ANNUAL ACTIVITY REPORT

ROMANIAN ENERGY REGULATORY AUTHORITY

2022

CONTENT

ABBREVIATIONS

CBA – cost benefit analysis

ACER – European Union Agency for the Cooperation of Energy Regulatory Authorities

ARRF – tuning deviation when restoring frequency

ATC – available transport capacity

BRM – Romanian Commodity Exchange

CCM SEE – Capacity calculation methodology applied "South East Europe"

CPC – Competitive Market Component

CPT – Own Technological Consumption

CORE – capacity calculation region

DCC – Regulation (EU) 2016/1388 establishing a network code on consumer connection

ENTSO – E-European network of transmission and system operators in the field of electricity

ENTSO-G – European network of gas transmission system operators

ER – Regulation (EU) 2017/2196 establishing a network code regarding the state of emergency and the restoration of the power system

FUI – supplier of last resort

GLDPM – methodology for providing production and consumption data

HG – Government Decision

HHI – Herfindahl-Hirschman index

HVDC – Regulation (EU) 2016/1447 establishing a network code for high voltage direct current systems and generator modules in the plant connected to direct current

IT – high voltage

JT – low voltage

KORR – organizational requirements, roles and responsibilities regarding data exchange according to art. 40.6 of the Network Code regarding system operation (Proposal to all transmission and system operators regarding key organizational requirements, roles and responsibilities)

MGCCC – power plants made up of new generator modules, connected to the public interest electricity grids through high voltage direct current systems

MT – medium voltage

OD – distribution operator

OR – Network Operator

TSO – transport and system operator

GEO - Emergency Ordinance of the Government

PRE – Party Responsible for Balancing

PC-OTC – the centralized market of bilateral contracts with continuous double negotiation

PCCB – the centralized market of bilateral contracts

PCCB-NC – the centralized market of bilateral contracts with continuous negotiation

PCR – price coupling of regions

PE – balancing market

PI – market during the day

PZU – the market for the next day

RFP – frequency-power regulation

RRF – frequency restoration reserve

RI – replacement reserve

RfG – Regulation (EU) 2016/631 establishing a network code for generation installations

RCC SEE – Capacity calculation region "South East Europe"

RSF – reserve for frequency stabilization

REL – energy reservoirs with limited capacity

SEN – national electric power system

SNT – the national natural gas transportation system

SO GL – Regulation (EU) 2017/1485 establishing a guideline on the operation of the electricity transmission system

SU – universal service

UD – dispatchable unit

UI – last resort

URS – significant network users

I. REGULATORY ACTIVITY - ENERGY MARKET

REGULATIONS DEVELOPED DURING 2022 - Electric Energy

WHOLESALE ELECTRIC ENERGY MARKET

1. Order no. 65 of 31.03.2022 for the approval of the Regulation on the organized framework for electricity contracting by large final customers

The order aims to simplify the organized electricity contracting framework for large final electricity customers established by ANRE Order no. 55/2012.

The main changes to the rules that applied to the large consumer market are as follows:

- eliminating the obligation to use the framework contract;
- accepting the participation in this market of the transmission and system operator and the distribution operators for the purchase of own technological consumption;
- reducing the average power per settlement interval from 10 MW to 5 MW, for a better profiling of offers to end customers;
- the possibility that the initiator can opt for the variation of the contracted power per settlement interval by a maximum of 0.5 MW per settlement interval;
- minimum delivery time of one month;
- the option regarding full/partial trading of the initiating offer;
- simplifying the trading procedure by allowing only large end customers to participate in the initiating position and eliminating the possibility of multiple large end customers participating in the initiating position for the same trading session;
- elimination of the public negotiation stage, to simplify the process of purchasing electricity by large final customers;
- replacing the guarantees of participation in the auction with the payment of a penalty amount and with the suspension from the market for a determined period, simultaneously with the publication on the operator's website of the information about the inappropriate behavior on the market, measures similar to those within the future trading mechanisms .

2. Order no. 73 of 11.05.2022 for the amendment of the Regulation on the organized framework for contracting electricity by large final customers, approved by the Order of the President of the Romanian Energy Regulatory Authority no. 65 of March 31, 2022

The order takes into account the subsequent requests of electricity producers to complete the functional legislative framework for market participation of large final customers, respectively ANRE Order no. 65/2022. Thus, it was foreseen the possibility of introducing sales initiator offers by the producers participating in the market.

Also, the specification that the final large customer of electricity includes the transmission and system operator and the distribution operators that purchase, individually or through aggregation, electricity to cover their own technological consumption from the networks they exploit, for to avoid the resale by the operators of the electricity bought on this market, based on the license held. They can participate in the market from the position of final customer, which, according to the definition in the Law, represents any natural or legal person who buys electricity for their own consumption.

3. Order no. 79 of 08.06.2022 for the approval of the Regulation on the organization and operation of the electricity forward contracts market organized by the company Bursa Română de Mărfuri S.A.

The order envisages the establishment of an organized framework for electricity trading on the electricity futures market, through trading platforms managed by the company Bursa Română de Mărfuri SA.

The order establishes rules that refer to:

a) specific requirements for participation and trading in the electricity futures contract market;

b) the trading mechanisms for the electricity futures contract market;

c) the conduct of trading sessions and the stages of the trading process;

d) correlation of orders;

e) the transparency of the electricity future contracts market.

The main measures established by the regulation are the following:

- organizing trading sessions for standard products in terms of daily delivery profile, power per settlement interval, energy delivery period (1 month/quarter/semester/year);
- the characteristics of standard products traded on BRM are as follows:
    - the last day on which transactions can be concluded on a standard product is at the latest the second business day before the first day of delivery;
    - the transfer of ownership of electricity is carried out on the basis of the trading report issued by BRM's trading systems;
    - the object of the transaction is represented by a standard contract or a multiple of standard contracts, and the elements that can be modified by the participant/broker during trading sessions are the price per standard contract and the number of standard contracts traded;
    - the price and number of standard contracts related to a concluded transaction remain fixed during the duration of the contract.
    - the trading mechanisms used in the market organized by BRM are: single competitive and double competitive;
- the possibility of trading through the counterparty is also foreseen, the transactions carried out determining the firm obligation of the selling participant to deliver the electricity, respectively the firm obligation of the buying participant to take over the electricity;
- conducting and guaranteeing the transactions performed is done according to the regulations of the counterparty.

4. Order no. 92 of 29.06.2022 regarding the amendment and completion of the Regulation for the calculation and settlement of imbalances of the parties responsible for balancing – single imbalance price, approved by the Order of the Romanian Energy Regulatory Authority no. 213/2020 and for the amendment of some orders of the president of the Romanian Energy Regulatory Authority

Following the application of ANRE President's Order no. 213/2020, with subsequent amendments and additions, of the provisions of art. 21 para. (3) from the Electricity and Natural Gas Law no. 123 of July 10, 2012, with subsequent amendments and additions, of the expiration of the exception regarding the provisions of art. 55 para. (4) and (5) of Regulation (EU) no. 2017/2195 starting on July 24, 2022, it turned out that it is necessary to modify several articles or complete with new articles

the Regulation on the calculation and settlement of imbalances of the parties responsible for balancing - single imbalance price approved with ANRE Order no. 213/2020, with subsequent amendments and additions, namely:

- the introduction of some articles on the distribution of additional costs/revenues from balancing the system, a methodology that ensures compliance with the financial neutrality of the TSO in the process of settlement of imbalances in compliance with the provisions of art. 55 para. (4) and (5) of Regulation (EU) no. 2017/2195. The application of the rules for the distribution of additional costs/revenues from balancing the system is carried out starting with the settlement month of June 2022 in order to avoid a settlement for this month with certain rules until July 24 and different rules for the other period of July;
- the reduction from 6 months to 2 months of the term in which the participant can request a reasoned correction of the settlement, from the posting of the information note for the settlement on the dedicated IT platform;
- implementation of the limit of 400 kW installed power for prosumers, from which the supplier no longer assumes responsibility for balancing.

The order also establishes an amendment to art. 19 of the Commercial Rules regarding the collection, processing and transmission of measured electricity values approved by the Order of the Romanian Energy Regulatory Authority no. 62/2020, with subsequent amendments, to include the limit of 400 kW of power installed at prosumers for which the rules for adding up measured values and approved measured values apply according to the provisions of art. 21 para. (3) from the Electricity and Natural Gas Law no. 123 of July 10, 2012, with subsequent amendments and additions.

5. Order no. 117 of 21.09.2022 for the approval of the Regulation on the organization and operation of the electricity forward contracts market organized by the company Bursa Română de Mărfuri S.A.

The Order constitutes an update of the current version of the Regulation by introducing new products for trading, namely:

i) multiple of a day, respectively the full period of at least 2 consecutive delivery days starting at the earliest with the second calendar day following the day of conclusion of a transaction; the product is tradable only with delivery in lane;
ii) 1 week; the product is tradable only with delivery in lane;
iii) the balance of the month, respectively the period formed by the rest of the delivery days within a current calendar month, starting with the second calendar day following the day of the conclusion of a transaction; the product is tradable only with delivery in lane;

Also, the structure of the text has been simplified, the operational elements being integrated into a trading procedure developed and published by the BRM on its own website.

6. Order no. 121 of 28.09.2022 for the amendment of some Orders of the president of the Romanian Energy Regulatory Authority regarding the electricity market

The purpose of the order was to extend the term from which the provisions of ANRE President's Order no. 127/2021, from October 1, 2022 to October 1, 2023, in order to allow CNTEE Transelectrica SA:

- implementing changes to the configuration of the existing PE platform according to the provisions of the Regulation on terms and conditions for balancing service suppliers and frequency stabilization backup suppliers;
- expanding SCADA functions by implementing new functions and software changes in the EMS – SCADA IT system;

- carrying out the necessary tests for participants in the Balancing Market to adapt to the new market instruments;

Thus, the extension of the term for modifying the configuration of the existing PE platform, according to the requirements of the Regulation on the clauses and conditions for the parties responsible for balancing, was achieved from 9 months to 1 year and 6 months following the arguments presented by CNTEE Transelectrica SA regarding the activation of to the IT service provider of the Force Majeure clause of the Balancing Market Platform Service Agreement – DAMAS II for a period of at least 6 (six) months due to the war in Ukraine.

Also, a series of changes were made to clarify the text of the regulation.

Regarding ANRE Order no. 128/2021, the deadline for its application was extended from October 1, 2022 to October 1, 2023, in order to align with the provisions of ANRE President's Order no. 127/2021.

7. **ANRE order no. 124 of 05.10.2022 for the approval of the Rules for the management of congestion through the market-based use by network operators of the flexibility of resources in the distribution networks and those in the transport network, of the Rules applicable to the purchase of reactive electricity for regulating the voltage in the regime stationary by the transmission and system operator and of the Rules applicable to the purchase of reactive electricity for voltage regulation in stationary mode by concessionaire distribution operators and for the amendment and completion of the Order of the President of the Romanian Energy Regulatory Authority no. 127/2021 for the approval of the Regulation on terms and conditions for balancing service suppliers and for frequency stabilization backup suppliers and the Regulation on terms and conditions for parties responsible for balancing**

The purpose of the order is to regulate the principle of solving by market methods and in a unitary and correlated manner by TSOs and ODs network congestions and the purchase of system services that do not aim at frequency stability (namely reactive energy for voltage regulation), through the non-discriminatory use of all technically pre-qualified resources and from the point of view of the network, individually or through aggregation, so as to ensure the most extensive use of their flexibility, if this is more efficient from an economic point of view than the expansion/modernization of the network and related equipment.

8. Order no. 134 of 19.10.2022 for the approval of the General Rules on organized electricity markets in the term

The order had in mind the simplification of the organized electricity contracting framework, by drawing up some framework rules, with general provisions/requirements, based on which each operator of the electricity market should draw up specific regulations for the organization and administration of their own markets.

The order establishes rules that refer to:

a) description of the characteristics of each market segment, respectively:
   i) for the standardized forward products market, products are defined by:
      - minimum power per settlement interval (to be set by the OP, for each type of standard product traded), delivery duration, clearly defined as delivery start and end date, daily delivery profile: delivery at constant power in the band/ constant power delivery during peak load hours/constant power delivery during evening peak hours/constant power delivery during off-load hours/constant power delivery during any other period of the day consisting of several consecutive hours;

- the sale-purchase contract proposed by the participant, the offer being characterized by at least the following elements: the duration of the delivery, respectively the start date and the completion date of the delivery, the minimum power per settlement interval and the daily delivery profile;
- bidding and trading are conducted anonymously or on the basis of eligibility lists notified to the OP prior to trading;

ii) for the flexible futures market, products are defined by:

- each initiator/co-initiator participant defines its own offer for the sale or purchase of electricity of the initiator must comply with the following characteristics:
- the duration of the delivery, respectively the start date and the completion date of the delivery;
- quantity per electricity settlement interval/daily delivery profile defined by the bidder and subsequently the total quantity of electricity, which can be: delivery at constant power in the band/delivery at constant power at peak load hours/delivery at constant power at off-load hours or other daily delivery profiles, i.e. any period of the day consisting of at least 3 consecutive hours of constant power delivery; the daily delivery periods related to each delivery profile are clearly defined as start time and end time by the OP;
- the minimum requested price, in the case of a sale offer, respectively the maximum price offered, in the case of a purchase offer;
- the option between full trading with a single participant and partial and/or with several participants of the offered quantity;
- the option regarding the use of a price adjustment formula for awarding the contract/contracts depending on the evolution of a public stock market index in the field of electricity, including the related formula;
- the option regarding the percentage of maximum variation of the quantity per settlement interval compared to the value provided in the offer.

iii) for the electricity derivatives market settled by physical delivery:

- product name and symbol;
- contract size and number of contracts;
- the maturity of the contract;
- trading currency;
- the trading period defined by: the first trading day and the last trading day of the product;
- the rating step;
- daily settlement price and final settlement price;
- the rules applicable to physical settlement, corresponding to each traded product.

b) the introduction of the concept of a liquidity provider which, in situations of low liquidity on the market, activates its services, at the request of the PO, in compliance with certain conditions, respectively: to offer a certain amount of electricity, defined by the PO, both for sale and upon purchase, within a certain agreed time frame;
c) publication of relevant information related to transactions;
d) publication of the tariffs applied by the electricity market operator.

9. ANRE approval no. 21 of 08.06.2022 for the operational procedure regarding the operation of the day-ahead electricity market

The procedure was initially approved by ANRE with Notice no. 6/2021, then updated with the characteristics of the coupling project for the Romania-Bulgaria border and approved with ANRE Opinion no. 10/2021.

Given the fact that on June 8, 2022, flow-based day-ahead market coupling was launched in the Core capacity calculation region (term agreed by TSOs within the Core RCC working group of May 16, 2022 and publicly announced on the web page of the Allocation Platform - JAO), was updated, for compliance with the applicable European legislation, the procedure referred to above, applicable at the national level.

The procedure describes the main features of the day-ahead market: the general aspects of the auction mechanism, the rules of market participation, the range of threshold prices, the types of offers that can be traded, the meaning of trading at negative prices, how to match offers through the auction mechanism default agreed for the single European coupling solution (SDAC), the way the price is determined by the coupling algorithm, the size of the trading interval (hour), the electronic documents (settlement notes, physical notifications) made available to the participants after trading, the operation in special situations (the delay in the coupling process, the partial/total decoupling regime), the transparency approach, the synthesis of the rights and obligations of the market participants and those of the market operator.

THE RETAIL MARKET OF ELECTRIC ENERGY

1. Order no. 91 of 23.06.2022 approving the Regulation on the last resort supply of electricity

The regulation on the last resort supply of electricity mainly establishes:

- the method of designation of suppliers of last resort (FUI);
- the method of establishing for each month the nominated FUI which has the main role of automatically taking over (without an express request in this regard) the end customers who have no longer ensured the supply of electricity;
- the method/conditions for taking over by FUI of end customers who have no longer ensured the supply of electricity;
- the method of invoicing by FUI of the electricity consumption of the final customers taken over.

Considering the current context on the electricity market in Romania, it was necessary to adopt some measures to ensure the continuity of electricity supply to final customers and a better management of the flow of customer takeover by FUI.

Thus, through the Regulation on the last resort supply of electricity, changes were made to the regulatory framework, among the most important being the following:

1. The introduction of the obligation of the FUI that has the largest market share in a network area, to take over the places of consumption that, on the date of entry into force of the ANRE President's Order no. 91/2022 did not have a supply contract and were not disconnected;
2. The introduction, during the period of application of GEO 27/2022, of an alternative system for the nomination of FUI that automatically takes over customers, consisting of a monthly rotation system. Thus, the FUI list is established in descending order of market share, each FUI in the list being nominated in turn - monthly, to automatically take over the customers who remain without a supplier in that calendar month. At the same time, for the periods when no support measures are imposed by the primary legislation, the nomination system implies the obligation of the FUI to transmit the final price at least 7 days before the month for which the nomination is made, so that the Nomination List of FUI must be known within a period that allows the transmission of the takeover request;

3. The introduction of the automatic takeover by the nominated FUI of non-household customers with a power approved by the technical connection notice/connection certificate of no more than 1 MVA, in the event of termination of the electricity supply contract by reaching the deadline or by termination by the current supplier;
4. Limitation of the period in which a customer can be in the portfolio of an FUI, respectively 12 months in the case of domestic customers and non-domestic customers with a power approved by the technical connection approval of up to 1 MVA, and 6 months in the case of non-domestic customers with an approved power through the technical approval for connection of over 1 MVA. 30 days before the date of termination of the contractual relationship, FUI notifies the customers of the termination of the supply of electricity, or as the case may be, the extension of the supply period, specifying the period for which it ensures the supply of electricity. However, if at the end of the period, customers have not been able to conclude a contract on the competitive market, they can still benefit from the services of an FUI, if they so request;
5. Introduction of the provision according to which, during the validity period of the contract concluded with FUI, the customer cannot switch to another FUI, but only to a competitive supplier;
6. Establishing the invoicing UI price after receiving from OPCOM the imbalances determined based on the measured and approved values related to a month, so that invoicing takes into account the actual purchase price.

2. Order no. 97 of 29.06.2022 approving the Methodology for establishing the tariffs applied by the designated Operator of the electricity market

The methodology regulated the way of calculating the tariffs charged by the designated operator of the electricity market, corresponding to the services provided to carry out the activities of organization and administration of the intraday coupled electricity market and the coupled day-ahead electricity market and the review conditions/ adjustment of tariffs charged by the designated Operator of the electricity market.

