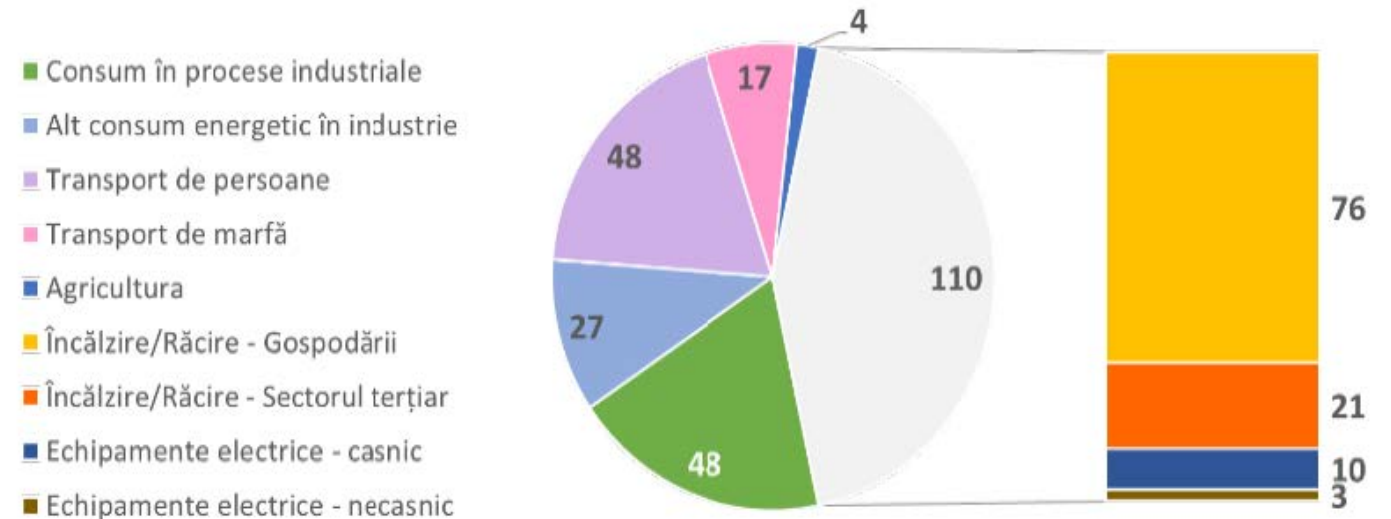
Primary energy consumption mix in 2015 in Romania – Total 377 TWh (Draft Energy Strategy 2016 -2030)

2015 - 377 TWh



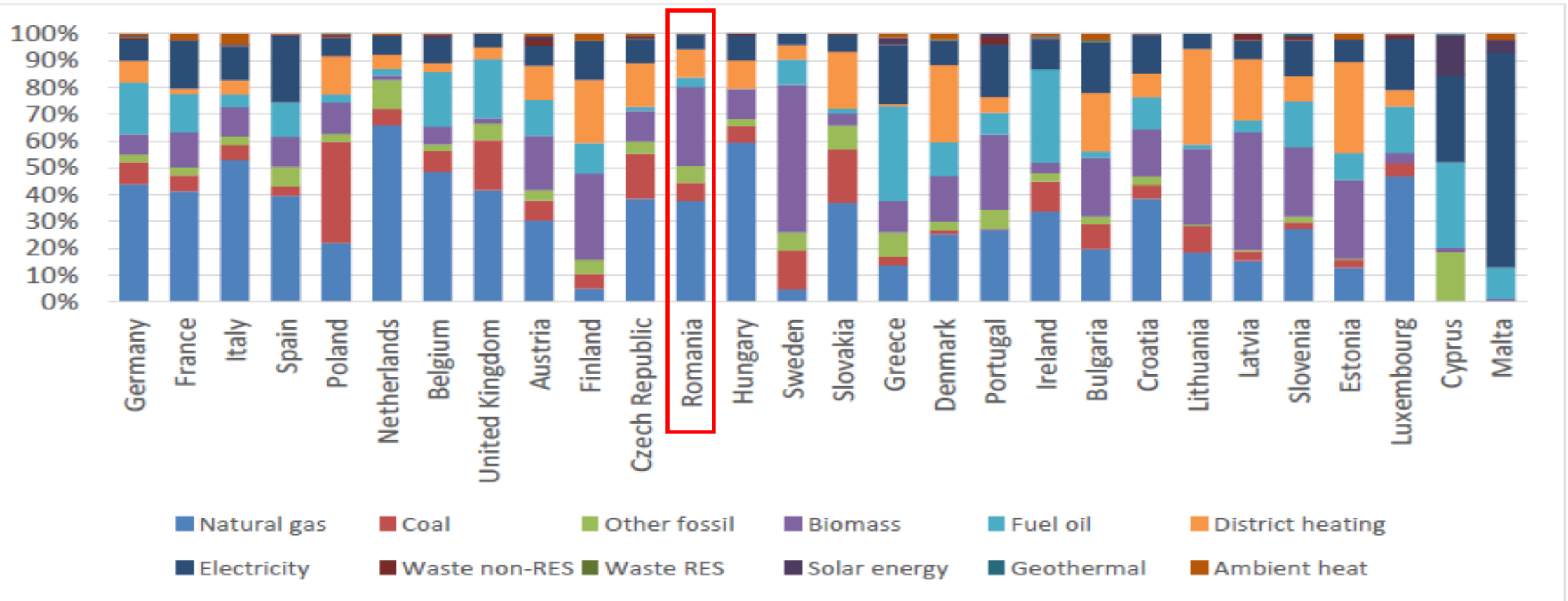
Final energy consumption in 2015 consumption demand in Romania – Total 254 TWh (Draft Energy Strategy 2016 -2030)

