REPORT ON RESULTS OF MONITORING THE ROMANIAN ELECTRICITY MARKET MARCH 2015

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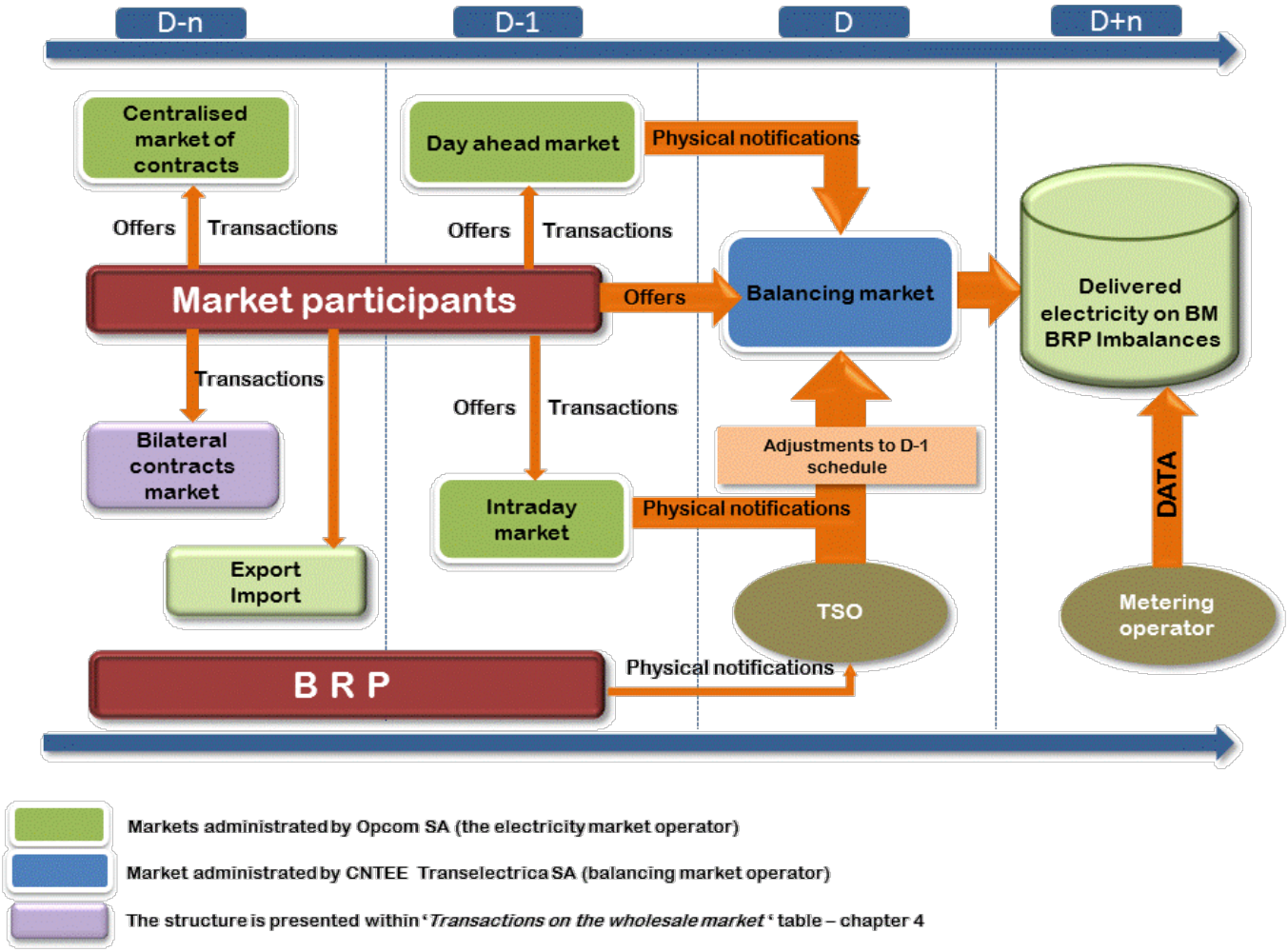
I. MAIN EVENTS IN THE DEVELOPMENT OF THE ROMANIAN ELECTRICITY MARKET

- 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 – entering into force of the Law no. 127/2014 for amending and supplementing the provisions of 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 centralised 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 centralised 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 March 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	Donau Chem SRL
8	Ecogen Energy SA
9	Electrocentrale Bucureşti SA
10	Electrocentrale Galaţi SA
11	Electrocentrale Oradea SA
12	Electro Energy Sud SRL
13	Enet Focsani SA
14	Lukoil Energy & Gaz Romania SRL
15	Modern Calor SA
16	OMV Petrom SA
17	RAAN
18	SNGN Romgaz SA
19	Rulmenti SA
20	Veolia Energie Iaşi SRL
21	Veolia Energie Prahova SRL
22	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 Planet Investments SRL
5	Braila Winds SRL
6	Bridgeconstruct SRL
7	CAS Regenerabile SRL
8	Cernavoda Power SRL
9	Corni Eolian SRL
10	Crucea Wind Farm SRL
11	Dan Holding MGM SRL
12	Eco Power Wind SRL
13	Ecoenergia SRL
14	EDP Renewables Romania SRL
15	Electrica Serv SRL
16	Elektra Invest SRL
17	Elektra Wind Power SRL
18	Enel Green Power Romania SRL
19	Enex SRL
20	Eol Energy Moldova SRL
21	Eolian Center SRL
22	Eolica Dobrogea One SRL
23	EP Wind Project (ROM) SIX SA
24	Eviva Nalbant SRL
25	Ewind SRL
26	General Concrete Cernavoda SRL
27	Green Energy Farm SRL
28	Holrom Renewable Energy SRL
29	Horia Green SRL
30	Intetrans Karla SRL
31	Kelavent Charlie SRL
32	Kelavent Echo SRL
33	Land Power SRL
34	LC Business SRL
35	M&M 2008 SRL
36	OMV Petrom Wind Power SRL
37	Ovidiu Development SRL
38	Peştera Wind Farm SRL
39	Romconstruct Top SRL
40	Sibioara Wind Farm SRL
41	Smart Clean Power SRL
42	Smartbreeze SRL
43	Soft Grup SRL
44	Tomis Team SRL
45	Ventus Renew Romania SRL
46	Wind Park Invest SRL
47	Windfarm MV I 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	Vrish Pro Investments SRL
39	WDP Development RO SRL
40	Xalandine Energy SRL
41	XPV SRL
E	***Electricity generators on hydro source operating dispatching units***
1	Hidroelectrica SA
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	SC ECG Power Trading SRL
7	E&T ENERGIE Handelsgesellschaft
8	Edison Trading Spa
9	Energija Naturalis Int, trgovanje z elektricno energijo d.o.o
10	SC Energy Market Consulting SRL
11	EVN Trading South East Europe
12	Ezpada SRO
13	Freepoint Commodities Europe Ltd
14	GEN I trgovanje in prodaja elektricne energije doo
15	Holding_ Slovenske_ Elektrarne
16	Interenergo Energetski, Inzeniring d.o.o.
17	JAS Energy Trading s.r.o.
18	SC Lord Energy SRL
19	MVM Partner Zrt
20	OMV Trading GmbH
21	Repower Trading Ceska Republica s.r.o.
22	SC Repower Vanzari Romania SRL
23	Statkraft Markets GmbH
24	SC Verbund Trading Romania SRL
25	SC Vertis Energy SRL
26	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 Cotroceni Park SA
10	SC C-Gaz & Energy Distributie SRL
11	SC EFE Energy SRL
12	SC EFT Furnizare SRL
13	SC Electricom SA
14	SC Electrificare CFR SRL
15	SC Electromagnetica SA
16	SC Elsaco Energy SRL

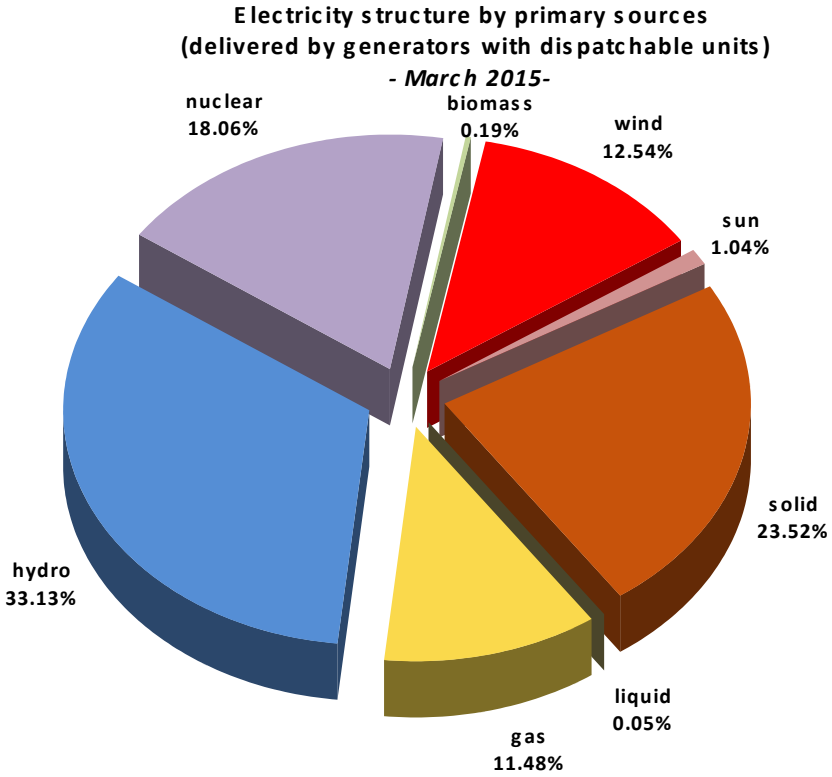
No.	Category
M	***Electricity Suppliers acting also on the retail market***
17	SC Elsid SA
18	SC Enel Trade Romania SRL
19	SC Energotrans SRL
20	SC Energy Distribution Services SRL
21	SC Energy Holding SRL
22	SC Energy Network SRL
23	SC Enol Grup SA
24	SC Entrex Services SRL
25	SC Eolian Project SRL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

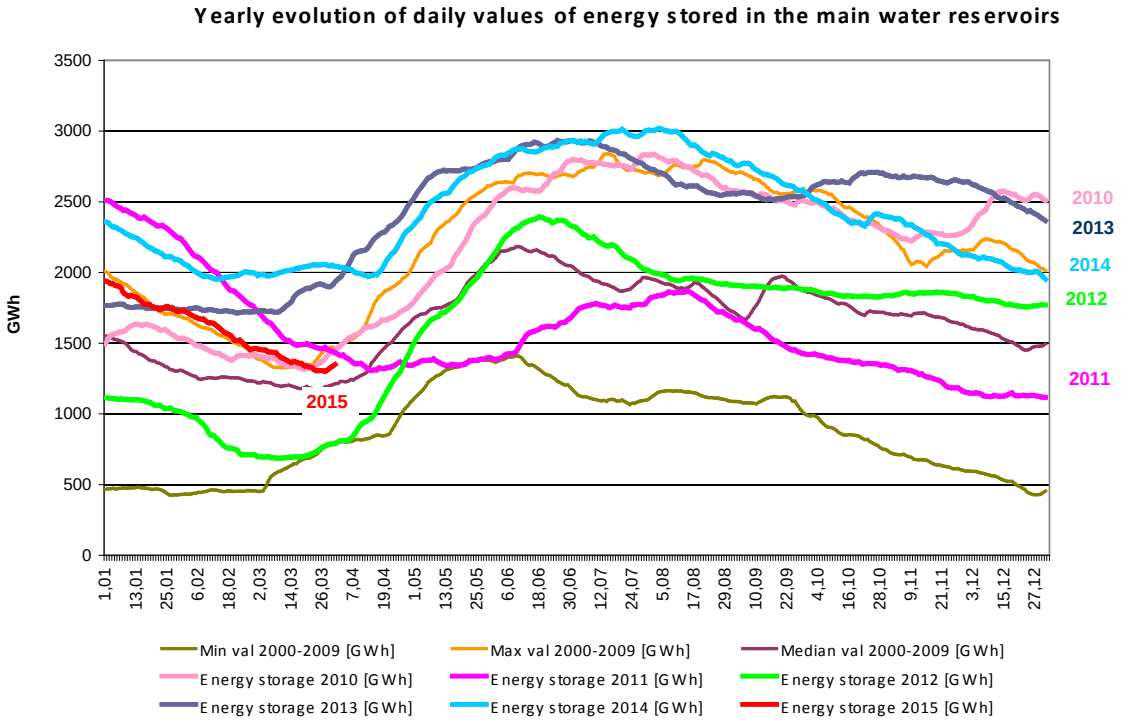
a. hydro generation group with installed power higher than 10 MW;
b. thermal generation group (including biomass and nuclear) with installed power higher than 20 MW;
c. wind, photovoltaic or internal combustion engine with installed power higher than 5 MW.

3. Generation structure of National Energy System on resources types



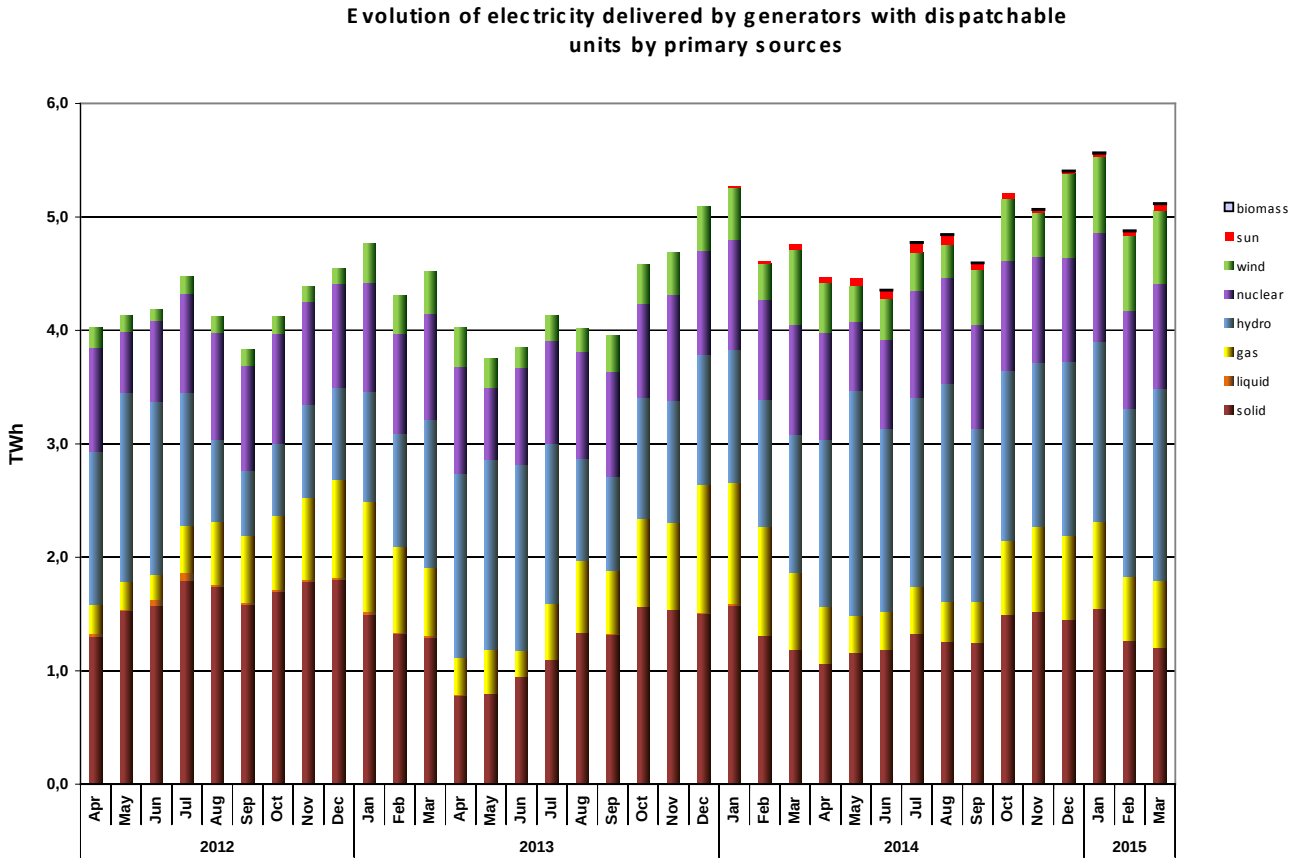
Source: Monthly reports of generators – processed by MG

