REPORT ON RESULTS OF MONITORING THE ROMANIAN ELECTRICITY MARKET JULY 2015

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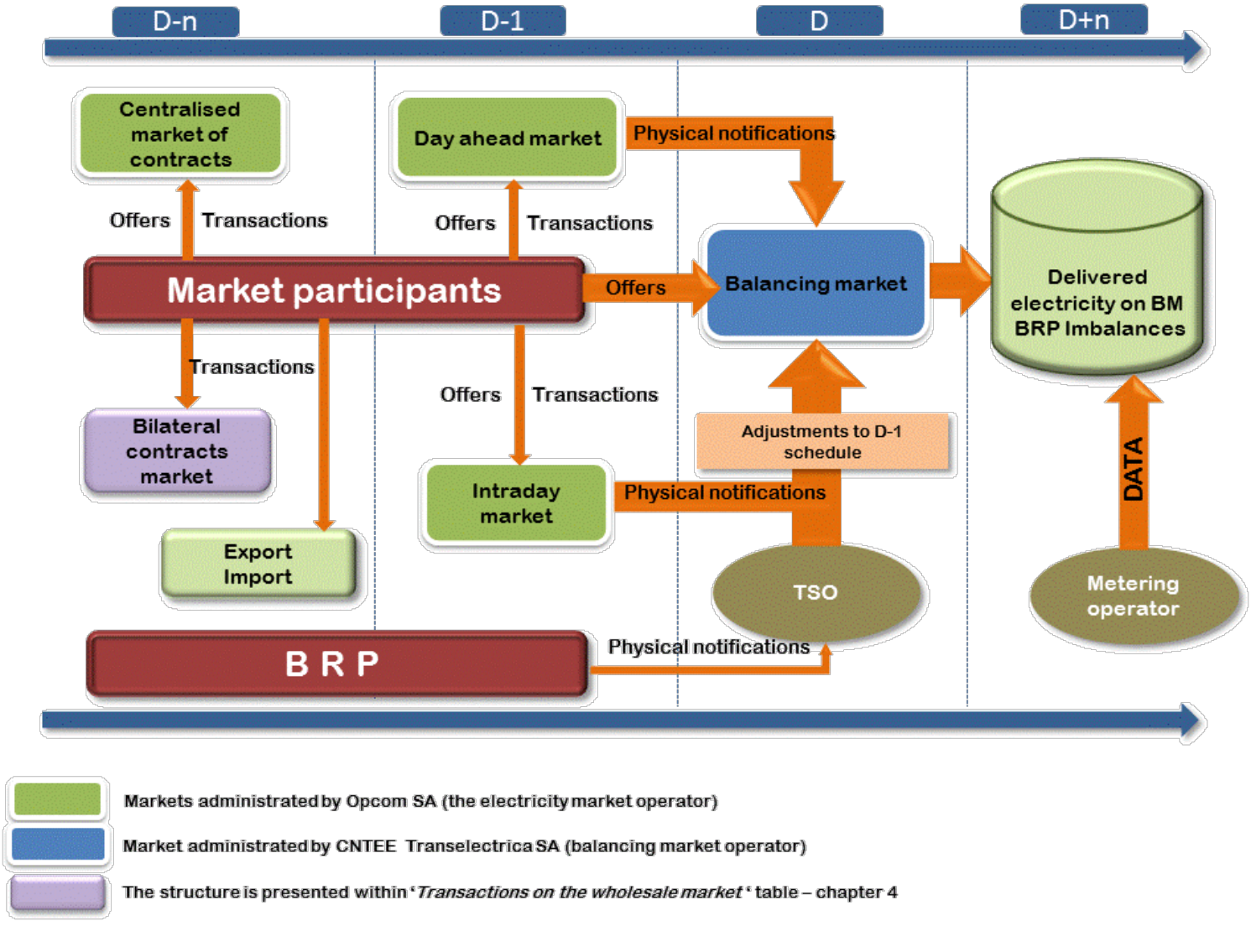
I. MAIN EVENTS IN THE DEVELOPMENT OF THE ROMANIAN ELECTRICITY MARKET

- GD 365/1998 – vertically integrated monopol – RENEL – was split into separated distribution and supply companies (SC Electrica SA) and generation companies (SC Termoelectrica SA and SC Hidroelectrica SA) were established within a new company - CONEL SA. Two other electricity generators (SN Nuclearelectrica SA and RAAN) were separately established;
- transmission, system services and market administration were separately organised, within CONEL SA;
- the relationships between parties within the electricity sector were settled based on contracts;
- GD 122/2000 – electricity market opens at 10%;
- GD 627/2000 – CONEL holding is disolved;
- September 2000 – launch of the compulsory electricity spot market in Romania, administrated by OPCOM and organized based on pool model;
- GD 1342/2001 – SC Electrica SA splits in 8 subsidiaries for electricity distribution and supply;
- GD 1524/2002 – SC Termoelectrica SA reorganizes in several separate legal entities for generation;
- July 2005 – launch of the new market model, based on:
  - voluntary spot market, with both sides offers and bilateral settlement;
  - compulsory balancing market, with TSO as single counterparty;
  - financial responsibilities of the balancing are allocated to the BRP;
- GD 644/2005 – electricity market opens at 83.5%;
- December 2005 – launch of the green certificates market;
- December 2005 – launch of the centralized market for bilateral contracts;
- March 2007 – launch of the centralized market for partially standardized bilateral contracts with continuous negociation;
- GD 638/2007 – fully opening of electricity and gas markets;
- July 2007 – rules for capacity market have been established.
- July 2008 – launch of the mechanism of direct debit and guarantee for electricity transactions on the day-ahead market (OPCOM as central counterparty).
- August 2008 – process of legal unbundling of distribution and supply companies has been concluded;
- August/December 2010 – launch of bilateral coordinated auctions for capacity allocation on interconections with Hungary and Bulgaria;
- July 2011 - launch of the intraday market;
  - GD 930/2010 – SC Electrica Furnizare SA had been established through merger of the former last resort suppliers Electrica Furnizare Muntenia Nord, Electrica Furnizare Transilvania Nord and Electrica Furnizare Transilvania Sud;
- June 2012 – a new entity obtaines the generation license and enters on the electricity market - Complexul Energetic Oltenia SA, established in a dual system through merger of the former SNLO Tg. Jiu, Complexul Energetic Turceni, Complexul Energetic Rovinari and Complexul Energetic Craiova (GD 1024/2011);
- July 2012 – the Law of electricity and natural gas no. 123/2012 has enter into force;
- September 2012 – the application of the first stage from the timetable of phasing out of regulated electricity tariffs to final customers who choose not to exercise their eligibility rights, in accordance with the obligations assumed by the Romanian Government in relation with the IMF, World Bank and European Commission;
- October 2012 – the Law no. 160/2012 regarding the organisation and operation of the Romanian Energy Regulatory Authority has entered into force;
- November 2012 - a new entity obtaines the generation license and enters on the electricity market - Complexul Energetic Hunedoara SA, established through merger of the former Electrocentrale Deva and Electrocentrale Paroseni (GD 1023/2011);
- December 2012 – launch of the organised electricity market for the large customers;
- July 2013 – launch of centralized market trading with continuous double negotiation of bilateral contracts for electricity.

- August 2013 – removal of injection transmission tariff for the imported and respectively of the extraction transmission tariff for the exported quantities, and of the corresponding system services;
- December 2013 – removal of the export tariffs applied by the electricity market operator;
  – certification with conditions for CNTEE Transelectrica SA as an independent transmission and system operator;
  – application of last stage of the phasing out calendar for removal the regulated tariffs applied to the final nonhousehold clients who do not use their eligibility rights;
- August 2014 – CNTEE Transelectrica SA certification as NES transmission system operator following the „independent system operator" model.
- October 2014 – entry into force of the Law no. 127/2014 for amending the Law no. 123/2012
- November 2014 – the launch of the CZ-SK-HU-RO market coupling project, that encompasses the DAM markets from the Czech Republic, Slovakia, Hungary and Romania.
- January 2015 – entry into force of the new centralized market for bilateral contracts with its components: Extended Auctions Mechanism (CMBC–EA), Continuous Negotiation Mechanism (CMBC–CN), Fuel Processing Mechanism (CMBC–FP).
- February 2015 – implementing the centralized market for universal service

II. WHOLESALE ELECTRICITY MARKET

1. *Structure of the wholesale electricity market*



2. Participants on the wholesale electricity market

The market participants*) acting on the electricity market in July 2015 are presented below split into categories:

No.	Category
A	***Electricity generators on classic sources operating dispatching units***
1	Bepco SRL
2	CET Arad SA
3	CET Govora SA
4	CE Hunedoara SA
5	CE Oltenia SA
6	Contour Global Solutions SRL
7	Ecogen Energy SA
8	Electrocentrale Bucureşti SA
9	Electrocentrale Oradea SA
10	Electro Energy Sud SRL
11	Enet Focsani SA
12	Lukoil Energy & Gaz Romania SRL
13	Modern Calor SA
14	OMV Petrom SA
15	RAAN
16	SNGN Romgaz SA
17	Rulmenti SA
18	Veolia Energie Iaşi SRL
19	Veolia Energie Prahova SRL
20	Vest Energo SA
B	***Electricity generators on wind source operating dispatching units***
1	Alizeu Eolian SA
2	Alpha Wind SRL
3	Arinna Development SRL
4	Blue Line Energy SRL
5	Blue Planet Investments SRL
6	Braila Winds SRL
7	Bridgeconstruct SRL
8	CAS Regenerabile SRL
9	Cernavoda Power SRL
10	Corni Eolian SRL
11	Crucea Wind Farm SRL
12	Dan Holding MGM SRL
13	Eco Power Wind SRL
14	Ecoenergia SRL
15	EDP Renewables Romania SRL
16	Electrica Serv SRL
17	Elektra Invest SRL
18	Elektra Wind Power SRL
19	Enel Green Power Romania SRL
20	Energia Verde Ventuno SRL
21	Enex SRL
22	Eol Energy Moldova SRL
23	Eolian Center SRL
24	Eolica Dobrogea One SRL
25	EP Wind Project (ROM) SIX SA
26	Eviva Nalbant SRL
27	Ewind SRL
28	General Concrete Cernavoda SRL
29	Green Energy Farm SRL
30	Holrom Renewable Energy SRL
31	Horia Green SRL
32	Ialomita Power SRL
33	Intetrans Karla SRL
34	Kelavent Charlie SRL
35	Kelavent Echo SRL
36	Land Power SRL
37	LC Business SRL
38	M&M 2008 SRL
39	Mireasa Energies SRL
40	OMV Petrom Wind Power SRL
41	Ovidiu Development SRL
42	Peştera Wind Farm SRL
43	Romconstruct Top SRL
44	Sibioara Wind Farm SRL
45	Smart Clean Power SRL
46	Smartbreeze SRL
47	Soft Grup SRL
48	Tomis Team SRL
49	Ventus Renew Romania SRL
50	Wind Park Invest SRL
51	Windfarm MV I SRL
52	VS Wind Farm SRL

No.	Category
C	***Electricity generators on biomass source operating dispatching units***
1	Bioenergy Suceava SRL
D	***Electricity generators on solar source operating dispatching units***
1	Blue Sand Investment SRL
2	Caracal Solar Alpha SRL
3	Casa Crang SRL
4	Clue Solar SRL
5	Corabia Solar SRL
6	Cujmir Solar SRL
7	Delta & Zeta Energy SRL
8	Ecosfer Energy SRL
9	Eye Mall SRL
10	Fort Green Energy SRL
11	Foton Epsilon SRL
12	Gama & Delta Energy SRL
13	GPSB Solaris 48 SRL
14	Greenlight Solution SRL
15	Green Vision Seven
16	Izvor de Lumina SRL
17	Kentax Energy SRL
18	Lemar Grup SRL
19	LJG Green Source Energy Alpha SA
20	LJG Green Source Energy Beta SRL
21	LJG Green Source Energy Gamma SRL
22	Long Bridge Milenium SRL
23	Mar-Tin Solar Energy SRL
24	Potelu Solar SRL
25	Power L.I.V.E. One SRL
26	RA-RA PARC SRL
27	Romkumulo SRL
28	Simico Prod Factory SRL
29	Solar Electric Frasinet SRL
30	Solar Future Energy SRL
31	Solprim SRL
32	Spectrum Tech SRL
33	Studina Solar SRL
34	Tis Energy SRL
35	Tinmar Green Energy SRL
36	Vanju Mare Solar SRL
37	Varokub Energy Development SRL
38	VIS Solaris 2011 SRL
39	Vrish Pro Investments SRL
40	WDP Development RO SRL
41	Xalandine Energy SRL
42	XPV SRL
E	***Electricity generators on hydro source operating dispatching units***
F	***Electricity generator on nuclear source operating dispatching units***
1	SN Nuclearelectrica SA
G	***Transmission System Operator***
1	CNTEE TRANSELECTRICA SA
H	***Market Operator for DAM, Intra-Day, Centralised Markets - CMBC-EA, CMBC-CN, CMBC-FP, CM-OTC, CMUS***
1	OPCOM SA
I	***Distribution operators***
1	CEZ Distributie SA
2	ENEL Distributie Banat SA
3	ENEL Distributie Dobrogea SA
4	E.ON Moldova Distributie SA
5	ENEL Distributie Muntenia SA
6	FDEE Electrica Distributie Muntenia Nord SA
7	FDEE Electrica Distributie Transilvania Sud SA
8	FDEE Electrica Distributie Transilvania Nord SA
J	***Suppliers of Last Resort***
1	CEZ Vanzare SA
2	ENEL Energie SA
3	E.ON Energie Romania SA
4	ENEL Energie Muntenia SA
5	Electrica Furnizare SA

No.	Category
K	***Electricity Suppliers acting exclusively on the wholesale market***
1	Alpiq Energy SE
2	SC ARV God Technology SRL
3	SC Bit-Reen SRL
4	CEZ as
5	Danske Commoditiesa/s Aarhus
6	E&T ENERGIE Handelsgesellschaft
7	Edison Trading Spa
8	Energo-Pro Trading EAD
9	EVN Trading South East Europe
10	Ezpada SRO
11	Freepoint Commodities Europe Ltd
12	GEN I trgovanje in prodaja elektricne energije doo
13	Holding_ Slovenske_ Elektrarne
14	SC Industrial Instal Service SRL
15	Interenergo Energetski, Inzeniring d.o.o.
16	JAS Energy Trading s.r.o.
17	SC Lord Energy SRL
18	MVM Partner Zrt
19	OMV Trading GmbH
20	Repower Trading Ceska Republica s.r.o.
21	SC Repower Vanzari Romania SRL
22	Statkraft Markets GmbH
23	SC Vertis Energy SRL
24	Vitol Gas and Power B.V.

L	***Electricity Suppliers acting also on the retail market***
1	SC A Energy Ind SRL
2	SC Aderro G.P. Energy SRL
3	SC Alpiq RomIndustries SRL
4	SC Alro SA
5	SC Arelco Power SRL
6	SC Axpo Energy Romania SRL
7	SC Belectric Energy Trading SRL
8	SC Biol Energy SRL
9	SC Ciga Energy SA
10	SC Cotroceni Park SA
11	SC C-Gaz & Energy Distributie SRL
12	SC Curent Alternativ SRL
13	SC EFE Energy SRL
14	SC EFT Furnizare SRL
15	SC Electra Management Supply SRL
16	SC Electricom SA
17	SC Electrificare CFR SRL
18	SC Electrocarbon SA
19	SC Electromagnetica SA
20	SC Elsaco Energy SRL

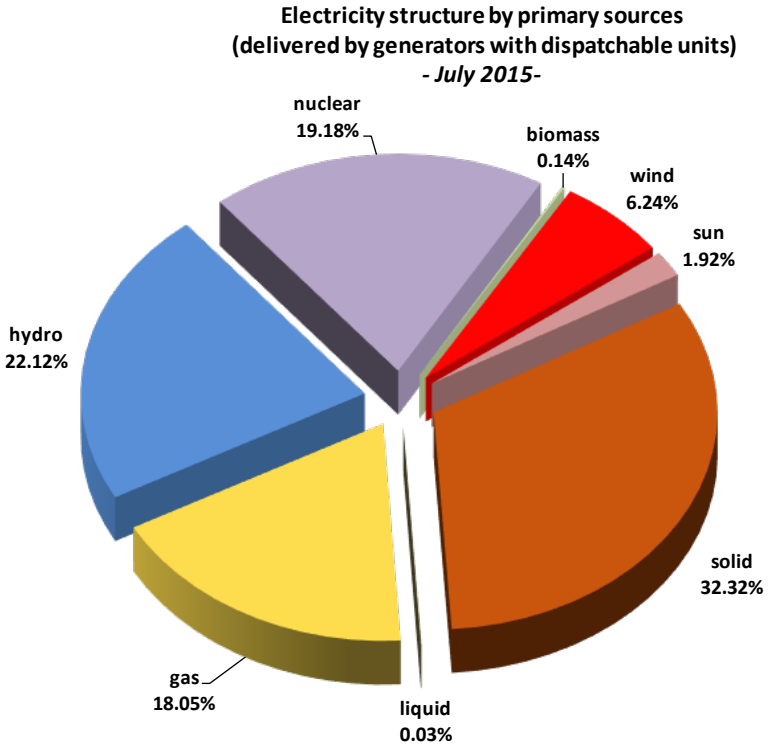
No.	Category
M	***Electricity Suppliers acting also on the retail market***
21	SC Elsid SA
22	SC Enel Trade Romania SRL
23	SC Energotrans SRL
24	SC Energy Distribution Services SRL
25	SC Energy Holding SRL
26	SC Energy Network SRL
27	SC Enol Grup SA
28	SC Entrex Services SRL
29	SC Eolian Project SRL
30	SC E.V.A. Energy SRL
31	SC Fidelis Energy SRL
32	SC Flavus Investiţii SRL
33	SC GDF Suez Energy Romania SA
34	SC GDM Logistic SRL
35	SC General Com Invest SRL
36	SC Getica 95 COM SRL
37	SC Hermes Energy International SRL
38	SC ICCO Energ SRL
39	SC ICPE Electrocond Technologies SA
40	SC Imperial Development SRL
41	SC Industrial Energy SA
42	SC Inversolar Energy SA
43	SC KDF Energy SRL
44	SC Luxten LC SA
45	SC Menarom PEC SRL
46	SC MET Romania Energy Trade SRL
47	SC Midas&CO SRL
48	SC Monsson Energy Trading SRL
49	SC Neptun SA
50	SC Nova Power&Gas SRL
51	SC P.C. Management & Consulting SRL
52	SC Polimed Energy Trading SRL
53	SC QMB Energ SRL
54	SC RCS&RDS SA
55	SC Romelectro SA
56	SC Renovatio Trading SRL
57	SC Repower Furnizare Romania SRL
58	SC Romenergy Industry SRL
59	SC RWE Energie SRL
60	SC Tinmar Ind SA
61	SC Transformer Supply SRL
62	SC Transenergo Com SA
63	SC Three Wings SRL
64	SC UGM Energy Trading SRL
65	SC Verbund Trading Romania SRL
66	SC Verta Tel SRL
67	SC Werk Energy SRL

*) The electricity market participants report to ANRE technical/commercial data according to the *Methodology of wholesale electricity market monitoring for assessing the competition level on market and preventing the abuse of dominant position*, approved by ANRE Order no. 35/2006 as well as to the *Methodology of retail electricity market monitoring*, approved by ANRE Order no. 60/2008. The table does not include the Balancing Responsible Parties (BRP). The BRP updated list is published on the Balancing Market Operator website - www.transelectrica.ro.