2015 - 254 TWh

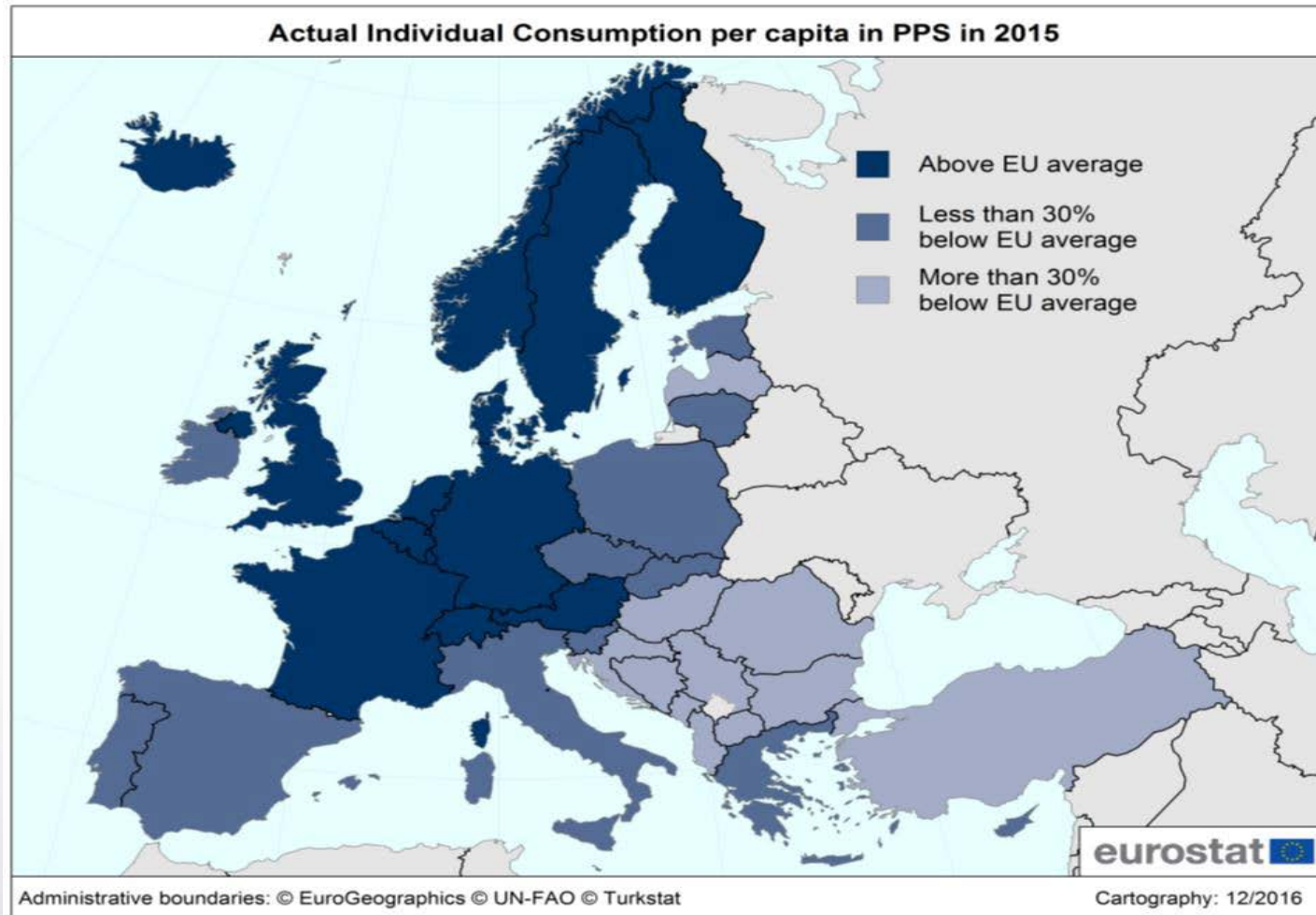


Final energy consumption for heating and cooling, 2012

An EU Strategy on Heating and Cooling -COM(2016) 51 final

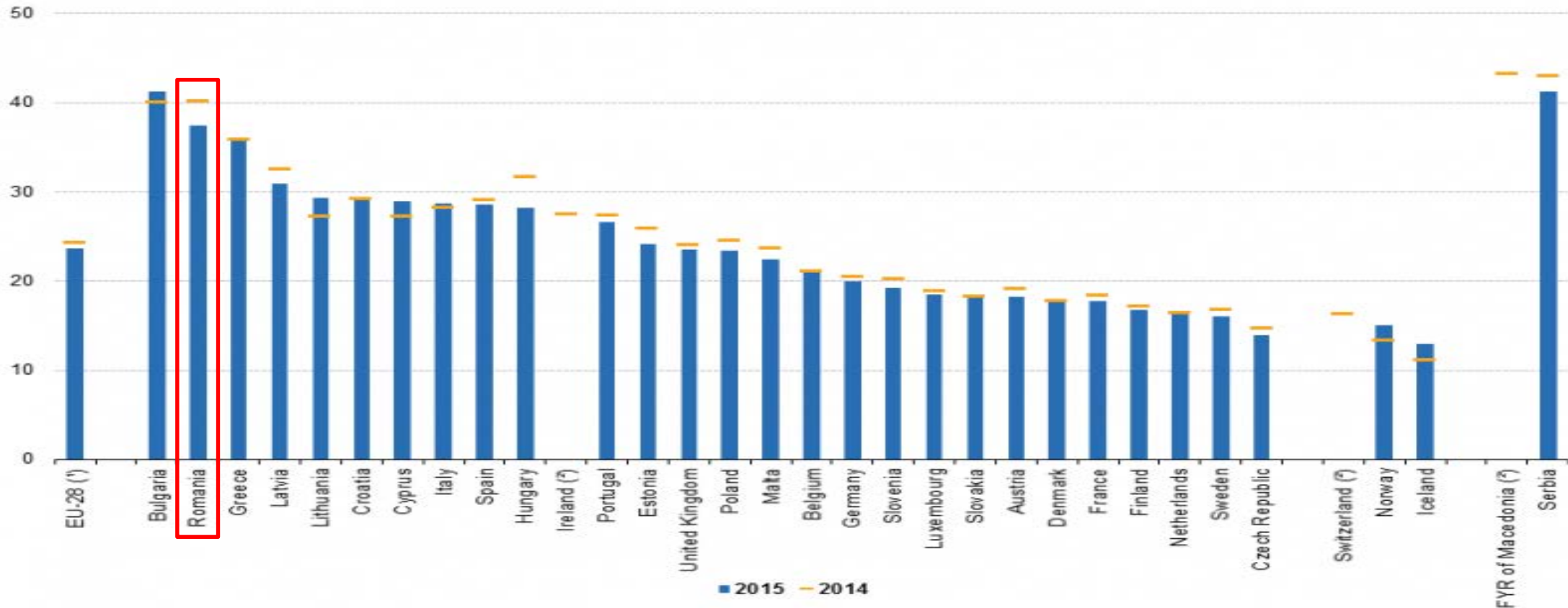