The electricity generated from hydro resources and the energy stored in the main water reservoirs are directly correlated. The following graph presents the evolution of daily amounts of energy storage during March 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 March 2015 compared to data for similar period of 2014:

Nr. Crt.	INDICATOR	UM	Mar 2014	Mar 2015	%	Ian-Mar 2014	Ian-Mar 2015	%
0	**1**	**2**	**3**	**4**	**5=4/3*100**	**6**	**7**	**8=7/6*100**
1	Generated electricity	TWh	5.12	5.48	107.03	15.82	16.72	105.69
2	Delivered electricity	TWh	4.76	5.12	107.56	14.64	15.57	106.35
3	Import	TWh	0.03	0.33	1100.00	0.11	0.87	790.91
4	Export	TWh	0.44	0.90	204.55	1.33	2.60	195.49
5	Internal consumption (2+3-4)	TWh	4.35	4.55	104.60	13.42	13.84	103.13
6	Consumption of household customers on the regulated market	TWh	1.00	1.02	102.00	3.03	3.16	104.29
7	Consumption of non-households customers	TWh	2.77	2.97	107.22	8.16	8.66	106.13
7.1	*on the regulated market*	TWh	*0.39*	*0.23*	*58.97*	*1.29*	*0.68*	*52.71*
7.2	*on the competitive market*	TWh	*2.38*	*2.74*	*115.13*	*6.87*	*7.98*	*116.16*
8	Transmission–Injection component	TWh	4.72	5.09	107.84	14.54	15.49	106.53
9	Transmission–Extraction component	TWh	4.42	4.65	105.20	13.48	14.02	104.01
10	Actual transmission grid losses	TWh	0.08	0.09	112.50	0.26	0.27	103.85
11	Heat generated for delivery	Tcal	1523.41	1710.11	112.26	5700.98*	5675.06	99.55
12	Heat in co-generation	Tcal	1334.05	1413.89	105.98	4751.32	4605.01	96.92

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 versus the Report on results of monitoring the Romanian electricity market – March 2014 due to modified data reported by some participants*

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) and LCM (Large Consumers mechanism).

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, 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 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	February 2015	March 2015	March 2014
1. BILATERAL CONTRACTS' MARKET			
traded volume (GWh)	**718**	**758**	**1506**
average price (lei/MWh)	144.43	142.90	144.89
% from internal consumption (%)	16.3	16.7	34.6
1.1. Sales on regulated contracts			
traded volume (GWh)	**576**	**608**	**836**
average price (lei/MWh)	143.58	144.18	138.01
% from internal consumption (%)	13.1	13.4	19.2
1.2. Sales on negotiated contracts[1)]			
traded volume (GWh)	**142**	**150**	**670**
average price (lei/MWh)	147.89	137.73	153.47
% from internal consumption (%)	3.2	3.3	15.4
2. EXPORT			
traded volume[2)] (GWh)	**716**	**896**	**442**
average price (lei/MWh)	175.25	154.51	131.84
% from internal consumption (%)	16.3	19.7	10.2
3. CENTRALISED MARKETS OF CONTRACTS			
traded volume (GWh)	**4432**	**4851**	**2551**
average price (lei/MWh)	171.79	164.29	173.21
% from internal consumption (%)	100.9	106.6	58.70
3.1. Extended auction mechanism CMBC-EA[3)]			
traded volume (GWh)	**2532**	**2810**	**2440**
average price (lei/MWh)	167.33	165.33	173.69
% from internal consumption (%)	57.7	61.7	56.1
3.2. Continuous negotiation mechanism CMBC-CN [3)]			
traded volume (GWh)	**716**	**466**	**111**
average price (lei/MWh)	182.18	167.11	162.62
% from internal consumption (%)	16.3	10.2	2.6
3.3. CM-OTC mechanism [3)]			
traded volume (GWh)	**1184**	**1576**	
average price (lei/MWh)	175.06	161.60	-
% from internal consumption (%)	27.0	34.6	
4. DAY AHEAD MARKET			
traded volume (GWh)	**1895**	**2106**	**1931**
average price (lei/MWh)	164.50	143.37	131.03
% from internal consumption (%)	43.1	46.3	44.4
5. INTRADAY MARKET			
traded volume (GWh)	**6.5**	**7.2**	**5.0**
average price[4)] (lei/MWh)	151.64	134.63	138.43
% from internal consumption (%)	0.1	0.2	0.1
6. BALANCING MARKET			
traded volume (GWh)	**335**	**375**	**371**
% from internal consumption (%)	7.6	8.2	8.5
upward volume (GWh)	**246**	**261**	**138**
average negative imbalance price(lei/MWh)	241.81	234.46	247.44
downward volume (GWh)	**89**	**114**	**233**
average positive imbalance price (lei/MWh)	6.12	6.13	41.34
INTERNAL CONSUMPTION (includes distribution and transmission losses) (GWh)	**4392**	**4551**	**4347**

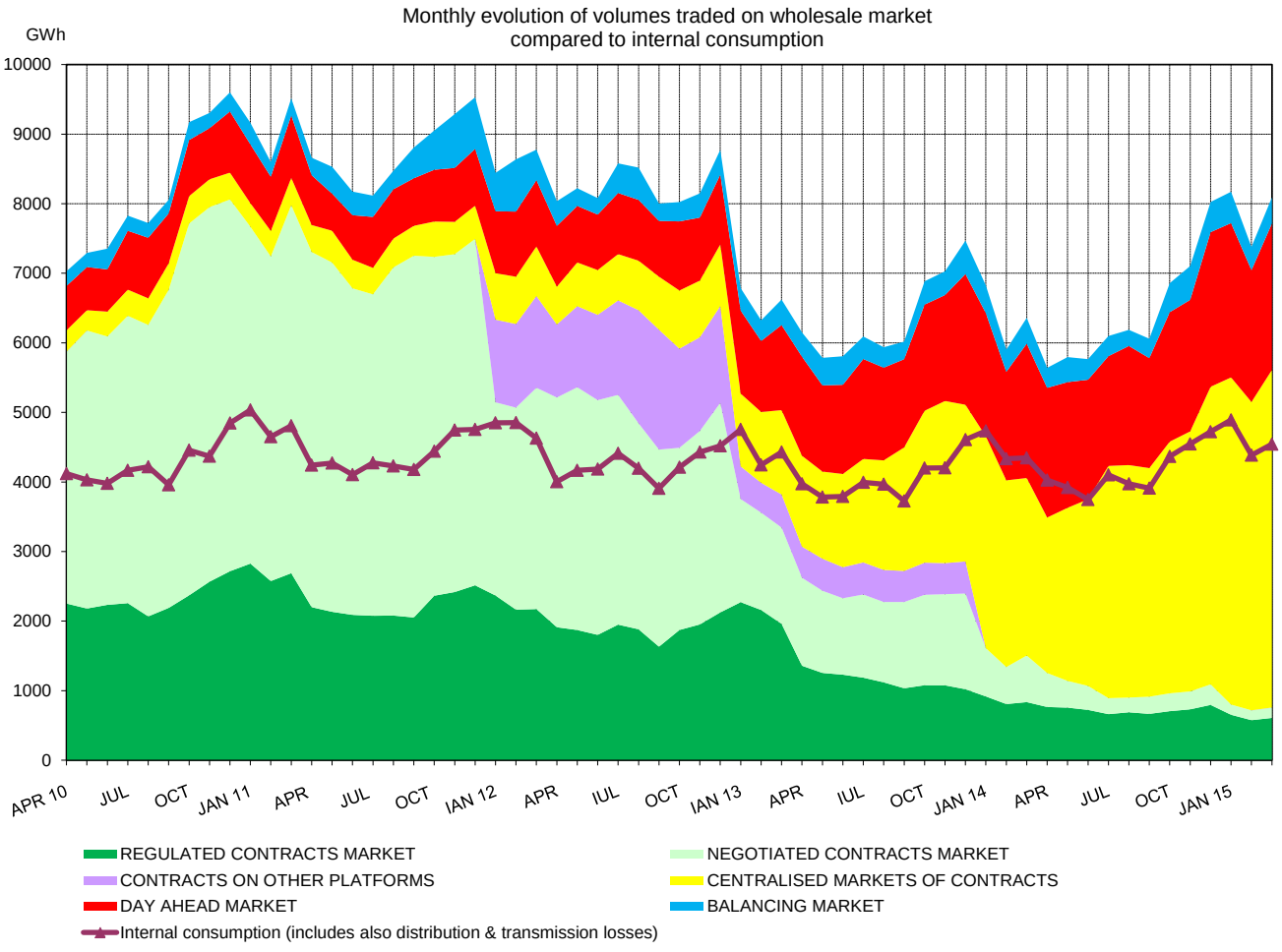
Note:

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 from the values published in the Report on results of monitoring the Romanian electricity market due to modified data reported by some participants

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.

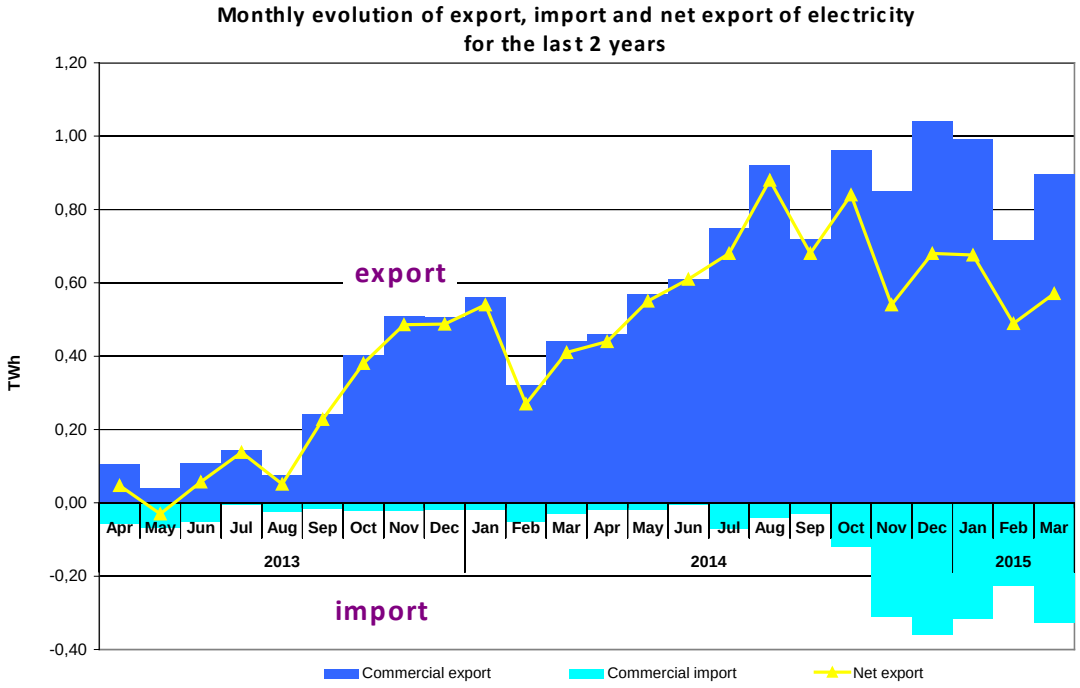
The following graph presents the evolution of the relation between the volumes sold on each market and the estimated internal consumption, since April 2010.



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

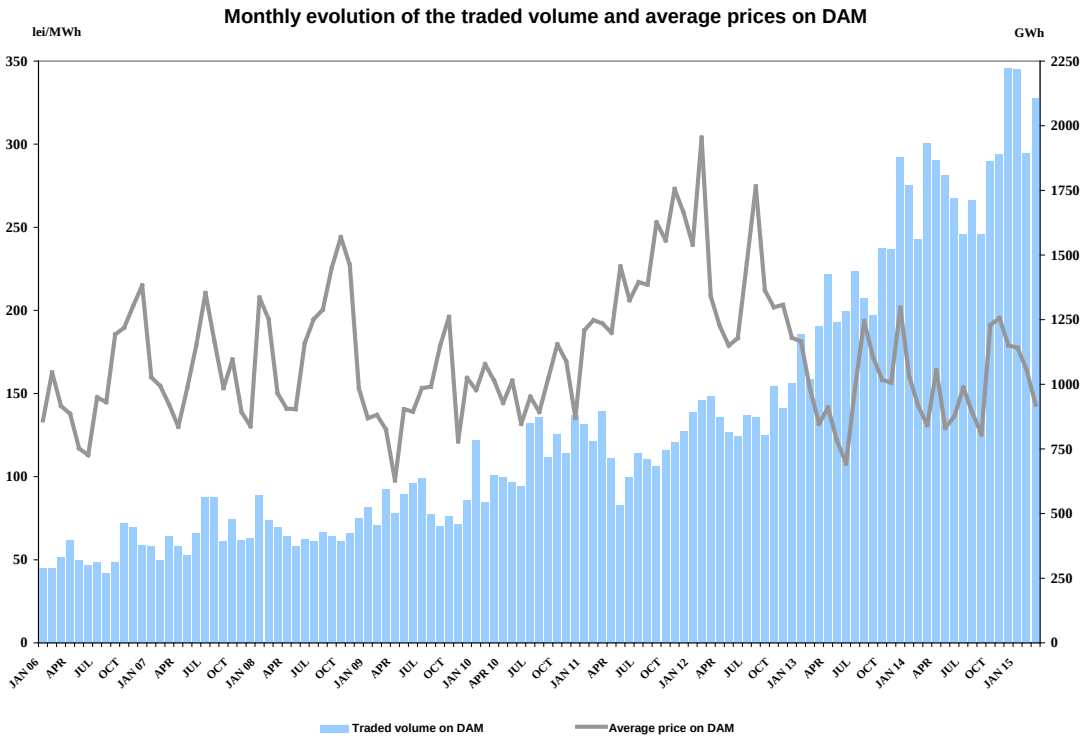
Note: In the above graph, the volumes traded on negociated contracts' market do not include the export trades

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:



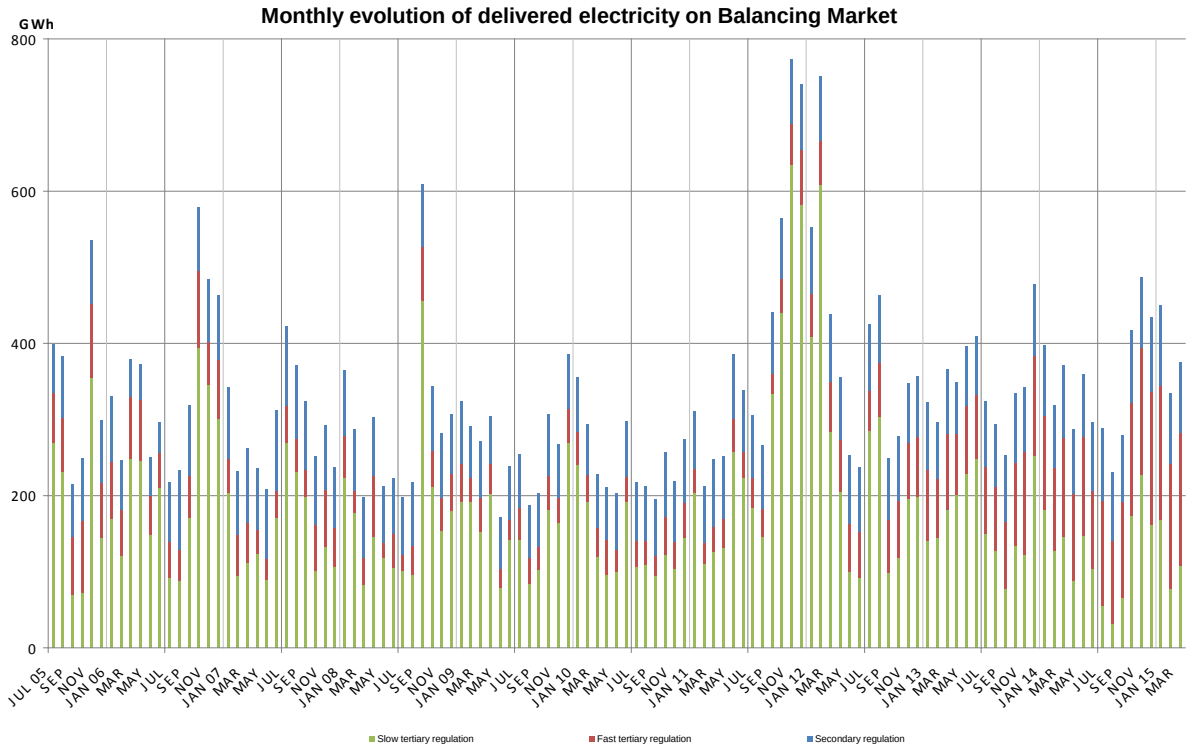
Source: Monthly reports of Opcom SA and CN Transelectrica SA – processed by MG

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 March 2015 presented in the following table:

March 2015	Dispach order (GWh)	Delivered electricity (GWh)	Deviation (%)
Secondary regulation	**92**	**92**	
upward	47	47	
downward	45	45	
Fast tertiary regulation	**186**	**158**	**15**
upward	121	98	19
downward	64	60	7
Slow tertiary regulation	**109**	**107**	**1**
upward	99	98	1
downward	10	9	4
TOTAL	**386**	**375**	
upward	268	261	
downward	119	114	
INTERNAL CONSUMPTION		**4551**	
% share of traded volumes from internal consumption		***8,2%***	

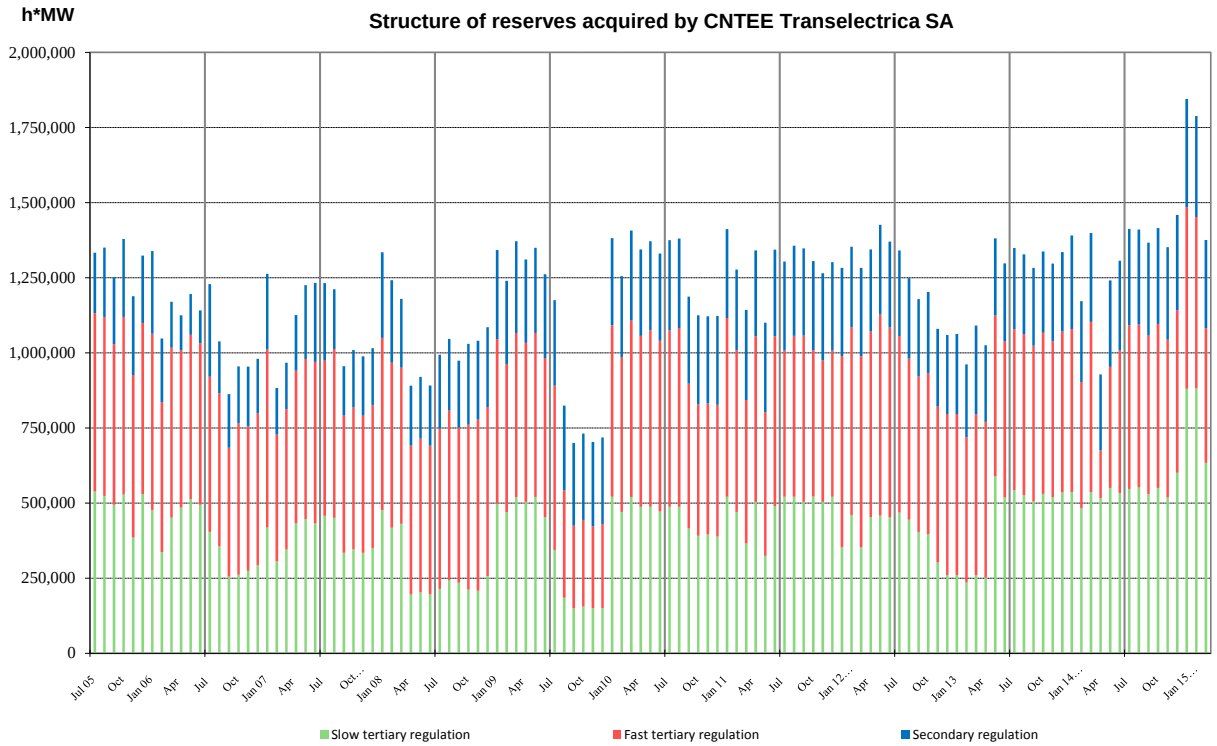
Source: Monthly reports of CN Transelectrica SA – processed by MG

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



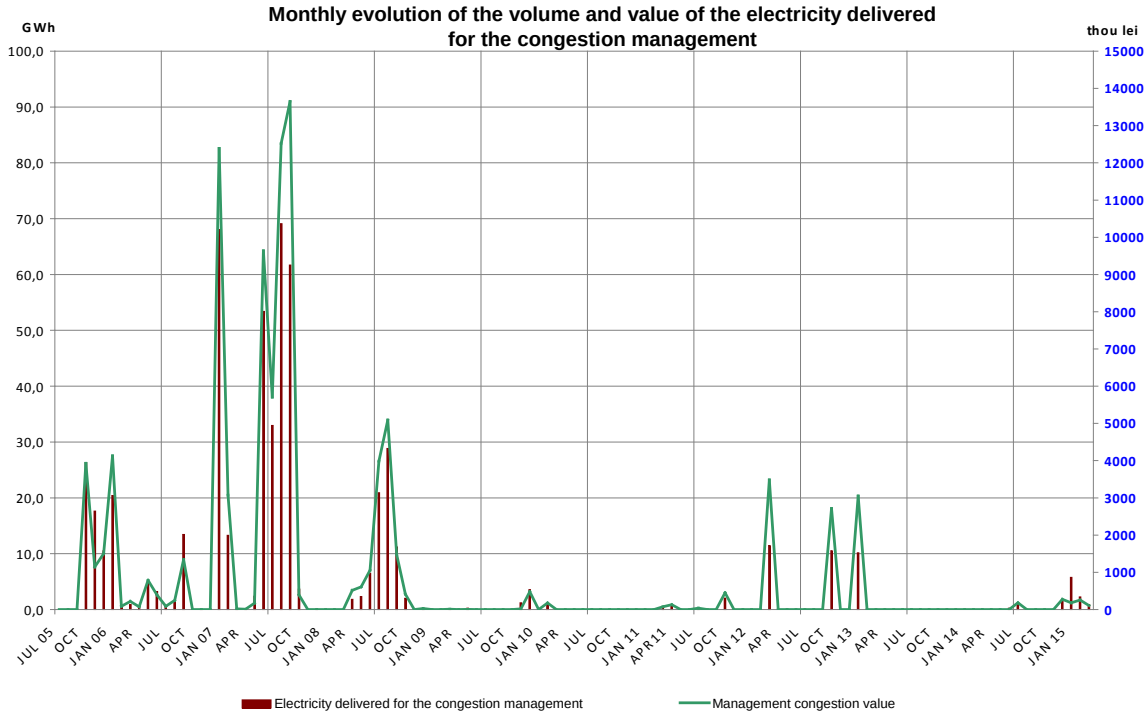
Source: Monthly reports of CN Transelectrica SA – processed by MG

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 March 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	**March 2014**	**March 2015**
0	**1**	**2**
Regulated contracts to suppliers of last resort - hydro generator	489.19	407.19
Regulated contracts to suppliers of last resort - nuclear generator	346.64	201.11
Negotiated contracts to suppliers	463.56	123.99
Contracts concluded on Opcom centralized markets:	1724.03	2760.53
CMBC-EA	*1612.69*	*1911.49*
CMBC-CN	*111.34*	*405.09*
CM-OTC	-	*443.95*
DAM	1623.03	1506.37
Intraday	2.63	4.40
Supply contracts to final customers	266.62	244.03
Total	**4915.69**	**5247.62**

Source: Monthly reports of generators – processed by MG

Suppliers

In March 2015, 91 companies with main activity the supply of electricity, concluded transactions on the electricity market; from those, 26 suppliers traded exclusively on the wholesale market and 65 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 March 2015 compared to March 2014 of the suppliers acting exclusively on WEM, acquisitions and sales being split by categories of markets/participants:

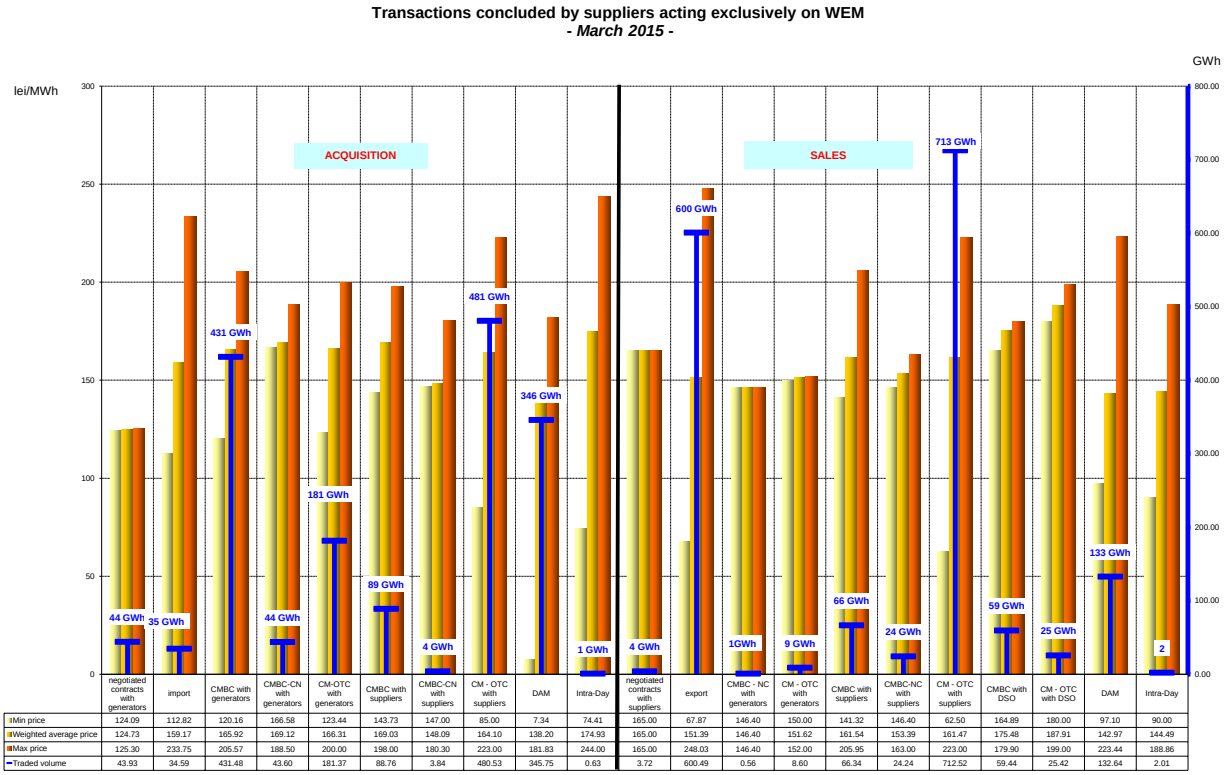
-GWh-

Transactions structure of suppliers acting exclusively on WEM	**March 2014**	**March 2015**
Purchase		
Import	25.68	34.59
Negotiated contracts with suppliers	149.27	0.00
Negotiated contracts with generators	51.01	43.93
Contracts concluded on Opcom centralized markets:	155.02	1229.57
- *on CMBC-EA with generators*	*104.98*	*431.48*
- *on CMBC-CN with generators*	*18.58*	*43.60*
- *on CM-OTC with generators*	*0.00*	*181.37*
- *on CMBC-EA with other suppliers*	*0.00*	*88.76*
- *on CMBC-CN with other suppliers*	*31.47*	*3.84*
- *on CM-OTC with other suppliers*	*0.00*	*480.53*
DAM	367.91	345.75
Intraday market	1.52	0.63

Sales		
Export	302.40	600.49
Negotiated contracts with other suppliers	125.96	3.72
Contracts concluded on Opcom centralized markets:	171.19	897.12
- *on CMBC-CN with generators*	*0.00*	*0.56*
- *on CM-OTC with generators*	*0.00*	*8.60*
- *on CMBC-EA with other suppliers*	*111.75*	*66.34*
- *on CMBC-CN with other suppliers*	*0.00*	*24.24*
- *on CM-OTC with other suppliers*	*0.00*	*712.52*
- *on CMBC-EA with DO*	*59.44*	*59.44*
- *on CMBC-CN with DO*	*0.00*	*0.00*
- *on CM-OTC with DO*	*0.00*	*25.42*
DAM	*132.60*	132.64
Intraday market	2.23	2.01

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 March 2015.



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 March 2015 compared to the situation of March 2014.

