

Law-Now: Romania introduces new balancing rules for the electricity market

On 1 September 2020, Romania enacted ANRE Order 61/2020 (Order 61), which approves three regulations – the Regulation on the scheduling of dispatchable production units, dispatchable consumers and dispatchable storage facilities; the Regulation on the operation and settlement of the balancing market; and the Regulation on the calculation and settlement of imbalances of parties responsible for balancing.

Order 61 sets the following technical price limits:

- a price floor equal to the RON equivalent of EUR -99,999/MWh; and
- a cap equal to the RON equivalent of EUR 99,999/MWh that does not influence trading in any way.

In addition, Order 61 implements a one-hour settlement interval. From a practical point of view, the price on the Balancing Market is now freely determined by the supply-demand mechanism and can reach negative values.

Context: Commission Regulation (EU) 2195/2017 establishing the guidelines on the balancing the electricity system provides that imbalances are to be settled according to a method based on a single imbalance price(Art.52).

In response to Article 52, on 25 November 2020 ANRE issued Order 213/2020 (Order 231), which approves the regulation for the calculation and settlement of imbalances for those parties responsible for balancing and for the single price of imbalance.

Order 213 introduces a method for settling the balancing of responsible-party imbalances **by applying a single settlement price with an application date correlated with the implementation date of the 15-minute settlement interval.**

The new method will enter into force on 1 February 2021. Until 31 January 2021, the settlement interval will be one hour; after 1 February 2021, it will be 15 minutes.

Subsequently, on 16 December 2020, ANRE approved an amendment to Order 213 (supplementing the Regulation approved by it) with a calculation method for two prices – a deficit price and surplus price. These are to be applied in the settlement intervals in which the imbalance area is almost balanced, as it was appreciated that for such cases, the single price imbalance mechanism is not the most efficient method of settling imbalances of the parties responsible for balancing, from an economic point of view.

For more information on the new balancing rules introduced into the Romanian electricity market, contact your CMS partner or local CMS experts: **Varinia Radu, Ramona Dulamea and Raluca Diaconeasa.**