ANRE monitors the market activity of the generators with dispatchable units. According to the Regulation of scheduling the dispatchable generation units and consumption units, the considered generation units are:

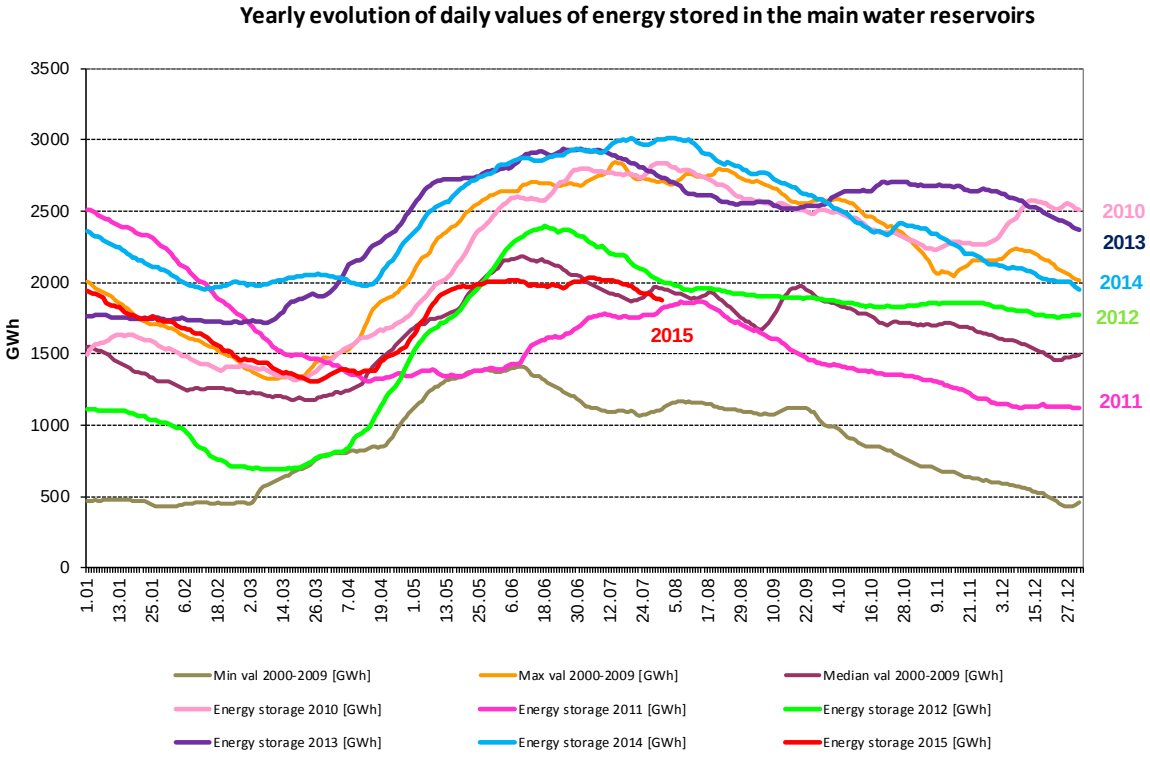
a. hydro generation group with installed power higher than 10 MW;
b. thermal generation group (including biomass and nuclear) with installed power higher than 20 MW;
c. wind, photovoltaic or internal combustion engine with installed power higher than 5 MW.

3. Generation structure of National Energy System on resources types



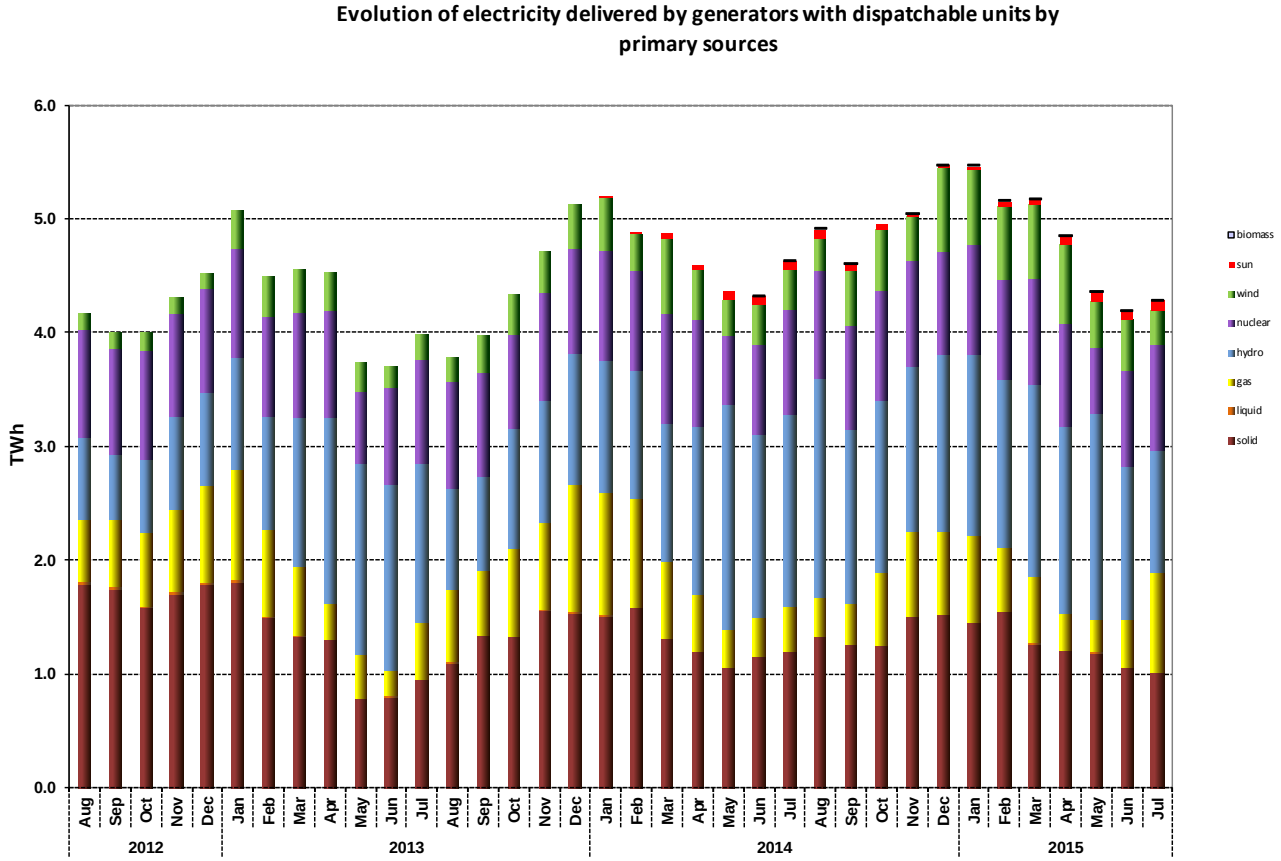
Source: Monthly reports of generators – processed by MG

The electricity generated from hydro resources and the energy stored in the main water reservoirs is directly correlated. The following graph presents the evolution of daily amounts of energy storage during July 2015 compared to the daily values of the last 5 years and compared to minimum, maximum and median values from 2000-2009.



Source: Monthly reports of S.C. Hidroelectrica S.A. – processed by MG

The evolution of delivered electricity structure, during the last 3 years, is the following:



Source: Monthly reports of generators – processed by MG

The following table presents the main data regarding the physical balance of electricity for July 2015 compared to data for similar period of 2014:

Nr. Crt.	INDICATOR	UM	July 2014	July 2015	%	Jan-Jul 2014	Jan-Jul 2015	%
0	**1**	**2**	**3**	**4**	**5=4/3*100**	**6**	**7**	**8=7/6*100**
1	Generated electricity	TWh	5.11	5.17	101.18	35.14*	35.95	102.31
2	Delivered electricity	TWh	4.78	4.83	101.05	32.71*	33.63	102.81
3	Import	TWh	0.06	0.20	333.33	0.21	2.18	1038.10
4	Export	TWh	0.75	0.70	93.33	3.71	5.74	154.72
5	Internal consumption (2+3-4)	TWh	4.10	4.33	104.88	29.21*	30.07	102.94
6	Consumption of household customers on the regulated market	TWh	0.92	0.95	103.26	6.67	6.92	103.75
7	Consumption of non-households customers	TWh	2.85	3.02	105.96	18.88	19.93	105.56
7.1	*on the regulated market*	TWh	*0.26*	*0.17*	*65.38*	*2.38*	*1.33*	*55.88*
7.2	*on the competitive market*	TWh	*2.59*	*2.85*	*110.04*	*16.49*	*18.60*	*112.80*
8	Transmission–Injection component	TWh	4.68	4.73	101.07	32.33	33.26	102.88
9	Transmission–Extraction component	TWh	4.17	4.38	105.04	29.62	30.65	103.48
10	Actual transmission grid losses	TWh	0.07	0.08	114.29	0.56*	0.61	108.93
11	Heat generated for delivery	Tcal	574.92*	513.10	89.25	8439.57*	8292.98	98.26
12	Heat in co-generation	Tcal	479.72*	402.97	84.00	7007.70*	6586.06	93.98

Note: 1. The generated electricity and delivered electricity are presented according to the data reported by the monitored generators (as they are defined as dispatchable in the Regulation of scheduling the dispatchable generation units and consumption units approved by the ANRE Order no. 32/2013, therefore, starting with January 2014, the number of monitored generators has strongly increased;

2.Data shown in the table neither include the energy produced by the generators who do not own dispatchable units (positions 1 & 2) nor the energy delivered to the customers directly connected to the power plants (positions 6 & 7).

3. The imported/exported quantities do not comprise transits and crossborder exchange of CNTEE Transelectrica SA with neighboing countries in order to ensuring the balance of the national energy system.

4. The electricity quantity for applying the injection tariff is the electricity delivered by the generation units with installed capacity higher than 5 MW linked to the transmission network and distribution network.

**Differences compared to the Report on results of monitoring the Romanian electricity market – July 2014 due to modified data reported by some participans.*

4. Transactions' structure on the wholesale electricity market

The size of wholesale market depends on the sum of all transactions performed by the market players, exceeding the quantities physically transmitted from generation to consumption; the total transactions include also resale transactions made in order to match the contractual obligations and to obtain financial benefit.

When entering into force, the Law no. 123/2012 on Electricity and Natural Gas has set the general principle that energy competitive market and electricity transactions should take place in a transparent, public, centralized and non-discriminatory way. Therefore, all the new transactions have to be the result of participation on the centralized markets administrated by Opcom SA, the only owner of a license issued by ANRE for the electricity market operation in Romania. The centralized markets which are presently functional are DAM (Day Ahead Market), CMBC (centralized market of bilateral contracts with Extended Auction mechanism-EA, with Continuous Negotiation mechanism-CN, with Fuel Processing mechanism -FP), ID (Intraday Market), CM-OTC – (Centralized Market with Double Continuous Negotiation for Electricity Bilateral Contracts), CM-LCM (Large Consumers mechanism) and CMUS (Centralized Market for Universal Service).

Besides the existing centralized markets operated by Opcom SA (which ensure the transparent, public, centralized and non-discriminatory character required by the Law) there still exist bilateral negotiated contracts concluded before the entering into force of the Law still pending, bilateral contracts directly negotiated by RES producers that benefits from the promotion system and own generators with installed capacity lower than 3 MW, according to Law no. 23/2014 modified and completed by Law no. 122/2015, which amend Law no. 220/2008 for establishing the system for promoting producing electricity from renewable energy sources, export and import contracts and regulated contracts with regulated quantities and prices, based on ANRE decisions concluded between a number of generators and the suppliers of last resort.

The following table presents the volumes traded and the average prices on each type of contracts and on the main components of the wholesale market. The aggregated volumes and the average prices on negotiated contracts are reported by market participants on their own responsibility and except the concluded contracts based on provisions of Law no. 23/2014 they should reflect only the ongoing contracts which had been concluded before Law no. 123/2012 entered into force.

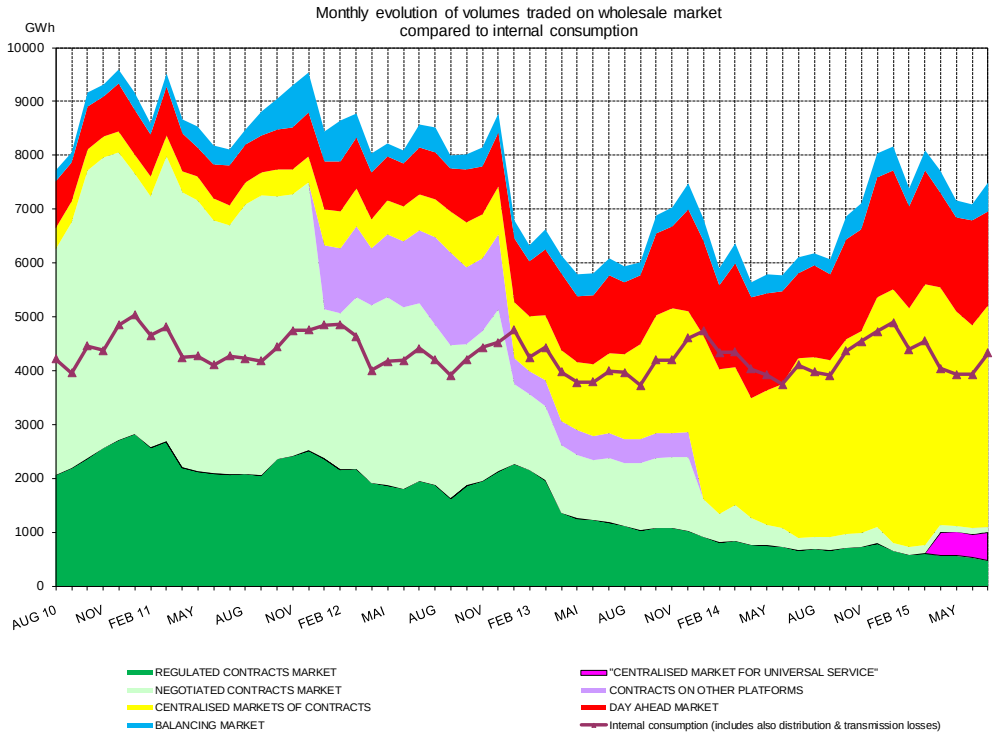
TRANSACTIONS ON THE WHOLESALE MARKET	June 2015	July 2015	July 2014
1. BILATERAL CONTRACTS' MARKET			
traded volume (GWh)	**640**	**569**	**892**
average price (lei/MWh)	143.64	144.08	152.87
% from internal consumption (%)	16.3	13.1	21.8
1.1. Sales on regulated contracts			
traded volume (GWh)	**528**	**464**	**663**
average price (lei/MWh)	142.91	138.40	148.26
% from internal consumption (%)	13.4	10.7	16.2
1.2. Sales on negotiated contracts[1)]			
traded volume (GWh)	**112**	**105**	**230**
average price (lei/MWh)	147.04	169.20	166.19
% from internal consumption (%)	2.9	2.4	5.6
2. EXPORT			
traded volume[2)] (GWh)	**699**	**702**	**746**
average price (lei/MWh)	149.21	189.28	177.27
% from internal consumption (%)	17.8	16.2	18.2
3. CENTRALIZED MARKETS OF CONTRACTS			
traded volume (GWh)	**3774**	**4101**	**3339**
average price (lei/MWh)	156.54	158.86	174.52*
% from internal consumption (%)	96.0	94.7	81.4
3.1. Extended auction mechanism CMBC-EA[3)]			
traded volume (GWh)	**2101**	**2399**	**3182**
average price (lei/MWh)	162.37	157.55	174.59
% from internal consumption (%)	53.4	55.4	77.6*
3.2. Continuous negotiation mechanism CMBC-CN [3)]			
traded volume (GWh)	**338**	**572**	**70**
average price (lei/MWh)	155.73	156.02	172.73
% from internal consumption (%)	8.6	13.2	1.7
3.3. CM-OTC mechanism [3)]			
traded volume (GWh)	**1336**	**1129**	**86**
average price (lei/MWh)	147.56	163.09	173.08
% from internal consumption (%)	34.0	26.1	2.1
4. CENTRALIZED MARKET FOR UNIVERSAL SERVICE - CMUS			
traded volume (GWh)	**430**	**535**	
average price (lei/MWh)	167.44	161.41	-
% from internal consumption (%)	10.9	12.4	
5. DAY AHEAD MARKET			
traded volume (GWh)	**1947**	**1753**	**1578**
average price (lei/MWh)	146.96	186.13	153.70
% from internal consumption (%)	49.5	40.5	38.5
6. INTRADAY MARKET			
traded volume (GWh)	**3.7**	**2.4**	**9.5**
average price[4)] (lei/MWh)	130.77	151.15	143.64
% from internal consumption (%)	0.1	0.1	0.2

TRANSACTIONS ON THE WHOLESALE MARKET	June 2015	July 2015	July 2014
7. BALANCING MARKET			
traded volume (GWh)	**304**	**541**	**289**
% from internal consumption (%)	7.7	12.5	7.1
upward volume (GWh)	**203**	**469**	**191**
average negative imbalance price(lei/MWh)	240.30	258.54	225.83
downward volume (GWh)	**102**	**72**	**99**
average positive imbalance price (lei/MWh)	12.84	12.69	40.03
INTERNAL CONSUMPTION (includes distribution and transmission losses) (GWh)	**3930**	**4332**	**4100***

Note:
1) Supply contracts to final customers and export contracts are not included as thez are separatelz identified
2) Export volumes correspond to notifications from DAMAS platform for electricity extracted from RET; in some cases those volumes are different from those reported as traded by participants
3) The monthly data are presented as reported by the participants for the electricity delivered in the respective month. These information refer both to transactions concluded previously on CMBC and CMBC-NC (ANRE Order 6/2011) and to transactions concluded on CMBC-EA and CMBC-NC (ANRE Order 78/2014) with delivery within the reported month
4) The average monthly price has been calculated based on monthly traded volume and transaction value published by Opcom SA