Actual Individual Consumption (AIC) per capita expressed in PPS



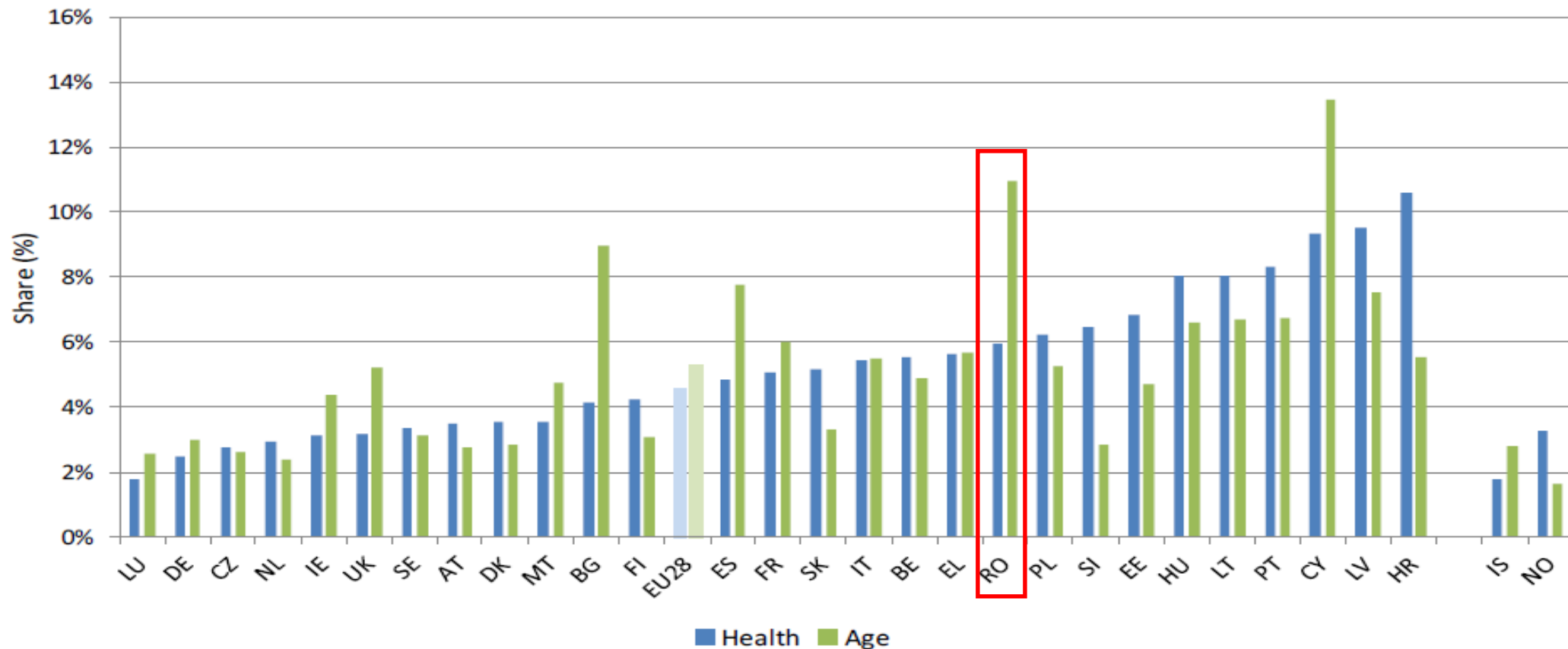
Actual Individual Consumption (AIC) is a measure of material welfare of households. Across the Member States in 2015, AIC per capita expressed in Purchasing Power Standards (PPS) varied from 59% of the European Union (EU) average in Romania to 137% in Luxembourg.