The Order stipulates that the Methodology applies only in the case of the existence in the Romanian bidding area of a single OPEED designated by the Romanian Energy Regulatory Authority, in accordance with the provisions of art. 4 para. (3) of EU Regulation 2015/1222 or in accordance with the provisions of art. 43 of the Electricity and Natural Gas Law no. 123/2012, with subsequent amendments and additions, in any other situation where a single designated OPEED operates in the Romanian bidding area.

The order provides:

- The method of determining the recognized income of OPEED, specifying the main categories of expenses taken into account in the justified costs, necessary for OPEED to carry out the activity and the expenses that will not be included in the justified costs;
- The method of establishing corrections and their recovery from previous tariff periods. Distinct calculation formulas for the corrections are provided:
    a) for tariff periods t-2 subsequent to 2022;
    b) for the t-2 tariff periods prior to 2023, in which the PZU and PI markets were administered by the Electricity and Natural Gas Market Operator OPCOM S.A.
- The procedure for establishing and approving tariffs related to the activity carried out by OPEED. Deadlines are provided for the submission of documents for the substantiation of tariffs by OPEED, deadlines for requests to complete the documentation and for responding to requests, as well as the content of the documentation for the substantiation of tariffs.

- The method of allocating expenses/revenues related to the activity carried out by OPEED. A breakdown is made regarding the allocation of the costs incurred on European and national projects, distinctly on OPEED's administration and trading activities.
- Appendices regarding the information transmitted by OPEED. The information sent by OPEED for the substantiation of tariffs is tabulated, aiming at the correlation of expenses with the revenues obtained by OPEED and the detailed breakdown of expenses at the national level and on European projects, so that their subsidization is eliminated.
- The conditions under which the tariffs applied by OPEED can be changed within a tariff period. The situations in which OPEED can request a change in tariffs are specified, as well as the situations in which ANRE has the right to correct the tariffs applied by OPEED.
- By the order proposal, the profit rate for OPEED activities has the following values:

  a) 10% of the justified costs of OPEED - for the first tariff period after the date of entry into force of this Methodology, to ensure the income necessary for participation in European projects, as well as in order to fulfill the obligation of the operator to develop trading mechanisms set available to market participants;

  b) 5% of the justified costs of OPEED - starting with the second tariff period after the date of entry into force of the Methodology.

3. Order no. 139 of 21.12.2022 approving the tariffs charged by the designated Operator of the electricity market

By the mentioned order, ANRE approved the tariffs charged by the Designated Operator of the Electricity Market (OPEED) for the 2023 tariff period.

Natural gases

REGULATIONS DEVELOPED DURING 2022

Regulations wholesale natural gas market

1. Order no. 2 of 26.01.2022 to amend the Order of the President of the Romanian Energy Regulatory Authority no. 130/2020 regarding the establishment of measures for the reservation of transport capacity at the points of interconnection of the national natural gas transport system in Romania with the natural gas transport systems of the member states of the European Union neighboring Romania

The order was developed in order to harmonize the legislative framework and based on the proposal received from S.N.T.G.N. Transgaz S.A. as operator of the national natural gas transport system, considering ANRE Decision no. 155/2020 regarding the application of European network codes at the interconnection points between the national transport system in Romania and the transport systems in Ukraine and the Republic of Moldova.

Amendment of the Order of the President of the Romanian Energy Regulatory Authority no. 130/2020 regarding the establishment of measures for the reservation of transport capacity at the points of interconnection of the National Natural Gas Transport System in Romania with the natural gas transport systems of the member states of the European Union neighboring Romania, with

subsequent additions and amendments, makes it possible the uniform application of the provisions regarding the establishment of measures for the reservation of transport capacity in the interconnection points of the national natural gas transport system in Romania with the natural gas transport systems of the member states of the European Union neighboring Romania, as well as in the interconnection points with the systems of transport from countries neighboring Romania that are not members of the Union (Ukraine, Republic of Moldova).

2. Order no. 4 of 02.02.2022 for the amendment and completion of the Order of the President of the Romanian Energy Regulatory Authority no. 143/2020 regarding the obligation to offer natural gas on the centralized markets of natural gas producers whose annual production achieved in the previous year exceeds 3,000,000 MWh

The normative act was issued as a result of the adoption of the Government Emergency Ordinance no. 143/2021 for the amendment and completion of the Electricity and Natural Gas Law no. 123/2012, as well as for the modification of some normative acts by which changes and additions were made to the Electricity and Natural Gas Law no. 123/2012, with subsequent amendments and additions.

Thus, compared to the initial version in which the period of delivery of the products was the same as the period of validity of the obligation to offer, respectively the period July 1, 2020 - December 31, 2022, by amending art. 177 para. (3^16) lit. a) the Law adds the explicit specification of the delivery period July 1, 2020-December 31, 2023 of the products offered in the period July 1, 2020-December 31, 2022.

The main objective of the order was to modify the secondary regulatory framework, so that natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh can offer in a transparent, public and non-discriminatory manner, on the centralized markets in Romania, the sale of some minimum quantities of natural gas with delivery also during the period January 1, 2023-December 31, 2023. The adoption of this normative act led to the obligation to offer standardized products with delivery also during the year 2023, respectively: the "year 2023" product, the "first semester" products 2023" and "2nd semester 2023", "2nd quarter 2023" and "2nd quarter 2023" products, "2022-2023 cold season" and "2023 warm season" products, as well as "January 2023" and "February 2023" monthly products .

3. ANRE decision no. 60 of 03.02.2022 regarding the quantities of natural gas that S.C. OMV PETROM S.A. has the obligation to offer them on the centralized markets between February 2022 and December 2022

4. ANRE decision no. 61 of 03.02.2022 regarding the quantities of natural gas that S.N.G.N. ROMGAZ S.A. has the obligation to offer them on the centralized markets between February 2022 and December 2022

The two Decisions (no. 60 and no. 61) were drawn up based on the provisions of ANRE Order no. 143/2020 regarding the obligation to offer natural gas on centralized markets of natural gas producers whose annual production achieved in the previous year exceeds 3,000,000 MWh, with subsequent amendments and additions, and establish the quantities of natural gas that OMV Petrom SA and ROMGAZ SA, in their capacity as natural gas producers whose annual productions achieved in the previous year exceed 3,000,000 MWh have the obligation to offer them, transparently, publicly and non-discriminatoryly, on the centralized natural gas markets, between February 2022 and December 2022.

5. Order no. 66 of 13.04.2022 for the approval of the Methodology regarding the determination of the minimum natural gas stock level that holders of natural gas supply licenses are obliged to establish during the period April 2022 - October 2022

The order was developed to fulfill the provisions of art. 11 of the Government's Emergency Ordinance no. 27/2022 regarding the measures applicable to end customers in the electricity and natural gas market between April 1, 2022 and March 31, 2023, as well as for the modification and completion of some normative acts, in order to ensure continuity and safety in supplying final customers/ensuring their own consumption and affordability of the price by them.

Through this methodology, the obligations of natural gas suppliers and thermal energy producers who opted for the purchase of natural gas directly from natural gas producers to establish, between April 2022 and October 2022, underground natural gas storage facilities were regulated a minimum stock representing at least 30% of the amount of natural gas required for the consumption of final customers from its own portfolio, respectively of its own consumption.

6. Order no. 68 of 13.04.2022 regarding the amendment and completion of the Network Code for the National Natural Gas Transportation System, approved by Order of the Romanian Energy Regulatory Authority no. 16/2013

Through this normative act, the provisions of art. 12 of the Government Emergency Ordinance no. 27/2022 regarding the measures applicable to final customers in the electricity and natural gas market during the period April 1, 2022 - March 31, 2023, as well as for the amendment and completion of some normative acts, in the sense of the amendment and completion of some provisions of the Network Code for the National System of transport of natural gas related to trading within the balancing market of natural gas quantities intended for consumption by household customers (CC) and thermal energy producers, only for natural gas used in the production of thermal energy for the population (PET).

The main changes and additions to the Network Code have the following aspects as their object:

- during the period of application of GEO no. 27/2022, within the balancing market, the quantities of natural gas intended for CC and PET that are the subject of GEO no. 27/2022, following that those quantities of natural gas purchased on the competitive market will be traded in a separate session;
- daily transactions will take place in three sessions, respecting the current trading interval (between 15.00-17.15);
- in the allocation procedure, network users will break down the initial daily imbalance by categories of customers, CC, PET (for natural gas purchased under GEO no. 27/2022) and other customers (for natural gas purchased from the competitive market), with their inclusion in the amount of imbalance communicated by the transport operator and the system.

The changes allow network users to break down and reduce the imbalance in the case of CC and PET consumers whose quantities of natural gas were purchased according to the provisions of GEO no. 27/2022.

7. Order no. 80 of 15.06.2022 for the modification and completion of some orders of the president of the Romanian Energy Regulatory Authority

By this order, the Methodology for reserving the transport capacity for the activity of providing natural gas transport services through the points located on the Isaccea 1-Negru Vodă 1 natural gas transport pipeline intended for the transport of natural gas on the Russian Federation corridor was amended and supplemented -Bulgaria and the supply of natural gas to some localities on the territory

of Romania, approved by the Order of the Romanian Energy Regulatory Authority no. 158/2019, with subsequent amendments and additions.

The purpose of the regulation was to create the legal framework that would allow the transport and system operator (SNTGN Transgaz SA) to comply with the commitments made before the European Commission, respectively to offer, within the Negru Vodă 1/Kardam interconnection point, a firm, unconditional capacity of 2.2 billion mc/year, with access to the virtual trading point (PVT).

Also, by this order, the Network Code for the National Natural Gas Transportation System, approved by the Order of the Romanian Energy Regulatory Authority no. 16/2013, with subsequent amendments and additions, for the purpose of introducing sell and buy orders within the meaning and limit of the daily imbalance communicated by the transport and system operator, respectively sale in case of surplus and purchase in case of deficit on day D+ 1 instead of D-day.

8. Order no. 111 of 24.08.2022 regarding the modification of the Methodology for calculating neutrality tariffs for balancing, including their distribution among users of the natural gas transmission network, approved by the Order of the Romanian Energy Regulatory Authority no. 85/2017

The methodology has been modified with regard to the aspects related to the costs and revenues of the transmission and system operator taken into account when calculating the neutrality tariffs in order to include the following categories of costs and revenues:

- costs and revenues that come from the natural gas storage activity intended to ensure the physical balance of the transport system in accordance with the provisions of art. 130 para. (1) lit. j) from the Electricity and Natural Gas Law no. 123/2012, with subsequent amendments and additions;

- costs arising from contracting a credit line in order to finance the physical and commercial balancing activity;

- costs and revenues that come from the contracting of balancing services, in accordance with the provisions of art. 83^2 of the Network Code for the National Natural Gas Transmission System, approved by Order of the Romanian Energy Regulatory Authority no. 16/2013, with subsequent amendments and additions and of art. 6 para. (3) lit. b) from Regulation (EU) no. 312/2014.

At the same time, this regulation provides for the method of determining the cost of natural gas stocks related to the physical and commercial balancing activity, respectively the application of the weighted average cost method, using weighted average costs determined separately for natural gas held as balancing gas in the National Transport System of natural gas and for gas held as balancing gas in storage.

9. Order no. 138 of 14.12.2022 for completing the Order of the Romanian Energy Regulatory Authority no. 143/2020 regarding the obligation to offer natural gas on the centralized markets of natural gas producers whose annual production achieved in the previous year exceeds 3,000,000 MWh

The normative act was issued as a result of the adoption of the Government Emergency Ordinance no. 119/2022 for the amendment and completion of the Government Emergency Ordinance no. 27/2022 regarding the measures applicable to final customers in the electricity and natural gas market in the period April 1, 2022-March 31, 2023, as well as for the modification and completion of some normative acts in the field of energy, by which the obligation to offer provided for in art. . 177 para. (316) from the Electricity and Natural Gas Law no. 123/2012, with subsequent amendments and additions.

Thus, natural gas producers whose annual production in the previous year exceeds 3,000,000 MWh have the obligation to offer in a transparent, public and non-discriminatory manner, on the centralized markets in Romania, the sale of minimum quantities of natural gas with delivery and during January 1, 2023-December 31, 2024.

Regulations on the natural gas retail market

1. Order no. 110/24.08.2022 for the amendment and completion of the Regulation on the last resort supply of natural gas, approved by the Order of the Romanian Energy Regulatory Authority no. 173/2020

The main changes/completions made to the FUI Regulation consisted of:

- the introduction, for the periods in which support measures are imposed by primary legislation, of an alternative system by which all FUIs are designated to take over in a non-discriminatory manner, by monthly rotation, automatically or on request, the places of consumption of customers who end up in the situation of it did not have the supply of natural gas from any source;
- supplementing the number of FUIs designated by ANRE from a minimum of 5 to a minimum number of 7 FUIs, in order to reduce the pressure on suppliers who take over, by rotation, during the support scheme, the places of consumption of customers who end up in the situation of not having guaranteed supply of natural gas from any source;
- invoicing customers taken over at a supply price under the UI regime that strictly reflects the costs incurred by FUI. For this purpose, derogations have been introduced so that, for certain determined periods, if the values of the components of the invoiced prices are established by other normative acts, FUI determines the invoiced price to the customers taken over taking into account the respective norms, as is the case of the support scheme introduced by GEO 27 /2022. Even after the support measures provided by the primary legislation will no longer be applicable, the unit component of natural gas purchase included in the composition of the invoice price under the UI regime will be calculated monthly by FUI, being equal to the average purchase price of of the natural gas required to ensure the consumption of the customers taken over, made in the respective month, and the unit supply component made for the billing month and included in the billing price component will be calculated monthly by FUI based on the justified cost related to the performance of the supply activity under the UI regime , the cost of participating in centralized markets and a reasonable profit share, reflected in the financial-accounting documents. No later than 25 days after the beginning of each month, FUI publishes, in the dedicated section of its website, the prices for the supply of natural gas under the UI regime for the previous calendar month, applied to the billing of the customers taken over in its portfolio. During the period of application of GEO 27/2022, FUI invoices the consumption of natural gas in accordance with its provisions;
- clarifying the fact that the termination of the supply contract concluded between FUI and the final customer for the place of consumption taken over represents a takeover situation, in the conditions where he cannot find a supplier on the competitive market, clarifying, as a consequence, the situation in which expires the minimum period of 12 months for the supply of natural gas under the UI regime to the customers taken over, provided for by the FUI Regulation; correlatively, the provision was introduced that, in the case of places of consumption with an annual consumption of less than or equal to 28,000 MWh, FUI can decide freely whether to extend the period of guaranteeing the supply of natural gas under the

UI regime at the places of consumption of customers taken over after the completion of the minimum period for which it has this obligation or after the completion of the extension period, as the case may be, and to notify the taken-over customers, at least 30 days before, of the termination of the supply of natural gas under the UI regime, or, as the case may be, the extension of the period of supply of natural gas under the UI regime, specifying it; the notification may have attached an offer for the supply of natural gas under a competitive regime;

- making it possible for customers taken over from FUI to switch to another supplier in the shortest possible time, by reducing the unilateral notice period from 10 days to 2 days;
- the introduction of the obligation of FUI to publish in the section dedicated to FUI, on its own website, the contact data necessary for communication with end customers regarding the supply of natural gas under the UI regime (phone numbers, e-mail addresses, the method of contact by accessing the website, etc.), the contract - framework for the supply of natural gas under the UI regime, the billing price, any other data and information regarding the supply of natural gas under the UI regime, according to the regulations in force and ANRE communications/requests .

PERFORMANCE INDICATORS

Performance indicators for the electricity supply activity

In order to ensure a guaranteed level of quality for the activity of supplying electricity to final customers, ANRE has imposed on suppliers a minimum standard that must be respected by them in relation to the customers they serve, with whom they are in the process of contracting or with which relates to provide information, standard offers or to manage complaints, as well as how to mediate the relationship with the network operator. The supplier represents, in most cases, the only physical and contractual interface between these two parties: the customer and the network operator, except in cases provided by the legal and regulatory framework in force, where the customer chooses to conclude the network contract directly with the network operator .

During 2022, the minimum quality conditions were established by a performance standard, as follows:

- in the period 01.01.2022 – 30.06.2022 the quality of the electricity supply activity was imposed by the Performance Standard for the electricity supply activity, approved by ANRE Order no. 6/2017;
- starting from 01.07.2022, the Performance Standard for the electricity/natural gas supply activity, approved by ANRE Order no. 83/2021, with subsequent amendments and additions.

The performance standard for the electricity supply activity, approved by ANRE Order no. 6/2017, regulated the quality of the electricity supply activity by establishing:

- provisions relating to the quality of the supply activity;
- performance indicators characterizing the quality of the supply activity;
- guaranteed levels of guaranteed performance indicators;
- the compensations that suppliers of last resort pay to final customers who are beneficiaries of the universal service, in case of non-compliance with guaranteed levels of performance indicators.

According to this normative act, the conditions that had to be met, as well as the compensations that last-resort suppliers had the obligation to pay automatically to final customers receiving the universal service, were as follows:

Nr. crt.	Performance indicator	Guaranteed level	Compensația în caz de nerealizare a nivelului garantat
0	1	2	3
1.	The deadline for issuing the supply offer	15 working days	100 lei to which 50 lei is added for each day of delay, starting with the first day of delay.
2.	The deadline for responding to the CF complaint regarding the electricity bill	5 working days	100 lei to which 50 lei is added for each day of delay, starting with the first day of delay.
3.	The deadline for communication to the OR of the request to resume the supply of electricity for a place of consumption disconnected for non-payment	4 hours	100 lei to which 50 lei is added for each day of delay, starting with the first day of delay.
4.	The deadline for responding to CF complaints regarding the disconnection of places of consumption for non-payment of the electricity bill	5 working days from the receipt of the complaint by the supplier	100 lei to which 50 lei is added for each day of delay, starting with the first day of delay.
5.	The deadline for resolving the request to change the regulated supply tariff/complaints regarding the change of the regulated electricity tariff	10 working days	100 lei to which 50 lei is added for each day of delay, starting with the first day of delay.
6.	Time frame for responding to CF requests/complaints other than those explicitly addressed in the standard	15 working days, respectively 30 days with prior notification of CF within the initial term of 15 working days	100 lei to which 50 lei is added for each day of delay, starting with the first day of delay.
7.	The terms provided for in the Procedure for granting compensation to household customers for household electrical receivers damaged as a result of accidental overvoltages caused by the fault of the network operator, in force.		100 lei to which 50 lei is added for each day of delay, starting with the first day of delay.