**Differences compared to the Report on results of monitoring the Romanian electricity market – July 2014 due to modified data reported by some participans.*

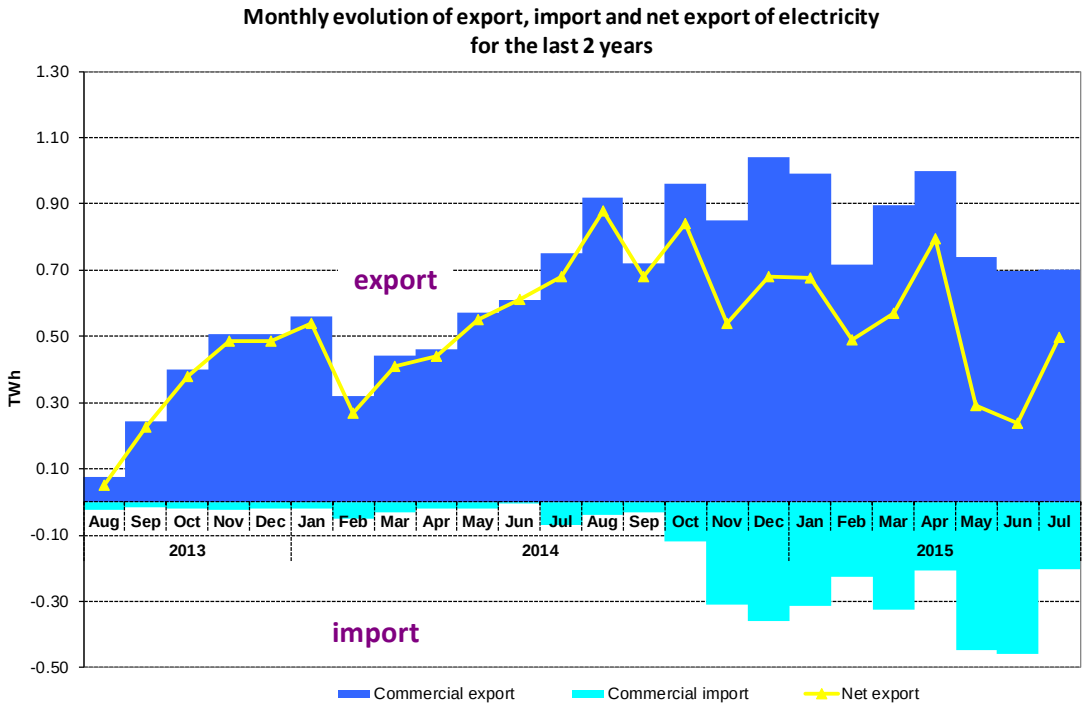
The percentage of electricity quantities from the internal consumption (see table from above) offers a dimensional reference for each of the specified markets. Prices include only the injection component of the transmission tariff, in this way being comparable within a month and making possible the comparison with the previous month. The following graph presents the evolution of the relation between the volumes sold on each market and the estimated internal consumption, since August 2010.



Source: Monthly reports of wholesale market participants, Opcom SA and CN Transelectrica SA – processed by MG

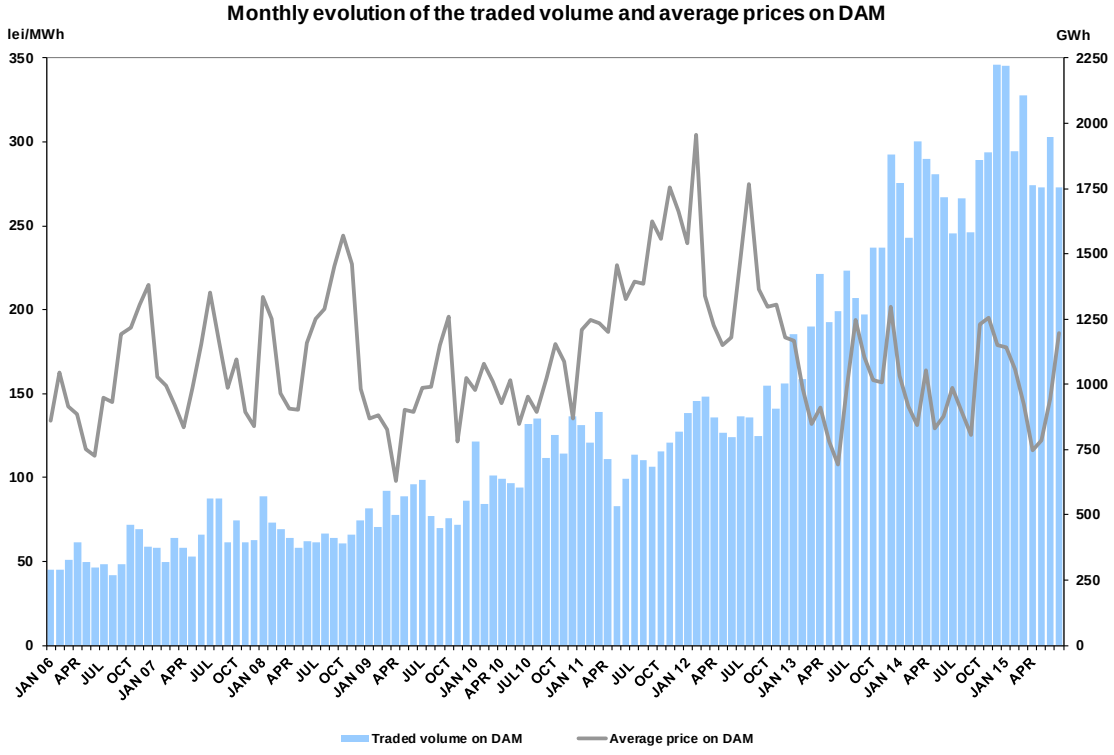
Note: In the above graph, the volumes traded on negociated contracts' market do not include the export trades

The following graph presents the monthly values of commercial export (quantities for which the extraction component of transmission tariff was applied), commercial import (quantities for which the injection component of transmission tariff was applied) and the net export (export minus import) during the last 24 months:



Source: Monthly reports of CN Transelectrica SA – processed by MG

The following graph presents the volumes and the monthly average prices on DAM starting with January 2006:



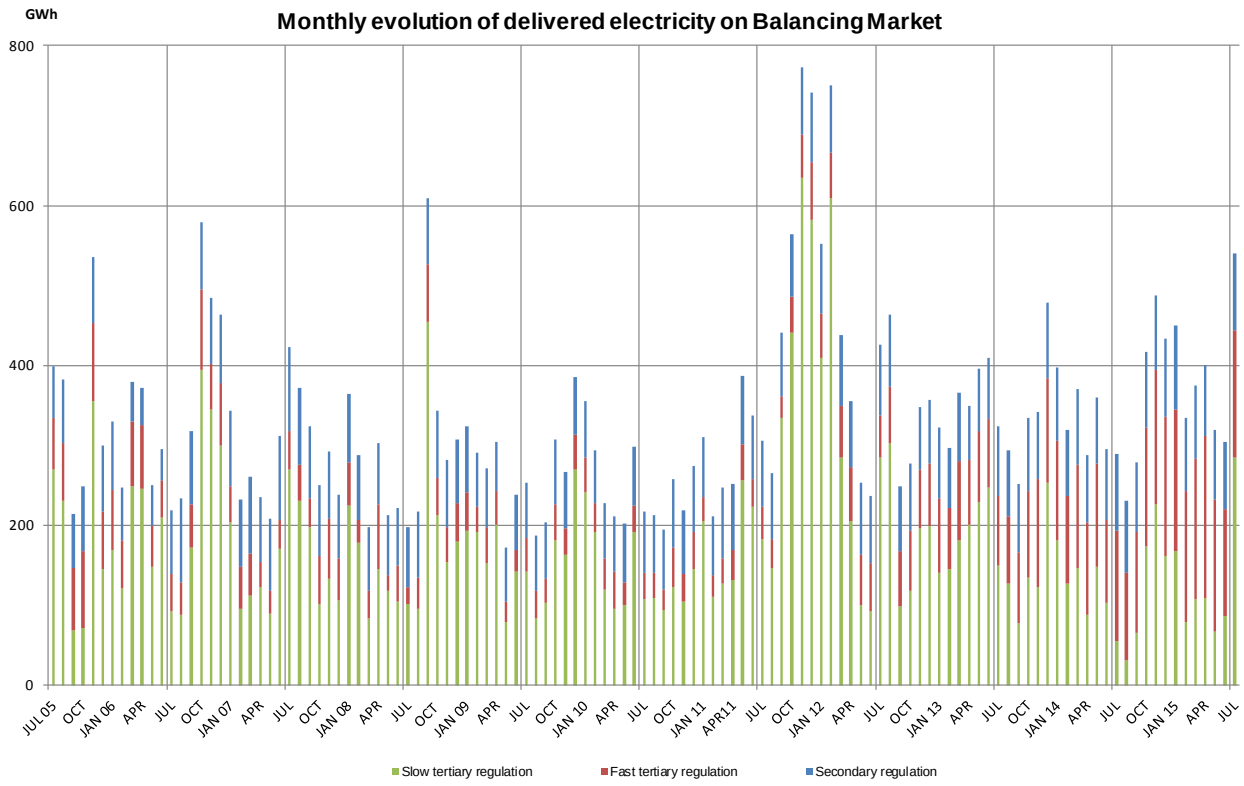
Source: Monthly reports of Opcom SA and CN Transelectrica SA – processed by MG

Balancing electricity is determined by the dispatch orders (accepted offers) received by generators. After settlement, the actual electricity delivered by generators on balancing market is determined based on the measured (approved) values; the relation between the accepted and delivered electricity in July 2015 presented in the following table:

July 2015	Dispach order (GWh)	Delivered electricity (GWh)	Deviation (%)
Secondary regulation	**97**	**97**	
upward	48	48	
downward	49	49	
Fast tertiary regulation	**168**	**159**	**5**
upward	144	137	5
downward	24	22	7
Slow tertiary regulation	**288**	**285**	**1**
upward	287	284	1
downward	1	1	10
TOTAL	**552**	**541**	
upward	478	469	
downward	74	72	
INTERNAL CONSUMPTION		**4332**	
% share of traded volumes from internal consumption		***12.5%***	

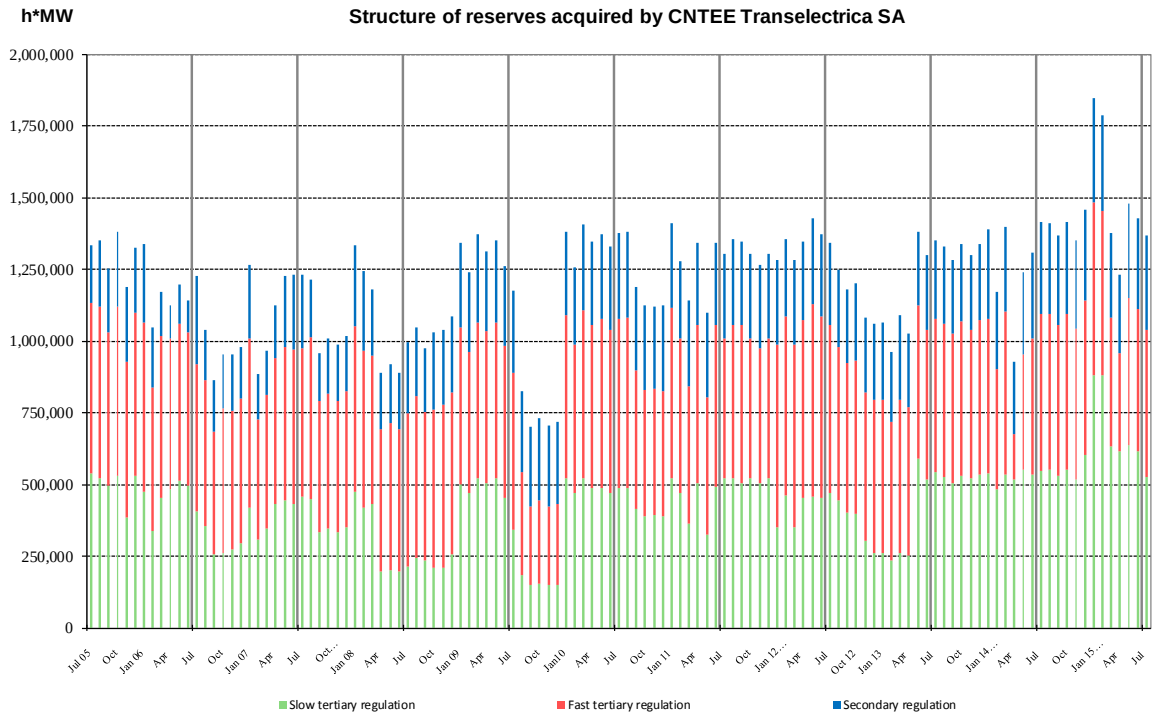
Source: Monthly reports of CN Transelectrica SA – processed by MG

The structure of balancing electricity delivered in the system on each type of regulation starting since July 2005 is presented in the graph below:



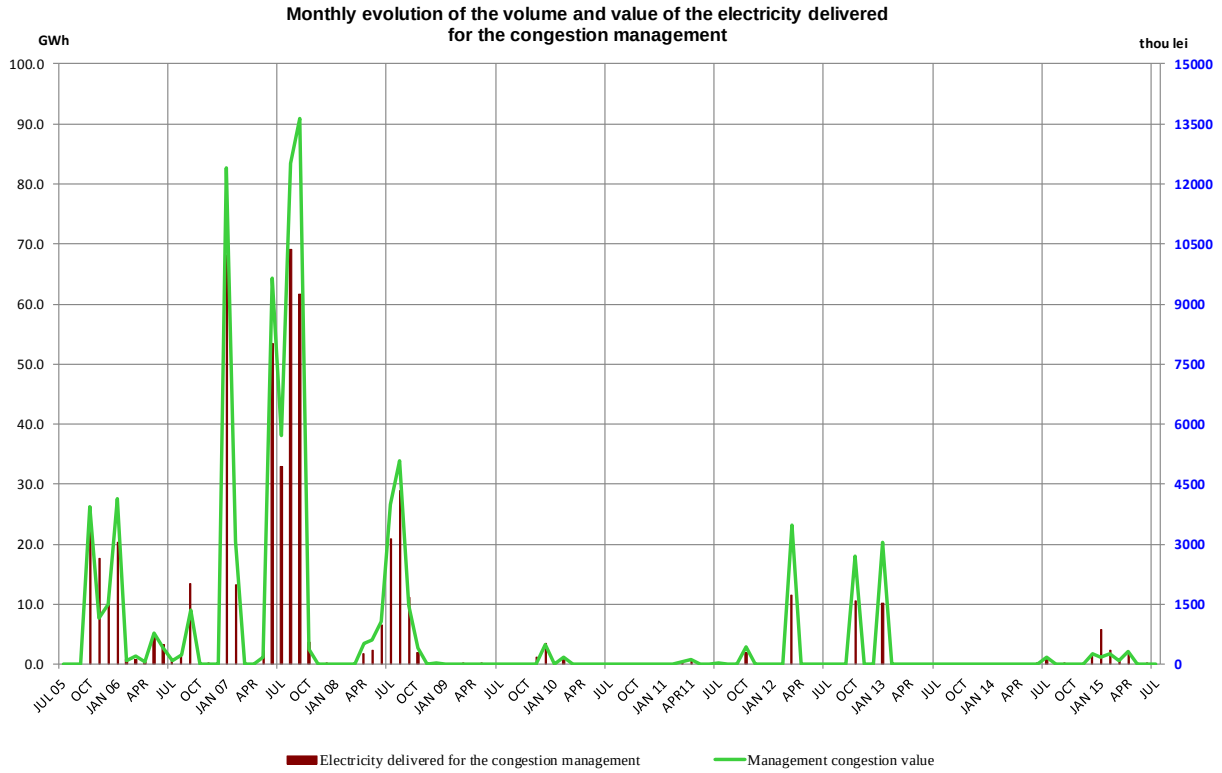
Source: Monthly reports of CN Transelectrica SA – processed by MG

For comparison, the following graph presents the evolution of reserves (ancillary services, i.e. obligations of generators to maintain their contracted capacities available for dispatching/offering on BM) acquired/paid by CN Transelectrica SA since July 2005 is showed in the graph below:



Source: Monthly reports of CN Transelectrica SA – processed by MG

The following graph presents the evolution of electricity traded by CNTEE Transelectrica SA on the Balancing Market for covering the electricity used for congestion management (in order to solve the congestions occurred within the transmission grid) and the evolution of the values of these transactions starting from July 2005.



Source: Monthly reports of CN Transelectrica SA – processed by MG

5. *Trading structure on the wholesale electricity market of different participant categories*

Generators

In July 2015, the structure of electricity sales obligations contracted before delivery interval by the electricity generators with dispatchable units in was the following:

-GWh-

Transaction type	July 2014	July 2015
Regulated contracts to suppliers of last resort - hydro generator	344.99	267.41
Regulated contracts to suppliers of last resort - nuclear generator	317.82	196.43
Negotiated contracts to suppliers	177.02	82.48
Contracts concluded on Opcom centralized markets:	2315.17	2616.40
CMBC-EA	*2197.02*	*1882.86*
CMBC-CN	*62.35*	*511.25*
CM-OTC	*55.80*	*222.29*
Centralized market for universal service	-	322.40
DAM	1377.38*	1064.48
Intraday	6.88	1.79
Supply contracts to final customers	0	0
Total	260.42	228.19

Source: Monthly reports of generators – processed by MG

**Differences versus the Report on results of monitoring the Romanian electricity market – July 2014 due to modified data reported by some participans.*

Suppliers

In July 2015, 96 companies with main activity the supply of electricity, concluded transactions on the electricity market; from those, 24 suppliers traded exclusively on the wholesale market and 72 suppliers on both retail and wholesale markets (in this category there are also included the 5 suppliers of last resort which act on both retail and wholesale markets).