At-risk-of poverty or social exclusion rate, 2014 and 2015 - Eurostat

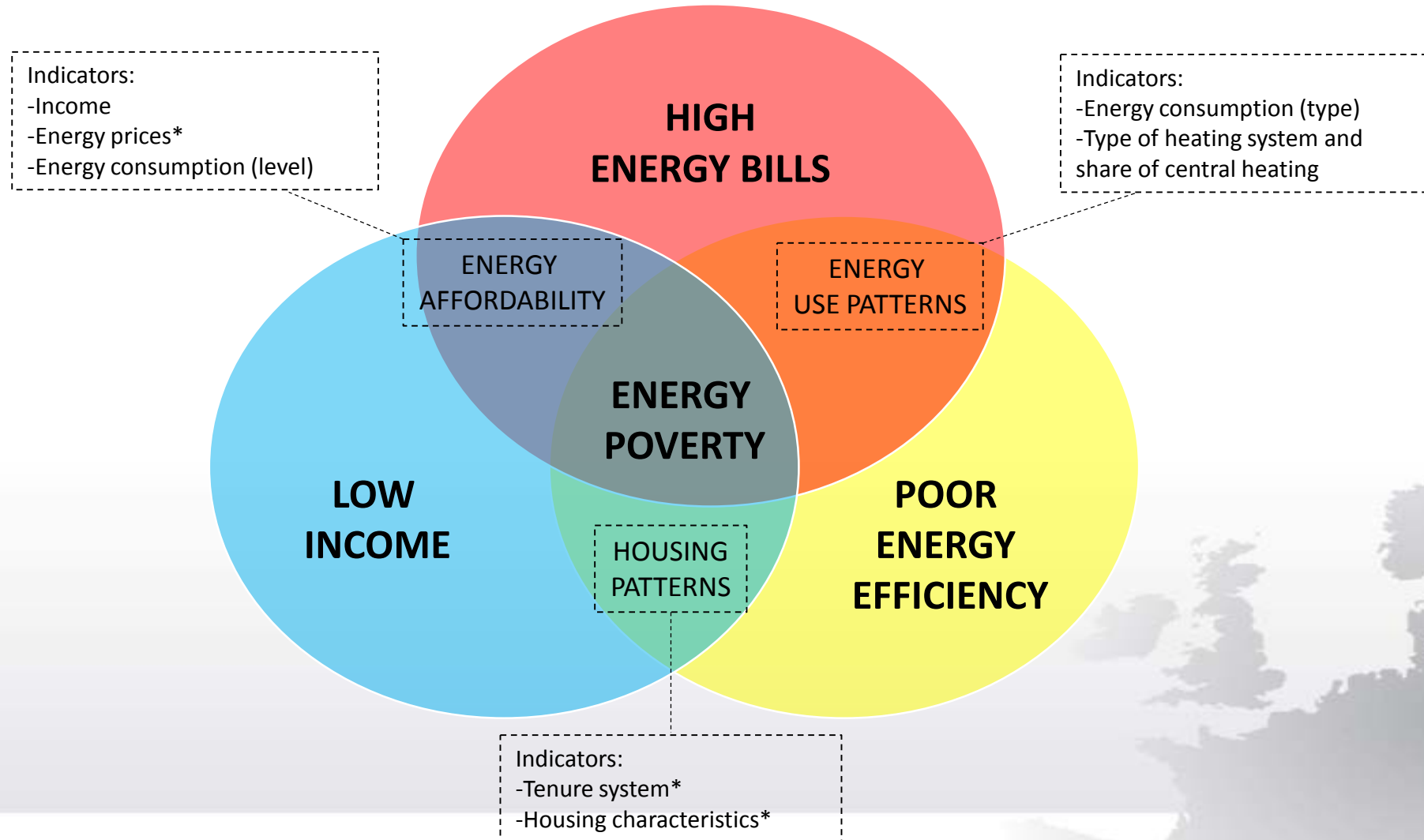


(*) 2015: estimate.
(*) 2015: not available

Share of consumers who feel vulnerable due to health and age reasons *Consumer vulnerability across key markets in the European Union Report 2016*



Drivers of energy poverty - Insight Report 2015



Drivers of vulnerability - DG ENER, EC (*BPIE Study Alleviating fuel poverty in the EU*)

Social and natural context

State of economy
Climate

Market conditions

Energy process
Level of competition

Individual circumstances

Income level
Health/disability

Education
Access to information

Living conditions

Under occupancy
Energy performance of the building
Heating system



***Focus
topic -
Energy
poverty in
EU***

Energy poverty is a major challenge across the EU, having its roots in low incomes and energy inefficient housing. The EU Survey on Income and Living Conditions (EU SILC) estimates that 54 million European citizens (10.8% of the EU population) were unable to keep their home adequately warm in 2012, with similar numbers being reported with regard to the late payment of utility bills or presence of poor housing conditions

The Commission's energy efficiency proposals *Clean Energy for all Europeans* package ask Member States to take energy poverty into account, by requiring a share of energy efficiency measures to be implemented as a priority in households affected by energy poverty or in social housing.