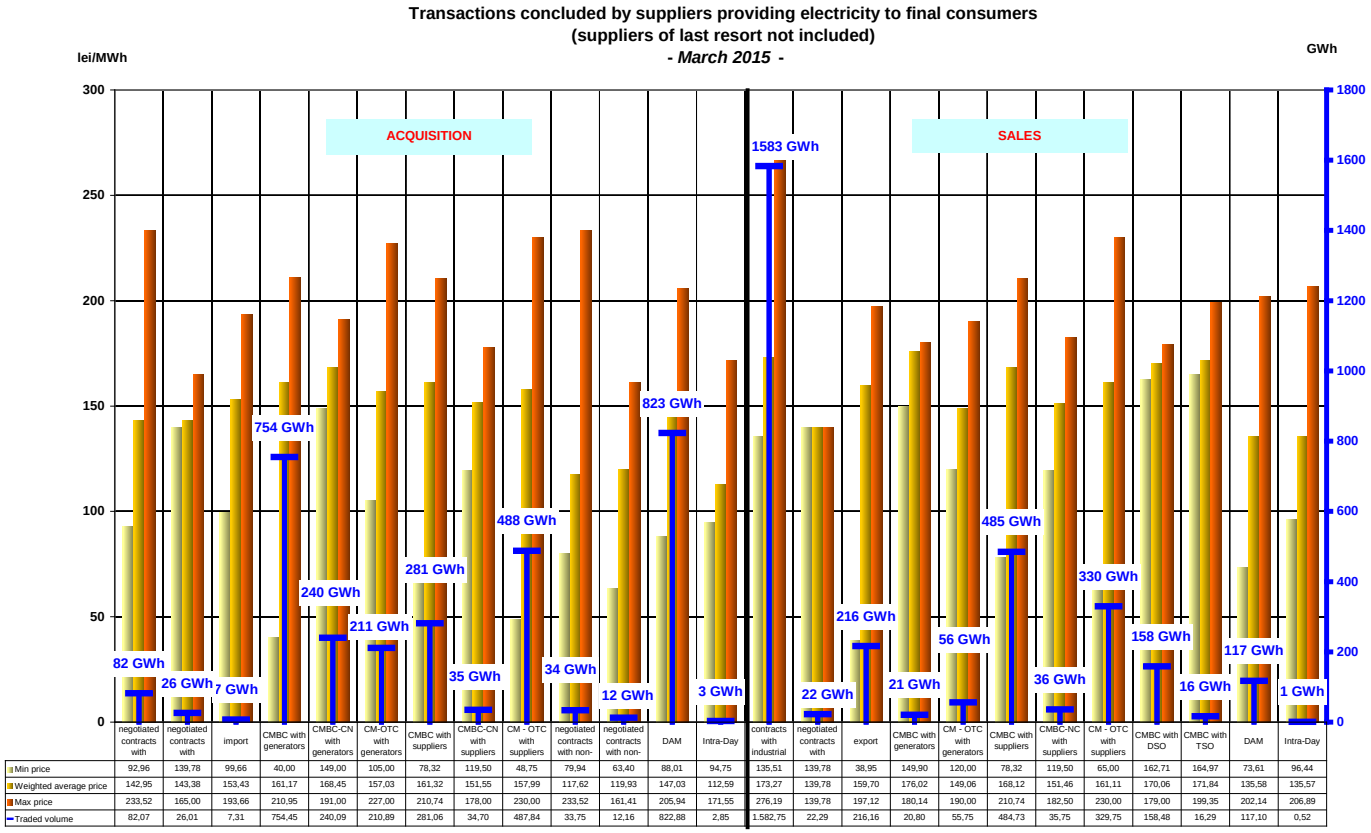
-GWh-

Transactions' structure of suppliers acting on REM (suppliers of last resort excluded)	**March 2014**	**March 2015**
Purchase		
Import	3.29	7.31
Negotiated contracts with suppliers	57.00	26.01
Negotiated contracts with generators	425.90	82.07
Contracts concluded on Opcom centralized markets:	940.91	2009.01
- *on CMBC-EA with generators*	*508.96*	*754.45*
- *on CMBC-CN with generators*	*92.77*	*240.09*
- *on CM-OTC with generators*	*0.00*	*210.89*
- *on CMBC-EA with other suppliers*	*335.47*	*281.06*
- *on CMBC-NC with other suppliers*	*3.72*	*34.70*
- *on CM-OTC with other suppliers*	*0.00*	*487.84*
Negociated contracts with undispatchable generators (others than L23/2014)*	0.00	33.75
Negociated contracts with undispatchable generators (L23/2014)**	0.0	12.16
DAM	833.33	822.88
Intraday market	0.33	2.85
Sales		
Export	119.37	216.16
Negotiated contracts with other suppliers	80.32	22.29
Contracts concluded on Opcom centralized markets:	599.85	1101.57
- *on CMBC-EA with generators*	*25.63*	*20.80*
- *on CM-OTC with generators*	*0.00*	*55.75*
- *on CMBC-EA with other suppliers*	*454.42*	*484.73*
- *on CMBC-NCwith other suppliers*	*0.00*	*35.75*
- *on CM-OTC with other suppliers*	*0.00*	*329.75*
- *on CMBC-EA with TSO*	*40.30*	*16.29*
- *on CMBC-EA with DO*	*79.50*	*158.48*
DAM	72.43	117.10
Intraday market	0.16	0.52
Non-household customers	1420.83	1582.75

*negotiated trades concluded with undispatchable generators which are not able to conclude contracts according to Law 23/2014 provisions

**negotiated trades concluded with undispatchable generators which may conclude contracts according to Law 23/2014 provisions

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 March 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, March 2015 compared to March 2014:

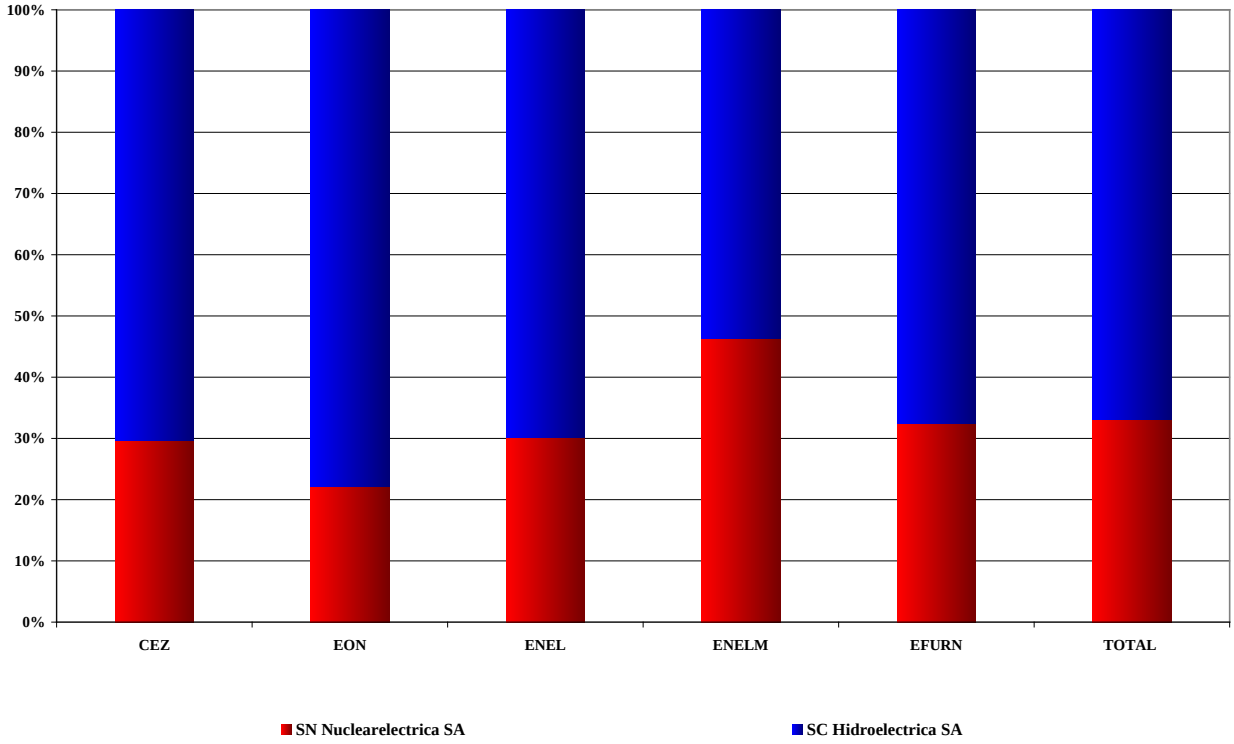
- GWh -

Acquisition structure of suppliers of last resort for regulated REM component	**March 2014**	**March 2015**
Regulated contracts with generators	835.82	608.29
Negociated contracts with undispatchable generators (L23/2014)*	0.00	0.01
Contracts concluded on Opcom centralized markets:	464.41	361.35
- *contracts on CMBC-EA with generators*	*368.41*	*154.89*
- *contracts on CMBC-CN with generators*	*0.00*	*76.37*
- *contracts on CM-OTC with generators*	*0.00*	*12.50*
- *contracts on CMBC-EA with other suppliers*	*96.00*	*102.48*
- *contracts on CMBC-CN with other suppliers*	*0.00*	*1.67*
- *contracts on CM-OTC from suppliers*	*0.00*	*13.43*
Intraday market	0.00	0.00
DAM	144.83	290.46

*negotiated trades concluded with undispatchable generators which may conclude contracts according to Law 23/2014 provisions

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 March 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
MARCH 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.

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

Acquisition structure of last resort suppliers for CMC	**March 2014**		**March 2015**	
	Quantity [GWh]	**Average price [lei/MWh]**	**Quantity [GWh]**	**Average price [lei/MWh]**
Contracts concluded on Opcom centralized markets:	237.87	177.02	289.63	172.54
- contracts on CMBC-EA with generators	*186.78*		*115.04*	*174.54*
- contracts on CMBC-CN with generators	*0.00*		*61.92*	*174.12*
- contracts on CM-OTC with generators	*0.00*	*177.02*	*11.15*	*174.33*
- contracts on CMBC-EA with other suppliers	*51.09*		*90.38*	*168.08*
- contracts on CM-OTC with other suppliers	*0.00*		*11.15*	*177.50*
DAM	50.39	163.22	182.91	165.78
TOTAL	**288.26**	**174.61**	**472.54**	**169.92**

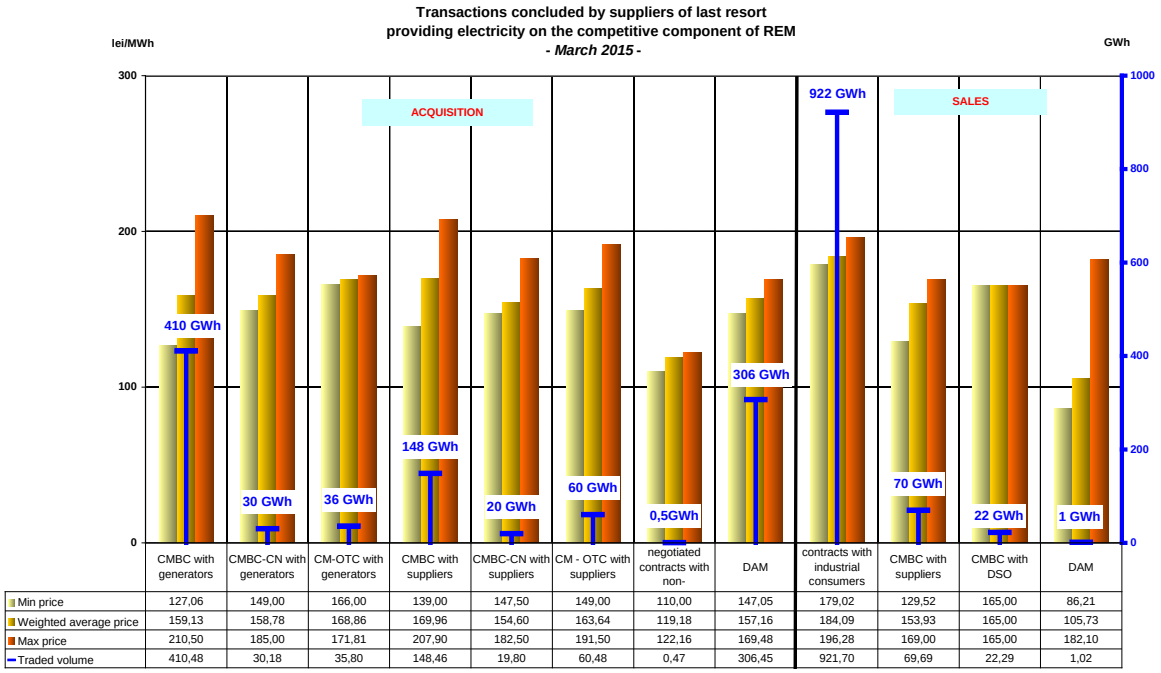
Similar to the situation presented for the regulated REM, the table below presents the structure of last resort suppliers' transactions (before the delivery interval), corresponding to the competitive REM (energy supplied at negotiated prices to the customers who renounced to regulated tariffs) for March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

- GWh -

Transactions' structure of suppliers acting on the competitive segment of REM	**March 2014**	**March 2015**
Purchase		
Contracts concluded on Opcom centralized markets:	527.96	705.19
- *on CMBC-EA with generators*	*379.50*	*410.48*
- *on CMBC-CN with generators*	*0.00*	*30.18*
- *on CM-OTC with generators*	*0.00*	*35.80*
- *on CMBC-EA with other suppliers*	*148.46*	*148.46*
- *on CMBC-CN with other suppliers*	*0.00*	*19.80*
- *on CM-OTC with other suppliers*	*0.00*	*60.48*
Negociated contracts with undispatchable generators (L23/2014)*	0.00	0.47
DAM	230.00	306.45
Intraday market	0.39	0.00
Sales		
Contracts concluded on Opcom centralized markets:	56.37	91.98
- *on CMBC-EA with other suppliers*	*48.94*	*69.69*
- *on CMBC-EA with DO*	*7.43*	*22.29*
DAM	12.77	1.02
Non-household customers	695.74	921.70

*negotiated trades concluded with undispatchable generators which may conclude contracts according to Law 23/2014 provisions

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 March 2015:



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

Main distribution operators

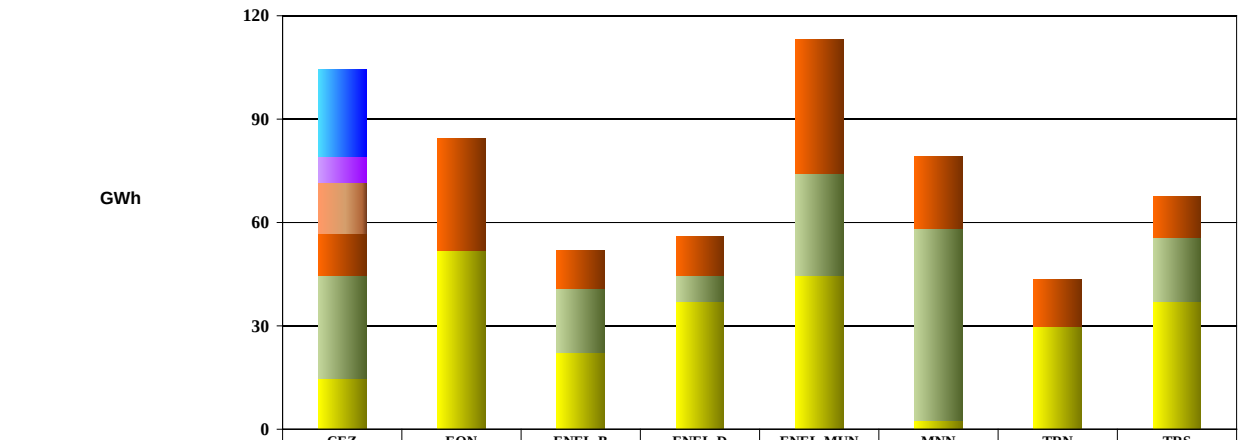
The following table shows the electricity acquisition structure of main distribution operators (before the delivery interval), for covering the distribution network losses, for March 2015 compared with March 2014:

- GWh -

Acquisition structure	March 2014	March 2015
Contracts concluded on Opcom centralized markets:	467.56	447.67
- *CMBC-EA with generators*	*467.56*	*159.75*
- *CMBC-CN with generators*		*14.86*
- *CM-OTC with generators*		*7.43*
- *CMBC-EA with other suppliers*		*240.21*
- *CMBC-CN with other suppliers*		*0.00*
- *CM-OTC with other suppliers*		*25.42*
DAM	194.80	152.27

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

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



	CEZ	EON	ENEL-B	ENEL-D	ENEL-MUN	MNN	TRN	TRS
Acquisition on CM-OTC on suppliers	25	0	0	0	0	0	0	0
Acquisition on CM-OTC on generators	7	0	0	0	0	0	0	0
Acquisition on CMBC-NC on generators	15	0	0	0	0	0	0	0
Acquisition on DAM	12	32	11	11	39	21	14	12
Acquisition on CMBC-EA on generators	30	0	19	7	30	56	0	19
Acquisition on CMBC-EA on suppliers	15	52	22	37	45	2	30	37

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.