Suppliers acting exclusively on WEM

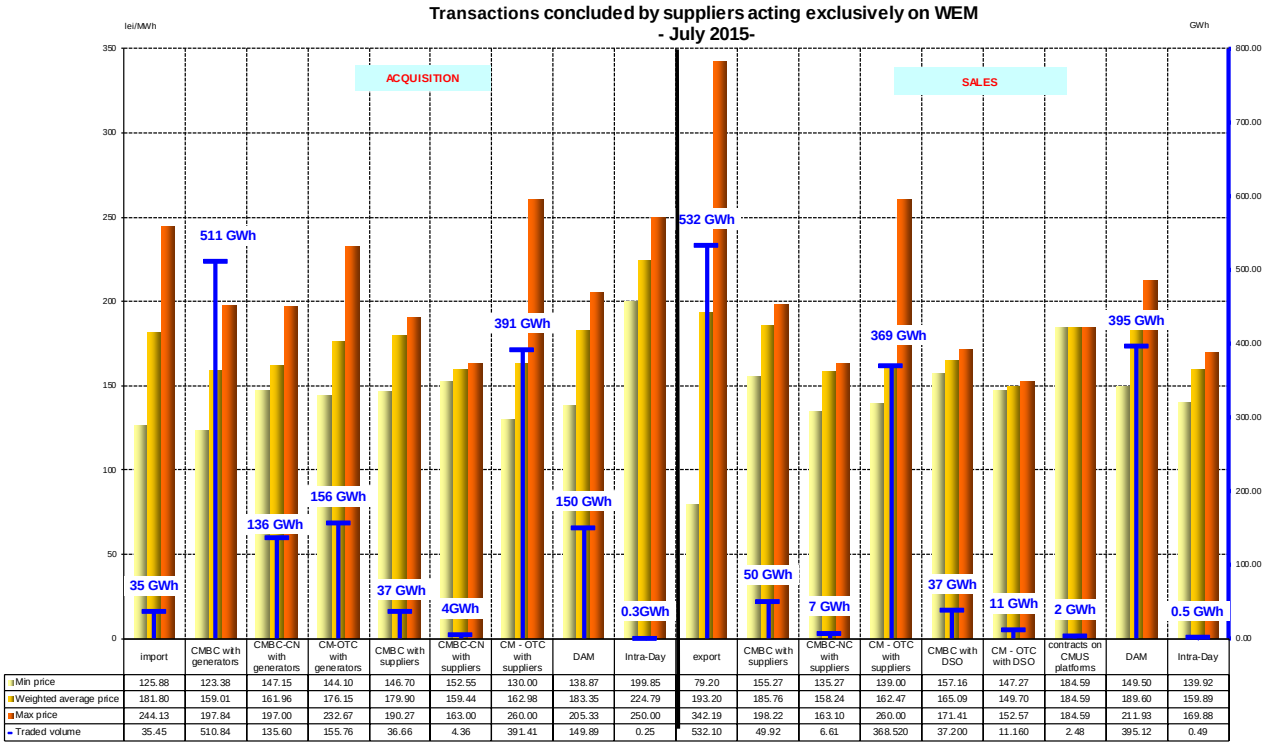
The following table shows the activity for July 2015 compared to July 2014 of the suppliers acting exclusively on WEM, acquisitions and sales being split by categories of markets/participants:

-GWh-

Transactions structure of suppliers acting exclusively on WEM	**July 2014**	**July 2015**
Purchase		
Import	60.26	35.45
Negotiated contracts with suppliers	20.99	0.00
Negotiated contracts with generators	21.78	0.00
Contracts concluded on Opcom centralized markets:	619.84	1234.63
- *on CMBC-EA with generators*	*429.74*	*510.84*
- *on CMBC-CN with generators*	*4.51*	*135.60*
- *on CM-OTC with generators*	*55.80*	*155.76*
- *on CMBC-EA with other suppliers*	*104.40*	*36.66*
- *on CMBC-CN with other suppliers*	*0.45*	*4.36*
- *on CM-OTC with other suppliers*	*24.94*	*391.41*
DAM	214.62	149.89
Intraday market	1.66	0.25
Sales		
Export	463.45	532.10
Negotiated contracts with other suppliers	20.99	0.00
Contracts concluded on Opcom centralized markets:	283.90	473.40
- *on CMBC-EA with other suppliers*	*215.77*	*49.92*
- *on CMBC-CN with other suppliers*	*1.17*	*6.61*
- *on CM-OTC with other suppliers*	*29.76*	*368.52*
- *on CMBC-EA with DO*	*37.20*	*37.20*
- *on CM-OTC with DO*	*0.00*	*11.16*
Centralized market for universal service	0.00	2.48
DAM	124.02	395.12
Intraday market	2.24	0.49

Source: Monthly reports of suppliers – processed by MG

In addition to the data from the table above, the following graph presents the minimum, average and maximum actual prices by categories of transactions completed by the suppliers acting exclusively on WEM (traders) in July 2015.



	import	CMBC with generators	CMBC-CN with generators	CM-OTC with generators	CMBC with suppliers	CMBC-CN with suppliers	CM - OTC with suppliers	DAM	Intra-Day	export	CMBC with suppliers	CMBC-NC with suppliers	CM - OTC with suppliers	CMBC with DSO	CM - OTC with DSO	contracts on CMUS platforms	DAM	Intra-Day
Min price	125.88	123.38	147.15	144.10	146.70	152.55	130.00	138.87	199.85	79.20	155.27	135.27	139.00	157.16	147.27	184.59	149.50	139.92
Weighted average price	181.80	159.01	161.96	176.15	179.90	159.44	162.98	183.35	224.79	193.20	185.76	158.24	162.47	165.09	149.70	184.59	189.60	159.89
Max price	244.13	197.84	197.00	232.67	190.27	163.00	260.00	205.33	250.00	342.19	198.22	163.10	260.00	171.41	152.57	184.59	211.93	169.88
Traded volume	35.45	510.84	135.60	155.76	36.66	4.36	391.41	149.89	0.25	532.10	49.92	6.61	368.520	37.200	11.160	2.48	395.12	0.49

Source: Monthly reports of the competitive suppliers– processed by MG

Active suppliers on REM (the suppliers of last resort are not included)

The following table presents aggregated information on transactions volume and structure for suppliers providing electricity to final customers, on the competitive market, for July 2015 compared to the situation of July 2014.

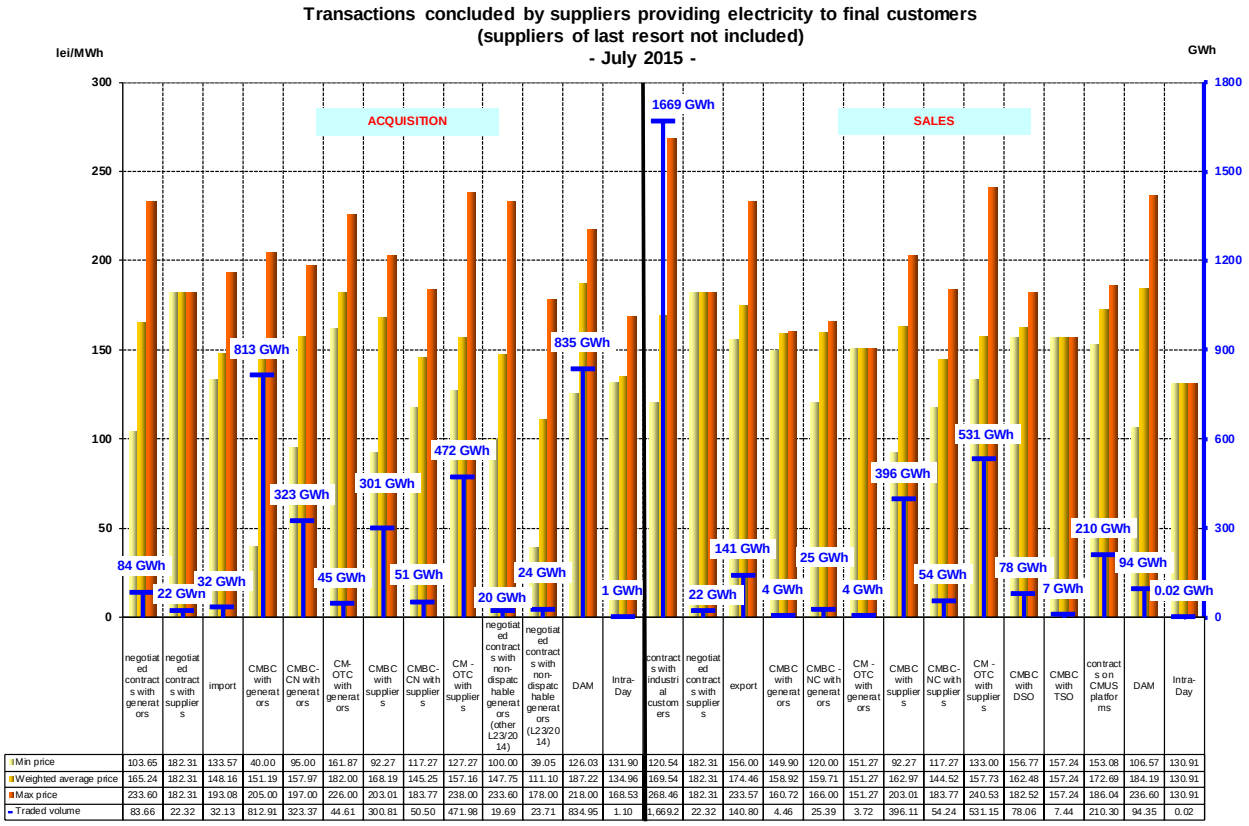
-GWh-

Transactions' structure of suppliers acting on REM (suppliers of last resort excluded)	**July 2014**	**July 2015**
Purchase		
Import	10.70	32.13
Negotiated contracts with suppliers	31.53	22.32
Negotiated contracts with generators	170.89	83.66
Contracts concluded on Opcom centralized markets:	1536.78	2004.18
- *on CMBC-EA with generators*	*942.13*	*812.91*
- *on CMBC-CN with generators*	*57.84*	*323.37*
- *on CM-OTC with generators*	*0.00*	*44.61*
- *on CMBC-EA with other suppliers*	*524.20*	*300.81*
- *on CMBC-CN with other suppliers*	*7.04*	*50.50*
- *on CM-OTC with other suppliers*	*5.57*	*471.98*
Negociated contracts with undispatchable generators (others than L23/2014)*	-	19.69
Negociated contracts with undispatchable generators (L23/2014)**		23.71
DAM	673.08	834.95
Intraday market	0.48	1.10

Sales		
Export	233.16	140.80
Negotiated contracts with other suppliers	31.53	0
Contracts concluded on Opcom centralized markets:	664.31	1100.57
- *on CMBC-EA with generators*	*16.68*	*4.46*
- *on CMBC-NC with generators*	*0.00*	*25.39*
- *on CM-OTC with generators*	*0.00*	*3.72*
- *on CMBC-EA with other suppliers*	*572.20*	*396.11*
- *on CMBC-NC with other suppliers*	*6.32*	*54.24*
- *on CM-OTC with other suppliers*	*0.74*	*531.15*
- *on CMBC-EA with TSO*	*40.65*	*7.44*
- *on CMBC-EA with DO*	*27.72*	*78.06*
Centralized market for universal service	-	210.30
DAM	65.11	94.35
Intraday market	0.37	0.02
Non-household customers	1572.62	1669.24

*negotiated trades concluded with undispatchable generators which are not able to conclude contracts according to Law 23/2014 provisions, with subsequent changes and additions of Law no. 122/2015, both Laws subsequent to Law no. 220/2008
**negotiated trades concluded with undispatchable generators which may conclude contracts according to Law 23/2014 provisions, with subsequent changes and additions of Law no. 122/2015, both Laws subsequent to Law no. 220/2008

In addition to the data from the table above, the following graph presents the sales structure and the minimum, average and maximum actual prices by categories of transactions completed by suppliers providing electricity to final customers July 2015:



Source: Monthly reports of the competitive suppliers– processed by MG

Suppliers of last resort

Electricity acquisition structure of suppliers of last resort (before the delivery interval), for supplying the regulated market customers, is presented in the table below, July 2015, compared to July 2014:

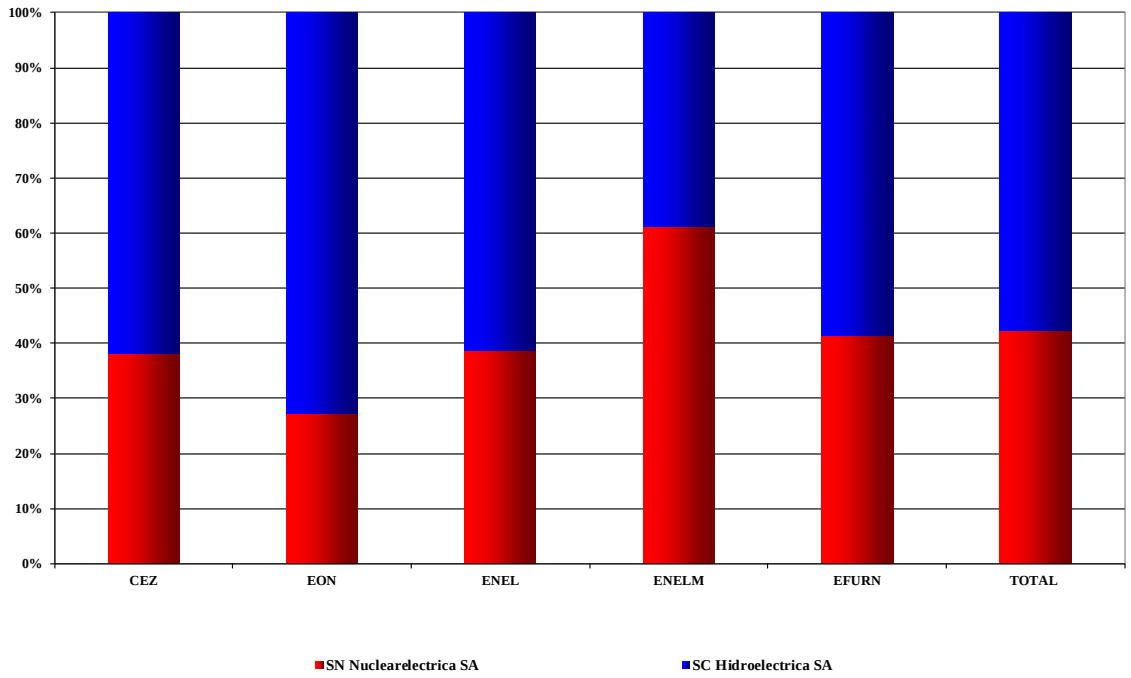
- GWh -

Acquisition structure of suppliers of last resort for regulated REM component	**July 2014**	**July 2015**
Regulated contracts with generators	662.80	463.84
Negociated contracts with undispatchable generators (L23/2014)*	-	0.07
Contracts concluded on Opcom centralized markets:	336.34	57.21
- *contracts on CMBC-EA with generators*	*224.04*	*37.27*
- *contracts on CMBC-CN with generators*	*0.00*	*0.03*
- *contracts on CM-OTC with generators*	*0.00*	*0.49*
- *contracts on CMBC-EA with other suppliers*	*112.30*	*17.49*
- *contracts on CM-OTC from suppliers*	*0.00*	*1.93*
Centralized market for universal service:	-	535.18
- *contracts on CMUS with generators*		*322.40*
- *contracts on CMUS with suppliers*		*212.78*
Intraday market	0.00	0.00
DAM	200.53	131.21

*negotiated trades concluded with undispatchable generators which may conclude contracts according to Law 23/2014 provisions, with subsequent changes and additions of Law no. 122/2015, both Laws subsequent to Law no. 220/2008

The structure of the electricity purchased by the suppliers of last resort from the main generators on regulated contracts is presented in the following graph for July 2015:

Electricity aquisition from main generators, on regulated contracts, of the suppliers of the last resort for delivering electricity to final consumers on regulated market
JULY 2015



Source: Monthly reports of the suppliers of last resort – processed by MG

The suppliers of last resort separately display in the bills of their customers the "Competitive Market Component" (CMC). This tariff component was proposed by each supplier of last resort and finally approved by ANRE. In accordance with the provisions of ANRE Order no. 83/2013 for approving the Methodology to set up prices and tariffs to the final customers who choose not to exercise their eligibility rights. Since July 01 2013, CMC is also separately highlighted in the residential and similar customers as well.

In order to reduce the gap between acquisition prices of electricity bought for covering the consumption at CMC tariffs, ANRE approved in July 2014 the regulatory framework for the Centralised Market for Universal Service (CMUS). This centralised market, operated by OPCOM became operational in April 2015 by implementing the trading mechanism. Consequently, the acquisition process of the forecasted demand to be invoiced with CMC tariffs is made in a centralised manner on CMUS and the difference between invoiced and forecasted demand is to be covered from DAM. The demand of final customers who are delivered in last resort regime is to be covered from the centralised markets – CMBC-EA, CMBC-CN, CM-OTC, DAM and ID.