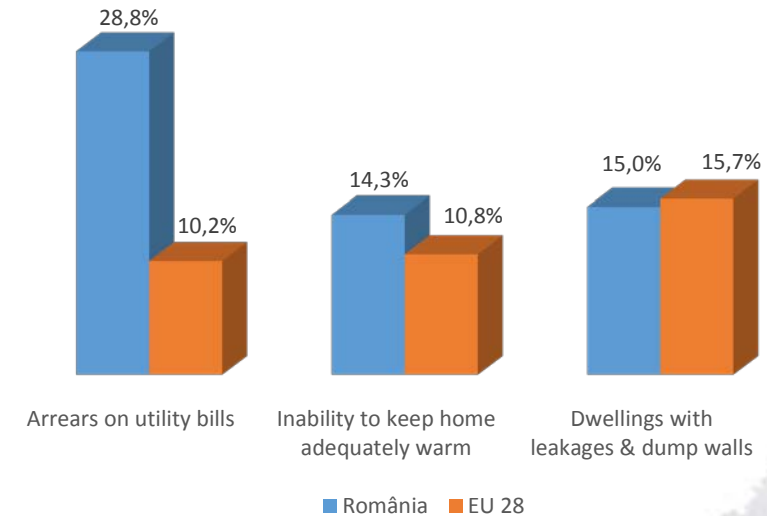
Also, as part of the Energy Union Governance process, Member States will have to monitor and report on energy poverty while the Commission will facilitate the exchange of best practices.

The Commission is also setting up an Energy Poverty Observatory to provide better data on the problem and its solutions as well as to help Member States in their efforts to combat energy poverty.

STATE OF THE ENERGY UNION - COM(2015) 572

- ROMANIA -

Based on a Eurostat survey on income and living conditions, three proxy indicators are used to assess fuel poverty.

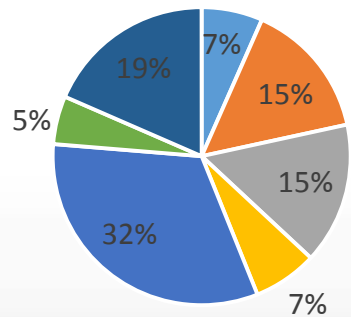


- There seems to be a particular issue in Romania regarding households with arrears on utility bills. The roadmap for phasing out regulated electricity and gas prices includes social measures for vulnerable consumers by providing direct subsidies, informing consumers about the process of market liberalisation, reviewing the process for changing suppliers and detailing electricity and gas bills. Financial aid for social protection during the cold season is in place.
- The effects of market liberalisation, in particular the costs of investments needed for decarbonisation and their impact on the utility bills, need to be carefully looked at. Due to the overall low income in Romania, an important segment of the population might be considered as vulnerable consumers.

Energy costs for households related to energy poverty in Romania

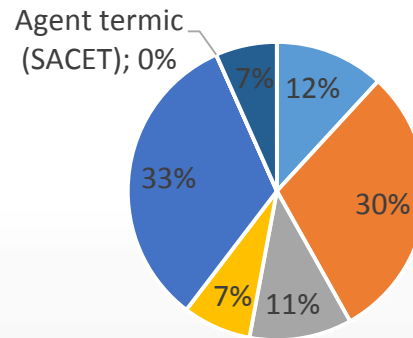
Draft Energy Strategy 2016 - 2030 (INS 2016 source)