8.	The deadline for sending to the OR a request/complaint regarding the activity and obligations of the OR, respectively to the FC of the response received from the OR	Next working day, for requests/complaints received from CF via e-mail or call center.	100 lei to which 50 lei is added for each day of delay, starting with the first day of delay.
		3 working days, for requests/complaints received from CF in writing on paper/fax.	
		3 working days for the communication to the CF of the response received from the OR.	

At the same time, in accordance with the legal provisions in force between 01.01.2022 and 06.30.2022, the compensations were paid by the suppliers of last resort to the final customers to whom the supply of electricity was carried out based on the contract regulated by ANRE (approved by ANRE Order no. 88/2015 as subsequently amended and supplemented), automatically to household customers and small non-household final customers and upon written request in the case of large non-household final customers. In the case of electricity supply contracts concluded on the competitive market, the compensations were paid by the suppliers according to their clauses.

Electricity suppliers had the obligation to follow a number of 53 indicators, of which we present below:

IP1 - the number of complaints regarding billing (this indicator includes both well-founded and unfounded complaints, regardless of whether or not they involved the verification of the measured data by the measurement operator – OM);

IP2 - the number of well-founded complaints regarding billing (this indicator includes all well-founded complaints, regardless of whether or not they involved the verification of measured data by OM);

IP3 - the number of billing complaints involving the verification of measured data;

IP4 - the number of requests/complaints received from end customers regarding the activity of the network operator (OR);

IP5 - the number of requests from household customers to receive compensation for damage to household electrical receivers as a result of accidental overvoltages produced in the OR's electrical network;

IP6 - the number of compensations granted as a result of non-compliance with the terms stipulated in the Standard;

IP7 - the number of compensations paid to end customers as a result of non-compliance by the OR with the performance indicators provided for in the performance standard for the network service, in force.

Following the information sent by the suppliers of last resort: CEZ VĂNZARE SA, ELECTRICA FURNIZARE SA, ENEL ENERGIE SA, ENEL ENERGIE MUNTENIA SA and E.ON ENERGIE

ROMĀNIA SA, for the electricity supply activity carried out by them to all their end customers (both in the regulated and in the competitive regime) in the period 01.01.2022 – 06.30.2022 the following values of the performance indicators specified below were recorded:

IP	TIP End user	CEZ VÂNZARE	ELECTRICA FURNIZARE	ENEL ENERGIE	ENEL ENERGIE MUNTENIA	E.ON ENERGIE ROMÂNIA	TOTAL
IP1	Household	4.924	14.606	2.138	2.887	6.002	30.557
	Non-household small	1.136	1.535	582	411	821	4.485
	Non-household big	82	59	46	27	0	214
	total	**6.142**	**16.200**	**2.766**	**3.325**	**6.823**	**35.256**
IP2	Household	1.803	4.311	2.131	2.856	685	11.786
	Non-household small	344	655	586	413	167	2.165
	Non-household big	226	16	48	30	0	320
	total	**2.373**	**4.982**	**2.765**	**3.299**	**852**	**14.271**
IP3	Household	2.745	2.906	1.160	1.353	254	8.418
	Non-household small	400	400	391	278	48	1.517
	Non-household big	21	5	22	21	0	69
	total	**3.166**	**3.311**	**1.573**	**1.652**	**302**	**10.004**
IP4	Household	12.060	18.478	10.996	14.585	4.551	67
	Non-household small	800	1.398	1.997	1.739	512	17
	Non-household big	28	73	116	119	0	1
	total	**12.888**	**19.949**	**13.109**	**16.443**	**5.063**	**85**
IP5	**casnic**	**170**	**389**	**184**	**343**	**135**	**1.221**
IP6	Household	1	156	43	77	94	371
	Non-household small	0	24	13	12	0	49
	Non-household big	0	1	0	1	0	2
	total	**1**	**181**	**56**	**90**	**94**	**422**
IP7	Household	877	4.871	89.281	41.640	3.154	139.823
	Non-household small	202	490	8.852	3.381	587	13.512
	Non-household big	69	140	412	336	36	993
	total	**1.148**	**5.501**	**98.545**	**45.357**	**3.777**	**154.328**

With regard to the situation of the performance indicators achieved by electricity suppliers that have concluded supply contracts with final customers on the competitive market, we specify that the information received from 68 suppliers that had final customers during the period 01.01.2022 - 30.06.2022.

The values of the performance indicators achieved by the competitive suppliers in the period 01.01.2022 – 06.30.2022 were centralized and are presented in the table below:

	IP values achieved by competing suppliers in 2022			
	household	non-household small	non-household big	total
IP1	31.686	596	120	32.402

IP2	9.043	325	70	9.438
IP3	4.616	188	23	4.827
IP4	7.340	132	42	7.514
IP5	106	Not applicable	Not applicable	106
IP6	0	0	2	2
IP7	3.551	1.176	590	5.317

On July 1, 2022, ANRE Order no. 83/2021 for the approval of the Performance Standard for the electricity/natural gas supply activity, with subsequent amendments and additions, hereinafter referred to as the new Standard.

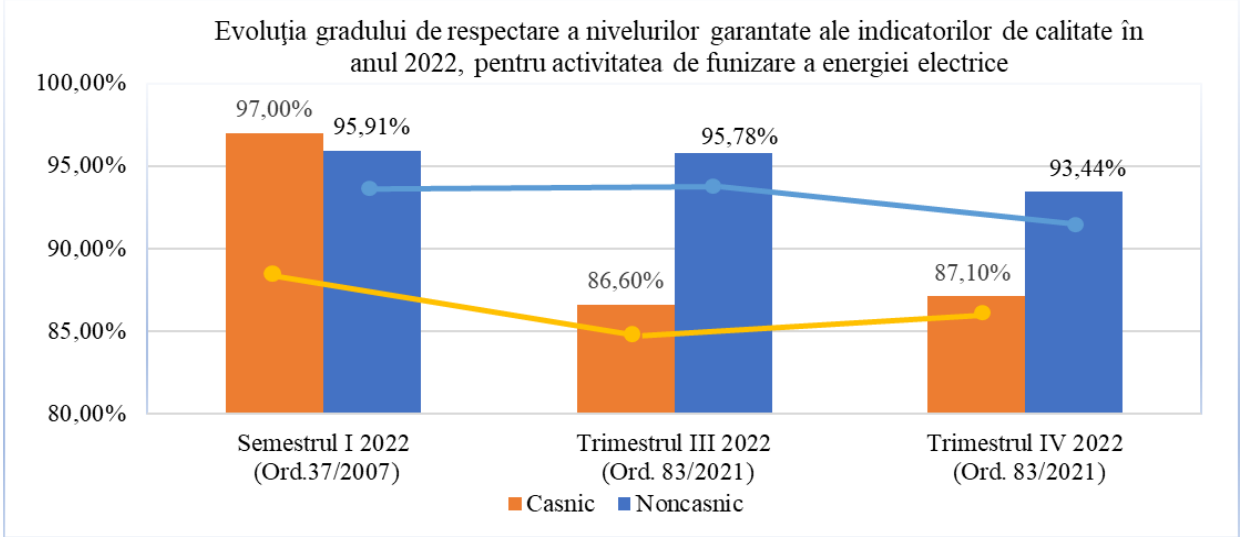
The following table shows the conditions that must be met, as well as the compensations that electricity suppliers are obliged to pay automatically to applicants/end customers according to the provisions of the new Standard:

Nr. crt.	Quality indicator - IC	Guaranteed level	Compensation awarded in the case
0	1	2	of failure to achieve the guaranteed level
1.	IC1 - response time to a request to transmit a supply offer	15 working days for the electricity supply activity	3
2.	IC2 - response time to a request to conclude a supply contract	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
3.	IC3 - response time to a request to modify/complete a supply contract	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
4.	IC4 - response time to a request related to an issued invoice	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
5.	IC5 - the response time to a notification regarding the interruption/limitation of supply at the place of consumption, as the case may be, ordered unjustifiably by the supplier	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
6.	IC6 - transmission time to the OR of a request to resume supply at the place of consumption, whose interruption/limitation was ordered by the supplier	4 hours during working hours	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
7.	IC7 - the transmission time to the OR of a received request whose object is related to the OR's field of activity	3 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay

8.	IC8 - transmission time to the requester of the response received from the OR	3 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
9.	IC9 - response time to a request related to the process of changing the supplier	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
10.	IC10 - the response time to a request related to the supply activity, the object of which is not among the quality indicators expressly provided for in the standard	20 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
11.	IC11 - the time for taking a telephone call made through the telephone service (call center) - payment of compensation is made starting from 01.01.2024	8 minutes, during working hours	0.20 lei/minute

ANRE tracked the achievement of quality indicators and the degree of fulfillment of specific performance indicators by 81 suppliers for the electricity supply activity carried out by them in the period 01.07.2022 – 31.12.2022. Based on the information provided by them, the following values of the indicators specified above were recorded:

- **in the third quarter of 2022**, a total number of 1,637,071 requests from end customers were registered, and for non-compliance with quality indicators, electricity suppliers paid penalties to a number of 19,735 household customers and 2,245 non-household customers, in a total amount of 1,239. 361 lei;
- **in the IV quarter of 2022**, a total number of 1,368,548 requests from end customers were registered, and for non-compliance with quality indicators, electricity suppliers paid penalties to a number of 1,399 household customers and 390 non-household customers, in the total amount of 494,760 lei ,
- The performance indicators for the electricity supply activity represent the quantitative and qualitative expression of the activity of an electricity supplier in relation to the end customers it serves, with which it is in the process of contracting or with which it relates to provide information, offers - type or for handling complaints, as well as the way to mediate the relationship with the network operator.



Performance indicators for natural gas supply activity

To quantify the quality of the natural gas supply activity to end customers, ANRE has established the minimum performance level for carrying out this activity.

For the first semester of 2022, the provisions of ANRE President's Order no. 37/2007 regarding the approval *of the Performance Standard for the natural gas supply activity, with subsequent amendments and additions*, and the following table shows the conditions that had to be met, as well as the compensations that the natural gas suppliers were obliged to pay automatically to the applicants /end customers:

No. crt.	The guaranteed performance indicator	Penalties	
1.	**IPG1** - Natural gas contracting	Exceeding the deadline of 15 days from the date of receipt of the request	30 lei
		each additional day	5 lei
2.	**IPG2** - Invoice Requests	Exceeding the deadline of 15 working days from the date of receipt of the request	30 lei
		each additional day	5 lei
3.	**IPG3** - Natural gas quality	Exceeding the deadline of 15 days from the date of receipt of the request	50 lei
		each additional day	10 lei
4.	**IPG4** - Measurement requests	Exceeding the deadline of 30 days from the date of receipt of the request	30 lei
		each additional day	5 lei
5.	**IPG5** - Penalties due for non-fulfillment of the supplier's payment obligations	Exceeding the period of 20 days from the date on which the supplier's obligations became due	150 lei

ANRE followed the achievement of the guaranteed performance indicators - IPG, based on the reports of natural gas suppliers, in the first semester of 2022 registering a total number of 366,873 requests from end customers.

From the verification of the information sent by the suppliers, it was found that, for non-compliance with the guaranteed performance indicators in the first semester of 2022, the **natural gas suppliers paid penalties to 4,153 household customers and 234 non-household customers, in a total amount of 567,765 lei,** after as follows:

- for non-compliance with IPG 1 – *Natural gas contracting*, penalties were paid to 685 domestic customers and 64 non-domestic customers, totaling 64,875 lei;
- for non-compliance with IPG 2 - *Invoice requests*, penalties were paid to 2,961 household customers and 158 non-household customers, in a total amount of 419,330 lei;
- for non-compliance with IPG 3 – *Quality of natural gas supplied*, penalties were paid to 5 household customers, totaling 810 lei;
- for non-compliance with IPG 4 - *Measurement requests*, penalties were paid to 23 domestic customers and 3 non-domestic customers, totaling 9,550 lei;
- for non-compliance with IPG 5 – *Penalties due for non-fulfillment of the supplier's payment obligations*, penalties were paid to 479 household customers and 9 non-household customers, totaling 73,200 lei.

The degree of fulfillment by natural gas suppliers of the guaranteed performance indicators - IPG in the first semester of 2022, broken down by household customers and non-household customers, is illustrated in the following table:

The guaranteed performance indicator	**Degree of fulfillment of guaranteed performance indicators (%)**	
	household customers	**non-household customers**
IPG1 - Natural gas contracting	99.73%	99.81%
IPG2 - Invoice requests	94.98%	98.87%
IPG3 - Quality of natural gas	94.62%	100.00%
IPG4 -Measurement requests	99.20%	99.33%
IPG5 -Penalties due and paid in full for non-fulfillment of the supplier's payment obligations	100.00%	100.00%
Total	**98.69%**	**99.51%**

On July 1, 2022, ANRE Order no. 83/2021 for the approval *of the Performance Standard for the electricity/natural gas supply activity*, as amended, hereinafter referred to as *the new Standard.*

The following table shows the conditions that had to be met, as well as the compensations that natural gas suppliers were obliged to pay automatically to applicants/end customers according to the provisions of the *new Standard:*

Quality indicator - IC	**Guaranteed level**	**Compensation granted in case of failure to achieve the guaranteed level**
IC1 - response time to a request to transmit a supply offer	5 working days for the natural gas supply activity	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
IC2 - response time to a request to conclude a supply contract	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay

IC3 - response time to a request to modify/complete a supply contract	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
IC4 - response time to a request related to an issued invoice	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
IC5 - the response time to a notification regarding the interruption/limitation of supply at the place of consumption, as the case may be, ordered unjustifiably by the supplier	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
IC6 - transmission time to the OR of a request to resume supply at the place of consumption, whose interruption/limitation was ordered by the supplier	4 hours during working hours	12 lei/hour of delay
IC7 - the transmission time to the OR of a received request whose object is related to the OR's field of activity	3 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
IC8 - transmission time to the requester of the response received from the OR	3 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
IC9 - response time to a request related to the process of changing the supplier	5 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
IC10 - the response time to a request related to the supply activity, the object of which is not among the quality indicators expressly provided for in the standard	20 working days	100 lei, to which 50 lei is added for each day of delay, starting with the second day of delay
IC11 - the time to pick up a telephone call made through the telephone service (call center)	8 minutes, during business hours (effective *July 1, 2023)*	0.20 lei/minute (enters *into force on January 1, 2024)*

ANRE followed the achievement of the quality indicators and the degree of fulfillment of the specific performance indicators, and from the verification of the information transmitted by the natural gas suppliers, the following were found:

- **in the third quarter of 2022, a total number of** 256,550 requests from end customers were registered, and for non-compliance with quality indicators, **natural gas suppliers paid penalties to a number of 368 household customers and 57 non-household customers, in a total amount of 104,900 lei** ,

The degree of compliance by natural gas suppliers with the quality indicators is achieved by determining the specific performance indicators (SPI), and for **quarter III 2022,** the degree of compliance by the natural gas suppliers with the specific performance indicators, in total, is presented in the following table:

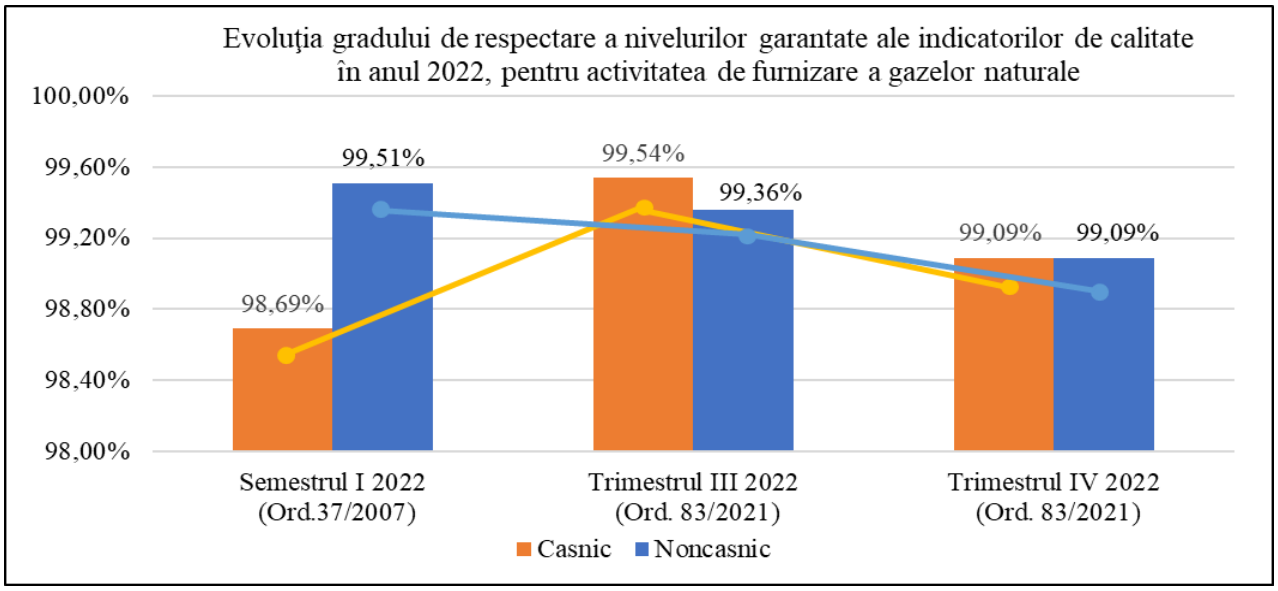
Specific performance indicator - ISP	**Degree of fulfillment of ISP (%)**	
	Household customers	**Non-household customers**
IC1 - response time to a request to transmit a supply offer	98.80%	99.63%
IC2 - response time to a request to conclude a supply contract	99.94%	99.95%
IC3 - response time to a request to modify/complete a supply contract	99.50%	98.48%
IC4 - response time to a request related to an issued invoice	97.03%	97.35%
IC5 - the response time to a notification regarding the interruption/limitation of supply at the place of consumption, as the case may be, ordered unjustifiably by the supplier	100.00%	100.00%
IC6 - transmission time to the OR of a request to resume supply at the place of consumption, whose interruption/limitation was ordered by the supplier	99.77%	97.86%
IC7 - the transmission time to the OR of a received request whose object is related to the OR's field of activity	99.25%	99.44%
IC8 - transmission time to the requester of the response received from the OR	99.74%	100.00%
IC9 - response time to a request related to the process of changing the supplier	99.69%	99.33%
IC10 - the response time to a request related to the supply activity, the object of which is not among the quality indicators expressly provided for in the standard	99.76%	99.82%
IC11 - the time to pick up a telephone call made through the telephone service (call center) (the *indicator will be reported starting from July 1, 2023)*	-	-
TOTAL	**99.54%**	**99.36%**