The following table presents the electricity acquisition structure of suppliers of last resort for CMC (before the delivery interval) for July 2015 compared to July 2014:

-GWh-

Acquisition structure of last resort suppliers for CMC	**July 2014**		**July 2015**	
	Quantity [GWh]	**Average price [lei/MWh]**	**Quantity [GWh]**	**Average price [lei/MWh]**
Contracts concluded on Opcom centralized markets:	235.86	180.88	0.00	0.00
- contracts on CMBC-EA with generators	*163.06*	*180.88*	*0.00*	*0.00*
- contracts on CMBC-EA with other suppliers	*72.80*		*0.00*	*0.00*
Contracts concluded on CMUS:	-	-	535.18	161.41
- contracts on CMUS with generators	-	-	*322.40*	*153.87*
- contracts on CMUS with suppliers	-	-	*212.78*	*172.83*
DAM	107.70	162.95	40.84	203.56
TOTAL	**343.56**	**175.26**	**576.02**	**164.40**

Similar to the situation presented for the regulated REM, the table below presents the structure of last resort suppliers' transactions (before the delivery interval), corresponding to the competitive REM (energy supplied at negotiated prices to the customers who renounced to regulated tariffs) for July 2015 compared to July 2014:

- GWh -

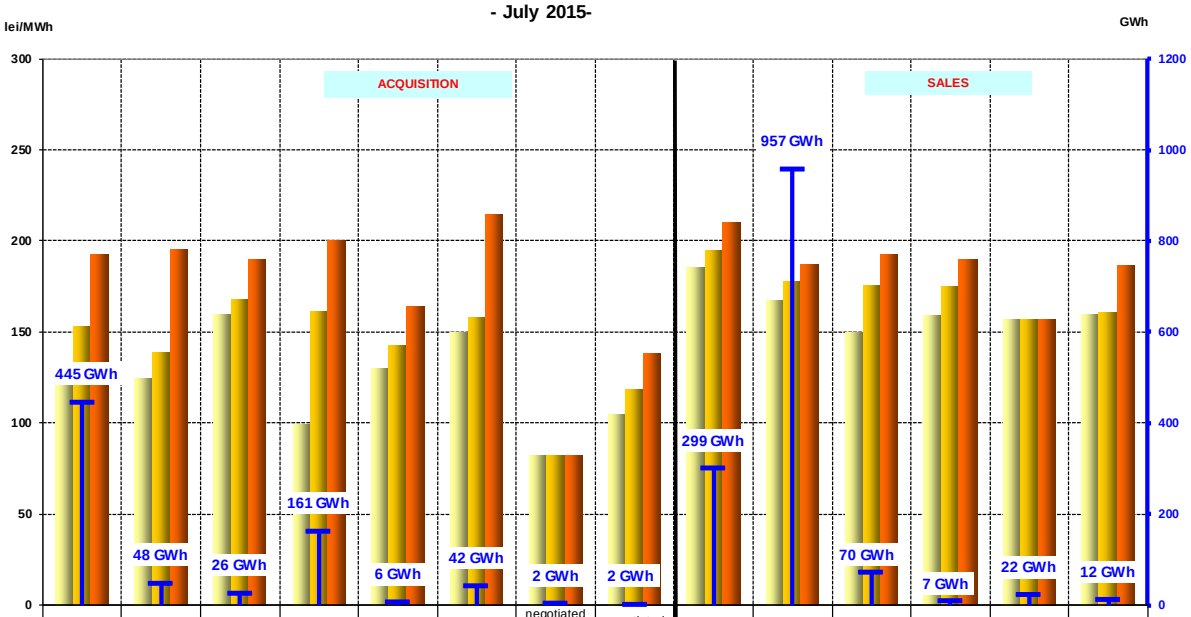
Transactions' structure of suppliers acting on the competitive segment of REM	**July 2014**	**July 2015**
Purchase		
Contracts concluded on Opcom centralized markets:	634.63	727.82
- *on CMBC-EA with generators*	*512.40*	*445.49*
- *on CMBC-CN with generators*	*0.00*	*47.54*
- *on CM-OTC with generators*	*0.00*	*25.51*
- *on CMBC-EA with other suppliers*	*122.23*	*161.54*
- *on CMBC-CN with other suppliers*	*0.00*	*6.00*
- *on CM-OTC with other suppliers*	*0.00*	*41.75*
Negociated contracts with undispatchable generators (others than L23/2014 and L122/2015)*	-	2.39
Negociated contracts with undispatchable generators (L23/2014 and L122/2015)**		1.64
DAM	202.95	298.96
Intraday market	0.43	0.00
Sales		
Contracts concluded on Opcom centralized markets:	75.17	100.20
- *on CMBC-EA with other suppliers*	*75.17*	*70.48*
- *on CM-OTC with other suppliers*	*0.00*	*7.40*
- *on CMBC-EA with DO*	*0.00*	*22.32*
DAM	8.28	11.88
Non-household customers	758.94	957.25

*negotiated trades concluded with undispatchable generators which are not able to conclude contracts according to Law 23/2014 provisions, with subsequent changes and additions of Law no. 122/2015, both Laws subsequent to Law no. 220/2008

**negotiated trades concluded with undispatchable generators which may conclude contracts according to Law 23/2014 provisions, with subsequent changes and additions of Law no. 122/2015, both Laws subsequent to Law no. 220/2008

The structure by types of sources/destinations of the traded volumes combined with the actual average prices of the suppliers of last resort corresponding to the competitive segment of REM is presented in the following graph for July 2015:

Transactions concluded by suppliers providing electricity on the competitive component of REM
- July 2015-



	CMBC with generators	CMBC-CN with generators	CM-OTC with generators	CMBC with suppliers	CMBC-CN with suppliers	CM - OTC with suppliers	negotiated contracts with non-dispatchable generators (other L23/2014)	negotiated contracts with non-dispatchable generators (L23/2014)	DAM	contracts with industrial customers	CMBC with suppliers	CM - OTC with suppliers	CMBC with DSO	DAM
Min price	128.54	124.72	159.80	99.27	130.00	149.27	82.19	104.40	185.89	167.62	149.33	159.27	157.27	160.05
Weighted average price	152.78	138.42	168.24	160.84	142.64	157.57	82.19	118.18	194.31	177.47	175.60	174.55	157.27	160.32
Max price	192.17	195.35	190.00	200.17	164.00	214.00	82.19	138.17	210.03	187.20	192.17	190.00	157.27	186.16
Traded volume	445.49	47.54	25.51	161.54	6.00	41.75	2.39	1.64	298.96	957.25	70.48	7.40	22.32	11.88

Source: Monthly reports of the suppliers of last resort – processed by MG

Main distribution operators

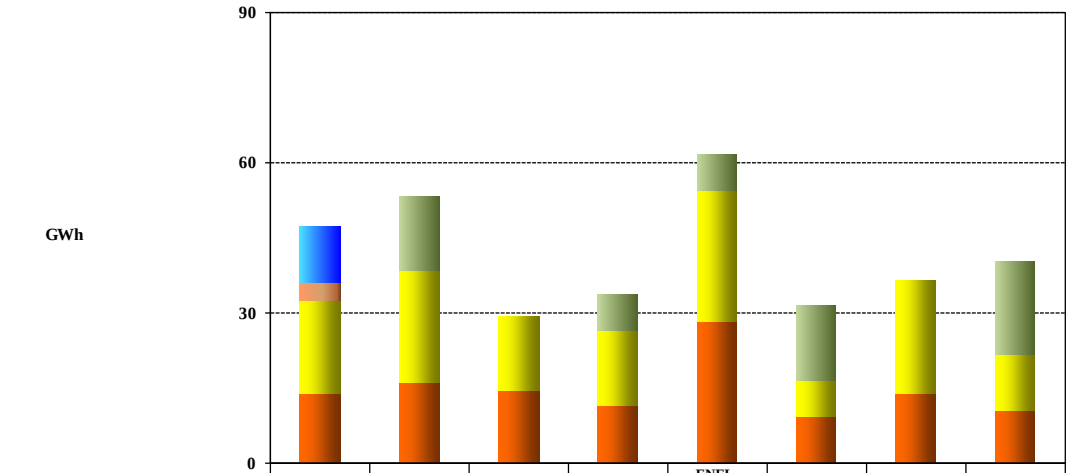
The following table shows the electricity acquisition structure of main distribution operators (before the delivery interval), for covering the distribution network losses, for July 2015 compared with July 2014:

- GWh -

Acquisition structure	**July 2014**	**July 2015**
Contracts concluded on Opcom centralized markets:	242.03	215.66
- *CMBC-EA with generators*	*177.11*	*63.21*
- *CMBC-CN with generators*	*0.00*	*3.71*
- *CMBC-EA with other suppliers*	*64.92*	*137.58*
- *CM-OTC with other suppliers*	*0.00*	*11.16*
DAM	108.10	117.76

The electricity purchased for covering their network losses is presented in detail in the following graph, for July 2015:

Electricity acquisition of distribution operators for covering the distribution losses
-July 2015-



	CEZ	EON	ENEL-B	ENEL-D	ENEL-MUN	MND	TRN	TRS
Acquisition on CM-OTC on suppliers	11	0	0	0	0	0	0	0
Acquisition on CMBC-NC on generations	4	0	0	0	0	0	0	0
Acquisition on CMBC-EA on generations	0	15	0	7	7	15	0	19
Acquisition on CMBC-EA on suppliers	19	22	15	15	26	7	22	11
Acquisition on DAM	14	16	14	12	28	9	14	11

Source: Monthly reports of the distribution operators – processed by MG

6. Concentration indicators on the wholesale electricity market and its components

According to the economic theory and the EU documents, the following market concentration indicators may be defined:

- HHI. Herfindahl-Hirschman Index = sum of square market shares (%) of participants:

  The indicator values signify:
  HHI < 1000 — non-concentrated market;
  1000 < HHI < 1800 — moderately concentrated market;
  HHI > 1800 — highly concentrated market.

- C1 = market share of the main market participant (%)

  The indicator values signify:
  C1>20% — alarming concentrated market;
  C1>40% — suggests the existance of a dominant position;
  C1>50% — clearly indicates a dominant position.

- C3 = sum of market shares of the main three participants in the market (%):
  The indicator values signify:
  40% < C3 < 70% — moderately concentrated market;
  C3 > 70% — highly concentrated market.

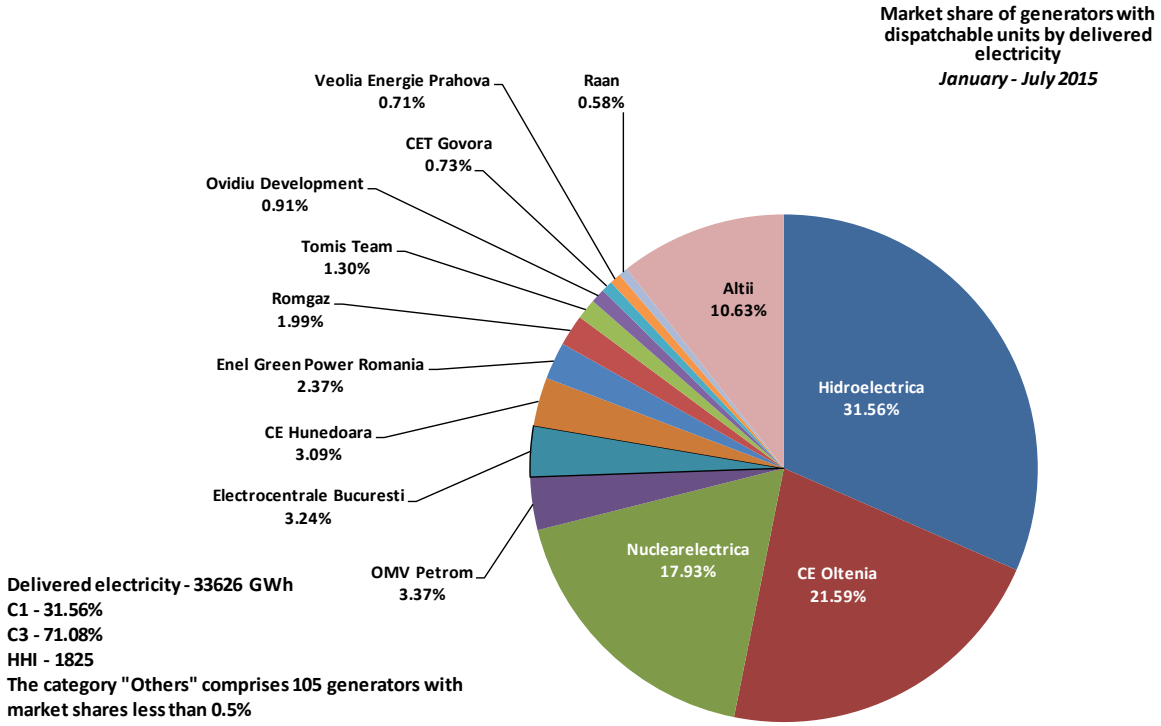
These concentration indicators may be defined for the wholesale market (electricity market or ancillary services market) or for each of its components where direct competition takes place.

Concentration indicators and market shares of the electricity generators

The market structure regarding the electricity generation offers an initial basis for analyzing the possible competitiveness level of the electricity market.

The following table presents the concentration indicators of generation for July 2015, calculated based on electricity delivered into the networks by the generators with dispatchable units while the graph shows the dispatchable generators market shares for the first seven-month period.

Concentration indicators -July 2015-	C1 (%)	C3 (%)	HHI
Value	28.92	70.22	1818



Source: Monthly reports of generators – processed by MG

A component of the WEM on which direct competition between generators exists is the Balancing Market (BM). The values of concentration indicators on this market are determined based on effectively delivered electricity, for each type of regulation defined within the Commercial Code, and they are presented in the following table for July 2015:

Structure/concentration indicators of BM - July 2015 -	Regulation					
	Secondary		Fast tertiary		Slow tertiary	
	upward	downward	upward	downward	upward	downward
C1 - % -	39	39	40	67	43	58
C3 - % -	94	91	84	98	90	100
HHI	3255	3186	2646	5171	3100	4905

Source: Monthly reports of CN Transelectrica SA – processed by MG

The competition between generators is also present when speaking about ensuring the reserves necessary for security of supply in the NES. Due to the fact that generators have different levels of capabilities for ensuring this type of service, this market has an important regulated component.

The relationship between regulated and competitive components on the Ancillary Services Market (ASM) as well as the main concentration indicators on each type of reserve (secondary, fast tertiary and slow tertiary) are presented in the following table. In July 2015, the transmission and system operator has organised auctions for acquiring reserves on the competitive component for secondary reserve and fast tertiary reserve.

Concentration indicators on ASM - July 2015 -		**Secondary reserve**	**Fast tertiary reserve**	**Slow tertiary reserve**
regulated component	**contracted quantity (h*MW)**	**18720**	**16560**	**351120**
	C1 (%)	**68.2**	**89.9**	**97.5**
	C3 (%)	**100.0**	**100.0**	**100.0**
competitive component	**contracted quantity (h*MW)**	**309880**	**498040**	**172800**
	C1 (%)	**44.2**	**83.6**	**75.0**
	C3 (%)	**95.2**	**92.4**	**100.0**
	HHI	**3440**	**7041**	**6009**

Source: Monthly reports of CN Transelectrica SA – processed by MG

Concentration Indexes for the Day Ahead Market

Day Ahead Market (DAM) is a voluntary market, opened both for buying and selling for all types of market participants: generators, suppliers, grid operators, under aplicable regulations.

The concentration indicators on DAM reflects the level of competition between sellers and between buyers respectively, the dynamics of both influencing the price level. The following table presents C1, C3 and HHI for buying and for selling side of DAM in July 2015, based on quantities traded by participants on this market.

Concentration indicators on DAM - June 2015 -	**C1 (%)**	**C3 (%)**	**HHI**
Selling	**25.05**	**46.49**	**1005**
Buying	**11.61**	**25.13**	**391**

Source: Monthly reports of Opcom SA – processed by MG

7. Price evolution on wholesale electricity market

Starting 19.11.2014 the Romanian DAM is working coupled with the spot markets from Hungary, Slovakia and Czech Republic based on the price coupling mechanism, project known as 4M MC. This coordinated corelation mechanism uses an unique European method for price coupling of regions (called *Price Coupling of Regions - PCR*-initiative*)* in order to fulfil the harmonization of national european markets and create the internal european electricity market.

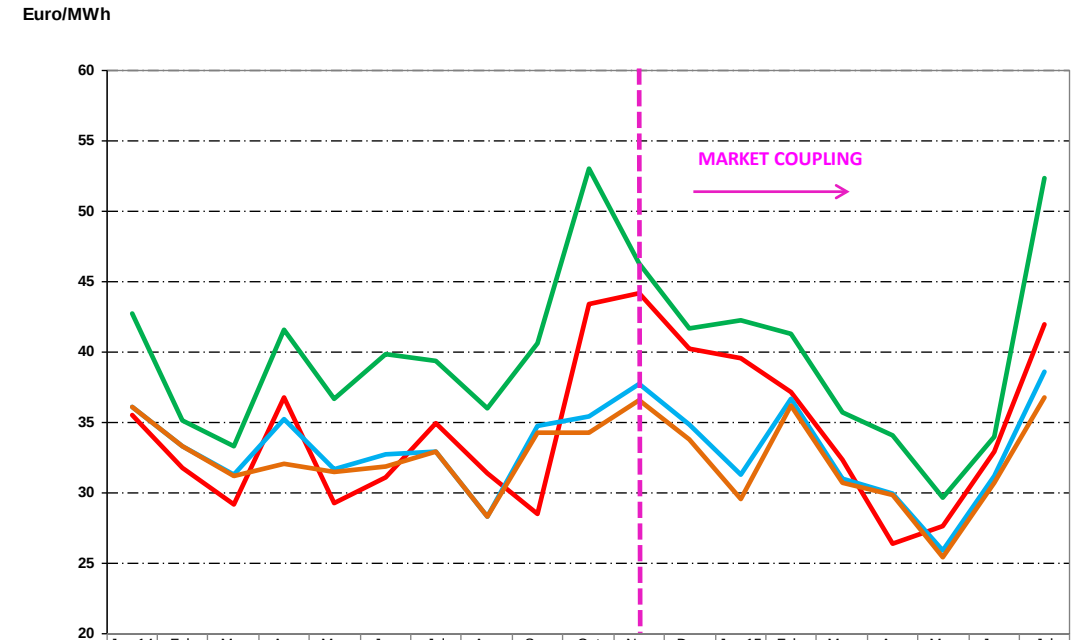
The functioning of these spot markets is based on coupling algorithm recommended by ACER (Euphemia) and its goal is maximizing the social welfare to the entire area of the coupled markets.

The coupling mechanism is accomplished through the operators OTE-Czech Republic and EPEX Spot (both of them, stock members of PCR initiative). Moreover, EPEX Spot operates as services supplier for OKTE-Slovakia, HUPX-Hungary and Opcom-Romania (neither of these exchanges are PCR members). Operators are acting as Coordinators on a monthly rotation basis.

According to EU legislation, coordinated cross border capacity allocation is under the governance of the transmission system operators from the 4 countries and the allocation model to be used is the default allocation on DAM of the available interconnection capacity.

Next graph presents the monthly spot prices of the 4 markets involved in the coupling mechanism starting with January 2014, before and after the start of operational phase.

