

## CMS | Romania announces new framework for hydrogen energy integration



**The Romanian parliament has recently adopted a new law on the integration of hydrogen from renewable and low-carbon sources in the industry and transport sectors. The long awaited Hydrogen Law establishes obligations on fuel suppliers to provide fuels from renewable sources and sets minimum percentages of hydrogen from renewable sources in fuel used in Romania.**

The priority of the Hydrogen Law is to increase the country's energy production capacity and to strengthen Romania's energy security, thus achieving the targets set by Romania's National Recovery and Resilience Plan (PNRR) for regulating the hydrogen market in Romania.

According to the Hydrogen Law, the fuel suppliers must ensure until 2030 that the energy value from the amount of non-biological renewable fuels supplied to the market in Romania and used in the transport sector during one year is at least equal to 5% of the energy content of all fuels supplied for consumption or market use in Romania.

In addition, each fuel supplier is obliged to ensure that the energy value from the amount of non-biological renewable fuels and electricity from renewable sources used for electro-mobility supplied on the market in Romania and used in the transport sector in the period for 2024 to 2029 is the following percentages of energy content of all fuels placed on the market in Romania in that year:

- at least equal to 0% in 2024;
- 0.5% in 2025;
- 1% in 2026;
- 2% in 2027;
- 3% in 2028;
- 4.5% in 2029.

Not complying with these targets will result in a fine calculated by multiplying each megajoule (MJ) of fuel from non-biological renewable sources not achieved to reach minimum percentages with a value established by a government decision that cannot be less than RON 0.25 per MJ.

Targets have also been set for the industrial hydrogen consumers. According to the Hydrogen Law, each industrial consumer of hydrogen must ensure that out of the hydrogen used in industry:

- from 2030 onwards, at least 50% will be fuel from non-biological renewable sources or low carbon hydrogen and at least 42% from non-biological renewable resources; and
- from 2035 onwards, at least 75% will be fuel from non-biological renewable sources or low carbon hydrogen and at least 65% from non-biological renewable resources.

Failure to comply with these objectives is also sanctioned by a fine. The level of the fine is calculated by multiplying each MJ, which was not achieved with a value set by government decision that cannot be less than RON 0.17 per MJ.

To certify the achievement of these targets, the National Energy Regulatory Authority (ANRE) will issue Renewable hydrogen supply certificates and Low carbon hydrogen supply certificates, which correspond to an energy value of 120 MJ per certificate, are valid for 24 months and are tradable.

Industrial hydrogen consumers will have an obligation to submit to the Ministry of Energy a report containing information about the quantities and type of consumed hydrogen, the consuming industrial processes and their locations, the origin of the hydrogen consumed, the energy source used for its production, necessary quantities of renewable fuels of non-biological origin and low carbon hydrogen, strategy for procurement, necessary modifications to hydrogen-using industrial processes, and costs.

The first report will be drawn up and submitted by 30 June 2025 and every two years thereafter.

In addition, from the year 2031 onwards, each industrial hydrogen consumer will at the latest by 30 April of each year report the following information to the Ministry of Energy and ANRE: the energy content of hydrogen for energy and non-energy end-use purposes consumed by them with the exception of hydrogen used as an intermediate product for the production of conventional transport fuels and the energy content of non-biological renewable fuels and low carbon hydrogen consumed by them for energy and non-energy final purposes with the exception of non-biological renewable fuels used as an intermediate product for the production of conventional transport fuels.

A reporting obligation is also provided for fuel suppliers from the transport sector. Starting with 2025, not later than 30 April, the following information relating to the previous calendar year must be submitted to the Ministry of Energy and ANRE:

- the energy value of all fuels supplied for consumption or for use on the market in Romania for transport: petrol, diesel, natural gas, biofuels, biogas, renewable fuels of non-biological origin used in transport and recycled carbon-based fuels supplied or any other liquid or gaseous fuel supplied for transport;
- the energy value of non-biological renewable fuels supplied for transport, specifying the energy value of non-biological renewable hydrogen supplied to hydrogen vehicles at public refuelling stations;
- the energy value of non-biological renewable fuels supplied in the air and maritime transportation and the energy value of non-biological renewable fuels used as an intermediate product for the production of conventional fuels.

The Hydrogen Law is aligned with both the National Hydrogen Strategy and the European strategies for hydrogen development and REPowerEU.

Pending this new legislative framework, ANRE had already approved regulations aimed at introducing hydrogen into the natural gas distribution system. As a result of the need to carry out actions aimed at measures for the expansion of green hydrogen, at the end of April 2023 ANRE's Regulatory Committee approved ANRE's Order No. 63/2023 setting out the Rules required for the adoption of the Hydrogen Code.

As hydrogen is being regarded as a key component towards decarbonizing the energy sector, the Romanian Ministry of Energy has put under public consultation a draft National Hydrogen Strategy for 2023 - 2030. This Strategy is essentially an important step for the European Green Deal aim of reaching climate-neutrality by 2050.

The main target of the Hydrogen Strategy is the development of a hydrogen economy, with an emphasis on the evolution of renewable hydrogen production and to a lesser extent, low carbon hydrogen production. In this respect, the Strategy is promoting the following main directions: using green hydrogen in sectors that are difficult to decarbonise by other methods, ensuring economic growth through sustainable development of technologies for industries that are difficult to decarbonise, ensuring a long-term mobilization of the hydrogen economy, stimulating investments in the economy, using hydrogen and Power-to-X solutions to optimize integration of renewable energy sources.

**For more information on hydrogen and other forms of alternative energy in Romania, contact your CMS client partner or local CMS expert Varinia Radu.**