- **in the fourth quarter of 2022, a total number of** 257,552 requests from end customers were registered, and for non-compliance with quality indicators, natural gas suppliers paid penalties to a number of 478 household customers and 106 non-household customers, in a total amount of 136,000 lei,
- The degree of compliance by natural gas suppliers with the quality indicators is achieved by determining the specific performance indicators (SPI), and for the **fourth quarter of 2022,** the degree of fulfillment by the natural gas suppliers of the specific performance indicators, in total, is presented in the following table:

Specific performance indicator - ISP	**Degree of fulfillment of ISP**	
	Household customers	**Non-household customers**
IC1 - response time to a request to transmit a supply offer	99.67%	98.85%
IC2 - response time to a request to conclude a supply contract	99.96%	99.91%
IC3 - response time to a request to modify/complete a supply contract	98.08%	99.64%
IC4 - response time to a request related to an issued invoice	96.71%	97.29%

IC5 - the response time to a notification regarding the interruption/limitation of supply at the place of consumption ordered unjustifiably by the supplier	86.84%	100.00%
IC6 - transmission time to the OR of a request to resume supply at the place of consumption, whose interruption/limitation was ordered by the supplier	99.98%	100.00%
IC7 - the transmission time to the OR of a received request whose object is related to the OR's field of activity	93.32%	95.64%
IC8 - transmission time to the requester of the response received from the OR	99.15%	99.06%
IC9 - response time to a request related to the process of changing the supplier	98.64%	100.00%
IC10 - the response time to a request related to the supply activity, the object of which is not among the quality indicators expressly provided for in the standard	98.66%	98.30%
IC11 - the time to pick up a telephone call made through the telephone service (call center) (the *indicator will be reported starting from July 1, 2023)*	-	-
TOTAL	**99.09%**	**99.09%**

The performance indicators for the natural gas supply activity represent the quantitative and qualitative expression of the activity of a natural gas supplier in relation to the end customers it serves, with which it is in the contracting process or with which it relates to provide information, offers -type or for the management of complaints, as well as the way of mediating the relationship with the system operator, and the evolution of the degree of compliance with the guaranteed levels of quality indicators for the year 2022 is presented in the following figure:

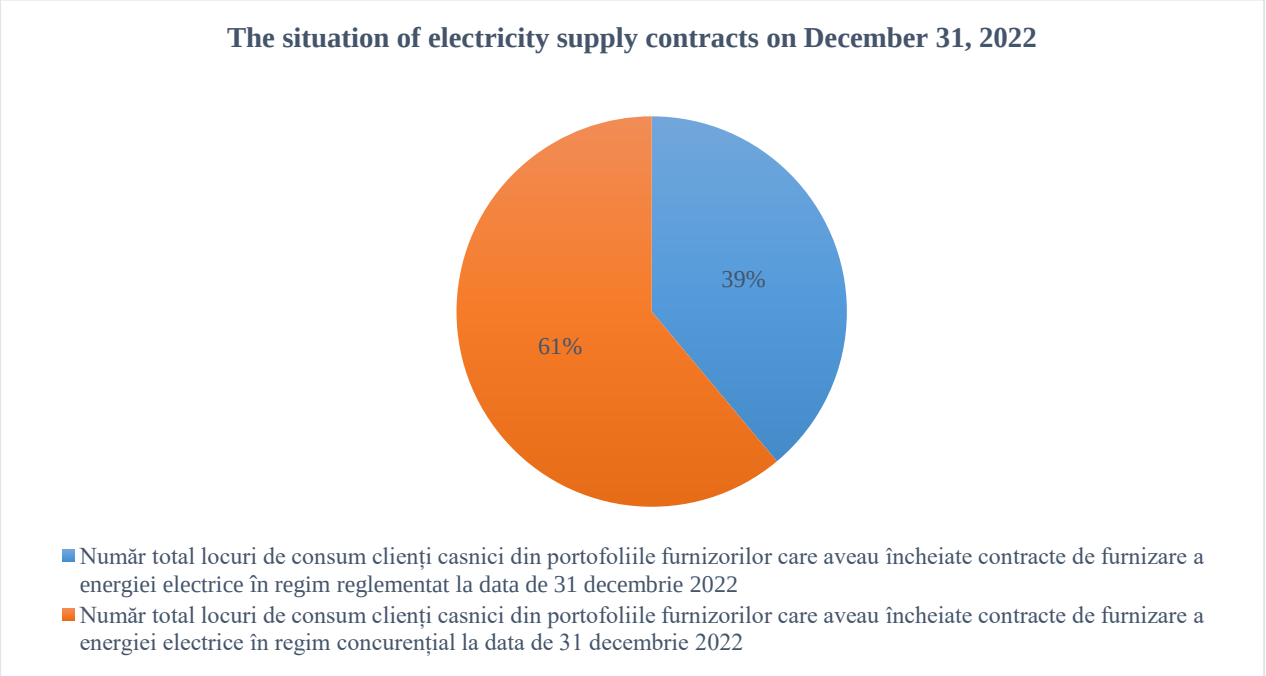


DETERMINATION AND EVOLUTION OF REGULATED RATES AND PRICES

LIBERALIZATION OF ELECTRICITY AND NATURAL GAS MARKETS

Electricity

Pursuant to *Law no. 123/2012*, starting from January 1, 2021, the regulated tariffs applied to domestic customers have been eliminated. In this context, the electricity supply prices for household customers are no longer set by ANRE, they are formed freely, based on demand and supply. Until December 31, 2022, and following the liberalization of the electricity market, based on the data reported by the electricity suppliers, it was found that of the total number of consumption places belonging to household customers, 61% signed contracts related to the supply of electricity in competitive mode, situation reflected in the graph below:



Universal service provision

Starting from 01.01.2022, in accordance with the provisions *of Law no. 123/ 2012, the universal* service is guaranteed only to household customers and is provided by electricity suppliers who have concluded contracts in the competitive market with household customers. The provision of the universal service is based on a framework contract drawn up and approved by ANRE.

Electricity suppliers have the obligation to publish universal service offers and conclude electricity supply contracts if they receive a request to this effect from a customer entitled to universal service.

The price applied to customers receiving universal service is set by each supplier, based on competitive criteria, considering that it must be reasonable, competitive, easily comparable, transparent, and non-discriminatory.

Provision as a last resort

In the first semester of 2022, i.e. until June 23, 2022, suppliers of last resort were designated by ANRE, from among the existing suppliers on the energy market, through competitive mechanisms, based on the approved Regulation on the designation of suppliers of last *resort* by ANRE Order no. 188/2020, by which the methods and criteria for their selection were established, they having the obligation to ensure:

a) universal service to household customers and non-household customers who did not exercise their right of eligibility and who met the conditions imposed by the legislation for universal service (scriptural average number of employees less than 50 and an annual turnover or a total value of assets on the balance sheet annual accountant not exceeding 10 million euros);
b) the supply of electricity to non-domestic final customers who have not used up their eligibility and do not meet the conditions or have not requested to benefit from universal service;
c) the supply of electricity to household customers and non-household customers whose supplier is in a situation where the supply license is withdrawn during the activity or in any other situation identified by the competent authority where the end customers have not ensured the supply of electricity from any other source, except for customers disconnected for electricity theft or non-payment.

In March 2022, citing the events in the energy market, the legislative instability and the defective application of the promulgated laws, events that led to the impossibility of fulfilling the obligations imposed by the quality of FUI, Tinmar Energy SA requested the withdrawal of this quality. *The designation regulation* provided for the possibility for an FUI who voluntarily requested designation in this capacity, to request the revocation of this capacity by sending an address to this effect at least 45 days before the date from which the withdrawal of the designation is requested. As a result, ANRE issued Decision no. 525/06 April 2022, by which Societății Tinmar Energy SA was withdrawn from the status of FUI as of May 1, 2022, and compliance with the condition of the existence of a minimum number of 5 FUIs was verified.

Final price

Based on the last resort prices communicated monthly to ANRE by the last resort suppliers, ANRE publishes on its website the *FUI List* in ascending order of the last resort prices, the FUI on the first position of the list having the status of *nominated FUI* for that month. In this capacity, *the nominated FUI* had the obligation to take over all customers who in that month ended up in the situation of not having the supply of electricity from any other source ensured.

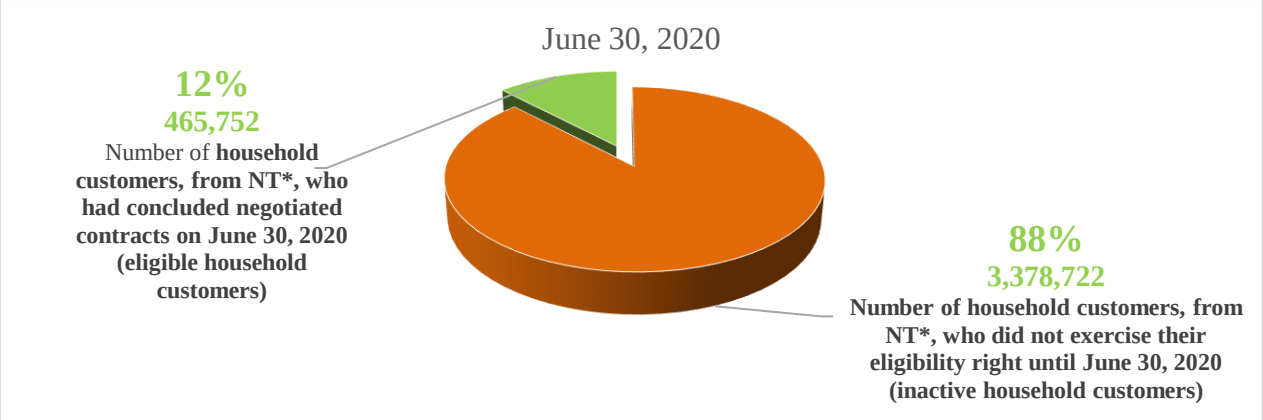
However, during the period of application of GEO 27/2022, FUI invoices electricity consumption in accordance with its provisions. Also, for this period, an alternative system for the nomination of FUI was introduced, consisting of a monthly rotation system. Thus, the FUI list is established in descending order of market share, each FUI in the list being nominated in turn - monthly, to automatically take over the customers who remain without a supplier in that calendar month.

Natural gases

According to the provisions of the Electricity and Natural Gas Law no. 123/2012, with subsequent amendments and additions, as of July 1, 2020, the domestic natural gas market was liberalized for household customers, and the final regulated prices for them ceased to apply.

The total liberalization of the internal natural gas market on July 1, 2020, implies the need for household customers to conclude, by this date, the contracts related to the supply of natural gas under a competitive regime, to ensure the supply of natural gas after the mentioned date of liberalization previous.

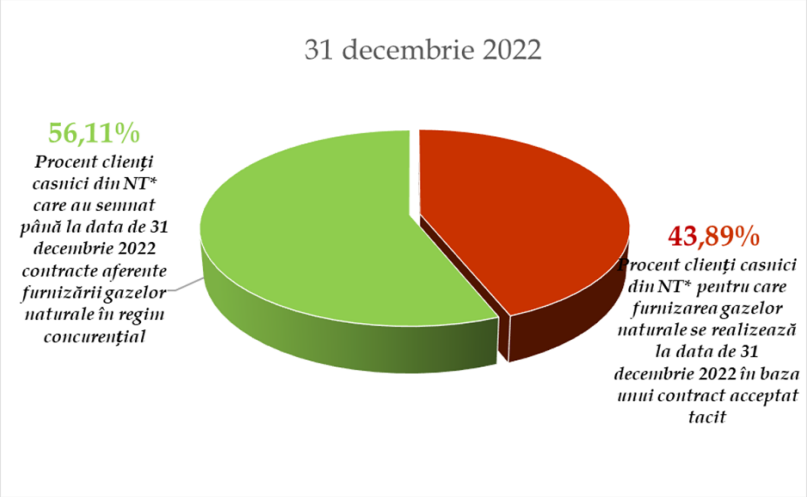
Until the date of liberalization, i.e., June 30, 2020, out of the total number of 3,844,474 household customers (NT $_{\text{June 2020}}$), 12% had concluded contracts related to the supply of natural gas under a competitive regime, according to the following graph:



**NT - estimated total number of household customers as of June 30, 2020*

In this context, it was necessary to establish by ANRE a set of legislative measures regarding the information and assurance of the supply of natural gas to household customers who were in the regulated segment of the market, in the perspective of eliminating regulated supply prices for this category of customers.

Until December 31, 2022, based on the data reported by the suppliers who, until the date of liberalization, had in their portfolio household customers for whom natural gas was supplied under a regulated regime, from the total number of household customers (NT*) approximately 56.11% signed contracts related to the supply of natural gas under a competitive regime, a situation reflected in the graph below:



**NT - total number of household customers estimated on December 31, 2022*

Supply of natural gas as a last resort

In the context of the liberalization of the natural gas market, for situations in which a final customer ends up in the situation of not having the supply of natural gas ensured by his current supplier, a supplier of last resort appointed by ANRE has the obligation to take over and supply him temporary natural gas at a last-resort supply price and based on a framework contract for the supply of natural gas under the last-resort regime, the customer having the possibility to change their supplier at any time, respectively to choose another supplier from the competitive market.

The supply of natural gas as a last resort is still an activity related to the regulated market, this being carried out under the conditions regulated by ANRE by Order no. 173/2020 on the approval of the

Regulation on the last resort supply of natural gas, with subsequent amendments and additions, hereinafter referred to as *the Regulation BE*.

The FUI Regulation establishes the procedure for designation by ANRE of last resort suppliers (FUI), the conditions for carrying out and terminating the last resort supply activity, the pricing principles applied by last resort suppliers to the taken over customers, as well as the procedure of taking over the places of consumption of final customers who have not secured the supply of natural gas from any other source.

As a result of the fact that the support schemes involve, among other things, the settlement by the Government of the difference from the capped price, correlated with the fact that there is a significant time interval between the moment of the submission of the documents necessary for the settlement and the moment of the settlement to the suppliers of the amounts due, a series of suppliers have left the market or have no longer concluded supply contracts with final customers, the number of customers in a position to be taken over by FUI thus registering an increase compared to previous periods.

Considering the, ANRE Order no. 110/2022 for the amendment and completion of the Regulation on the last resort supply of natural gas, approved by the Order of the ANRE no. 173/2020, so that, in the existing market context, the pressure exerted on FUI is urgently reduced.

In order to establish the order of merit of natural gas suppliers according to the maximum total market share from the point of view of natural gas sales to end customers and the number of end customers, calculated according to the provisions of art. 8 of *the FUI Regulation* , the data available following the activity of monitoring the natural gas market, namely the data related to the period May 2021 - April 2022 , were analyzed, the 2 suppliers selected in descending order of the maximum total market share being:

- SNGN ROMGAZ SA with a market share of 8.24% and
- the company PREMIER ENERGY SRL with a market share of 2.79%,

the cumulative market share of the 7 designated FUIs reaching 85.75%.

Thus, the companies SNGN ROMGAZ SA and PREMIER ENERGY SRL were selected based on the ability criterion, to designate them as FUI and, considering the fact that they met the ability criterion and all the eligibility conditions provided in the FUI Regulation, they were designated as natural gas suppliers of last resort.

The updated list of suppliers of last resort has been published on the authority's website in the Natural Gases/Information of public interest/Supply of last resort natural gas section (https://arhiva.anre.ro/ro/gaze-naturale/informatii -of-public-interest/supply-of-last-resort-natural-gas) this having, starting from 14.09.2022.

Following the request of the company TINMAR ENERGY SA and in accordance with the provisions of *the FUI Regulation*, in the meeting of the Regulatory Committee of ANRE, the Decision to terminate the applicability of ANRE Decision no. 2062/11.11.2020 designating the company TINMAR ENERGY SA as supplier of last resort, starting from 20.10.2022.

Thus, the company ENEL ENERGIE SA was selected based on the capability criterion, to designate it as an FUI and, given the fact that it met the capability criterion and all the eligibility conditions provided for in the FUI Regulation, it was *designated* as of last resort supplier of natural gas.

The updated list of suppliers of last resort has been published on the authority's website in the section *Consumers/Gaze naturale/Suppliers of last resort FUI* (https://anre.ro/consumatori/gaze-naturale/furnizori-de-ultima-instanta -go/).

Another important aspect is that, by Law no. 357/2022 regarding the approval of *the Government's Emergency Ordinance no. 119/2022 for the amendment and completion of the Government*

Emergency Ordinance no. 27/2022 regarding the measures applicable to final customers in the electricity and natural gas market in the period April 1, 2022-March 31, 2023 , as well as for the modification and completion of some normative acts in the field of energy, hereinafter referred to as *Law 357/2022* , was established ANRE is tasked with the obligation to appoint a supplier of last resort for places of consumption with an annual consumption of more than 28,000 MWh of each thermal energy producer in the situation of not having the supply of natural gas ensured for the period January 1 - March 31, 2023 .

In 2022, the provisions *of the FUI Regulation* regarding takeover were applied in the case of 7 natural gas suppliers, respectively for the takeover of customers from the portfolio of TEHNOLOGICA RADION SA, as a result of the withdrawal of the natural gas supply license, and of the companies GAZ VEST SA, ADERRO GP ENERGY SRL, SST GRUP TRANSILVANIA SRL , PADO GAZ FURNIZARE SRL, NORD GAZ SRL and ENERGIA GAS & POWER SRL, as a result of the termination of the Balancing and Access to PVT Contracts concluded with SNTGN TRANSGAZ SA, the end customers in their portfolio being taken over by FUI.