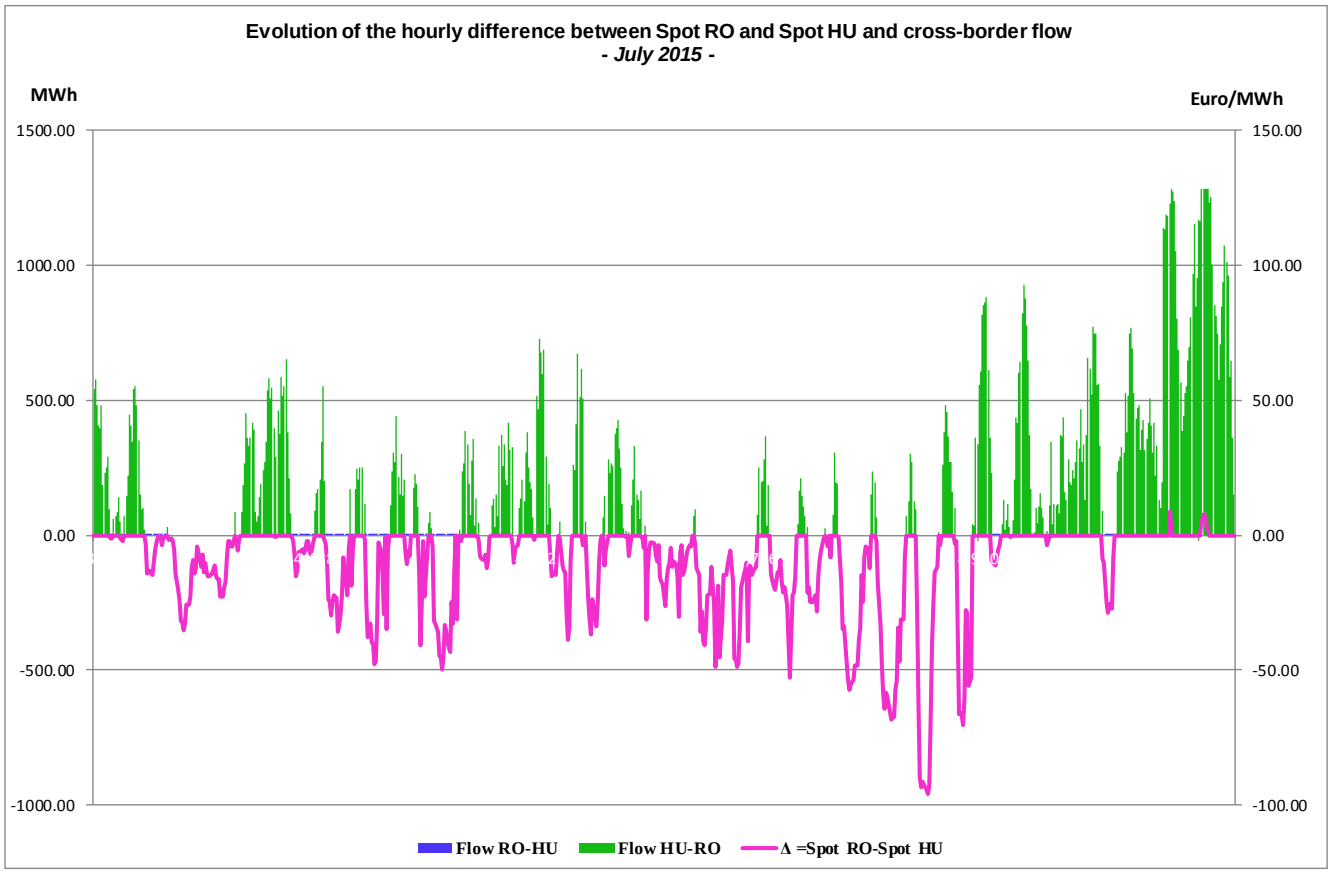
Monthly spot prices on the 4 markets functioning in market coupling framework
January 2014 - July 2015



	Jan 14	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 15	Feb	Mar	Apr	May	Jun	Jul
OPCOM	35.51	31.7	29.17	36.77	29.23	31.05	34.87	31.3	28.45	43.34	44.11	40.19	39.53	37.1	32.32	26.34	27.56	32.92	41.89
HUPX	42.72	35.1	33.23	41.56	36.6	39.76	39.31	35.99	40.56	53	46.21	41.66	42.19	41.26	35.66	34.08	29.65	33.92	52.35
OKTE	36.07	33.31	31.28	35.19	31.61	32.7	32.86	28.28	34.72	35.36	37.66	34.8	31.26	36.68	31	29.89	25.9	31.16	38.54
OTE	36.03	33.31	31.18	31.98	31.47	31.83	32.86	28.27	34.19	34.19	36.58	33.75	29.48	36.14	30.65	29.76	25.41	30.64	36.71

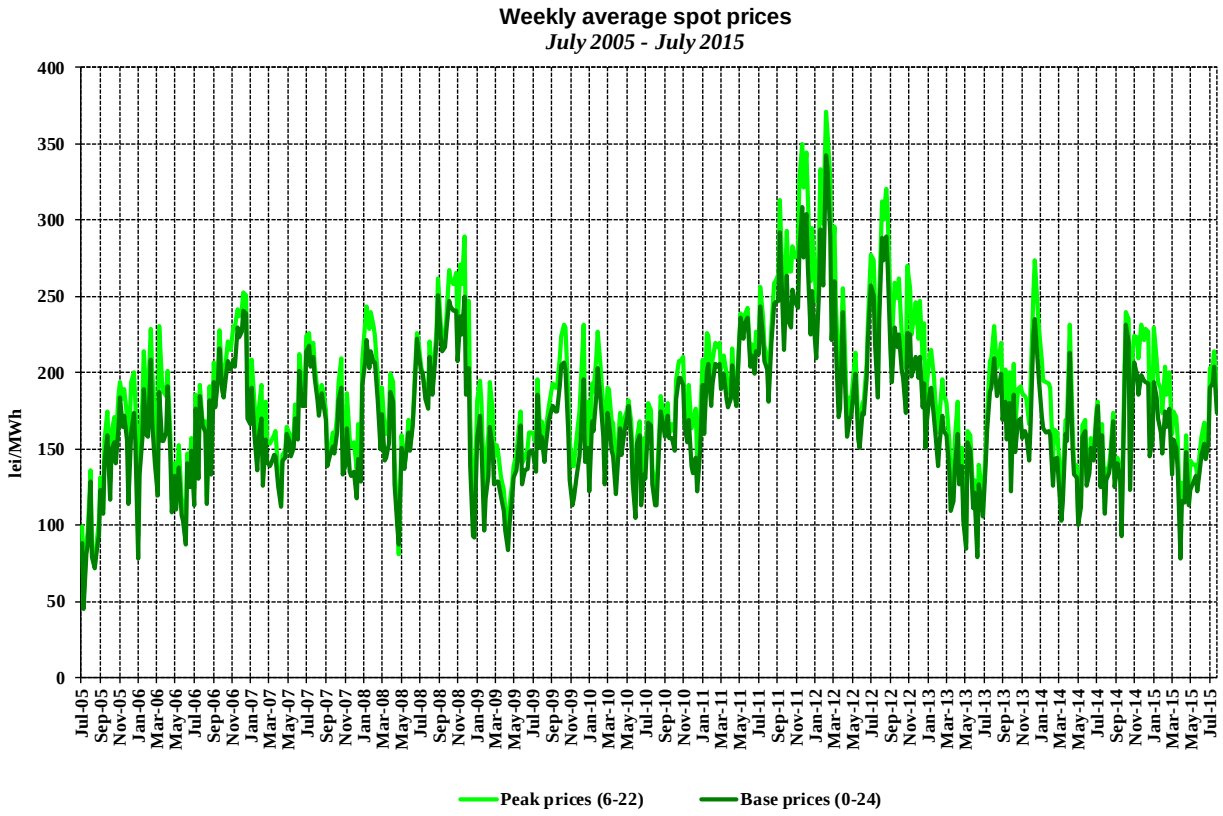
Source: Monthly reports of Opcom SA – processed by MG

The following graph presents the evolution of July 2015 hourly gap between DAM prices in Romania and Hungary as a result of the functioning of coupled markets, correlated with the cross border flows RO-HU for both directions.



Source: Data published by Opcom SA – processed by MG

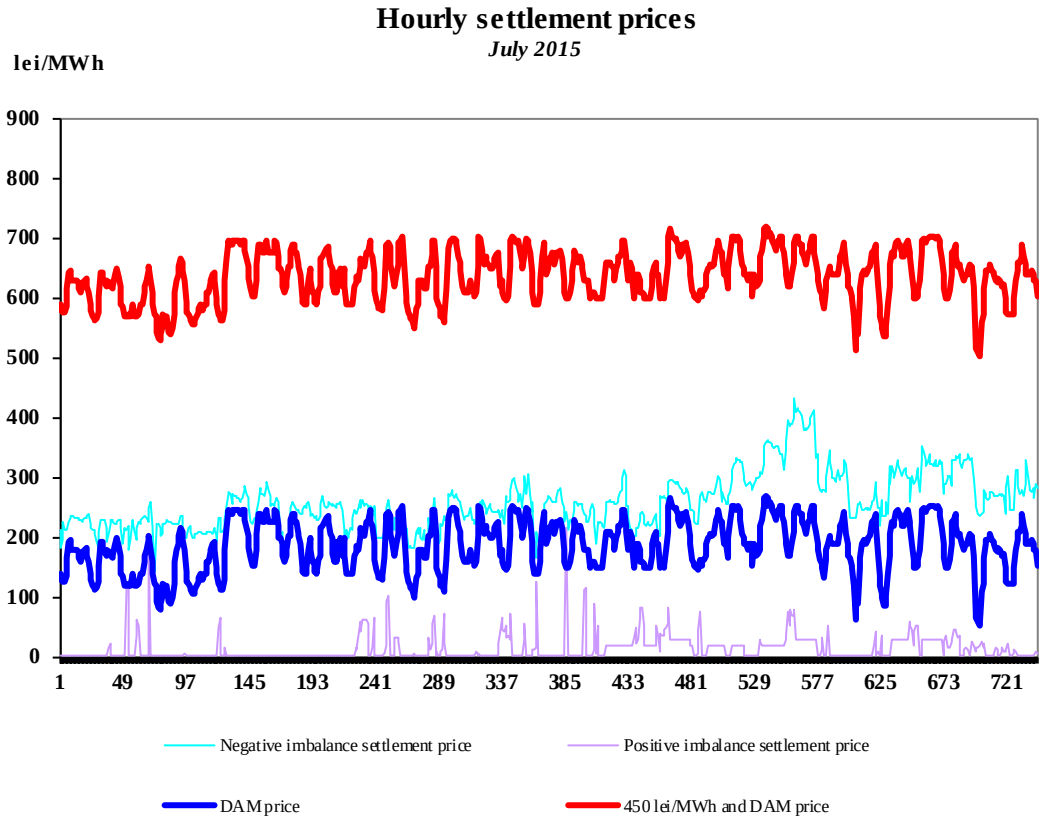
The following graph presents the evolution of weekly average spot prices starting with July 2005:



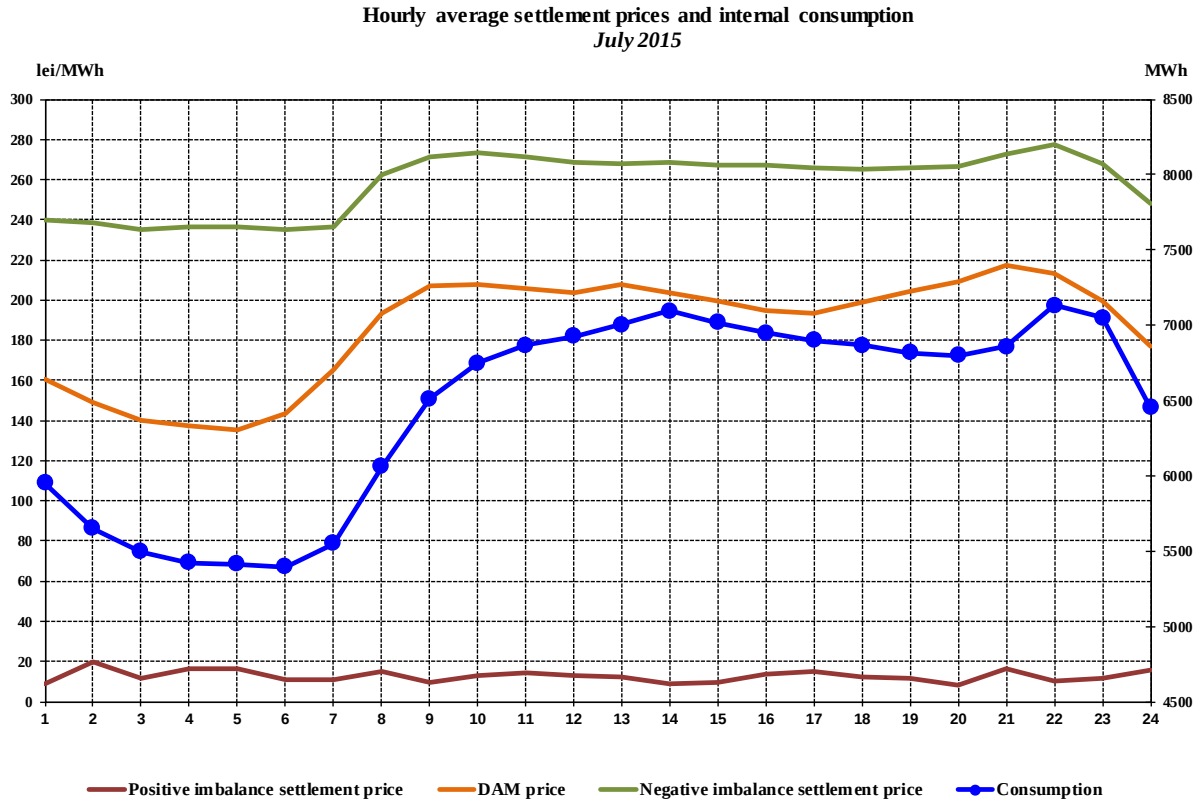
Source: Daily reports of Opcom SA – processed by MG

In order to cover the differences between planned/contracted amounts of consumption/ generation and the real time consumption, the system operator (CN Transelectrica SA) operates the BM by buying or "selling" electricity at prices determined by the merit order of dispatchable generators' offers. The participants generating imbalances, grouped in BRPs, have to bear the imbalances costs. For the negative imbalances, they have to pay the settlement price resulting from the upward bids accepted on the BM, while for the positive imbalances they receive the settlement price resulting from the downward bids accepted on the BM.

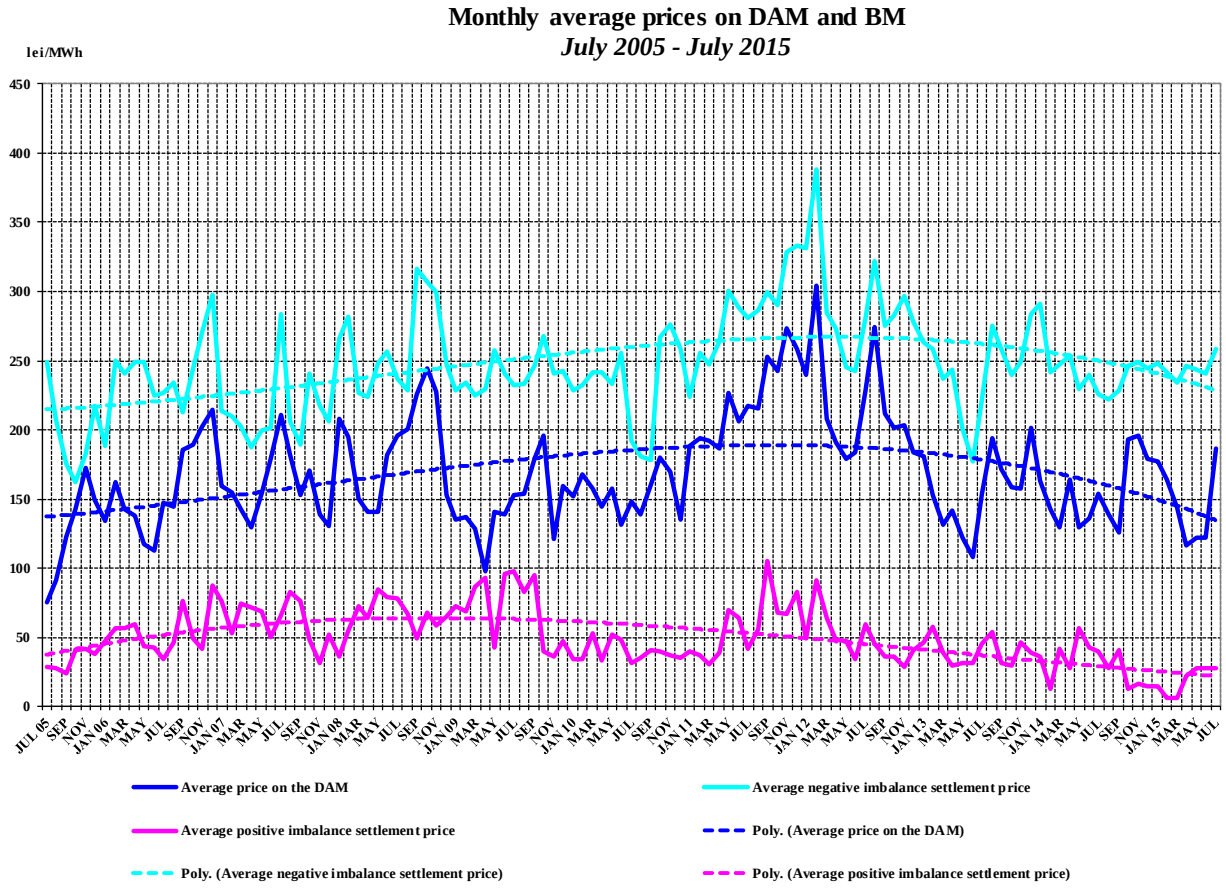
The settlement prices (MCP on DAM, negative imbalance settlement price and positive imbalance settlement price) are represented on the same graph, showing the two markets correlation degree. In the first graph the prices are expressed in hourly values, in the second graph in hourly average values compared to internal consumption, and in the last graph in average monthly values.