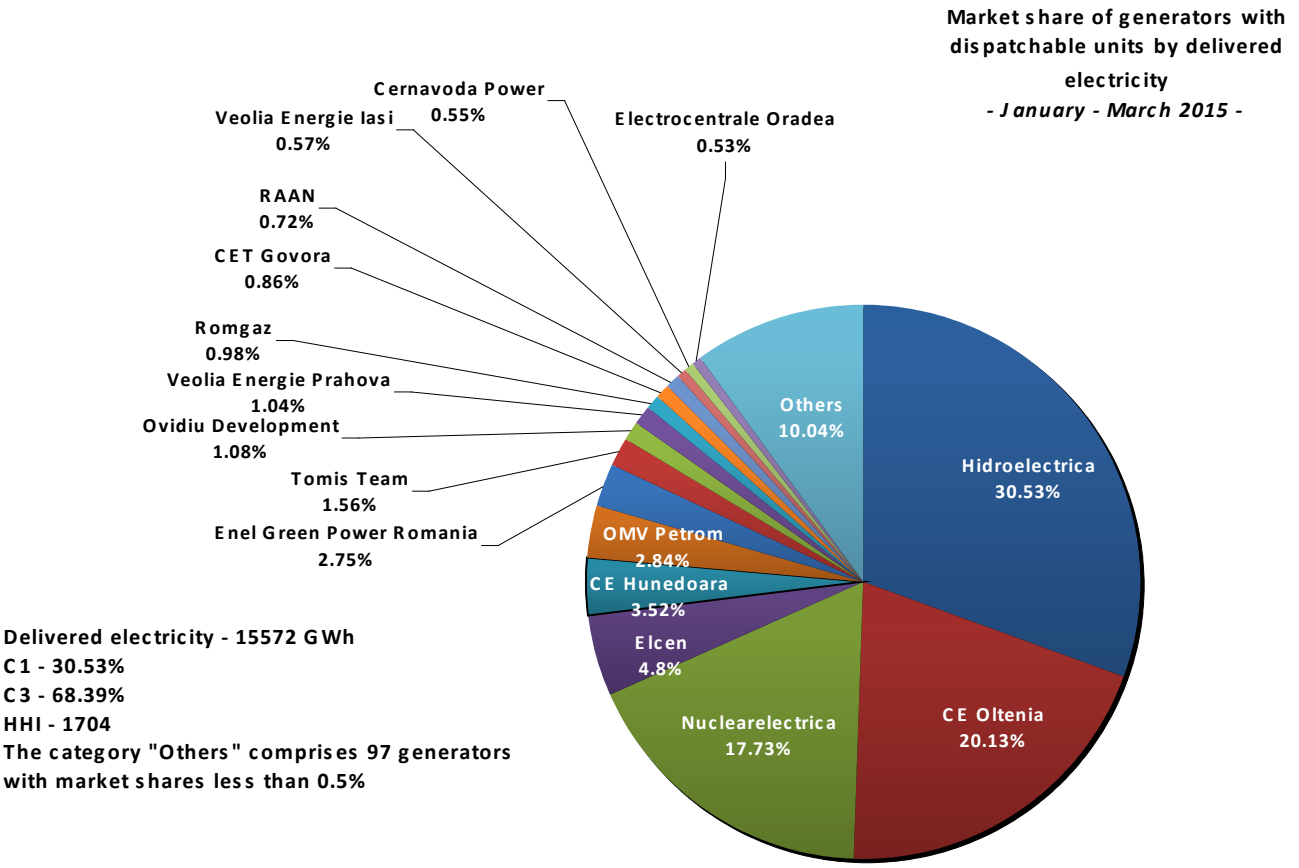
These concentration indicators may be defined for the wholesale market (electricity market or ancillary services market) or for each of its components where direct competition takes place.

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 March 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 three-month period.

Concentration indicators -March 2015-	**C1 (%)**	**C3 (%)**	**HHI**
Value	**33.06**	**69.10**	**1796**



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 March 2015:

Structure/concentration indicators of BM - March 2015-	Regulation					
	Secondary		Fast tertiary		Slow tertiary	
	upward	downward	upward	downward	upward	downward
C1 - % -	55	56	49	92	55	69
C3 - % -	93	97	88	98	97	93
HHI	4178	4243	3267	8501	4043	5075

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 March 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 - March 2015 -		Secondary reserve	Fast tertiary reserve	Slow tertiary reserve
regulated component	contracted quantity (h*MW)	116590	66870	633840
	C1 (%)	87.3	77.8	53.9
	C3 (%)	100.0	100.0	100.0
competitive component	contracted quantity (h*MW)	176645	381500	-
	C1 (%)	89.1	96.5	-
	C3 (%)	98.1	99.4	-
	HHI	7982	9326	-

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 March 2015, based on quantities traded by participants on this market.

Concentration indicators on DAM - March 2015 -	C1 (%)	C3 (%)	HHI
Selling	25.90	45.20	1022
Buying	11.15	29.14	475

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.

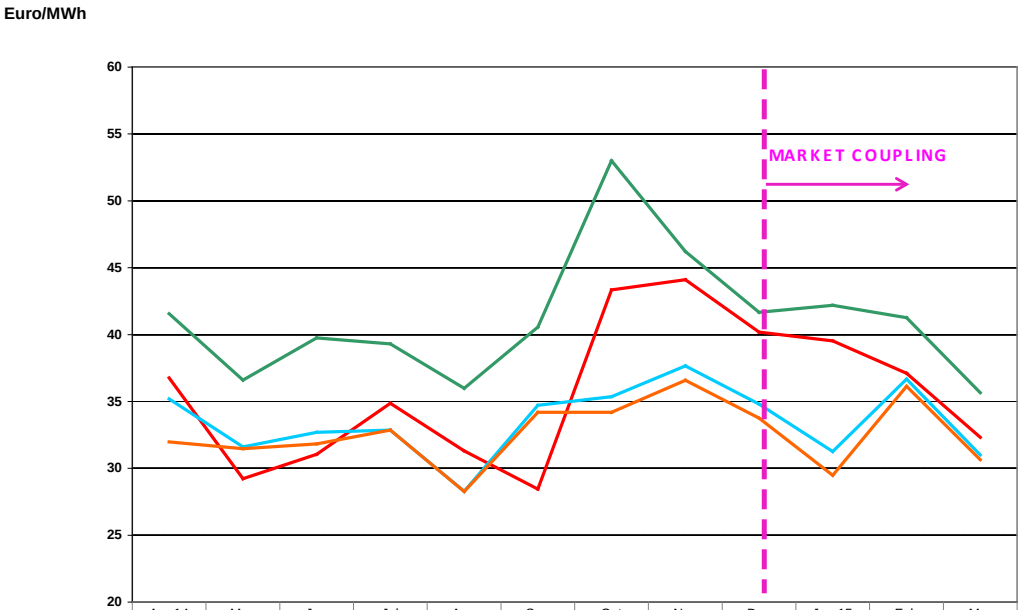
The functioning of these spot markets is based on coupling algorithm recommended by ACER (Euphemia) and its goal is maximizing the social welfare to the entire area of the coupled markets.

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 over the last 12 month, before and after the start of operational phase.

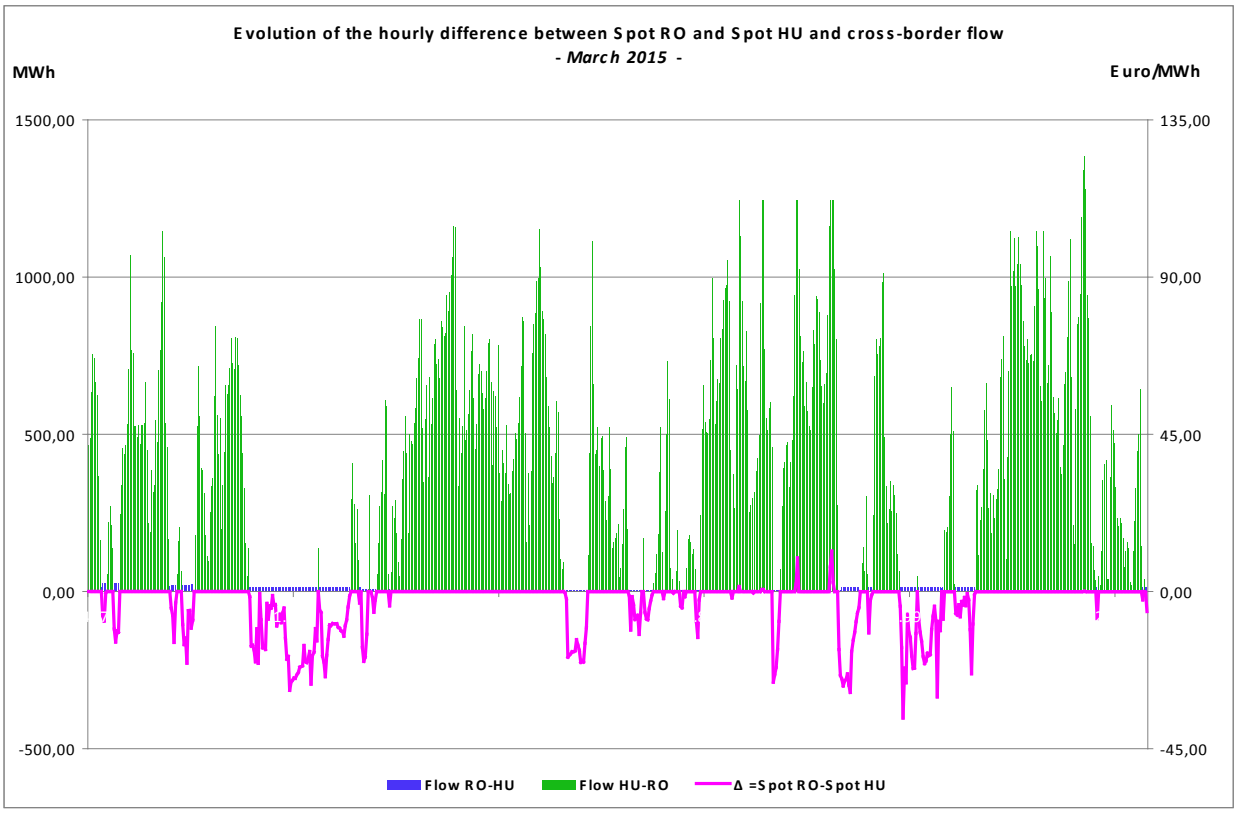
Monthly spot prices on the 4 markets functioning in market coupling framework
April 2014 - March 2015



	Apr 14	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 15	Feb	Mar
OPCOM	36,8	29,2	31,1	34,9	31,3	28,5	43,3	44,1	40,2	39,5	37,1	32,32
HUPX	41,6	36,6	39,8	39,3	36,0	40,6	53,0	46,2	41,7	42,2	41,26	35,66
OKTE	35,2	31,6	32,7	32,9	28,3	34,7	35,4	37,7	34,8	31,3	36,68	31
OTE	32,0	31,5	31,8	32,9	28,3	34,2	34,2	36,6	33,8	29,5	36,14	30,65

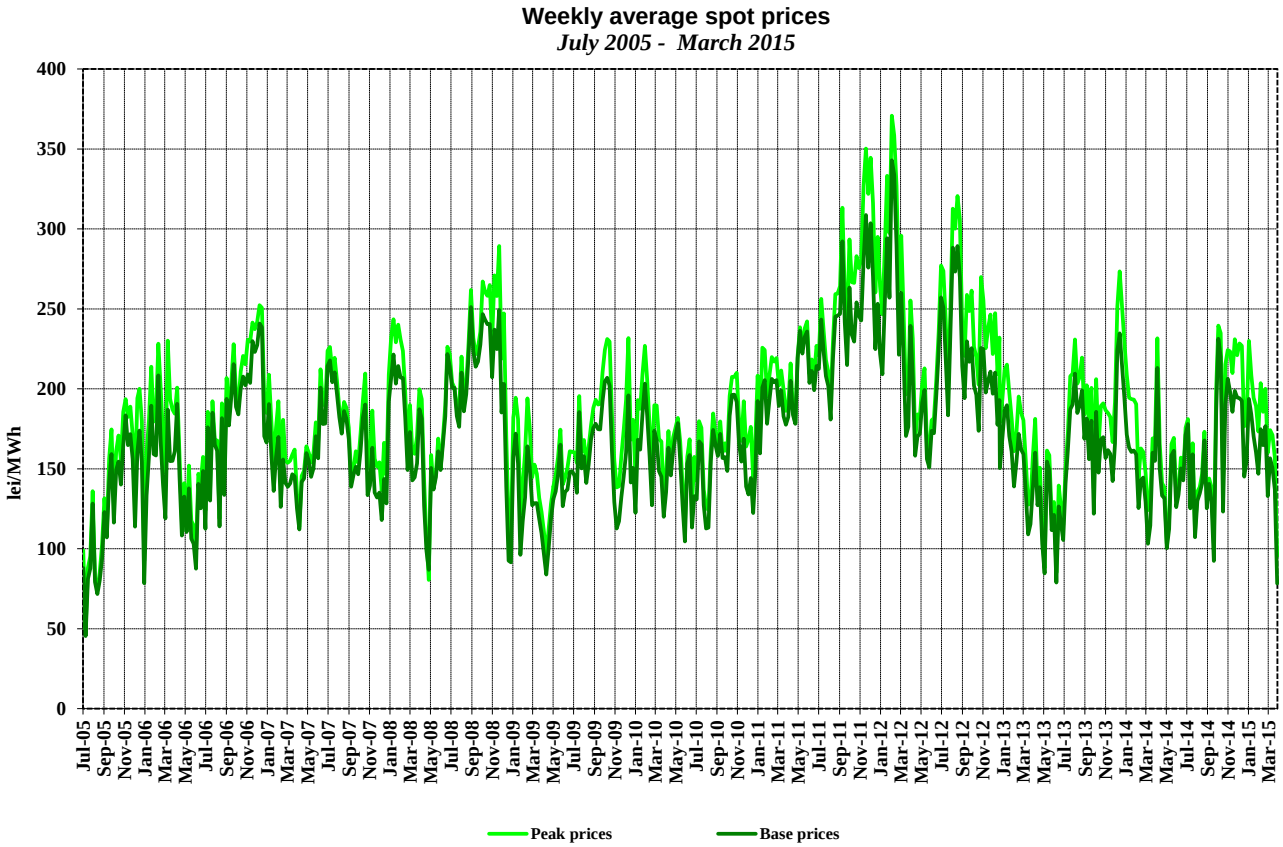
Source: Monthly reports of Opcom SA – processed by MG