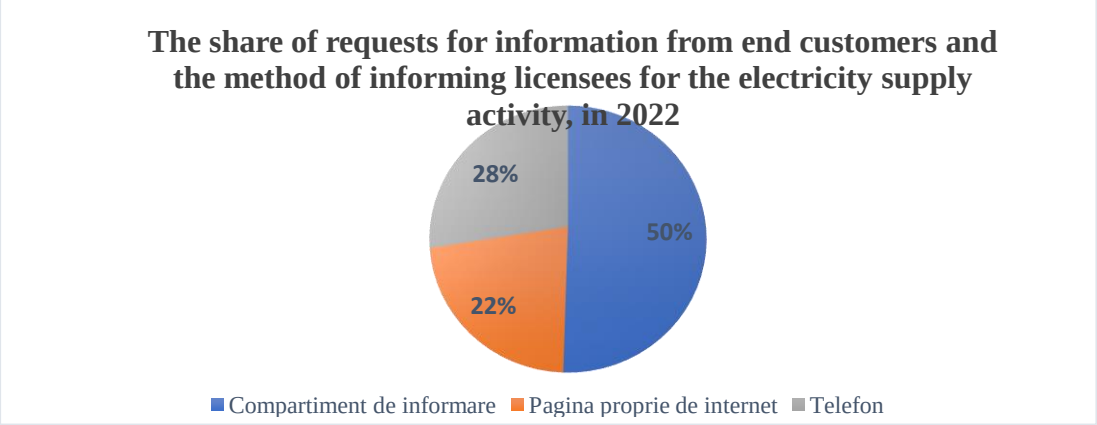
Thus, during 2022, 7 suppliers gave up their activity, and approximately 33,000 of their consumption places were taken over by suppliers of last resort, as follows:

Compared to January 2022, when last resort supply was provided for 75,911 places of consumption, in December 2022, it was provided for 50,476 places of consumption.

The information activity of the end customers carried out by the license holders for the electricity supply activity

In terms of protecting the rights of end customers, one of the activities carried out by ANRE consists in monitoring compliance with the obligation imposed on suppliers, regarding the information activity they carry out in relation to end customers from their own portfolios, the aim being to ensure a accurate, comprehensive and complete information of end customers. In this sense, the Authority established a unitary reporting system for economic operators holding an electricity supply license, which would ensure a rigorous and conducive framework for fulfilling their obligations to inform their end customers.

The main communication channels used by electricity supply license holders regarding the resolution of end customers' information requests, in 2022

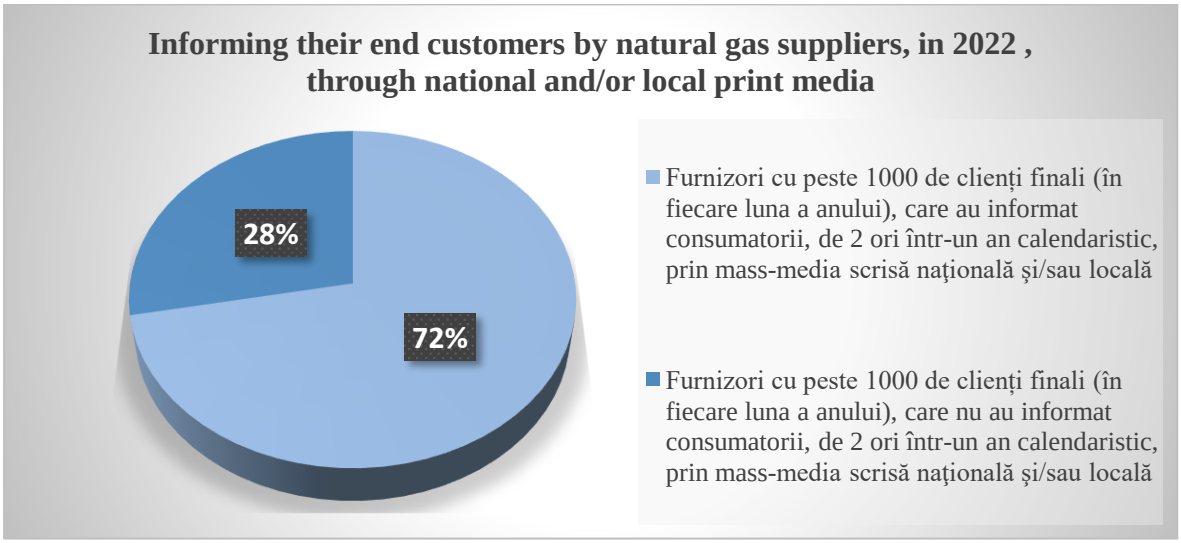


There were 47 suppliers monitored to assess compliance with the provisions of *the Regulation* in 2022.

In 2022, there is a decrease in the number of suppliers who have been active on the retail market (from 56 in 2021, to 47 in 2022), they have the obligation to draw up and submit to ANRE reports on the activity of informing end customers.

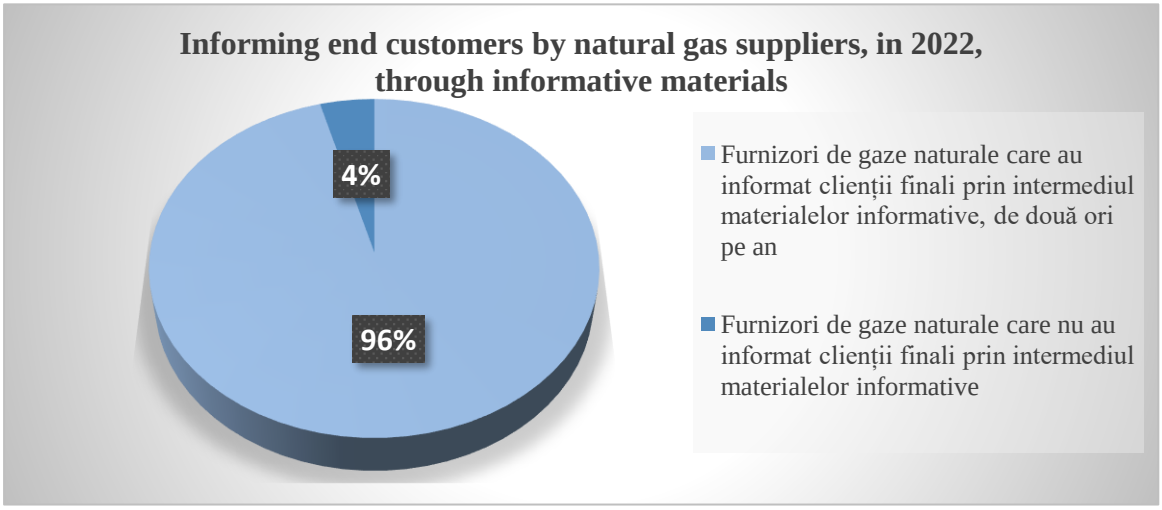
The results of the process of centralization and processing by ANRE of the data from the reports on the activity of informing end customers in the year 2022, sent by the suppliers, are as follows:

a) regarding the obligation to inform end customers, twice in a calendar year, through national and/or local written media on one or more fields provided for in art. 6 of *the Regulation* - out of a number of 47 monitored suppliers, 25 of them had, according to the provisions *of the Regulation*, the obligation to inform final customers through the national and/or local written media , and of these, only 72% have provided this information, a situation reflected in the graph below:

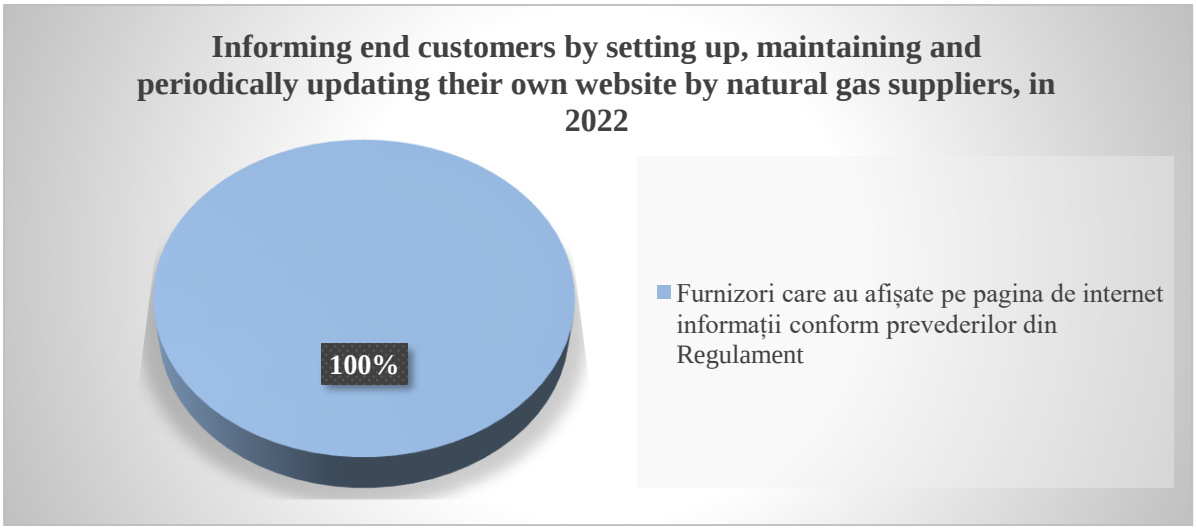


Note: in accordance with the provisions of the Regulation, suppliers for which the number of end customers is less than 1000 for any month of the calendar year for which the report is made, did not have the obligation to inform the end customers through the national written media and/or local, this obligation applying to those suppliers whose number of customers in the portfolio is equal to or greater than 1000, in each month of the calendar year .

b) regarding the obligation to distribute to all own end customers, twice in a calendar year, informative materials relating to one or more of the fields provided for in art. 6 of *the Regulation* - informing end customers through informative materials was carried out by 96% of the monitored suppliers, a situation reflected in the graph below:



c) regarding the obligation regarding the establishment, maintenance and periodic updating of an own internet page by natural gas suppliers, according to the data processed by ANRE from the reports, it follows that in 2022, all monitored suppliers complied with this provision and published on the page own internet all the information required by *the Regulation,* situation reflected in the graph below:

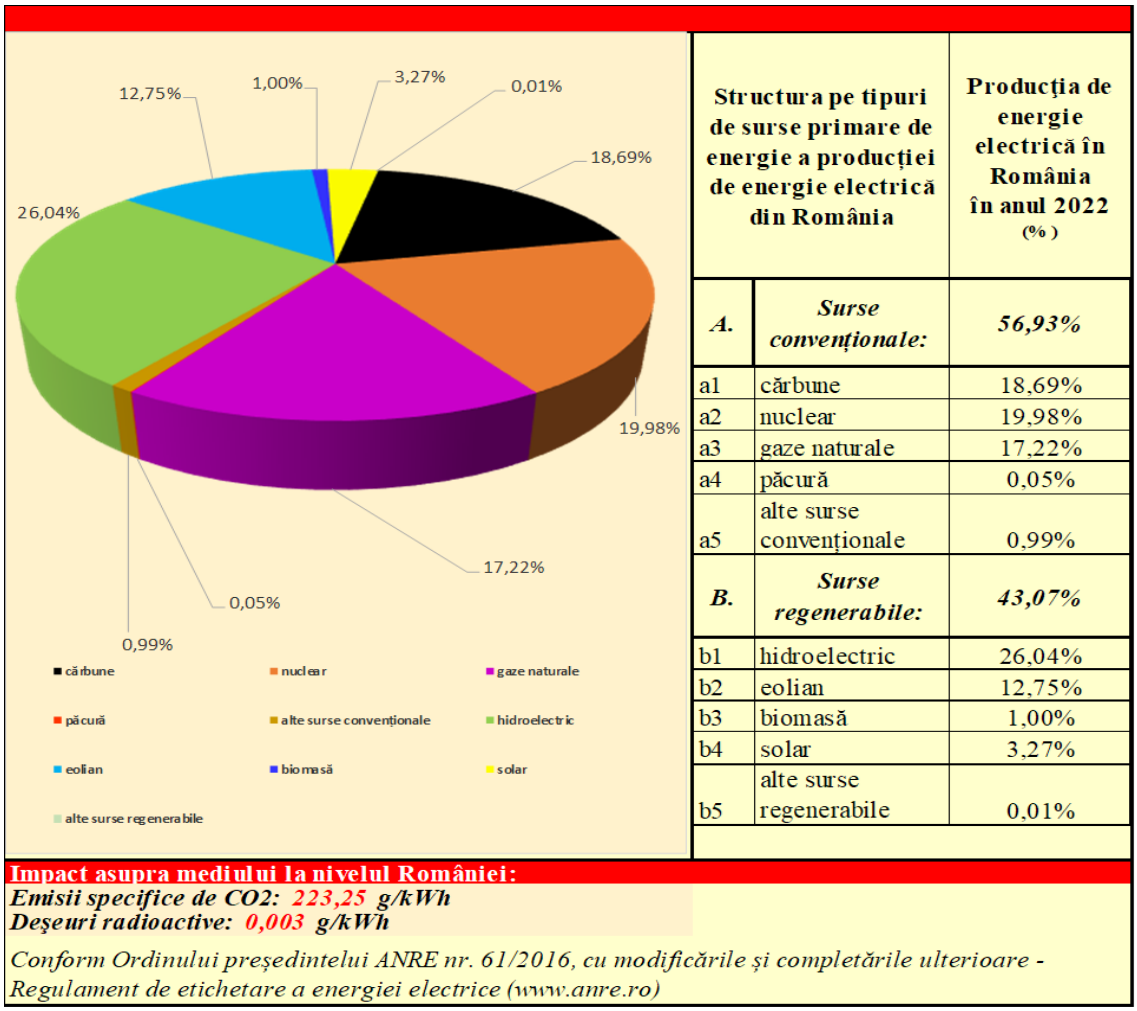


d) according to the analyzed reports, natural gas suppliers also resorted to other ways of informing end customers as follows: through e-mail correspondence, telephone conversations or by providing advice with the help of call-center lines, respectively through distribution of informative materials at single points of contact.

THE STRUCTURE BY TYPES OF PRIMARY ENERGY SOURCES OF ELECTRICITY PRODUCTION IN ROMANIA AND THE VALUES OF ENVIRONMENTAL INDICATORS ASSOCIATED WITH ELECTRICITY PRODUCED AT THE NATIONAL LEVEL, FOR EACH TYPE OF PRIMARY SOURCE

In accordance with the provisions of the *Electricity Labeling Regulation*, approved by ANRE Order no. 61/2016, with the subsequent amendments and additions, based on the declarations of electricity producers regarding the total amount of electricity produced, the structure of electricity production in Romania by type of primary energy sources was calculated, presented in the table below. In 2022, the national average specific values of $CO_{2\ \text{emissions}}$ and radioactive waste resulting from electricity production were 223.25 g/kWh and 0.003 g/kWh, respectively. By referring to these values, electricity suppliers will specify in the labels they will prepare whether the electricity they supplied to end customers in 2022 had an impact on the environment *below/above* the national average. Starting from the data obtained in the process of drawing up the national label, the following graph shows the structure of electricity produced in dispatchable and non-dispatchable production units, reported by 683 license holders for the commercial exploitation of electricity production capacities, calculated by type of conventional and unconventional resources.

Primary source of energy	Specific CO2 emissions [g/kWh]
Coal	812.87
Natural gases	383.11
tar	585.27
Other conventional sources	513.07
Renewable sources	0
Sector average	**223.25**



Structura pe tipuri de surse primare de energie a producției de energie electrică din România		Producția de energie electrică în România în anul 2022 (%)
A.	*Surse convenționale:*	*56,93%*
a1	cărbune	18,69%
a2	nuclear	19,98%
a3	gaze naturale	17,22%
a4	păcură	0,05%
a5	alte surse convenționale	0,99%
B.	*Surse regenerabile:*	*43,07%*
b1	hidroelectric	26,04%
b2	eolian	12,75%
b3	biomasă	1,00%
b4	solar	3,27%
b5	alte surse regenerabile	0,01%

Impact asupra mediului la nivelul României:
Emisii specifice de CO2: ***223,25*** ***g/kWh***
Deşeuri radioactive: ***0,003*** ***g/kWh***

Conform Ordinului preşedintelui ANRE nr. 61/2016, cu modificările şi completările ulterioare - Regulament de etichetare a energiei electrice (www.anre.ro)

DRAFT POCA on the National Electricity and Natural Gas Supplier Switching Online Platform (POSF)

On 02.07.2020, the ANRE and the Ministry of Public Works, Development and Administration as the Management Authority for the Administrative Capacity Operational Program, signed the financing contract no. 529/02.07.2020 for granting non-refundable funding for the implementation of the project entitled " *Development of the institutional capacity of the Romanian Energy Regulatory Authority to simplify the process of changing the supplier of electricity and natural gas"* , code SIPOCA/SMIS 705/129990, hereinafter referred to as the POCA Project.

The POCA project, completed in December 2022, was co-financed from the European Social Fund, through the Administrative Capacity Operational Program 2014-2020, and the total value of the project is 19,223,269.45 lei from which:

- 98% non-refundable expenses: 18,838,804.07 lei and
- 2% expenses own contribution ANRE: 384,465.38 lei

The general objective of the POCA project consisted in the creation of a *unique Platform at the national level intended for end customers to change their electricity and/or natural gas supplier (POSF).* Through the POSF, the administrative procedures for all end customers involved in the process of changing the electricity and natural gas supplier have been simplified by implementing an intuitive and innovative IT solution that will contribute to the development of a dynamic and competitive energy market and that meet the requirements of the relevant Community legislation.

By implementing this IT solution for changing the supplier of electricity and natural gas, the technical process of changing the supplier is completed in 24 hours, thus meeting the European requirements that imposed the year 2026 on the member states as a final deadline.

The obligation to realize *POSF* resides in the provisions of art. 7^6 and of art. 102^ 1 paragraph. (10) of *the Electricity and Natural Gas Law no. 123/2012, with subsequent amendments and additions.* To transpose the provisions into the secondary legislation, ANRE approved the simplified regulatory framework in the specific field of supplier change by:

1. Order no. 3 of 26.01.2022 for the approval of the Regulation on the organization and operation of the online platform for changing the supplier of electricity and natural gas and for contracting the supply of electricity and natural gas (Regulation *POSF*)

The normative act provides the framework for the implementation of the online platform that will optimize the operational processes in the energy market in order to reduce the bureaucracy for citizens and the business environment, generated by the requests to change the supplier by managing the flow of information in a fully automated way to honor the requests, respecting the legal deadlines and using effectively the financial and human resources of all the entities involved.

The purpose of the Regulation is to define, organize and establish the operating rules of the online platform intended for the end customer to change the supplier of electricity/natural gas and to contract the supply of electricity/natural gas.

The regulation establishes the stages and rules of the supplier change procedure, as well as the responsibilities of the participants involved in the supplier change; they apply in the relations between end customers, electricity and natural gas suppliers, network operators/system access to the facilities to which the end customers' places of consumption are connected, as well as by other categories of economic operators who are involved in change of supplier by the end customer.

The online platform is unique at the national level, the end customers and economic operators involved in changing the supplier and contracting the supply having the obligation to use this platform according to the provisions of the regulation.

Considering the 24-hour deadline for the technical process of changing the supplier, for the implementation of the legal provisions the use of the platform's functionality was foreseen both for the direct conclusion of supply contracts and for the subsequent uploading of contracts concluded outside of it to the platform.