Average households (national)
63 Euro/month



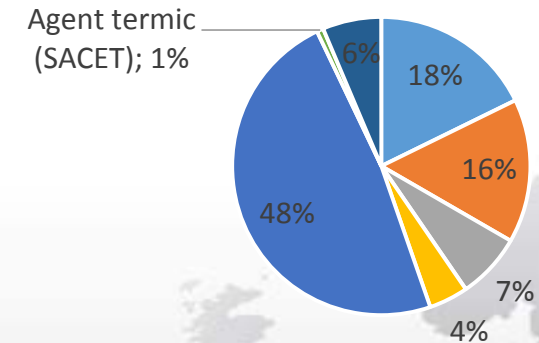
- GPL
- Benzină
- Energie electrică
- Gaz natural
- Lemn și cărbune
- Diesel și alți combustibili
- Agent termic (SACET)

Average households (rural)
60 Euro/month



- GPL
- Benzină
- Energie electrică
- Gaz natural
- Lemn și cărbune
- Diesel și alți combustibili
- Agent termic (SACET)

Poor households
31 Euro/month



- GPL
- Benzină
- Energie electrică
- Gaz natural
- Lemn și cărbune
- Diesel și alți combustibili
- Agent termic (SACET)

PROTECTION OF VULNERABLE ENERGY CONSUMERS

VULNERABLE CUSTOMER - the end customer being part of a residential customer group and for reasons of age, health or low income are at risk of social exclusion and in order to prevent this risk, benefits from social protection measures, including financial ones

ANRE Regulations regarding vulnerable consumers

Procedure for granting the social tariff to household electricity consumers (ANRE Order no. 38/2005 and ANRE Order no. 176/2015)

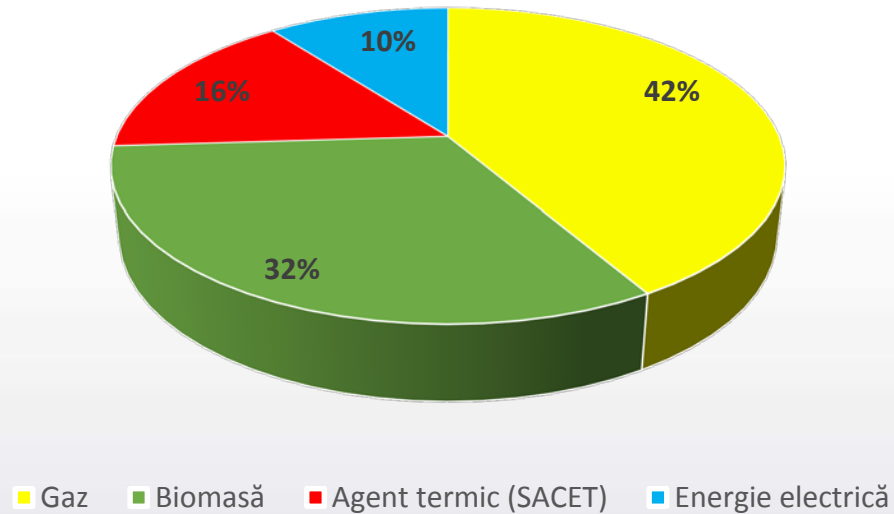
Performance Standards for electricity distribution service (ANRE Order no. 11/2016) and gas distribution service (ANRE Order no. 162/2015)

Regulations for electricity supply to final customers (ANRE Order no. 64/2014) and gas supply to final customers (ANRE Order no. 29/2016)

Performance standards for the electricity supply (ANRE Order no.6/2017) and of natural gas supply (ANRE Order no. 37/2007)