The following graph presents the evolution of March 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

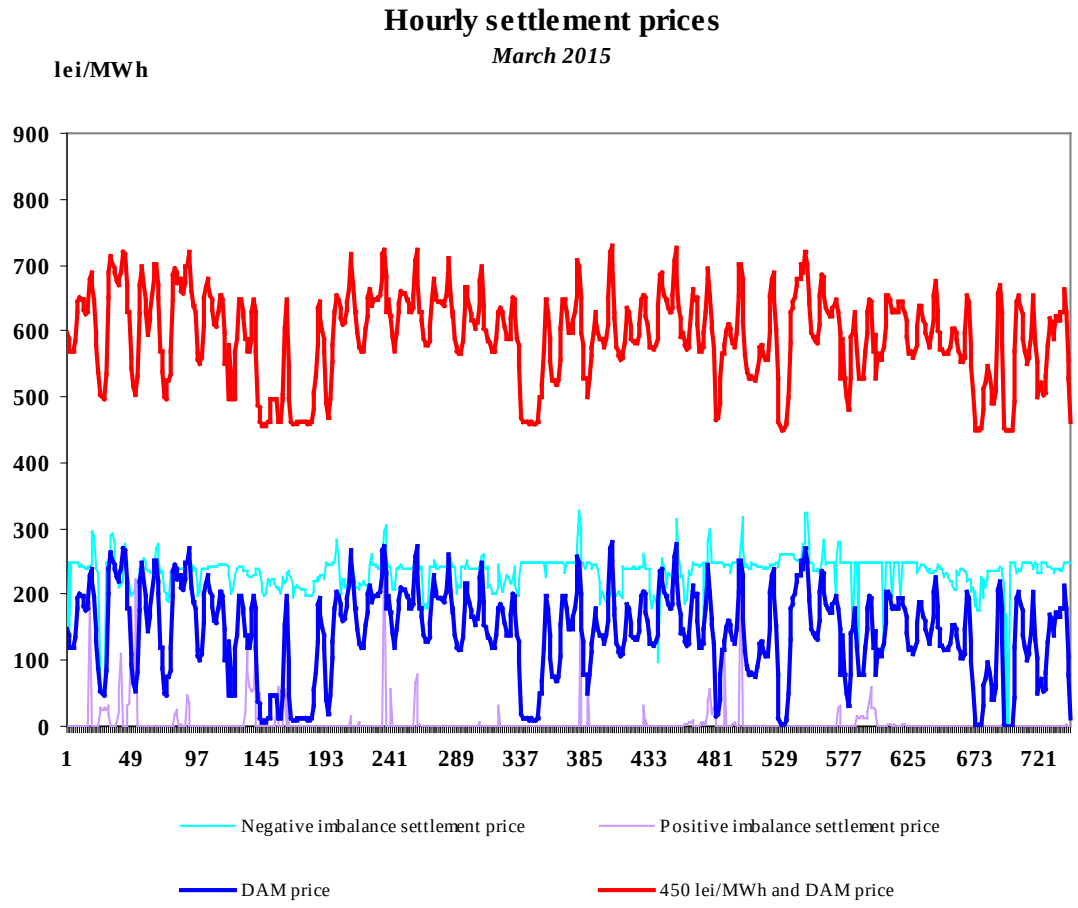
The following graph presents the evolution of weekly average spot prices starting with July 2005:



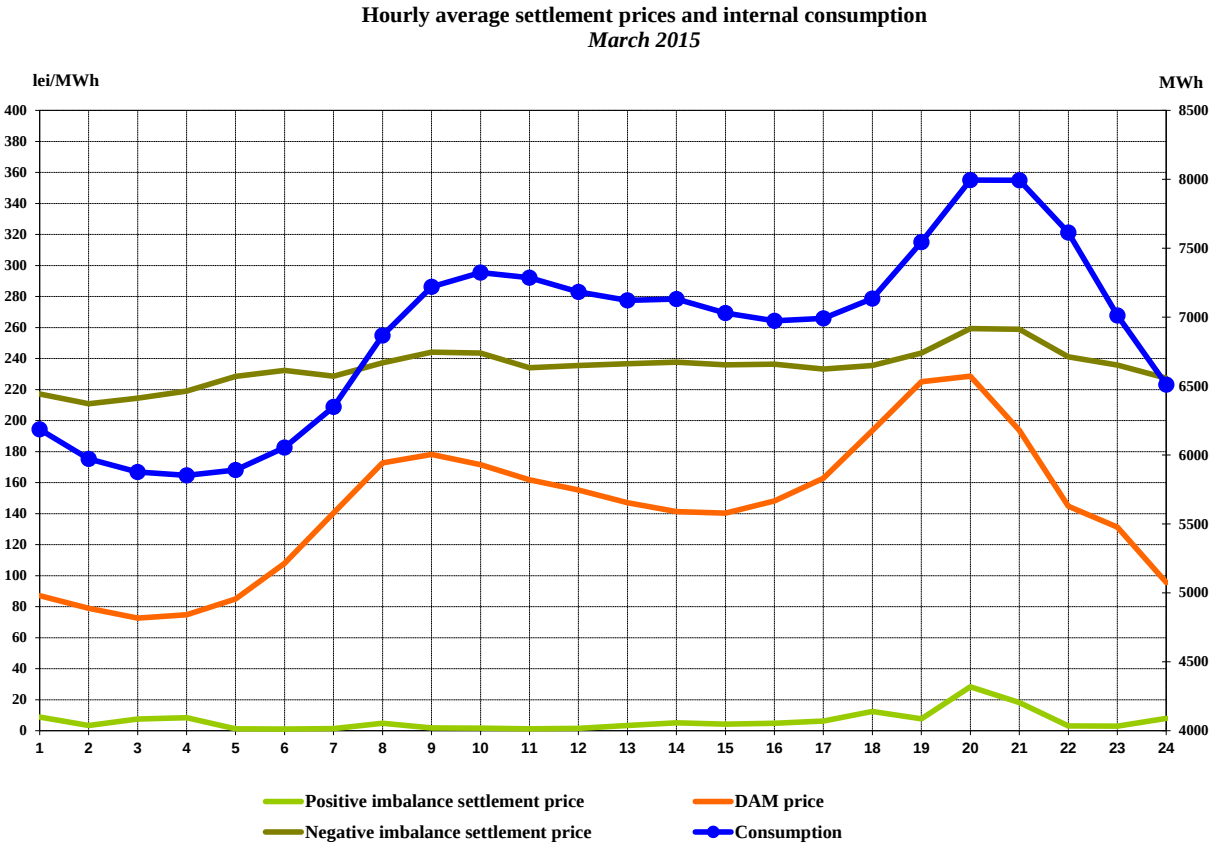
Source: Daily reports of Opcom SA – processed by MG

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.

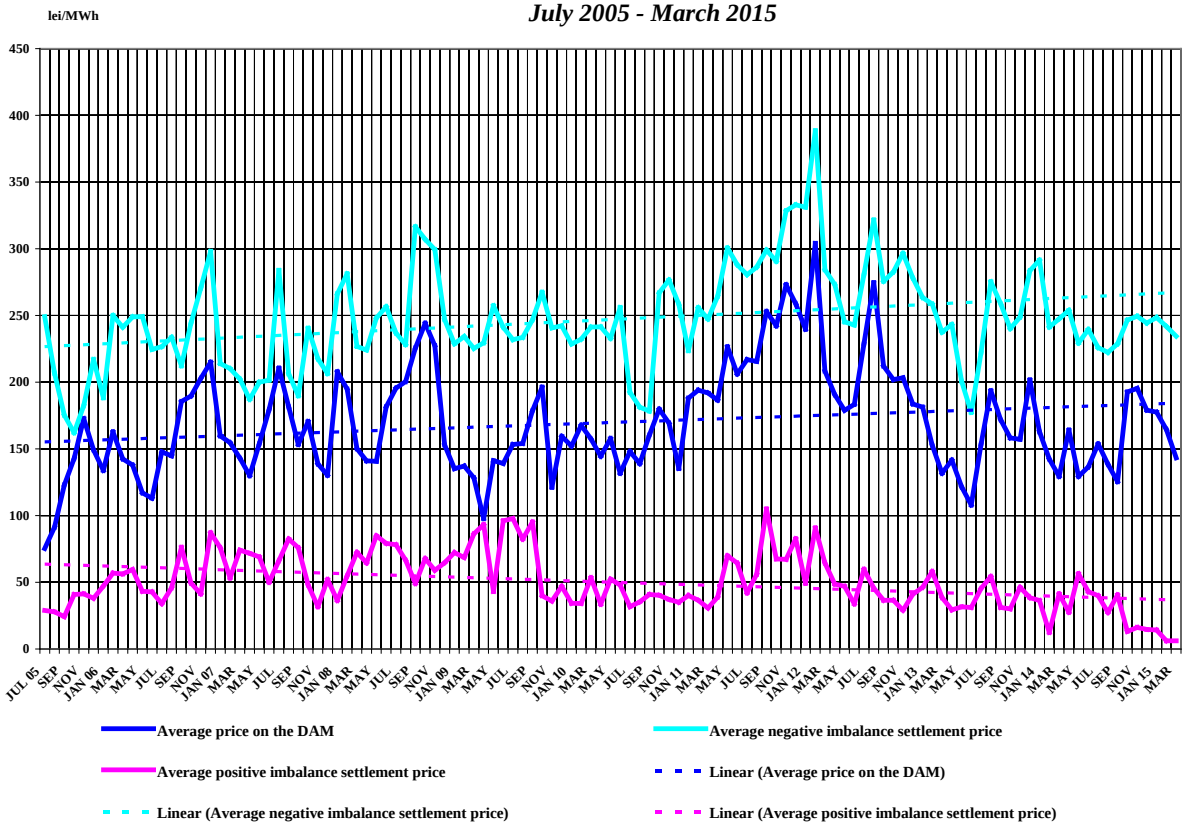


Source: Daily/monthly reports of Opcom SA – processed by MG



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

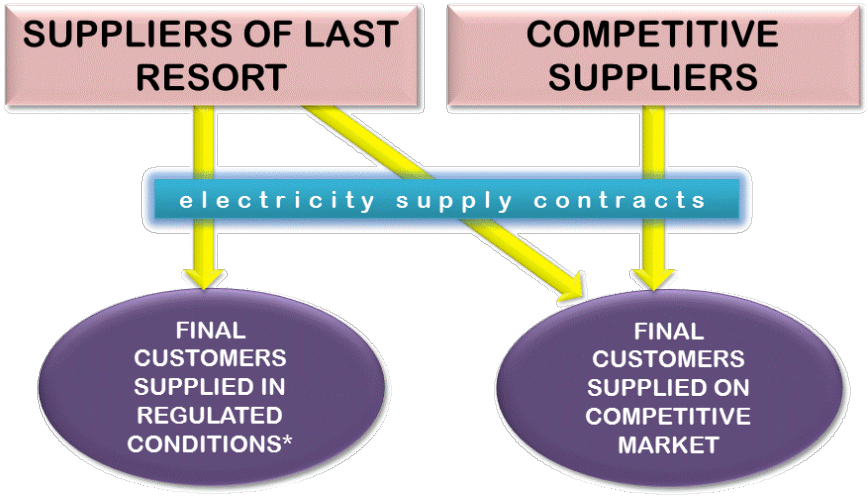
Monthly average prices on DAM and BM
July 2005 - March 2015



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

III. RETAIL ELECTRICITY MARKET

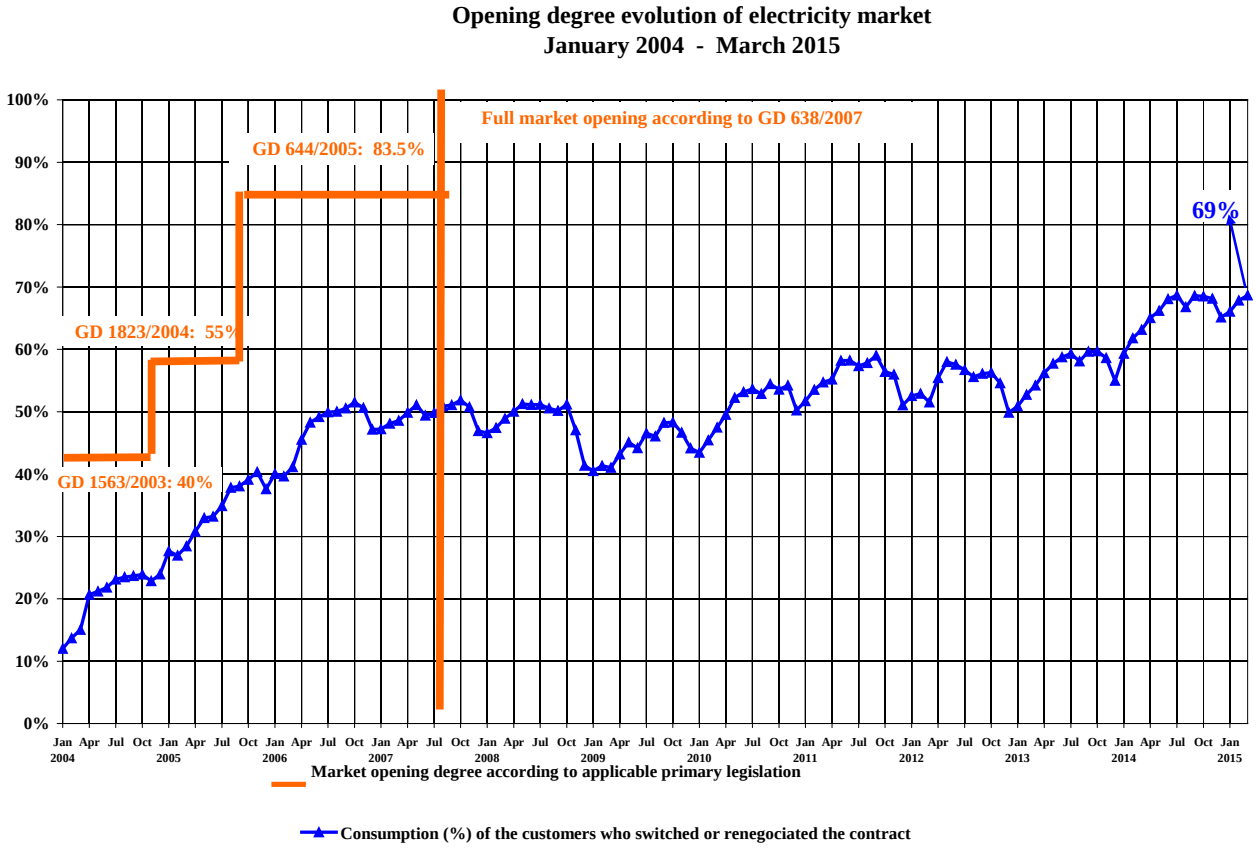
1. Structure of the retail electricity market



* 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 – March 2015. The values presented are cumulated from the beginning of the opening process and are presented monthly:

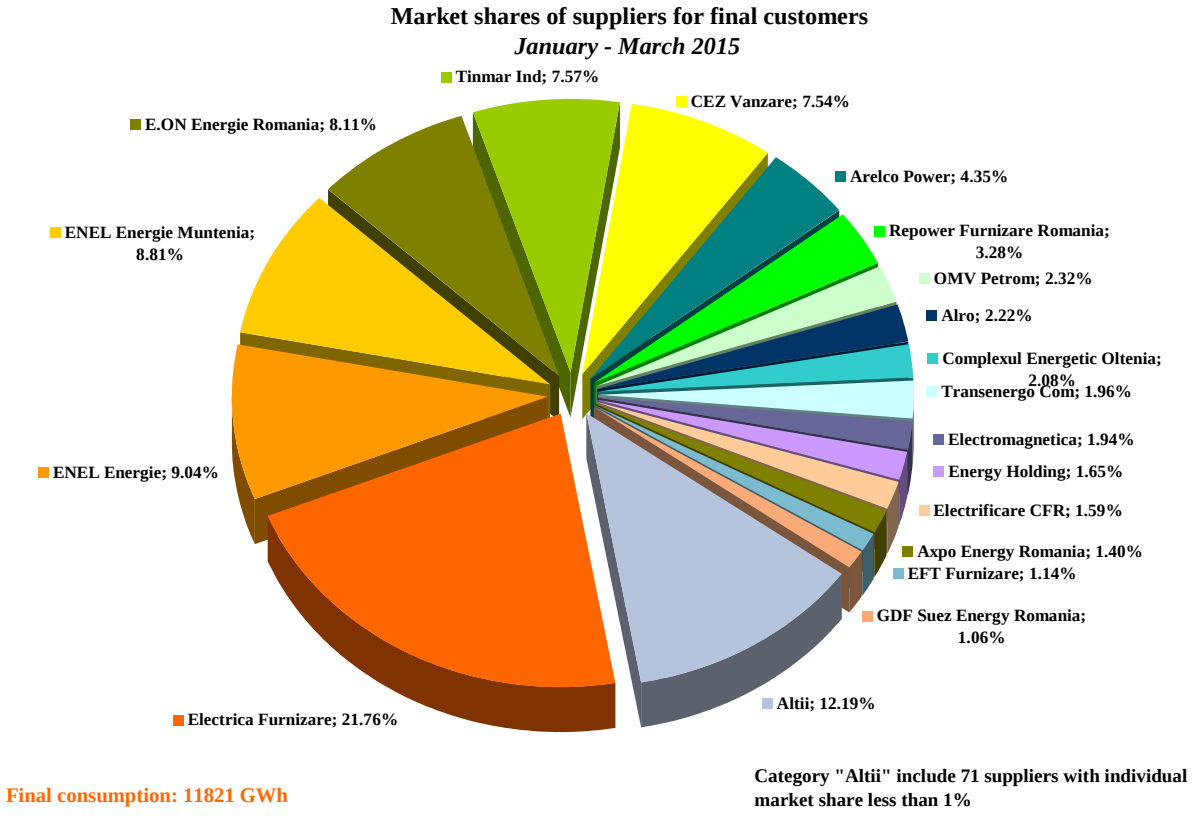


Source: Monthly reports of the final customers' suppliers – processed by MG

3. Market shares of the electricity suppliers

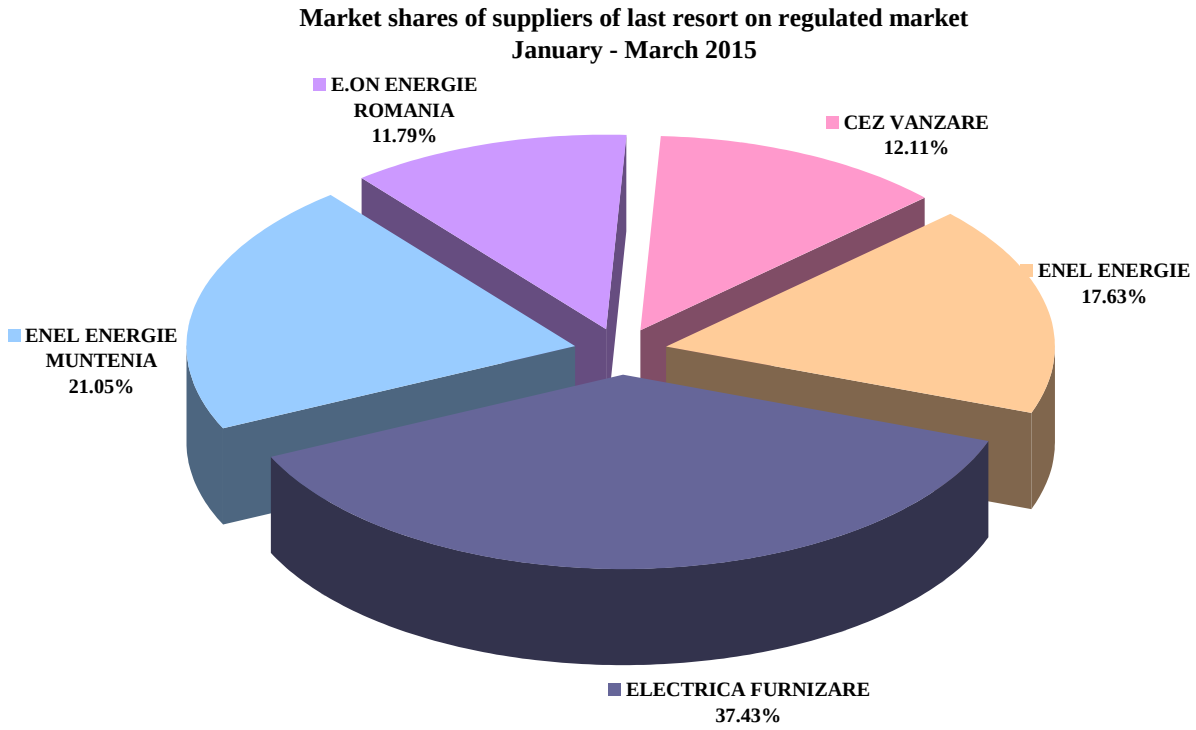
In the following three graphs there are presented the market shares of electricity suppliers on the retail market, calculated:

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;

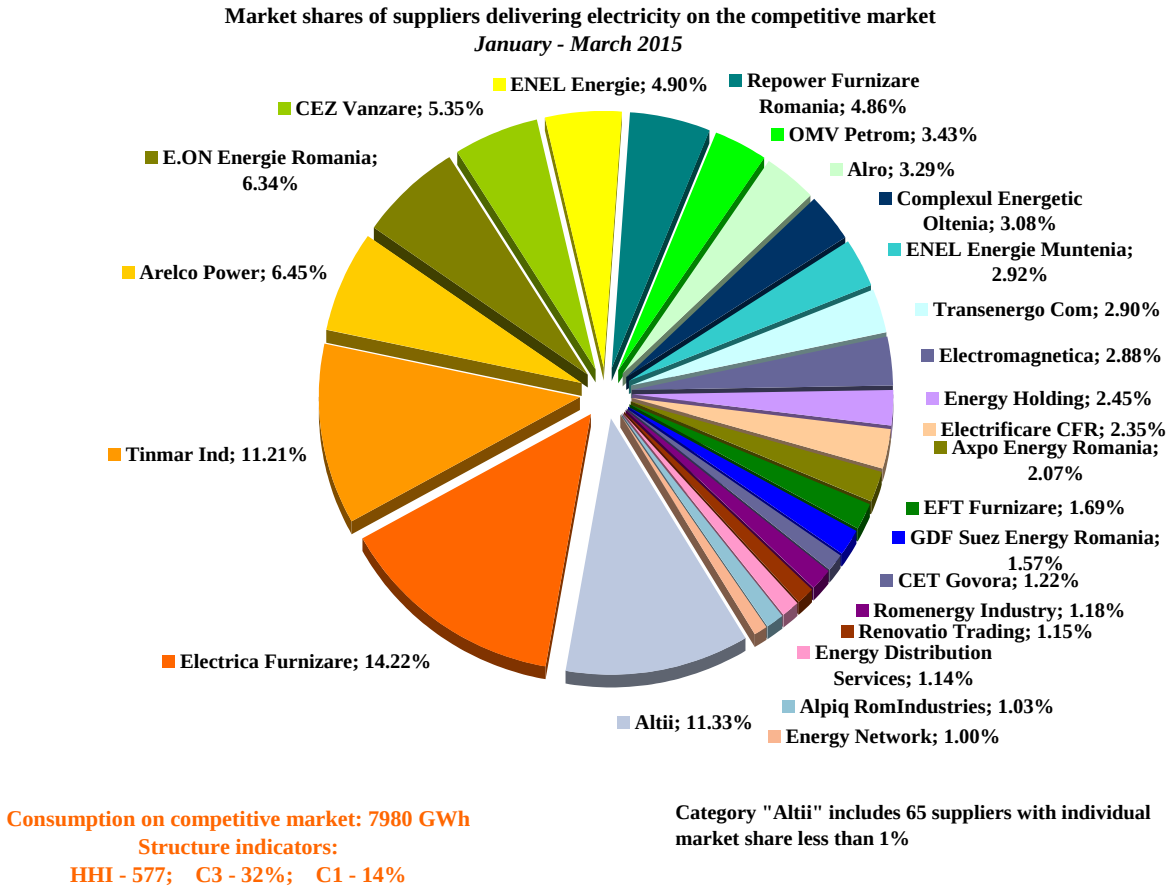


Consumption of customers supplied at regulated tariffs and CMC: 3840 GWh

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.

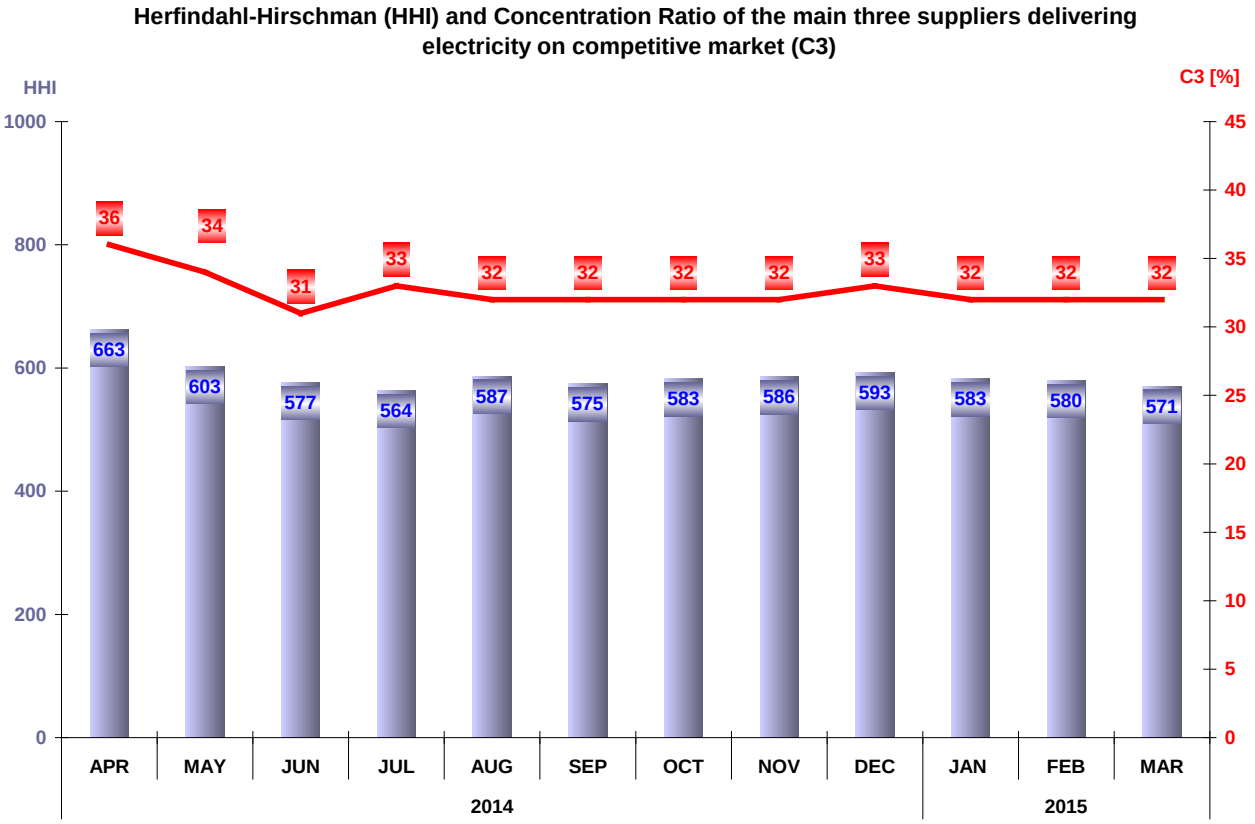
The electricity supplied to the final customers used for calculating the market share of every supplier includes also the self-consumption of that particular supplier (e.g. customers with supply license who buy electricity for themselves from WEM as competitive suppliers).

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 March 2015:

Number of suppliers	Share of sales to final customers from total sales transactions			
	100%	75% - 100%	50% - 75%	<50%
Competitive	10	18	10	22
Of last resort	1	3	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 March 2014 – March 2015 in the following graph:



Source: Monthly reports of the suppliers – processed by MG

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

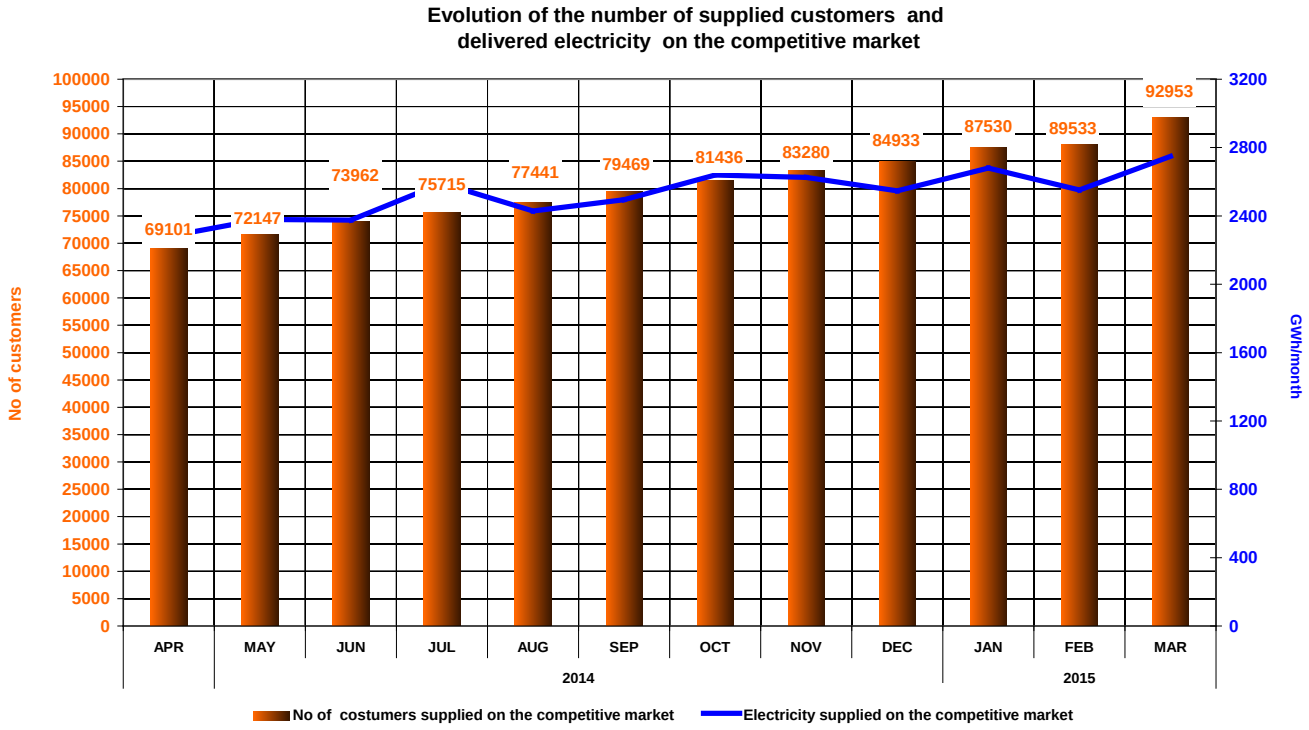
Indicators - March 2015	Consumer category							Total REM
	IA	IB	IC	ID	IE	IF	Other	
C1 - % -	35	26	24	17	18	24	20	**14**
C3 - % -	78	54	42	34	39	49	48	**32**
HHI	2290	1287	948	663	792	1187	1077	**571**
Consumption - GWh -	65	315	292	693	366	184	833	**2748**
No. of SUPPLIERS	58	72	66	58	29	14	22	**84**
No. of suppliers of last resort	5	5	5	5	3	3	3	**5**
No. of competitive suppliers	42	54	50	47	24	9	14	**60**
No. of producers	11	13	11	6	2	2	5	**19**