The measures targeted by this regulation ensure the adoption of the new procedural and informational framework in order to implement the integrated platform that manages a database, a unique system for market participants accessible online, ensuring the following functionalities: standardized communication between market participants; automating the technical process of changing the supplier; automatic validation of data received from suppliers; automating the transmission, transparently, of consumption data to suppliers when changing supplier; facilitating reporting to

ANRE; automation of data exchange between market participants; reducing the processing time of supplier change requests.

2. Order no. 109 of 24.08.2022 regarding the amendment and completion of the Order of the President of the ANRE no. 3/2022 for the approval of the Regulation on the organization and operation of the online platform for changing the supplier of electricity and natural gas and for contracting the supply of electricity and natural gas

By this order, the term from which the Regulation on the organization and operation of the online platform for changing the supplier of electricity and natural gas and for contracting the supply of electricity and natural gas applies, respectively from October 10, 2022, has been changed from which the ANRE Order no. 234/2019 for the approval of the Procedure regarding the change of electricity/natural gas supplier by the end customer.

The order was issued with the following in mind:

- for the more than 15,000,000 final customers of electricity and natural gas, the information on the places of consumption was imported into POSF from their own databases by the network operators and by the suppliers, each having different IT systems, these operations requiring the development of processes that can call and read metadata and documents that are transferred between the systems of the parties involved, the transmission of contractual documents in order to generate them by the ANRE platform;
- testing and understanding the functionality of the web application that will be used by both the end customer and the operators/suppliers in the market, data model, validations, security access to the multitude of information and documents, which will be collected following the migration at the national level, tests integrated with both POSF and party systems;
- the repeated requests of the economic operators in the field of electricity and natural gas to extend the term of application of the Regulation by at least 30 days motivated by the difficulties encountered in achieving the interface with their own IT systems;
- in the situation where the network operators and suppliers did not transfer most of the data related to the places of consumption, the process of changing the supplier would have led to possible delays in the final testing of the POSF.

The extension of the POSF operationalization period ensured the necessary period so that the implementation of this integrated platform that manages a database, a unique system for market participants accessible online, ensures the following functionalities:

- standardized communication between market participants; automating the supplier change process; automatic validation of data received from suppliers;
- automating the transmission, transparently, of consumption data to suppliers when changing the supplier;
- facilitation of reporting to ANRE;
- automation of data exchange between market participants;
- reducing the technical processing time of supplier change requests so that the process takes place in the best conditions.

As a result of the obligations established by *the Regulation POSF* on October 10, 2022, network operators and suppliers of electricity and natural gas began the process of uploading the metadata related to the approximately 15 million places of consumption and the related supply and network contracts.

On an ongoing basis, network operators and suppliers of electricity and natural gas upload and update metadata for places of consumption and for supply and network contracts, according to the obligations established by the POSF Regulation and carry out the technical process of changing the supplier *of* electricity and natural gas in 24 hours.

Regarding the degree of data loading, on 24.07.2023 the following are identified in the POSF:

Total supply contracts: 15,693,905
Electricity supply contracts 10,898,079
Natural gas supply contracts 4. 741.826
Total consumption places: 15,587,593
Electricity consumption places 10,630,246
Places of natural gas consumption 4,957,337

The following are registered in POSF: 103 electricity suppliers, 67 natural gas suppliers, 48 electricity network operators and 33 natural gas network operators.

ANRE permanently monitors and verifies together with suppliers and network operators the way POSF works, and the flows initiated by them in order to stabilize the technical process of changing the supplier of both electricity and natural gas through POSF, from accessing the offers in the comparator until the contract is signed.

POSF users are natural or legal persons - end customers of electricity and/or natural gas, as well as economic operators involved in the procedure of changing the electricity and/or natural gas supplier by the end customer and contracting the supply of electricity and/or natural gas, registered in POSF.

This initiative demonstrates, once again, the importance ANRE attaches to the optimization of operational processes in the energy market, with the aim of reducing bureaucracy and strengthening competition by reducing the duration of supplier change for the benefit of the final consumer.

II. NETWORK CHARGES AND INVESTMENT MONITORING

Tariffs for electricity transmission service

In the first quarter of 2022, ANRE analyzed the substantiated requests of the electricity transmission operator and approved, through ANRE Order no. 33/23.03.2022, the following rates applicable between April 1, 2022, and March 31, 2023:

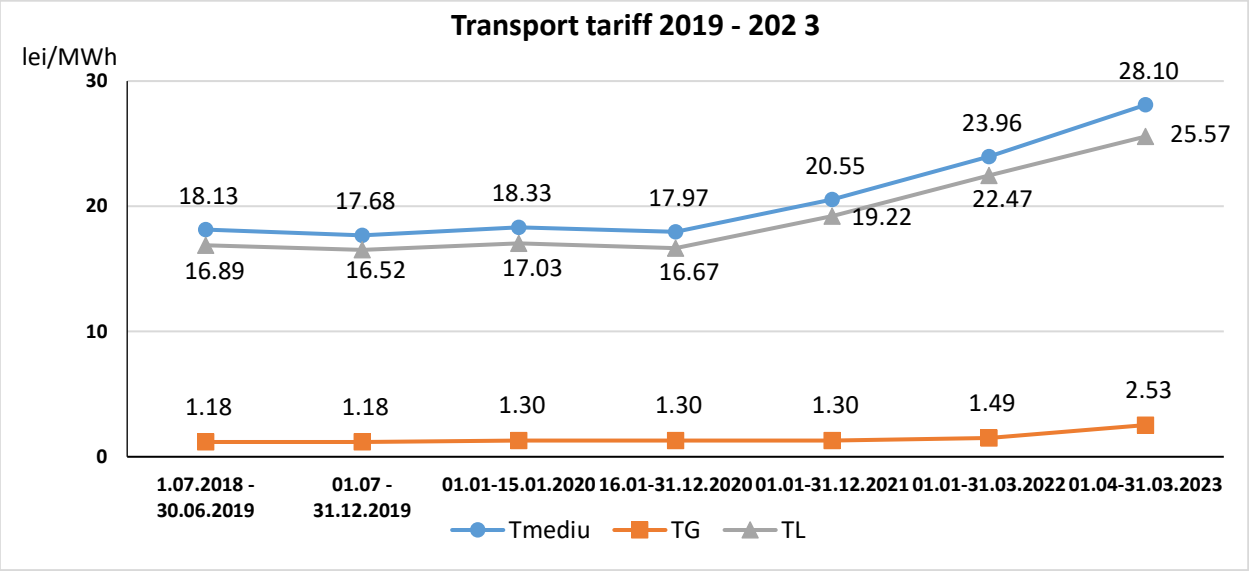
Specification:	**UM**	**Approved level**
Average shipping rate	lei/MWh	28.10
Transport tariff - the component of introducing electricity into the network (T_G)	lei/MWh	2.53
Transport tariff – the component of electricity extraction from networks (T_L)	lei/MWh	25.57

Compared to the tariffs in force at that time, the average electricity transmission tariff shows an increase of 17.28%, and the transmission tariffs the component of introducing electricity into the network (T_G) and extracting electricity from the networks (T_L) an increase of 69.80% and 13.80% respectively.

We specify that the increase in the approved tariffs was determined exclusively by the implementation of the provisions of the Government's Emergency Ordinance no. 27/2022, respectively the inclusion in the tariffs of the additional expenses for the purchase of electricity necessary to cover the own technological consumption generated by the increase in prices on the wholesale market above the value taken into account ex-ante when calculating the tariffs for the year 2021.

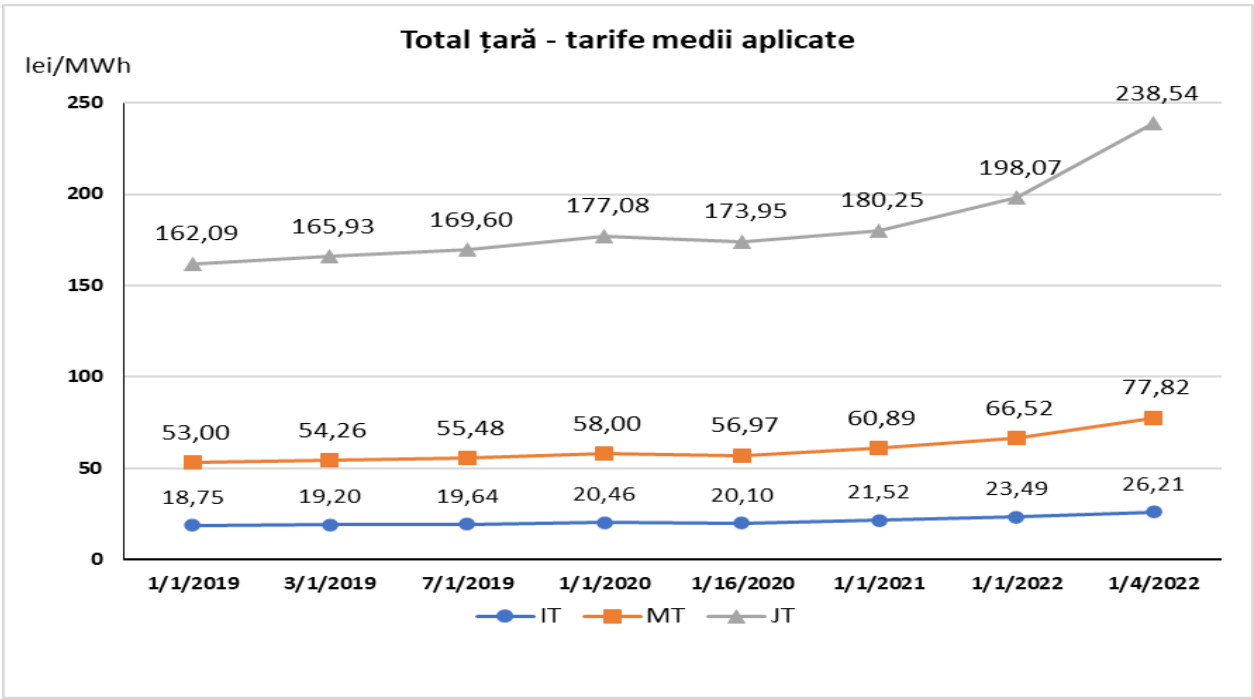
The evolution of the average transport tariff, of the transport tariff – the component of introducing electricity into the networks and of the transport tariff – the component of extracting electricity from

the networks applied in the period 2019 – 31 March 2023, expressed in nominal terms of each year , is presented in the following figure:



electricity distribution service provided by concessionaire distribution operators

The following figure shows the evolution of the average electricity distribution tariffs applied **between** 2019 and March 31, 2023, to end customers, depending on the voltage levels at which their places of consumption are connected to the electricity distribution networks, expressed in nominal terms:



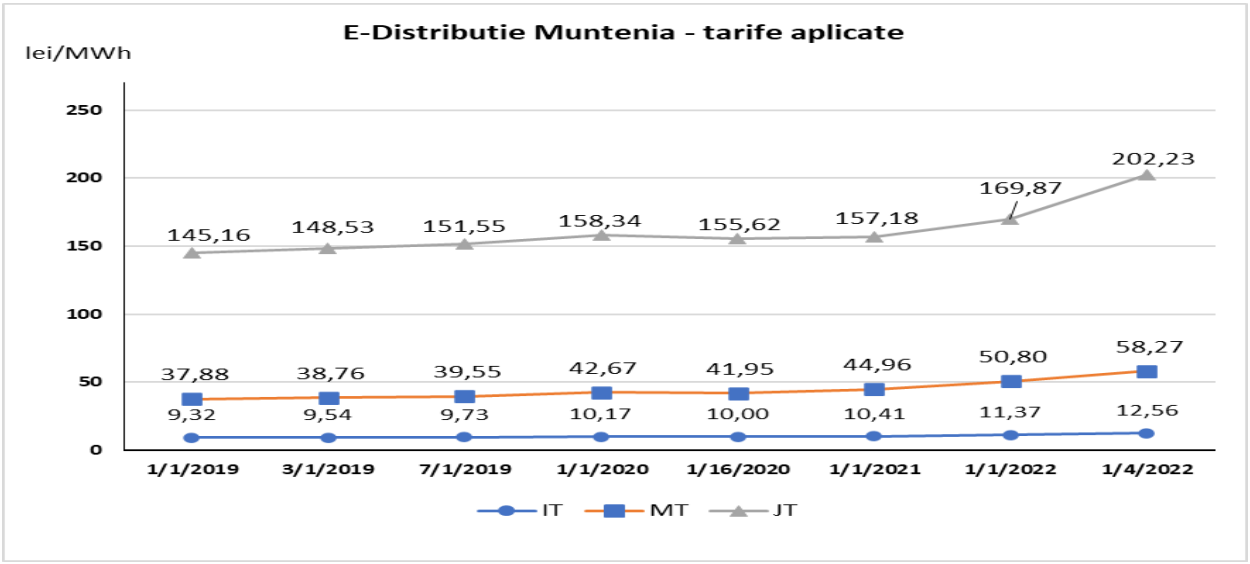
In the first quarter of 2022, ANRE analyzed the substantiated requests of concessionaire distribution operators and approved, **through ANRE President's Orders no. 27 to 32 from March 23, 2022, the tariffs for the electricity distribution service, applied by concessionaire distribution operators starting from April 1, 2022.**

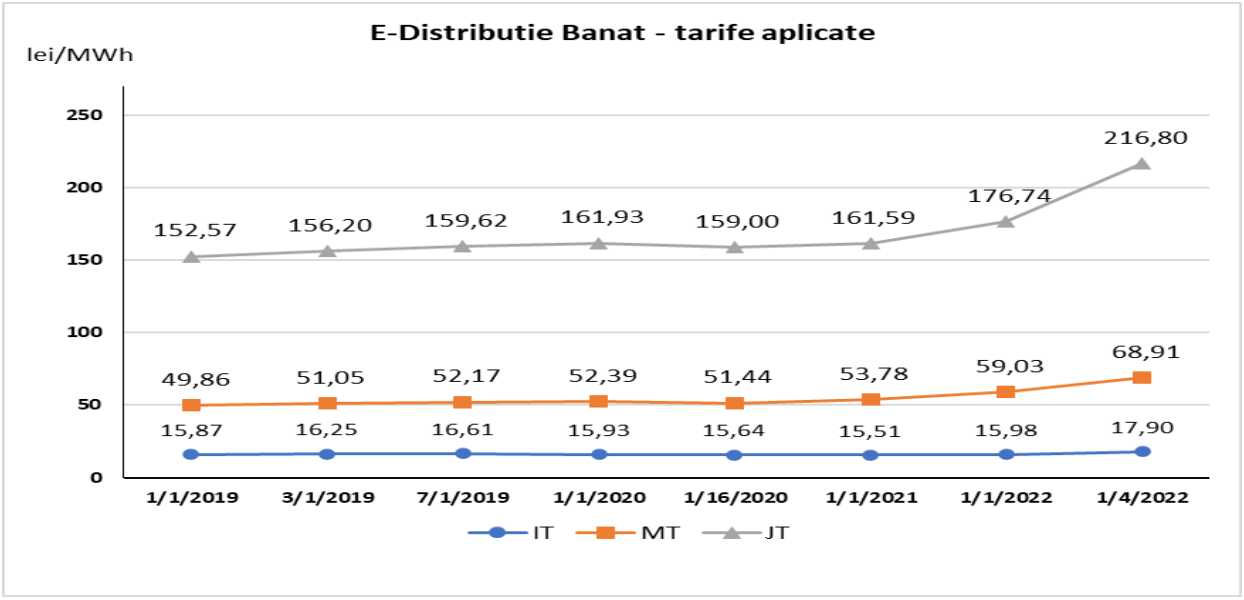
Thus, the average tariffs per country, per voltage level, calculated as a weighted average of the approved tariffs for concessionary electricity distribution operators applied from April 1, 2022, with the quantities of electricity distributed are as follows:

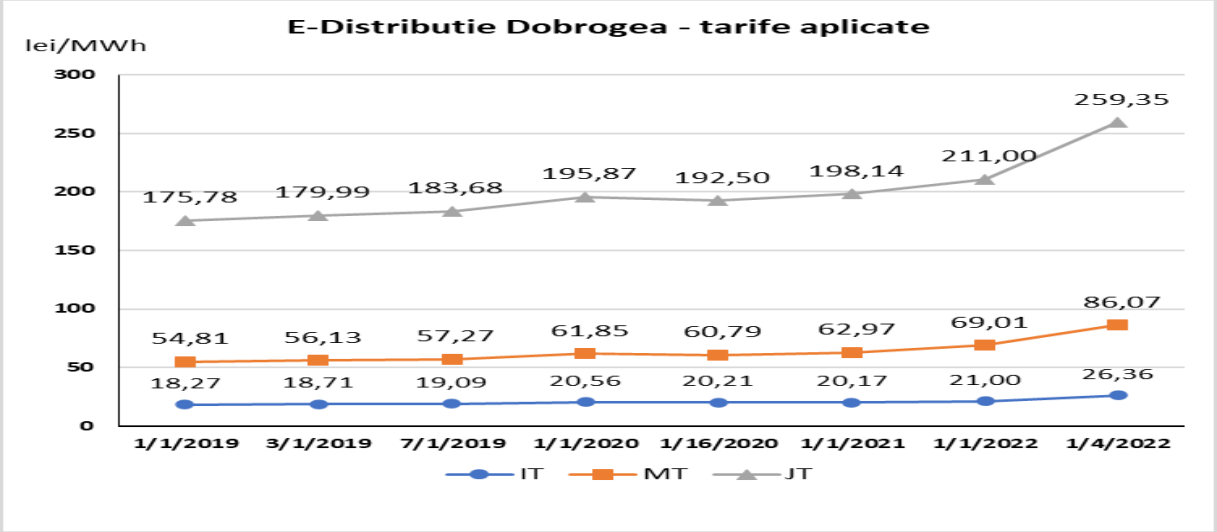
- tariff for high voltage – 26.21 lei/MWh,
- the average tariff for medium voltage – 77.82 lei/MWh,
- the average tariff for low voltage – 238.54 lei/MWh.