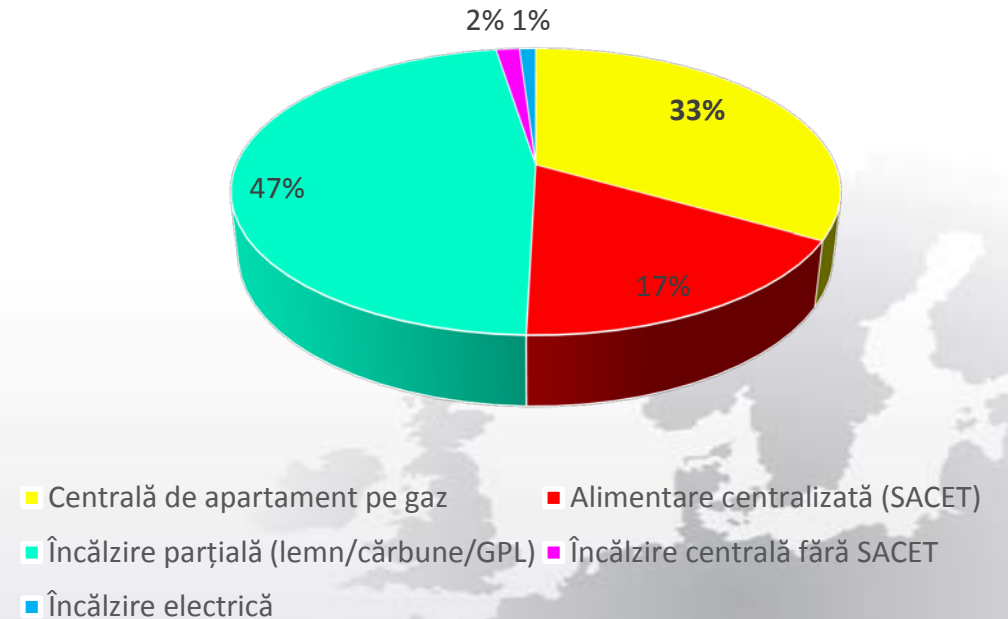
Heating and cooling in Romania Draft Energy Strategy 2016 - 2030

Heating and cooling of dwellings by energy sources
2015 – 76 TWh



Sursa: PRIMES

Dwellings number (mil.) by heating sources
2015 – 7,47 mil. households



Sursa: PRIMES

Law no. 196/2016 regarding the minimum inclusion income - starting April 2018-



VULNERABLE CONSUMER - household client, single person or family who can not afford from their own budget the full coverage of the expenses related to the heating of the dwelling and whose income is within the limits provided by the present law



ENERGY POVERTY – designates the inability of the vulnerable consumer to meet the minimum energy needs for optimal warming of the household during the cold season

Law no. 196/2016 regarding the minimum inclusion income

- ART. 3 (1) **The minimum inclusion income** represents the financial state aid in order to assure the minimal living conditions defined on the art 54 from the law 292/2011 and also for preventing the poverty risk among children and stimulating the children participation to the education system.
- (2) In order to reach these purposes, the **minimum inclusion income** is composed by one or more from the following financial aids categories :
 - a) inclusion aid;
 - b) aid for family with children;
 - c) supplement for housing.

Law no. 196/2016 regarding the minimum inclusion income

•ART. 26

- (1) In order to support the vulnerable consumers who use district heating for the heating of the dwelling during the cold season, the local public administration authorities have the obligation to establish, by decision of the local council, one or more social protection measures supported from local budgets, as follows:
 - Monthly subsidies to cover the difference between the production, transport, distribution and supply price of the heat supplied to the population and the local price of the thermal energy invoiced to the population;
 - Monthly aids for home heating, in addition to those provided from the state budget;
 - Both the monthly subventions stipulated in letter a), as well as the monthly aids from letter b).
- (2) The value of the social protection measures provided in paragraph (1) should be at least 10% of the total amount of the heating aid granted from the state budget.
- (3) Depending on their own resources, the local public administration authorities may approve, by local council decision, monthly allowances for household heating in addition to the income tranches and the amounts used to calculate the heating supplement granted from the state budget.

ENERGY POVERTY STUDY 2015 – ROMANIA

In order to raise the awareness of decisions institutions regarding the active policies and measures for increasing energy efficiency, reducing energy poverty and protecting the vulnerable consumers, at the request of the Energy Efficiency Department within ANRE it was elaborated the Energy Efficiency – national priority for reducing energy poverty, increasing life quality and safety of energy consumers” Study by the Research Institute for Quality of Life and the Institute of Sociology, within the Romanian Academy (June-September 2015).

The issues addressed in the debate highlighted the fact that in Romania, must take into account the difficulties of the national context represented by the share of people facing poverty or social exclusion risk (40%). It was also emphasized that in the case of energy household consumption, the dissemination of the benefits resulting from energy efficient behaviour changes to the vulnerable consumers, is a prerequisite to ensure a decent living standard required by the European context.

THANK YOU FOR YOUR ATTENTION !

Romanian Energy Regulatory Authority (ANRE)

Energy Efficiency Department

Constantin Nacu no. 3, sector 2

Bucharest, Romania

www.anre.ro

<http://enr-network.org/about-enr/>