Source: Monthly reports of the suppliers – processed by MG

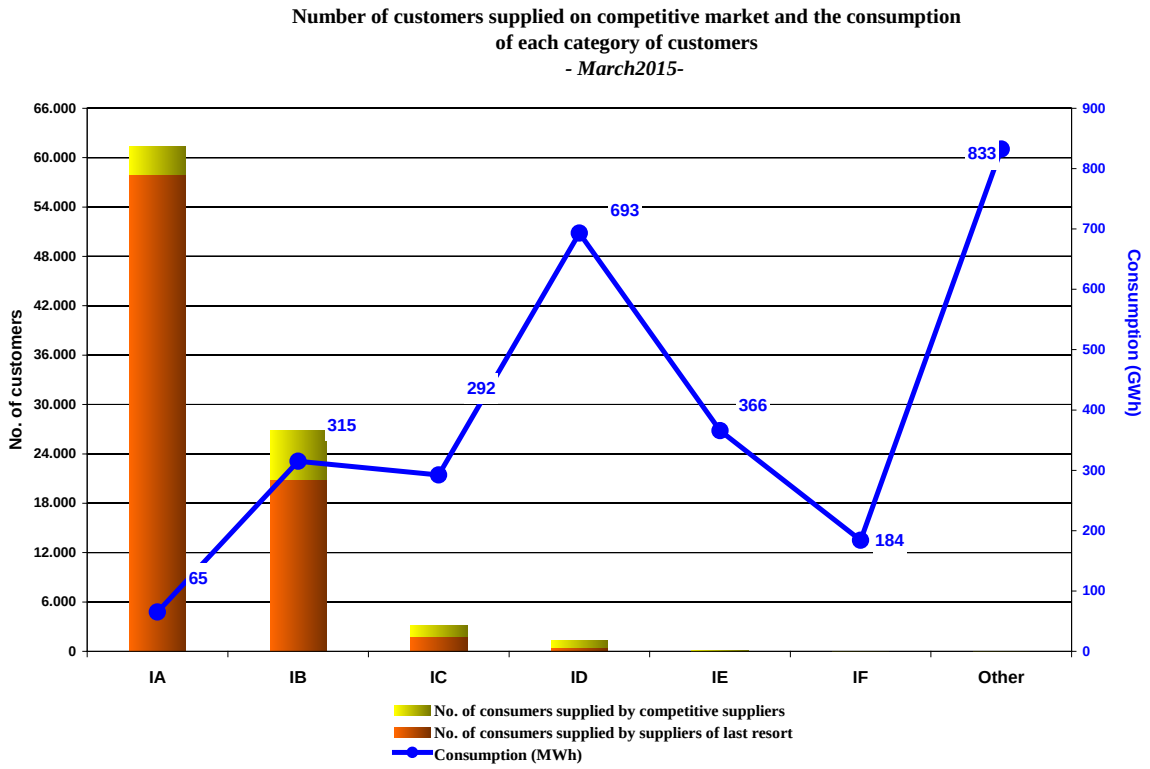
5. Evolution of customers' number and of electricity delivered

Number of customers supplied on the competitive market is presented as total value from the beginning of the market opening process; for March 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	



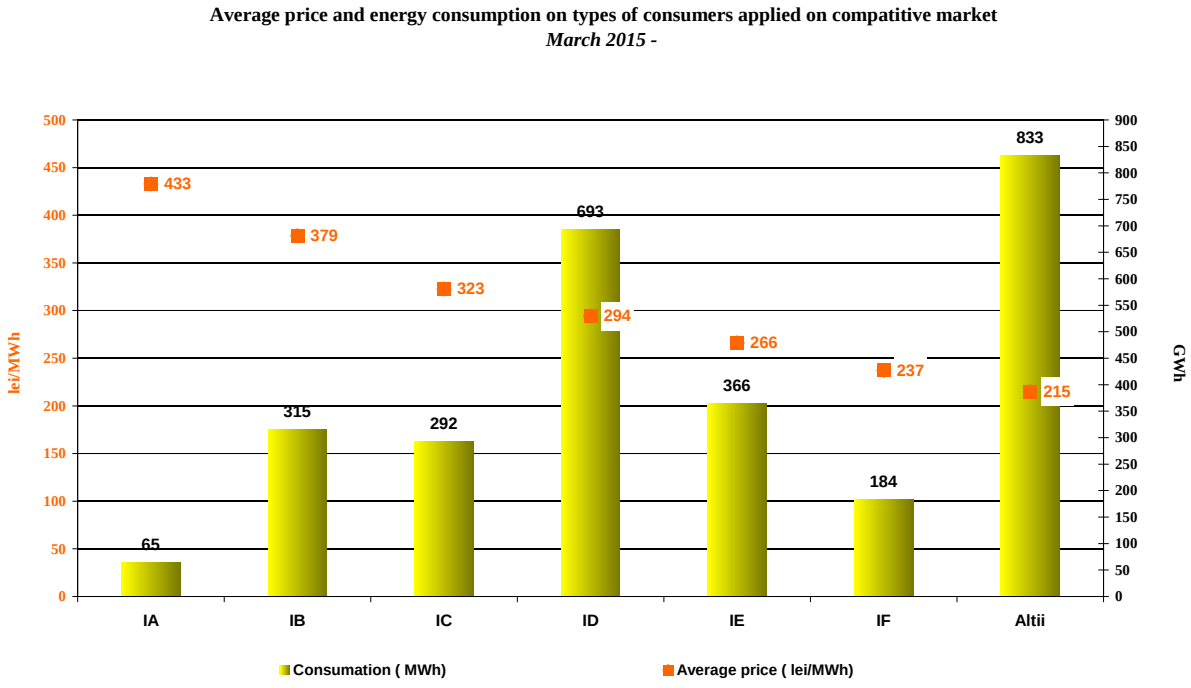
Source: Monthly reports of the competitive suppliers – processed by MG



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 March 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.

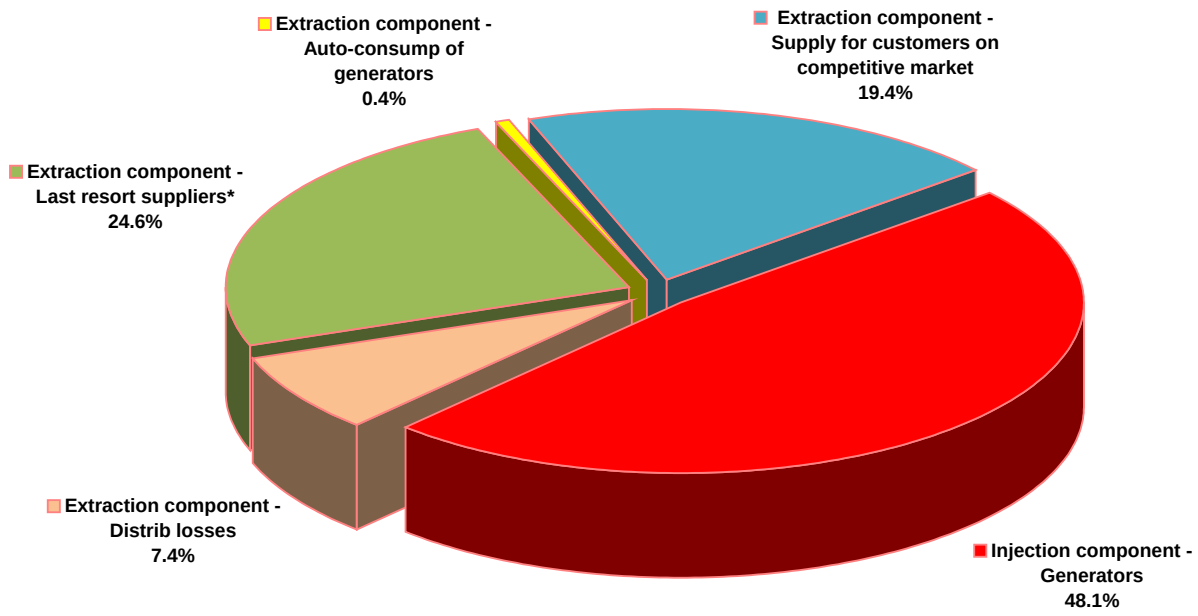
IV. TRANSMISSION AND SYSTEM OPERATOR C.N. TRANSELECTRICA S.A.

CN Transelectrica SA performs the electricity transmission service at regulated tariffs, which 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 CN Transelectrica SA revenues from performing the transmission services and reflects the structure of its clients benefiting from this type of service in March 2015.

CNTEE Transelectrica SA structure of revenues from transmission services
- March 2015 -

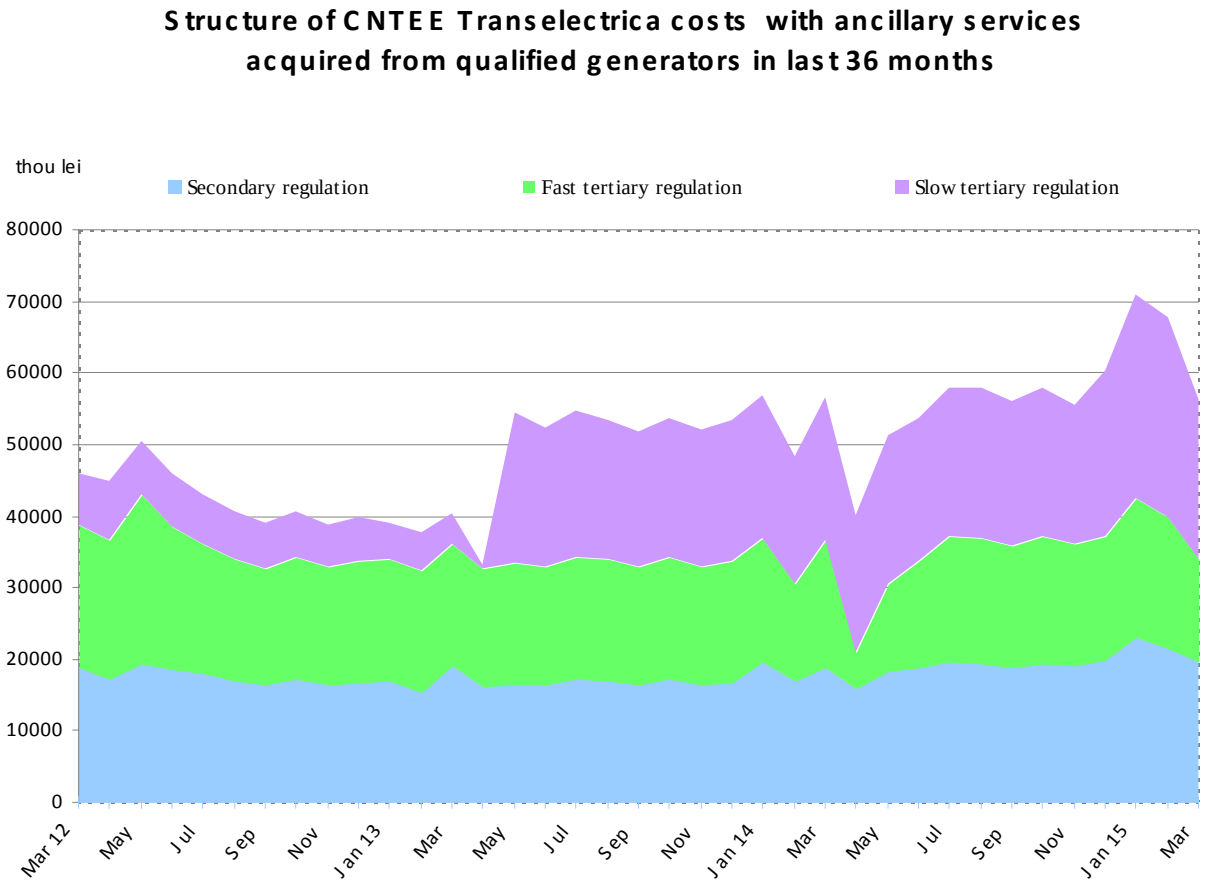


*** for electricity extracted from their own licence areas as well as from other areas**

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

In order to perform the system operator tasks, CN 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).



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

V. EVOLUTION OF MARKET RULES IN MARCH 2015

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

- ANRE Order no. 13/04.03.2015 on approving the general conditions associated to trading electricity license;
- ANRE Order no. 15/18.03.2015 on approving the methodology for establishing and adjustment of high efficiency electricity and heat produced and delivered from cogeneration plants prices, and for high efficiency bonus value;
- ANRE Order no. 17/18.03.2015 on approving the Regulation for taking over by suppliers of last resort customers places which have not ensured electricity supply from any other source;
- ANRE Decision no. 618/18.03.2015 on approving the quantities produced in highly efficient cogeneration units which benefit of bonus scheme in February 2015.

VI. EXPLANATIONS AND ABBREVIATION

1. Explanations

- *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.
- *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.
- *Competitive supplier* represents the supplier which is active on the competitive retail market.

2. Abbreviation

- MG – Monitoring Group
- EEX – European Energy Exchange – Leipzig. Germany. www.eex.de
- EXAA – Energy Exchange Austria. www.exaa.at
- DAM – Day Ahead Market
- BM – Balancing Market
- ASM – Ancillary Services Market
- MCP – Market Clearing Price
- BRP – Balancing Responsible Party
- TG/TL – injection / extraction component of the transmission tariff
- CMBC – centralised market of bilateral contracts
- CMBC-CN – centralised market for partially stardardised bilateral contracts with continuous negociation
- CM-OTC - centralised market for bilateral contracts approved prior to participation in trading session, with contracts based on EFET standard contract
- PCSU – centralised market of universal service (Romanian abbreviation)
- 4M MC – marlet coupling through price on spot markets from Romania, Hungary, Slovakia and Czech Republic
- NES – National Energy System
- WEM – Wholesale Electricity Market
- REM – Retail Electricity Market
- RCE – Romanian Commodities Exchange