

## Romania amends electricity-gas law

### **The Romanian government has amended Electricity and Gas Law 123/2012 through an emergency ordinance published in the Romanian Official Gazette on 1 July 2020.**

As a result of the ordinance, the main changes in the natural gas sector include a gas-release programme applicable between 1 July and 31 December 2022, which is intended to replace the previous centralised market trading obligation whereby all market participants were bound to conclude gas contracts (for a set quota) on centralised platforms, such as the Romanian Gas and electricity Market Operator (OPOCM) and the Romanian Exchange Market (BRM).

The new obligations apply to all wholesale gas market participants, both for purchasing and selling, and include the following:

- Between 1 July 2020 and 31 December 2022, all participants in the wholesale natural gas market (except producers with more than 3 TWh annual production) have the obligation to offer (i.e. to buy or sell) on centralised markets a quota of the natural gas contracted/delivered in a certain year.
- Between 1 July 2020 and 31 December 2022, producers with more than 3 TWh annual production have the obligation to put on offer on centralised markets the sale of 40% of their previous year's recorded gas production (minus technological consumption and internal consumption), subject to the rules set by the National Energy Regulator (ANRE). This obligation also applies to offshore gas producers and in fact appears to apply for now to top producers, Romgaz and OMV Petrom.

On 1 July 2020, ANRE published two draft orders, currently under public consultation, which regulate obligations for making offers on the centralised market. The draft orders provide all wholesale market participants with a mandatory offering quota of 40%.

According to the obligation, an offer should not result in a concluded contract unless a transaction is actually performed on the platform (i.e. the offer has been accepted). The regulations include standard offering products (i.e. monthly, quarterly, half-year, seasonal and annual) and the provision of details on the transaction process.

Further to the full liberalisation of the gas market in July 2020, the government has also decided to eliminate the gas storage obligation applicable to natural gas suppliers. (This obligation will be applicable only in the "gas year" 2020 to 2021).

Additional provisions have been included to relax supply conditions so that suppliers are no longer restricted to physical selling points. (Previously, supplies were limited to a 50 km area around their physical location). As a result, suppliers can sell via virtual trading points, which they are able to establish under certain conditions.

For more information on this law and Romania's energy industry, contact your regular CMS advisor or local CMS experts: [Varinia Radu](#) and [Ramona Dulamea](#).