Source: Daily/monthly reports of Opcom SA – processed by MG



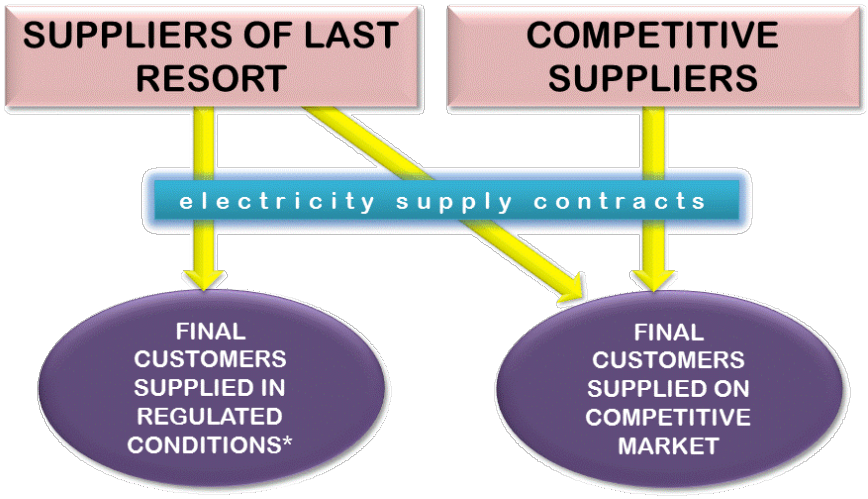
Source: Monthly reports of Opcom SA and CN Transelectrica SA – processed by MG



Source: Monthly/daily reports of Opcom SA – processed by MG

III. RETAIL ELECTRICITY MARKET

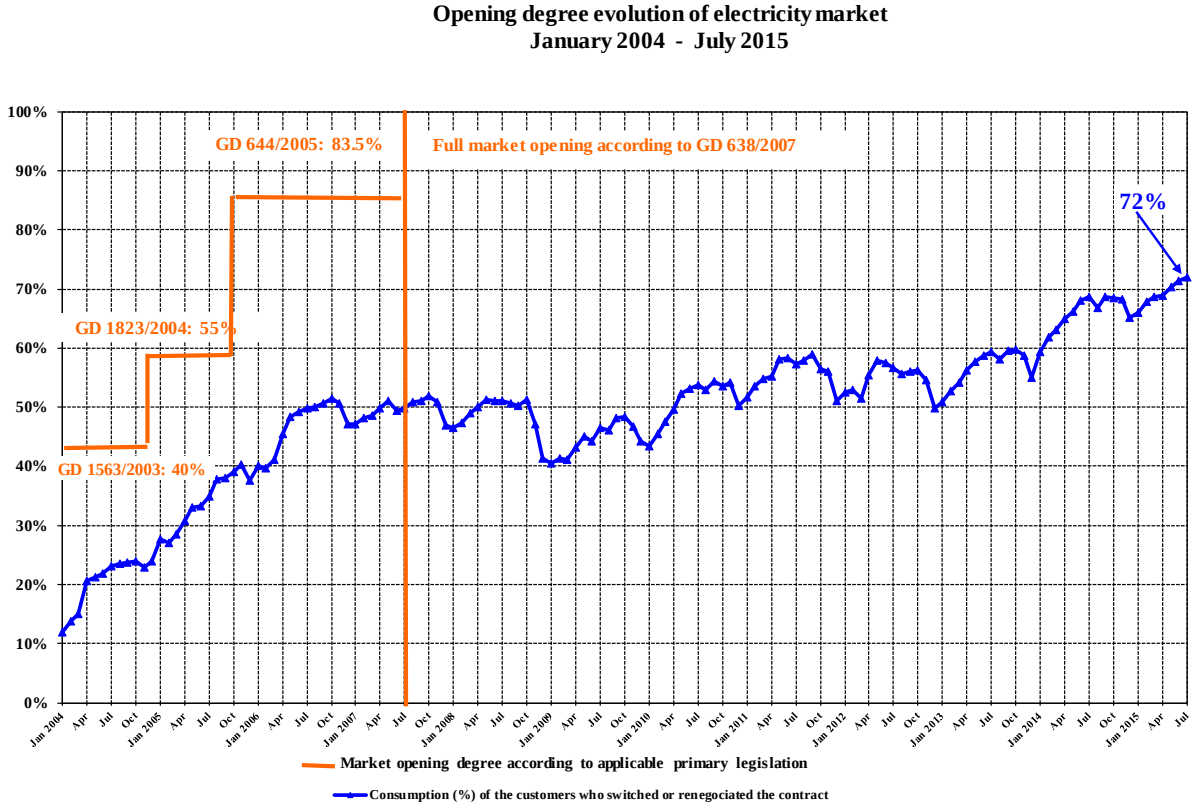
1. Structure of the retail electricity market



* according to art. 53 (2) and art. 55 (1) from Electricity and Gas Law no. 123/2012

2. Electricity market opening degree

The following graph contains the quota of the consumption from total consumption, of the customers who switched their supplier or renegotiated their contracts with the suppliers operating on the regulated market, between January 2004 – July 2015. The values presented are cumulated from the beginning of the opening process and are presented monthly:

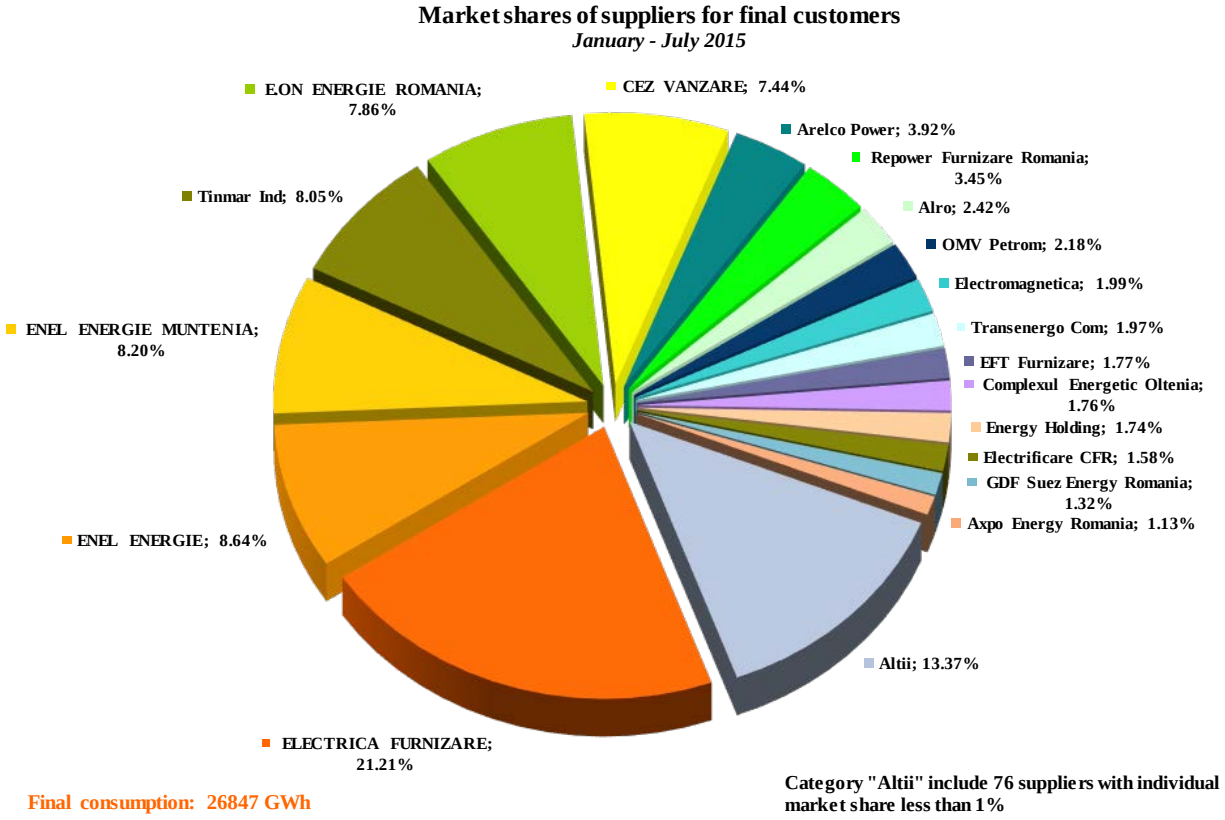


Source: Monthly reports of the final customers' suppliers – processed by MG

3. Market shares of the electricity suppliers

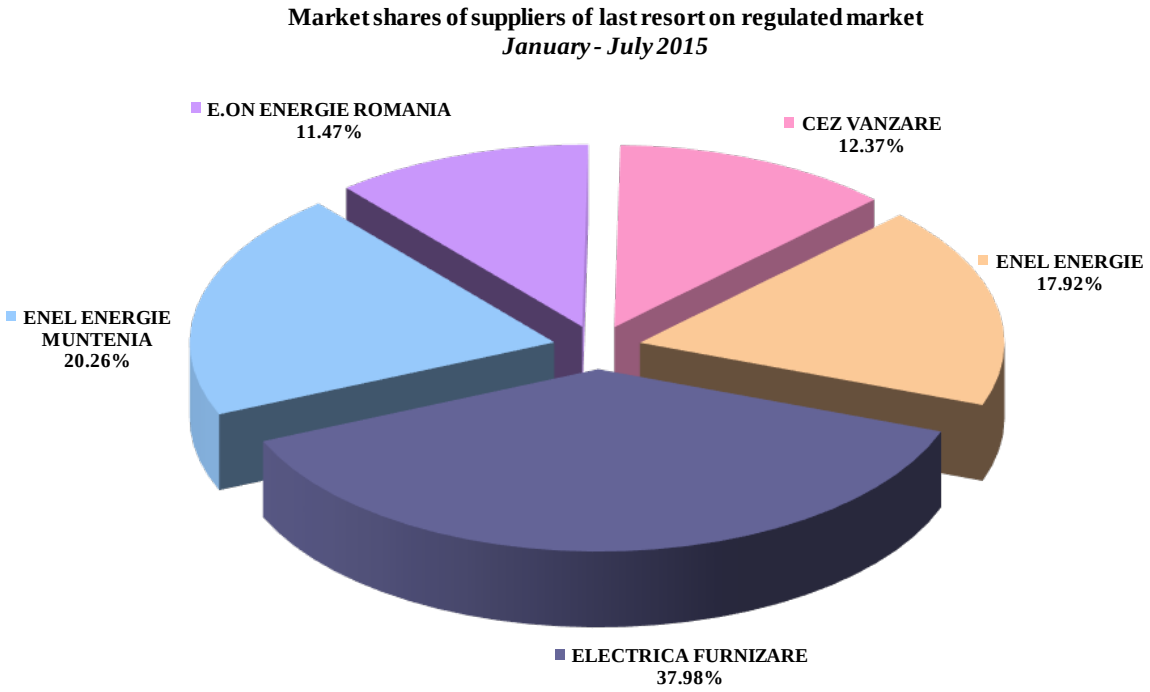
In the following three graphs there are presented the market shares of electricity suppliers on the retail market, calculated:

a) for all suppliers (including the suppliers of last resort) on REM – based on the electricity supplied to the customers on regulated tariffs (including CMC) as well as to the customers who switched their supplier or renegociated their contract;



Source: Monthly reports of suppliers for final customers– processed by MG

b) for suppliers of last resort - based on the electricity supplied to the final customers at regulated tariffs, CMC included;

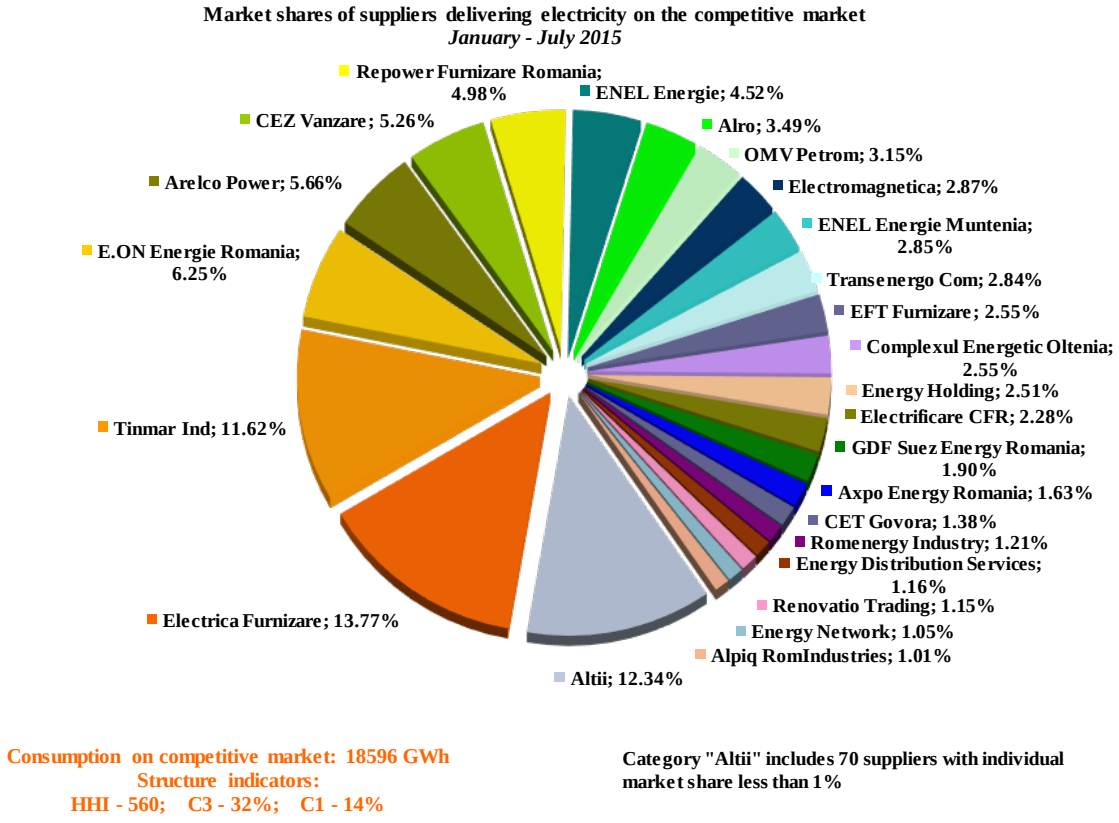


Consumption of customers supplied at regulated tariffs and CMC: 8251 GWh

Source: Monthly reports of the suppliers of last resort – processed by MG

and

c) for all suppliers (including the suppliers of last resort) based on the electricity supplied for the customers at negociated prices on competitive component of REM:



Source: Monthly reports of the competitive suppliers– processed b MG

The values of market indicators were calculated without taking into consideration the dominance principle. The delivered electricity used for determining the market share of each supplier comprises the self-consumption of the largest industrial customer which owns a supply license and based on it acquired its electricity from the WEM as a competitive supplier.

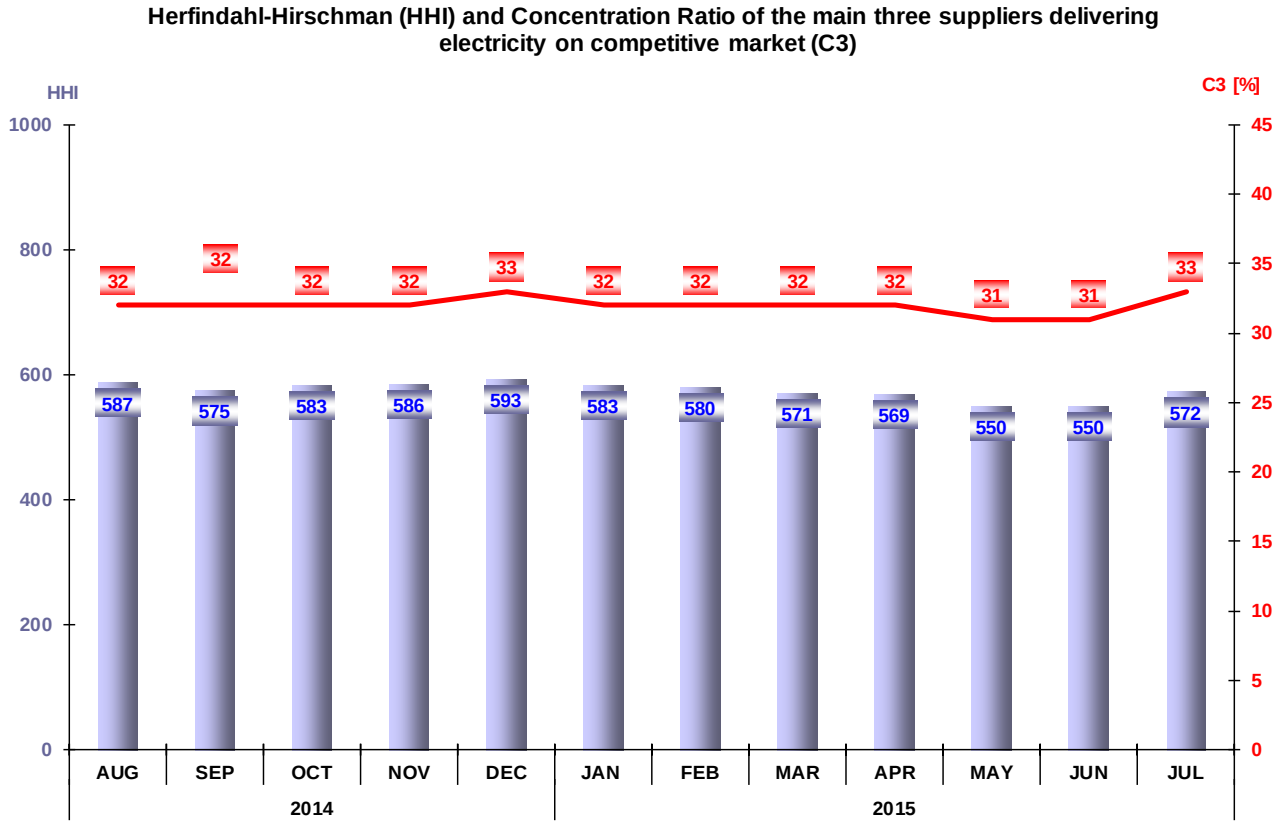
The electricity supplied to the final customers used for calculating the market share of every supplier includes also the self-consumption of that particular supplier (e.g. customers with supply license who buy electricity for themselves from WEM as competitive suppliers).