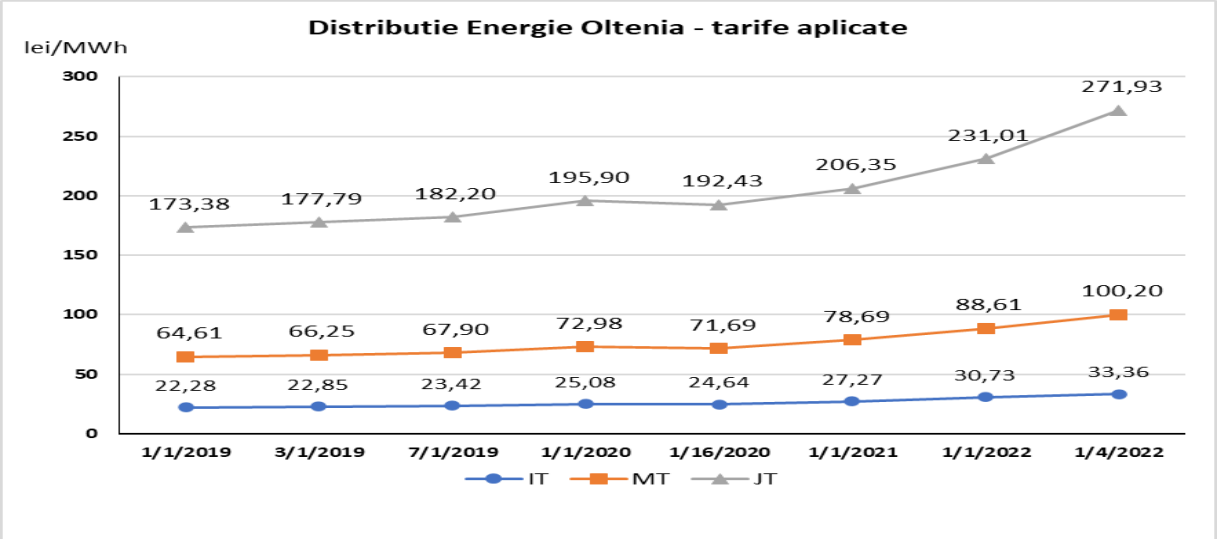
Compared to the values of the average tariffs applied from 01 January 2022, the average tariffs registered an increase of 11.6% at high voltage, 16.99% at medium voltage and 20.43% at low voltage, which also applies to household customers.

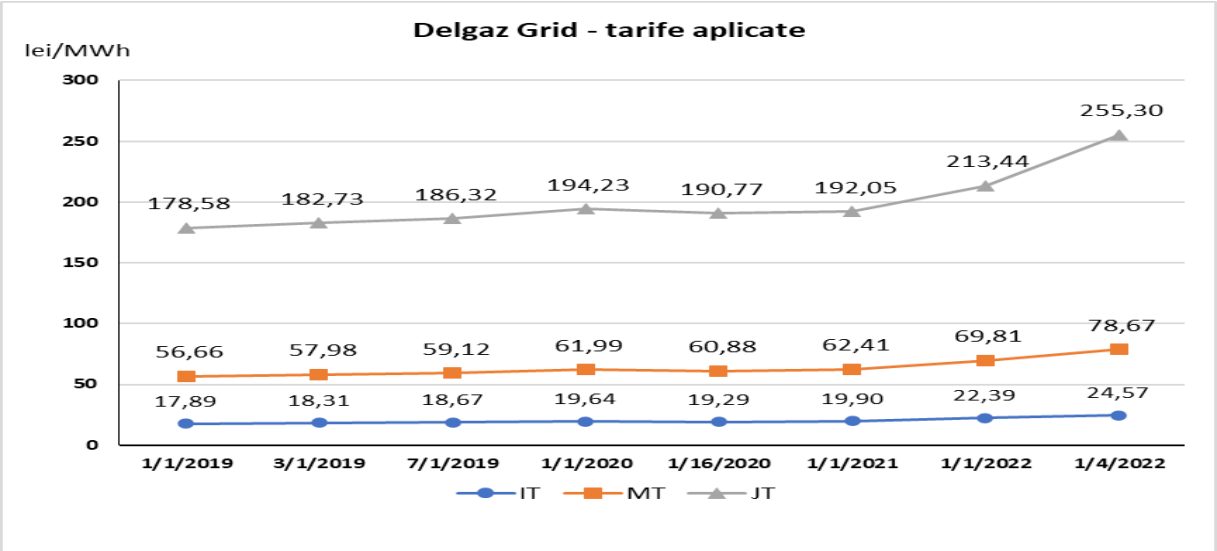
The following figures show the evolution of the distribution tariffs **applied** by each concessionaire distribution operator in the period 01.01.2019 - 31 March 2023, in which the values are expressed in nominal terms and result from the summation of the specific tariffs approved by ANRE, representing the tariffs they pay final customers according to the voltage level to which the installations they own are connected.

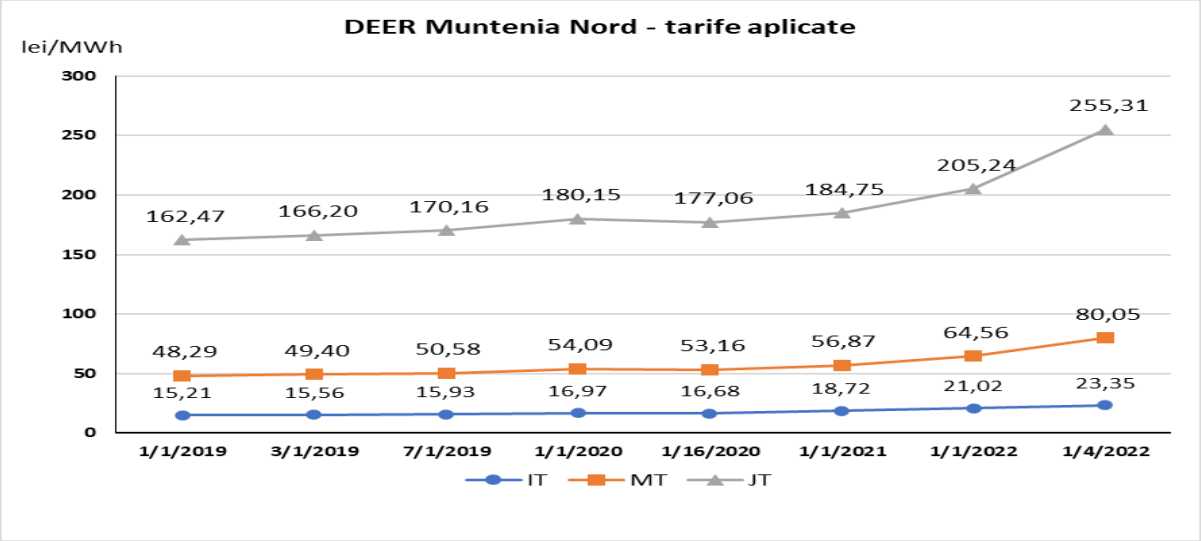


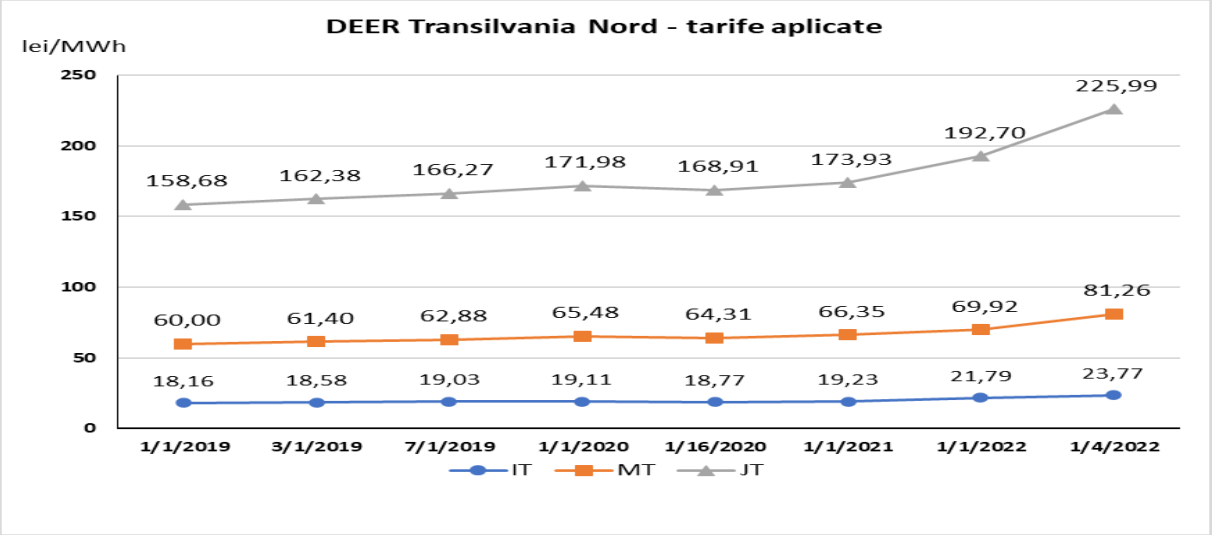


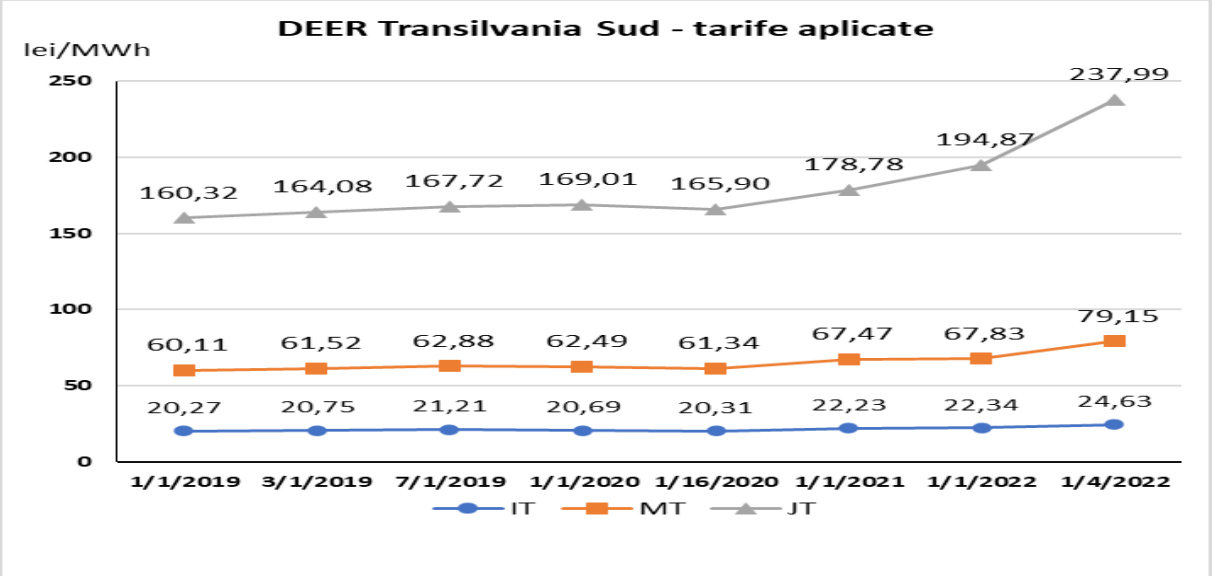

E-Distributie Dobrogea - tarife aplicate
lei/MWh
300
250
200
150
100
50
0
175,78
179,99
183,68
195,87
192,50
198,14
211,00
259,35
54,81
56,13
57,27
61,85
60,79
62,97
69,01
86,07
18,27
18,71
19,09
20,56
20,21
20,17
21,00
26,36
1/1/2019
3/1/2019
7/1/2019
1/1/2020
1/16/2020
1/1/2021
1/1/2022
1/4/2022
IT
MT
JT


Distributie Energie Oltenia - tarife aplicate
lei/MWh
300
250
200
150
100
50
0
173,38
177,79
182,20
195,90
192,43
206,35
231,01
271,93
64,61
66,25
67,90
72,98
71,69
78,69
88,61
100,20
22,28
22,85
23,42
25,08
24,64
27,27
30,73
33,36
1/1/2019
3/1/2019
7/1/2019
1/1/2020
1/16/2020
1/1/2021
1/1/2022
1/4/2022
IT
MT
JT

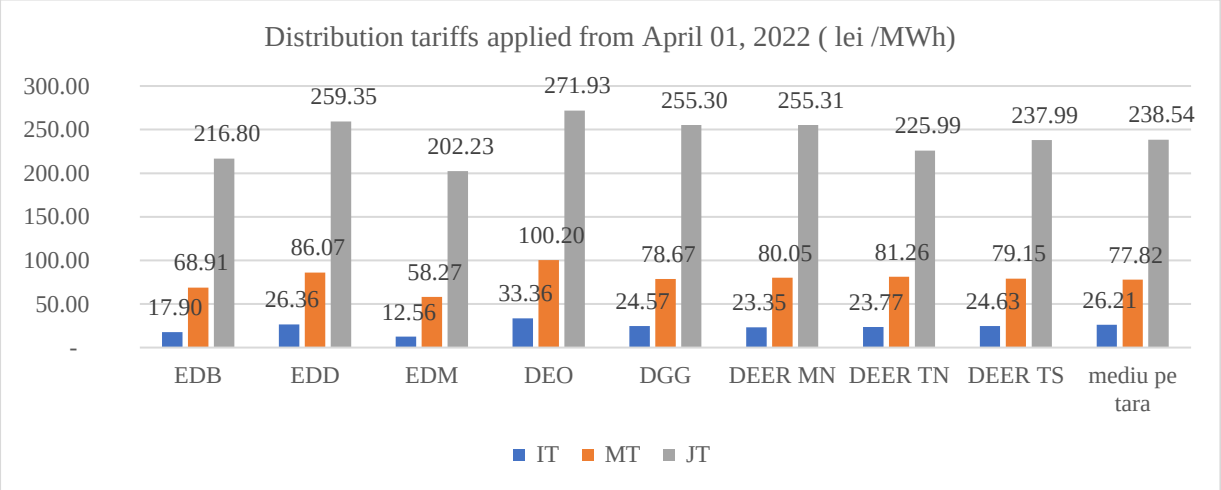

Delgaz Grid - tarife aplicate
lei/MWh
300
250
200
150
100
50
0
178,58
182,73
186,32
194,23
190,77
192,05
213,44
255,30
56,66
57,98
59,12
61,99
60,88
62,41
69,81
78,67
17,89
18,31
18,67
19,64
19,29
19,90
22,39
24,57
1/1/2019
3/1/2019
7/1/2019
1/1/2020
1/16/2020
1/1/2021
1/1/2022
1/4/2022
IT
MT
JT

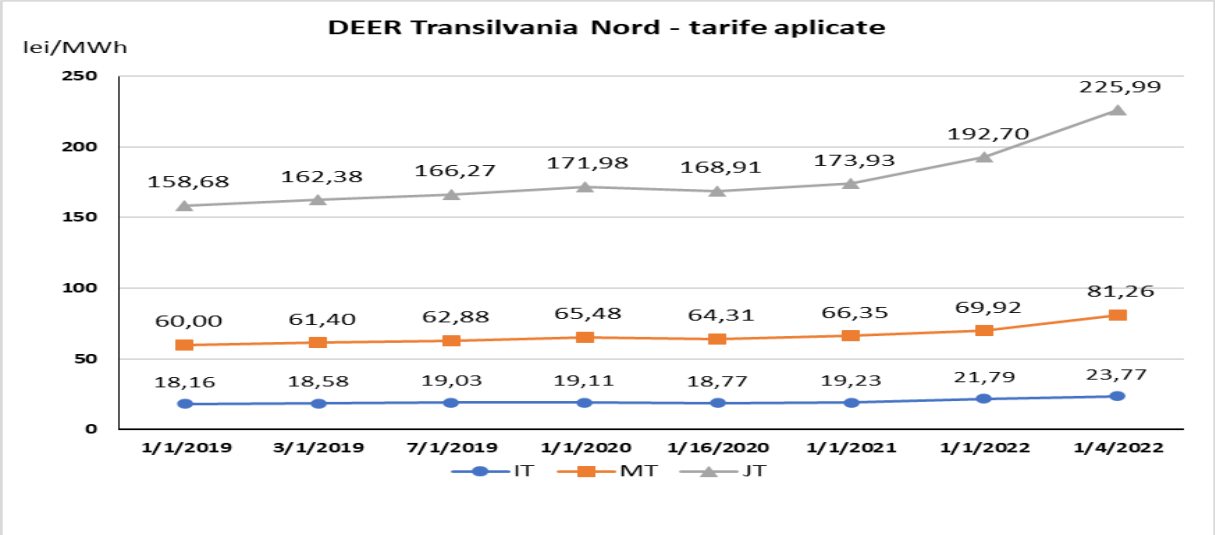

DEER Muntenia Nord - tarife aplicate
lei/MWh
300
250
200
150
100
50
0
162,47
166,20
170,16
180,15
177,06
184,75
205,24
255,31
48,29
49,40
50,58
54,09
53,16
56,87
64,56
80,05
15,21
15,56
15,93
16,97
16,68
18,72
21,02
23,35
1/1/2019
3/1/2019
7/1/2019
1/1/2020
1/16/2020
1/1/2021
1/1/2022
1/4/2022
IT
MT
JT

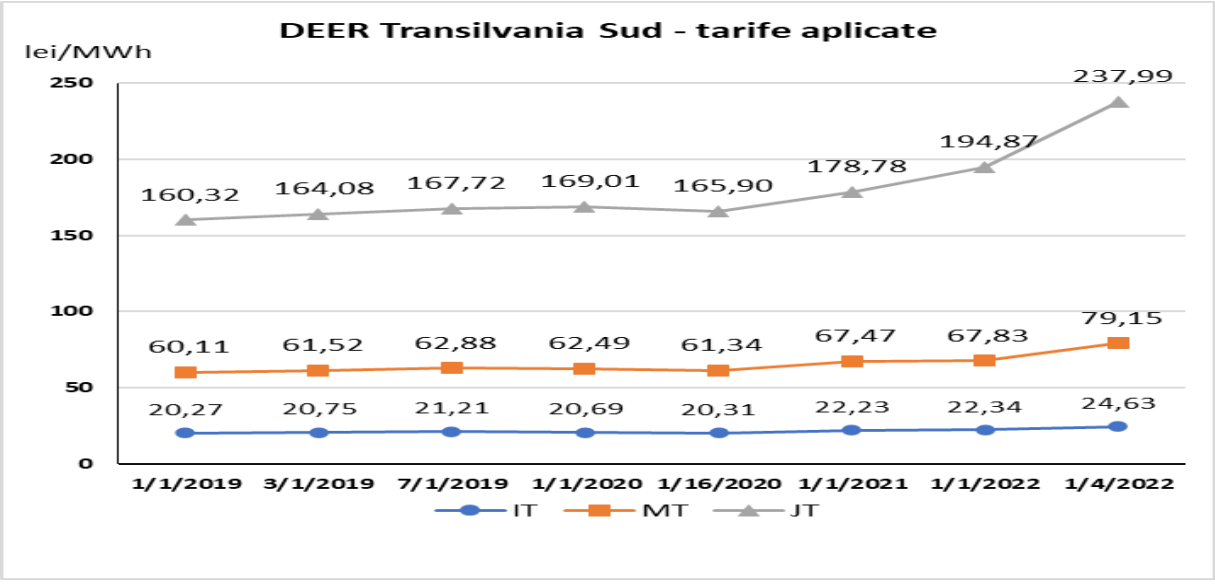

DEER Transilvania Nord - tarife aplicate
lei/MWh
250
200
150
100
50
0
158,68
162,38
166,27
171,98
168,91
173,93
192,70
225,99
60,00
61,40
62,88
65,48
64,31
66,35
69,92
81,26
18,16
18,58
19,03
19,11
18,77
19,23
21,79
23,77
1/1/2019
3/1/2019
7/1/2019
1/1/2020
1/16/2020
1/1/2021
1/1/2022
1/4/2022
IT
MT
JT


