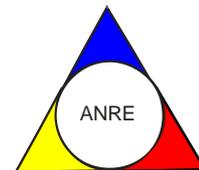




THE ROMANIAN ENERGY REGULATORY AUTHORITY



The Romanian Energy Regulatory Authority

A Short Presentation

Regulatory authorities for both electricity and natural gas sectors were established in Romania (the electricity regulator ANRE in 1998 and the natural gas regulator ANRGN in 2000) with the mission to create and implement the appropriate regulatory system to ensure the proper functioning of the electricity and natural gas sector and markets. In 2007, the two regulatory bodies merged under the name of the Romanian Energy Regulatory Authority (ANRE) and in 2010 ANRE took over the activity of the Romanian Agency for Energy Conservation (ARCE), therefore assuming the responsibility to monitor and implement energy efficiency measures and promote the use of renewable energy sources to the final consumer.

With the purpose to further open up the gas and electricity markets in the European Union, in July 2009 the European Parliament and the European Council adopted the European Union's Third Energy Package whose transposition in national legislation was completed in 2012, as follows: in June when the Parliament passed the Electricity and Natural Gas Law (Law No. 123/2012) and in October when the Parliament passed the Law regarding the organisation and functioning of ANRE (Law No.160/2012).

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

ANRE is headed by a President and two Vice-presidents appointed by the Romanian Parliament for a period of 5 years, a mandate that can be renewed only once.

ANRE's activity is based on its own rules of organization and operation, approved by ANRE President's order.

On behalf of ANRE, the president shall submit annual activity report which will be discussed, without being subject to the vote, in the joint session of both Chambers of Parliament.

ANRE prepares an annual report on the determination of prices and tariffs approved for the following year and submits it to both Chambers of Parliament by 1 November of each year.

Significant developments in energy efficiency sector, according to the Law No. 121/2014 on energy efficiency was established the Energy Efficiency Department within the Romanian Energy Regulatory Authority.

The regulatory activity of ANRE in energy efficiency sector, focused mainly on: the implementation of the provisions of the Third Energy Package, elaboration of secondary legislation, energy auditors authorisation and energy managers certification, activities regarding the projects funded by Energy Intelligent Europe Programme.

The Regulatory Committee

ANRE regulations are approved by a Regulatory Committee appointed by the Romanian Parliament and consists of 7 members, including the President and the two Vice-Presidents. Upon the appointment of the first Regulatory Committee after the entry into force of the Law regarding the organisation and functioning of ANRE, one Vice-President and two other members will have a mandate of two and a half years set by Parliamentary Appointment Decision.

The Advisory Council

The Regulatory Committee is assisted by an Advisory Council whose mission is to ensure the harmonization of interests of both sector undertakings and consumers, assess the impact of ANRE regulations and make suggestions for improvement. The Advisory Council consists of 13 members appointed by Prime Minister decision. It represents employer associations, trade unions in the sector, local public administration associations, professional organisations, consumer associations, the Competition Council and the Romanian Authority for Consumer Protection.

ANRE Main Tasks and Competencies

ANRE General Objectives in the Electricity and Natural Gas Sectors

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

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

ANRE Regulations

ANRE orders and decisions on regulatory activities are related to:

- ❖ Granting/modifying/suspending/refusing or withdrawing of licenses or permits;
- ❖ Approving the regulated prices and tariffs and/or the associated calculation methodologies;
- ❖ Approving technical and commercial regulations for the safe and efficient operation of the electricity, heat and natural gas sectors and markets;
- ❖ Approving/endorsing the documents issued by the regulated undertakings under the legal provisions in force;
- ❖ Granting/modifying/suspending/refusing or withdrawing of certifications/authorizations to legal and natural persons unfolding specific activities in the electricity and natural gas sectors;
- ❖ Approving other regulations, norms, studies, documents as provided by the legislation in force.

It is mandatory that the orders and decisions accompanied by the associated instruments of motivation, prepared in compliance with the existing legal provisions be discussed in the Regulatory Committee and adopted by a majority vote.

Orders and decisions are mandatory for all parties until a final and irrevocable Courts decision to the contrary is pronounced, if not revoked by the issuer.

If ANRE decisions contain commercially sensitive information, ANRE shall maintain the confidentiality of this information upon publication.

In the exercise of the regulatory powers, regulations of general interest are approved through ANRE orders and are published in the Official Journal of Romania, Part I.

ANRE establishes its own procedure for conducting public consultations, taking into consideration the provisions of Law No. 52/2003 on the transparency of the decision-making process in public administration, and with the publication of the public consultation responses on ANRE website.