The analysis of the competitive suppliers' activity on the competitive REM component compared to their activity on the WEM is developed based on the weight of the electricity sold to final customers in total electricity sales. The table below presents the number of suppliers acting on the REM, grouped into categories of sales weight during July 2015:

Number of suppliers	Share of sales to final customers from total sales transactions			
	100%	75% - 100%	50% - 75%	<50%
Competitive	7	16	4	40
Of last resort	2	2	1	0

4. Concentration indicators of the competitive retail electricity market

The monthly evolution of concentration indicators (C3, HHI) determined on the competitive component of the REM is presented for August 2014 – July 2015 in the following graph:



Source: Monthly reports of the suppliers – processed by MG

** Differences for C3 values presented in Monthly reports on results of monitoring the Romanian electricity market for 2014, due to recalculated data*

The table below shows the values of structure indicators of competitive component of REM for and the number of active suppliers in July 2015, calculated for each customer category as defined by the Directive 2008/92/EC of the European Parliament and of the Council:

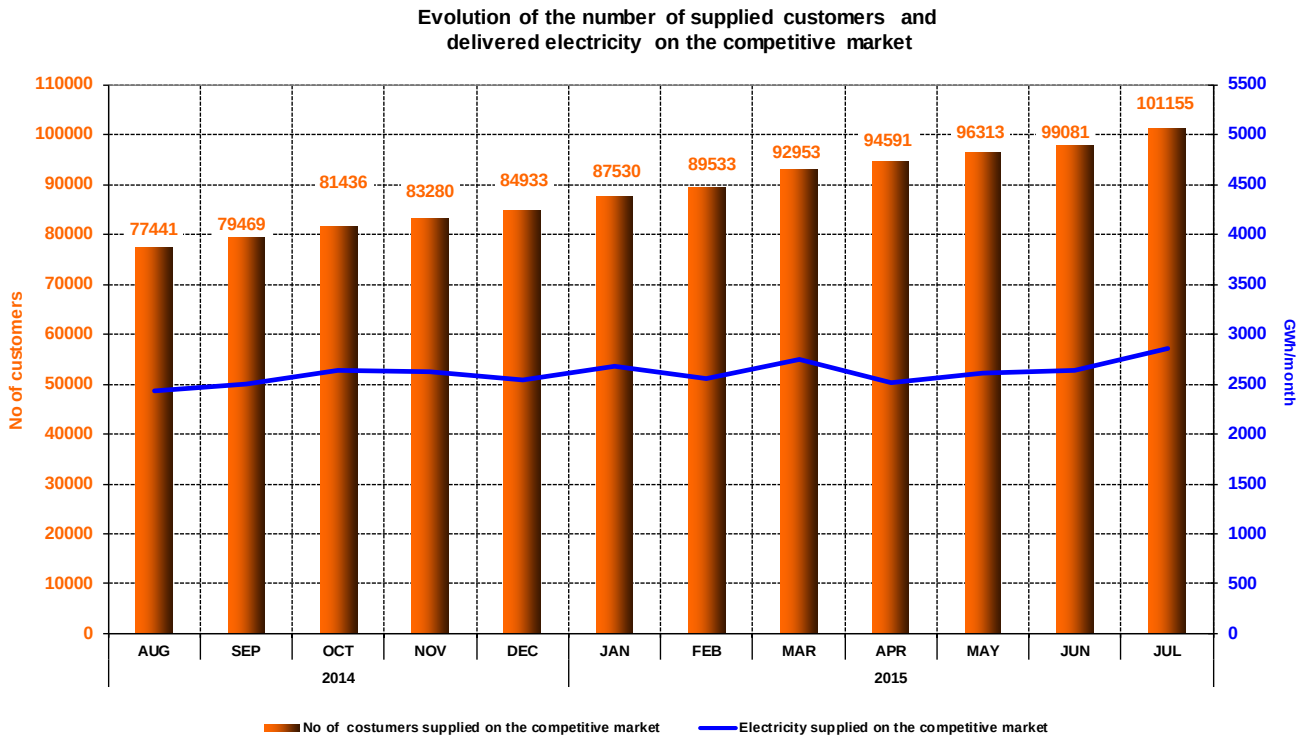
Indicators - IUL 2015	Consumer category							Total REM
	IA	IB	IC	ID	IE	IF	Other	
C1 - % -	27	24	21	14	21	25	19	**15**
C3 - % -	74	49	41	33	38	48	41	**33**
HHI	2006	1131	847	611	797	1113	903	**572**
Consumption - GWh -	65.9	333	300	715	401	187	853	**2854**
No. of SUPPLIERS	52	67	59	50	30	15	18	**90**
No. of suppliers of last resort	5	5	5	5	3	3	3	**5**
No. of competitive suppliers	36	50	44	39	24	10	10	**67**
No. of producers	11	12	10	6	3	2	5	**18**

Source: Monthly reports of the suppliers – processed by MG

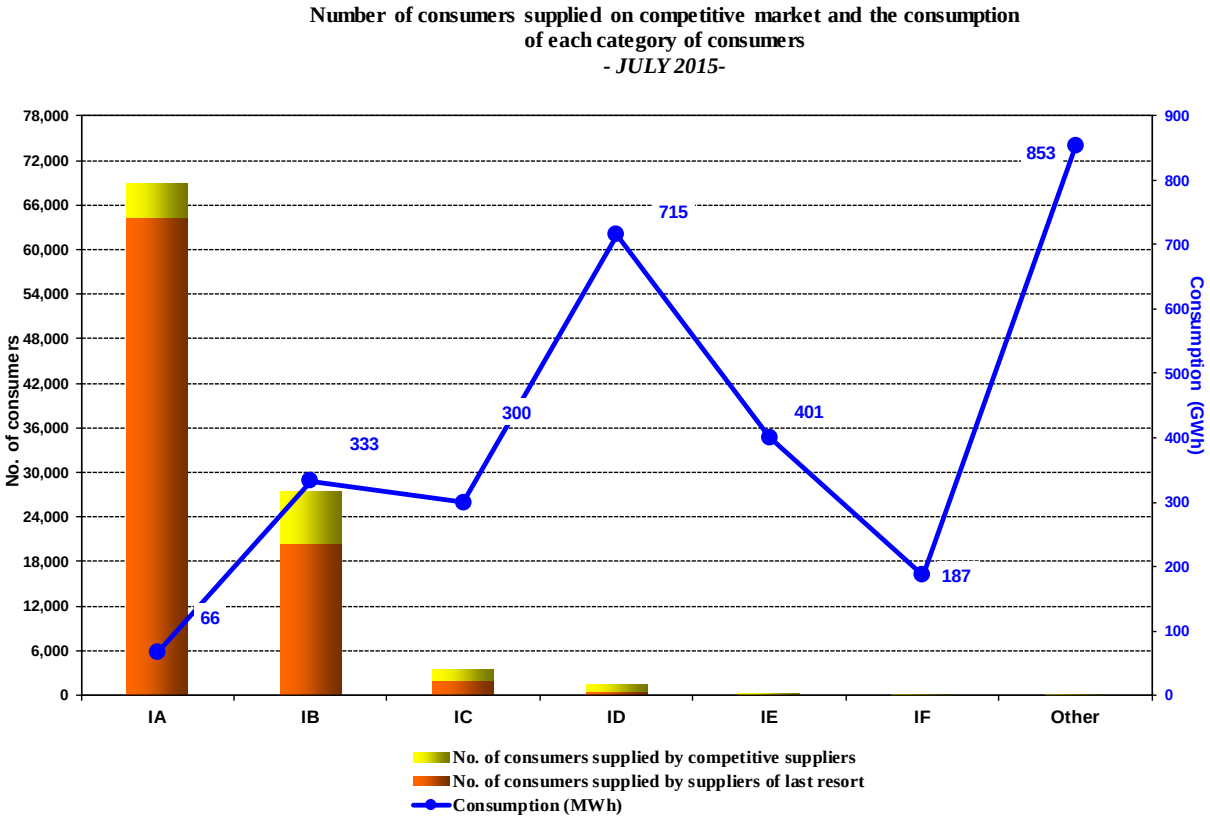
5. Evolution of customers' number and of electricity delivered

Number of customers supplied on the competitive market is presented as total value from the beginning of the market opening process; for July 2015 this number is split into categories, according to the provisions of Directive 2008/92/EC of the European Parliament and of the Council. The table below presents the bands of consumption of each category of customers:

Non-household customers	Annual electricity consumption (MWh) between:	
IA		<20
IB	20	<500
IC	500	<2000
ID	2000	<20000
IE	20000	<70000
IF	70000	<=150000
Others	>150000	



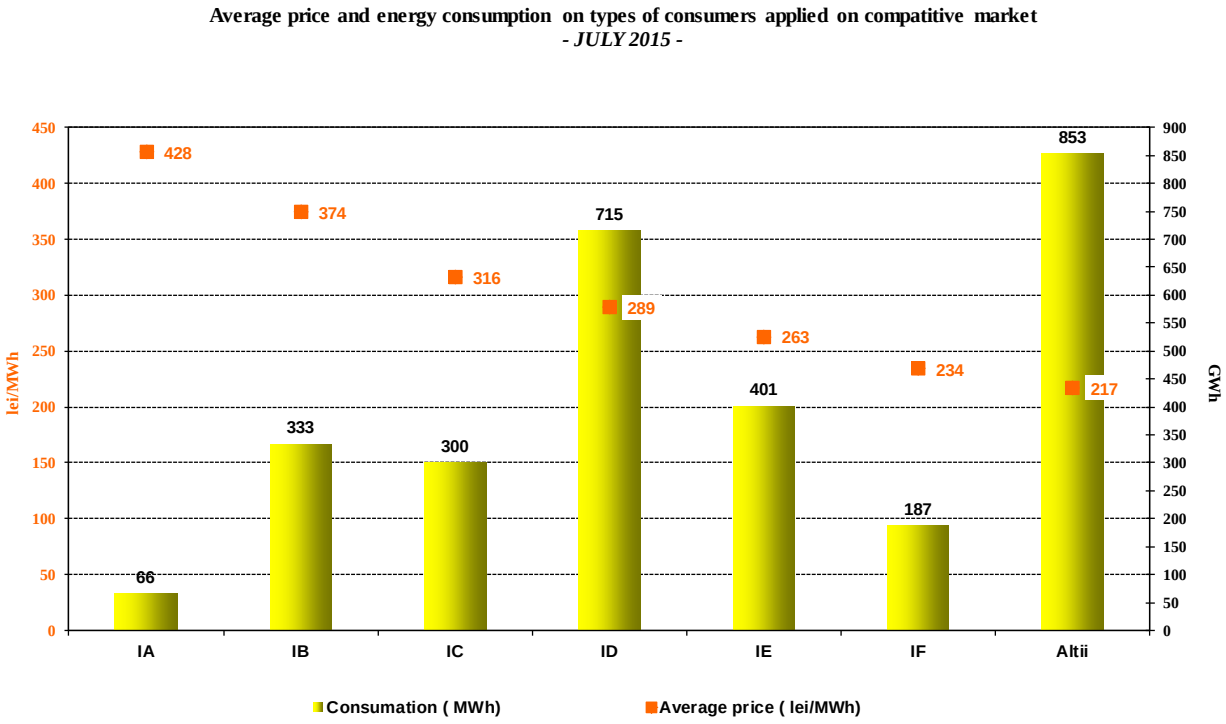
Source: Monthly reports of the competitive suppliers – processed by MG



Source: Monthly reports of the suppliers – processed by MG

6. *Average selling prices of customers supplied on the competitive market*

The following graph presents the average selling prices of customers supplied on the competitive market, based on the structure defined according to the Directive 2008/92/EC of the European Parliament and of the Council for July 2015.



Source: Monthly reports of the competitive suppliers – processed by MG

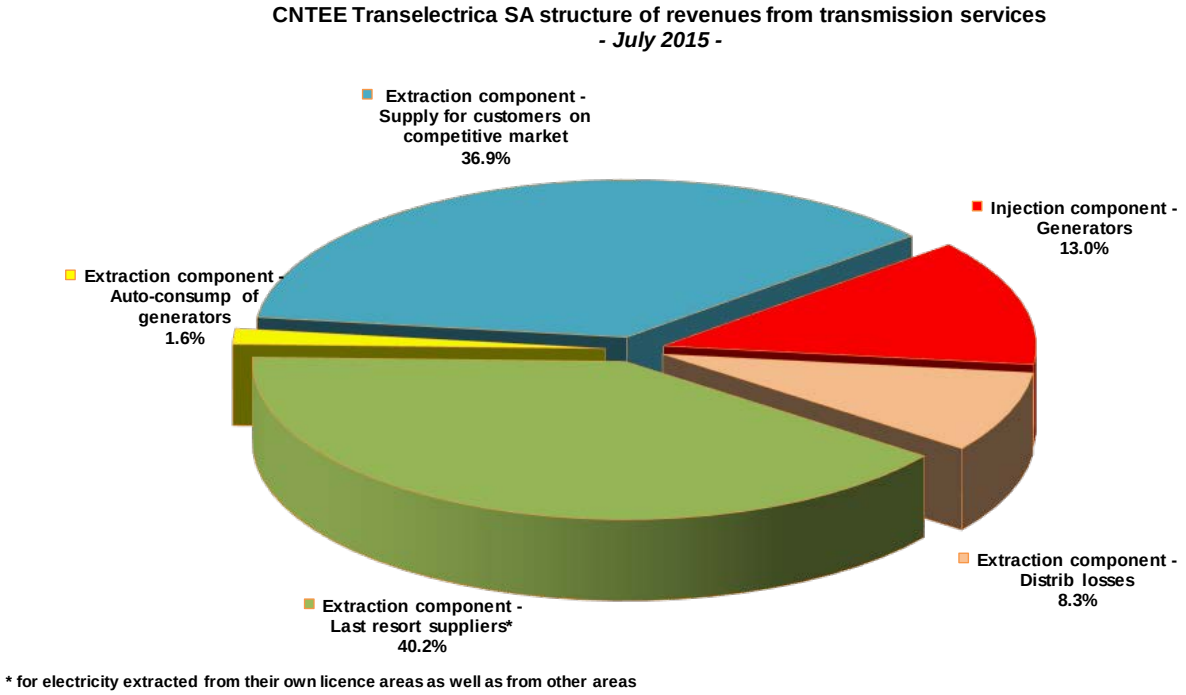
Note: The average selling price on each category was calculated as weighted average of prices applied by suppliers with quantities supplied according to the provisions of the European Directive. The average prices do not include VAT, excise or other taxes but include the supplied services (injection and extraction components of transmission, system services, distributi, market settlement. Imbalance, BRP aggregated taxe, metering). Splitting customers into categories was based on their annual consumption forecast, according to the provisions of above mentioned Directive.

IV. TRANSMISSION AND SYSTEM OPERATOR CNTEE TRANSELECTRICA S.A.

CNTEE Transelectrica SA performs the electricity transmission service at regulated regional and medium tariffs from 1st of July 2015 and who have two components:

- injection component (TG), aimed to determine an optimum geographic positioning of the new power units;
- extraction component (TL), as an incentive for an equilibrate positioning into the teritorry of the customers.

The following graph presents the structure of CNTEE Transelectrica SA revenues from performing the transmission services and reflects the structure of its clients benefiting from this type of service in July 2015.



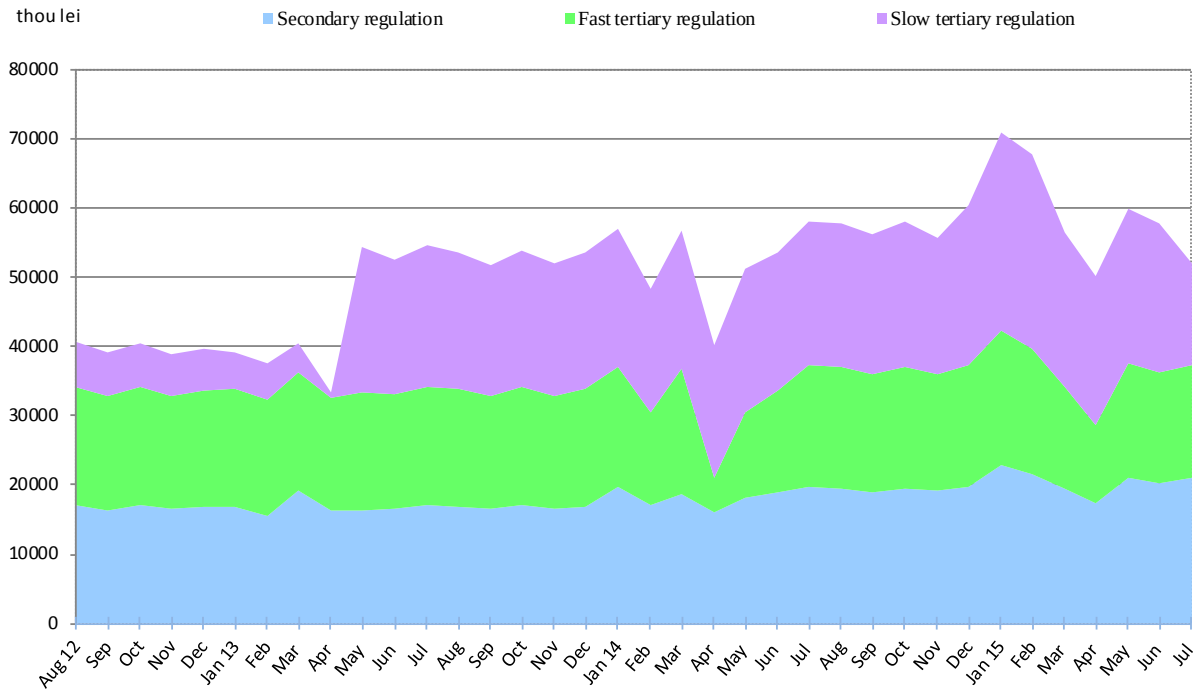
Source: Monthly reports of CN Transelectrica SA – processed by MG

In order to perform the system operator tasks, CNTEE Transelectrica SA assesses and contracts reserves (ancillary services) from qualified generators, which are integrated on BM. The ancillary services which may be used are reserves for secondary, fast tertiary, slow tertiary regulation and reactive energy.

The following graph represents the cost evolution of ancillary services acquisition which were paid by the transmission and system operator during the last 36 months. The tariffs applied for this type of

services may be regulated (for the quantities approved through decision by ANRE) and/or competitive (in case the TSO organizes competitive sessions).

Structure of CNTEE Transelectrica costs with ancillary services acquired from qualified generators in last 36 months



Source: Monthly reports of CN Transelectrica SA – processed by MG

V. EVOLUTION OF MARKET RULES IN JULY 2015

In July 2015, ANRE issued the following regulations with impact on the wholesale and retail electricity markets:

- ANRE Order no. 100/2015 regarding the modification of Regulation for accreditation of renewable generators for green certificates promoting system, aproved by ANRE Order no. 48/2014;
- ANRE Order no. 101/2015 for approval of Methodology for determining the annual compulsory quota for renewable electricity benefitting from green certificates promoting system and acquisition quota;
- ANRE Order no. 102/2015 for approval of Regulation regarding the connection solutions for users of public networks;
- ANRE Order no. 103/2015 for approval of Electricity Metering Code;
- ANRE Order no. 118/2015 regarding the approval of Performance Standard for electricity supply;
- ANRE Order no. 121/2015 regarding the approval of Procedure for determining the electricity consumption in case of error and lump sum system and modification of art. 80 from Supply Regulation at final customers, approved by ANRE Order no. 64/2014;

- ANRE Decision no. 1423/2015 for modification of ANRE Decision no. 1377/2015 regarding the regulated ancillary services provided by Hidroelectrica SA;
- ANRE Decision no. 1622/2015 on approving the quantities produced in highly efficient cogeneration units which benefit of bonus scheme in June 2015.

VI. EXPLANATIONS AND ABBREVIATION

1. Explanations

- *Electricity delivered into the grid* includes also the own consumption of auto-generators such as RAAN and OMV Petrom together with the electricity sold by the generators through direct lines or consumed by themselves at other consumption sites.
- *Self-consumption of generators* – in the graph regarding the revenues of CN Transelectrica SA the self-consumption exclusively represents the generators consumption at consumption places other than the generation sites.
- *Internal consumption* represents the electricity covered by the wholesale market participants and calculated as *Delivered electricity + Import – Export*.
- *Consumption of final customers on regulated market* represents the consumption of customers supplied at regulated tariffs and CMC by suppliers of last resort.
- *Consumption of final customers on competitive market* represents the consumption of customers supplied at negociated prices.
- *Fuel consumption* represents the fuel consumed for generating electricity and heat.
- *Competitive supplier* represents the supplier which is active on the competitive retail market.

2. Abbreviation

- MG – Monitoring Group
- WEM – Wholesale Electricity Market
- REM – Retail Electricty Market
- CMC – Centralised Market of Contracts
- DAM – Day Ahead Market
- ID – Intraday Market
- BM – Balancing Market
- MCP – Market Clearing Price
- PCSU – Centralised Market of Universal Service (Romanian abbreviation)
- 4M MC – Price coupling mechanism for spot markets from Romania, Hungary, Slovakia and Czech Republic
- BRP – Balancing Responsible Party
- TG/TL – injection / extraction component of the transmission tariff
- OU-NPD – Operational Unit-National Power Dispatch