DEER Transilvania Sud - tarife aplicate
lei/MWh
250
200
150
100
50
0
160,32
164,08
167,72
169,01
165,90
178,78
194,87
237,99
60,11
61,52
62,88
62,49
61,34
67,47
67,83
79,15
20,27
20,75
21,21
20,69
20,31
22,23
22,34
24,63
1/1/2019
3/1/2019
7/1/2019
1/1/2020
1/16/2020
1/1/2021
1/1/2022
1/4/2022
IT
MT
JT

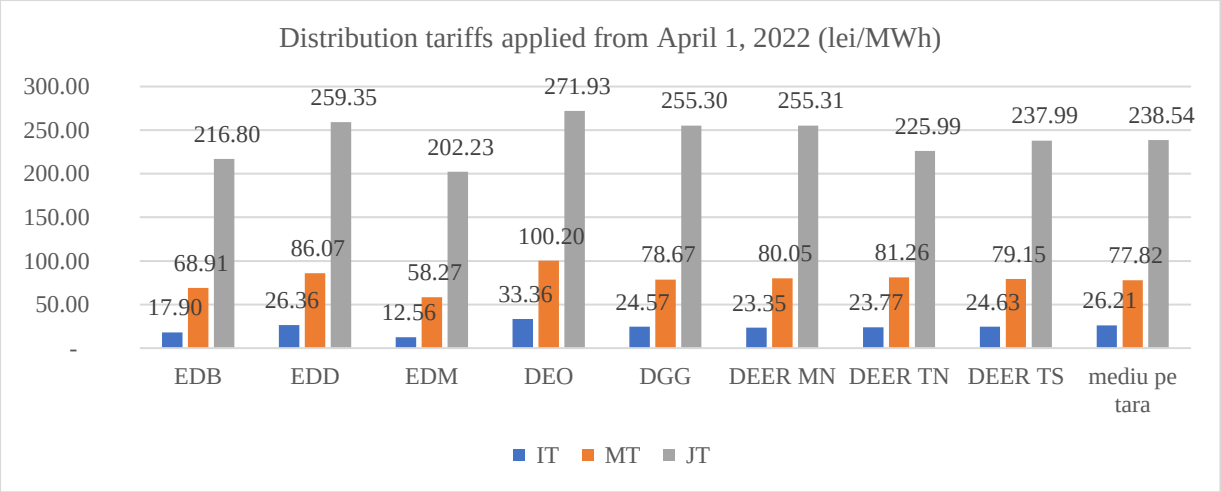
The comparison of the distribution tariffs approved by ANRE with applicability from 01.04.2022, for the eight concessionary electricity distribution operators, is presented in the following figure:







The comparison of the distribution tariffs approved by ANRE with applicability from 01.04.2022, for the eight concessionary electricity distribution operators, is presented in the following figure:



The tariff for the purchase of system services

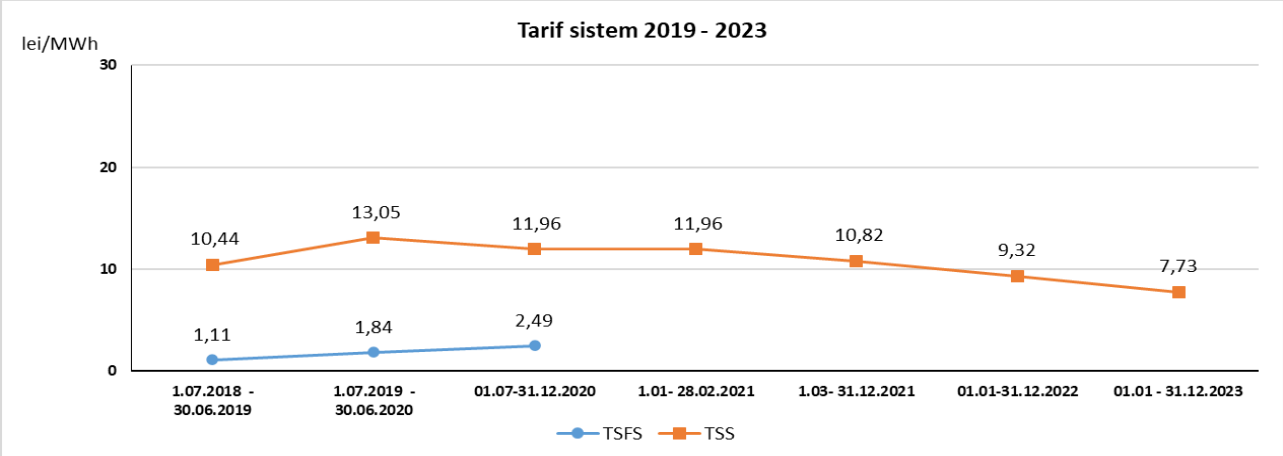
The tariff for the purchase of system services is determined based on the Methodology for establishing tariffs for the system service, approved by ANRE Order no. 116/2022.

In the IV quarter of 2022, in accordance with the provisions of ANRE President's Order no. 116/2022, ANRE analyzed the request of the transport and system operator regarding the closing correction for the period March 1, 2021 - December 31, 2021, respectively the cost-income and profit analysis of the period, as well as the establishment of the cost and revenue forecast and the tariff for system service for the year 2023.

Thus, by ANRE Order no. 144/21.12.2022, a tariff for the purchase of system services applicable in 2023 of 7.73 lei/MWh was approved.

Compared to the previously approved tariff, the tariff approved in 2022 presents a reduction of 17.06%, determined by the decrease in the purchase prices of the reserves necessary to ensure the operational safety of the national electric power system, as well as the quantities of reserves purchased compared to forecasted.

The following figure shows the evolution of the tariff for the system service in the period 2019-2023, expressed in nominal terms of each year.



Monitoring investments in electricity networks

The monitoring of investments in electrical networks is presented in the *Report on the achievement of performance indicators for the transmission, system and distribution services of electricity and the technical condition of the electrical transmission and distribution networks - 2022* published on the ANRE website at: https://www.anre.ro/despre/rapoarte , section *Reports - Performance indicators for transport, supply and distribution services* (hereinafter referred to as *Report on performance indicators and the technical state of the networks*).

Monitoring the implementation of the TSO investment plan for 2022

The programmed and realized values of investments from own funds in 2022 are as follows:

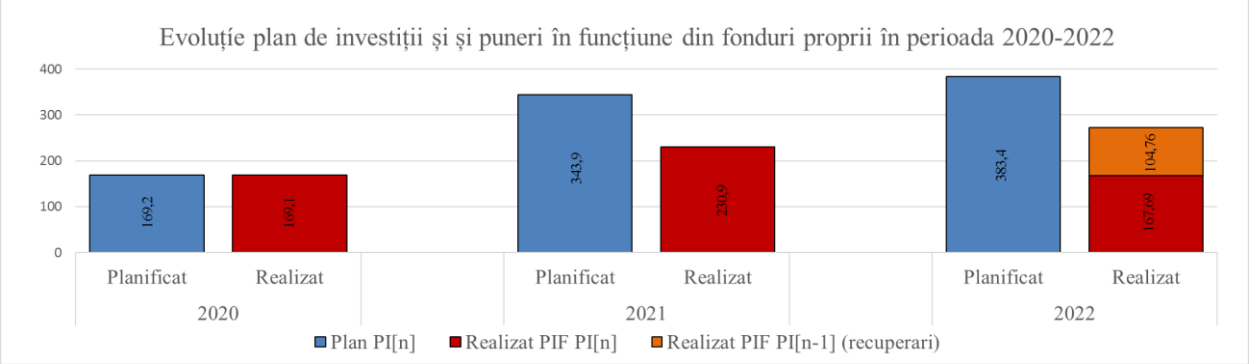
	2022
Forecasted value [lei]1)	383.399.879[1)]
Realized value [lei] 1)	272.455.551[2)]

Note:

1) Value in nominal terms of the PI2022 plan (obtained by updating the forecast value from the investment plan for the period - 298,378,999 lei with the inflations of the years 2020-2022, 2.06%, 8.19% and 16.437%, respectively)

2) The reported value includes the projects on additional investment lists, respectively recoveries from the 2021 investment plan in the amount of 104,765,436 lei)

The evolution of the programmed values and the level of commissioning for investments financed from own funds in the period 2020-2022 is as follows:



The investment works carried out and their values at the end of 2022 are presented centrally in the following table:

Works description	**Value [mii lei]**
A. Refurbishment of existing RET Replacement of 200MVA transformer in the 400/220/110/20kV Urechești, 220/110/20kV Turnu Măgurele stations Refurbishment of the 220/110kV Iaz station, modernization of the power supply at the Uno-DEN headquarters, modernization of the 220/110kV Dumbrava station, refurbishment of the 220/110kV Craiova Nord station, purchase of 220kV STT Constanța modular cell, modernization of the 220/110/20kV Vetiș station - primary equipment	79.225.693
B. Extension RET	2.877.628

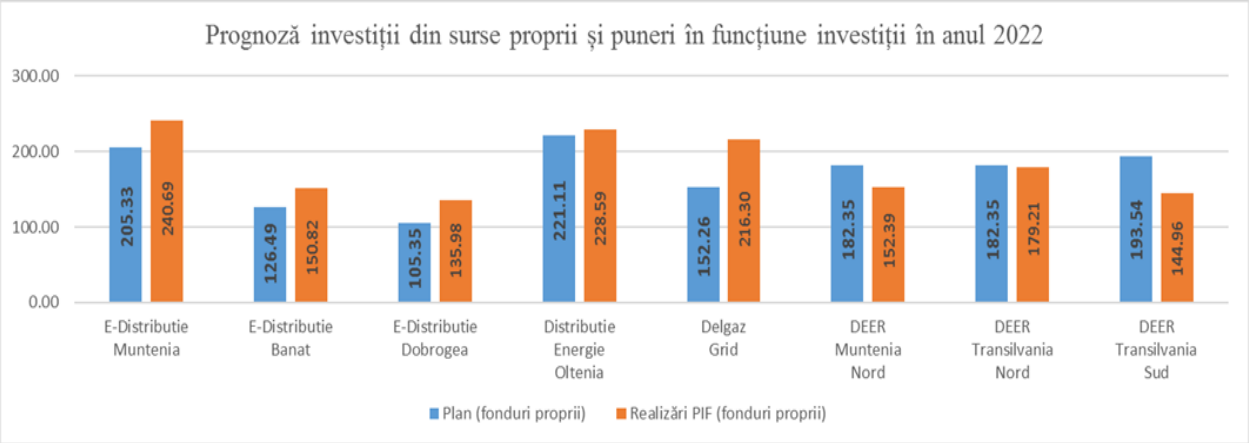
Hydrocarbon separators in Isaccea station, construction of FO communication path between Pitesti Sud station and CTSI ST Pitești, rainwater collection Pitesti Sud station, CE Tulcea heating installation, replacement of 220Vdc accumulator batteries in Sibiu Sud station, increasing the capacity of extinguishing coils for treating the neutral of the network MT from Domnești station	
C. Safety of food consumption Installation of AT2 400MVA and related cells in the Iernut station and the modernization of the command-and-control system, the modernization of the 400kV București Sud-Gura Ialomiței LEA and the Cernavodă-Gura Ialomiței LEA in order to reduce the effects of galloping	24.535.430
E. Integration of production from SRE and new plants Connecting the Isaccea-Varna 400kV LEA and the Isacca-Dobruja 400kV LEA to the Medgidia Sud 400kV station - Et, 1 - Extension of the Medgidia Sud 400kV station	57.977.112
I. Facilities	3.074.252
TOTAL PI2022	**167.690.115**
Additional investments - Recoveries from PI2021 Refurbishment of the 220/110kV Hașdat station, refurbishment of the 110kV Roman Nord station, Replacement of 200MVA AT in the 220/110/20kV Ghizdaru station, modernization of the 110 and 400/220 kV installations in the Focțani Vest station, modernization of the 220/110kV Raureni station, installation of monitoring systems LEA 400kV Isaccea-Tulcea Vest and LEA 400kV Gura Ialomiței-Lacul Sărat etc**.**	104.760.506

According to the provisions of the *Procedure regarding the substantiation and approval of the development and investment plans of the transmission and system operator and of the electricity distribution operators*, approved by ANRE Order no. 98/2022, the TSO has the possibility to recover in the first semester of 2023 the investments forecasted to be made in 2022 and not made/completed during 2022.

Monitoring the realization of OD investment plans for 2022

Establishing the necessary investment and maintenance works in the electric distribution networks at a level so dimensioned as to ensure their safety, reliability and efficiency is the exclusive responsibility and legal obligation of the distribution operators. They establish investment and maintenance programs based on analyzes and assessments carried out within the asset management activity.

The value of the investments made from own sources by concessionaire distribution operators and put into operation in 2022, is presented in the following figure:



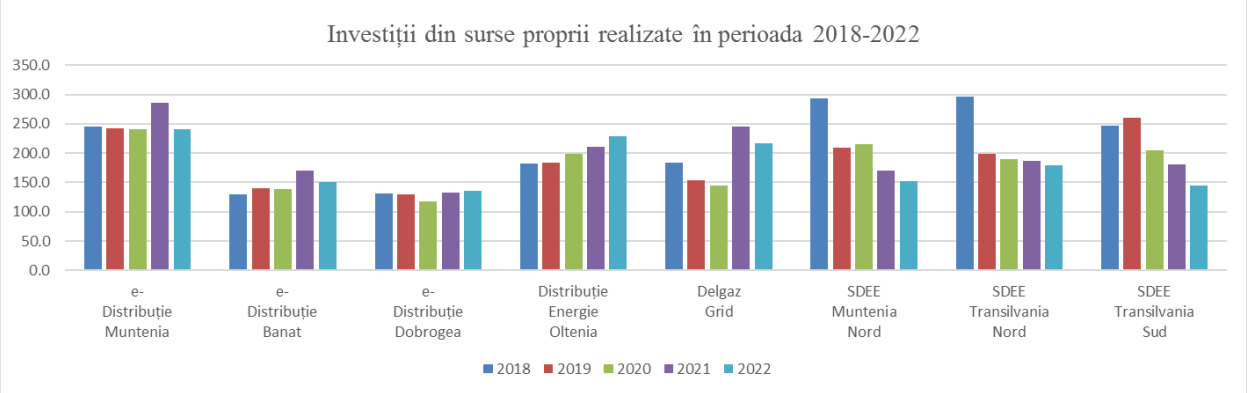
The type of works carried out in the electrical distribution networks in 2022 is presented in the following table:

Type	Category name	Total realized value [lei]	out of which Own sources:
	TOTAL, of which:	1.880.926.981	1.448.933.585
A	ESSENTIALS	223.177.339	207.287.077
A1	Refurbishment and modernization of lines/stations and existing transformer stations that are overloaded, considered workplaces with special conditions from the point of view of work safety, that have inadequate technical parameters	177.580.499	170.968.436
A2	Replacement of existing physically and morally worn equipment for which there are no spare parts and for which proper maintenance work can no longer be performed, replacement of equipment to comply with environmental conditions	45.596.840	36.318.641
A3	Installations for power factor compensation	0	0
B	REQUIRED	1.367.583.235	958.123.922
B1	Replacement of existing depreciated equipment, whose technical parameters no longer correspond to the regulations in force, and which no longer ensure compliance with the performance and quality parameters provided for in the legislation	14.158.188	14.158.188
B2	Replacement of equipment, refurbishment and modernization works to reduce CPT, replacement of measurement groups	132.193.007	132.193.007
B3	Improving the quality of the distribution service	246.687.970	246.687.970
B4	Realization of new capacities, expansion of the existing network to supply new users	272.343.218	234.146.772
B5	Implementation of smart metering systems	92.402.865	92.402.865

B6	New connections, including those required by primary legislation, strengthening the network for new connections, as well as the share not covered by the connection tariff	609.797.987	238.535.120
C	JUSTIFIABLE	290.166.406	283.522.586
C1	The purchase of equipment to ensure work safety and the purchase of work equipment	126.435.511	126.435.511
C2	Improving working conditions	28.284.774	28.284.774
C3	Takeovers of electrical power distribution capacities from third parties	15.628.013	15.628.013
C4	Replacement of measuring groups and replacement of some component parts of fixed assets	97.806.412	91.162.592
C5	Replacements following incidents	22.011.696	22.011.696

It can be concluded that, from the total value of the investment works carried out in 2022, the investment works carried out from own sources represent 77%.

The evolution of the investment volume made from own sources of concessionary electricity distribution operators in the period 2018 – 2022 is presented below:



ANRE monitors the forecast of the balance between resources and electricity consumption for the next 5 years and the estimation of the evolution of the security of electricity supply for a period between 5 and 15 years, implicitly planning the commissioning of new production capacities based on the information and analyzes presented by TSO within the RET development plan and the RET investment plan for the period 2022-2031.

Monitoring the technical condition and maintenance level of the electricity transmission network

The monitoring of the technical condition of the electrical networks is presented in the Report on the achievement of performance indicators for the transport, system and distribution services of electricity and the technical condition of the electrical transmission and distribution networks - 2022 -, report published on the ANRE website at the address https://www.anre.ro/despre/rapoarte, section Reports - Performance indicators for transport, supply and distribution services.

The technical condition of the electrical networks is monitored by ANRE through the annual follow-up of the operating duration of the installations, in relation to the volume of investment and

maintenance works carried out by the network operators, as well as through the performance indicators of the service.

The volume and duration of operation of the electric transmission network

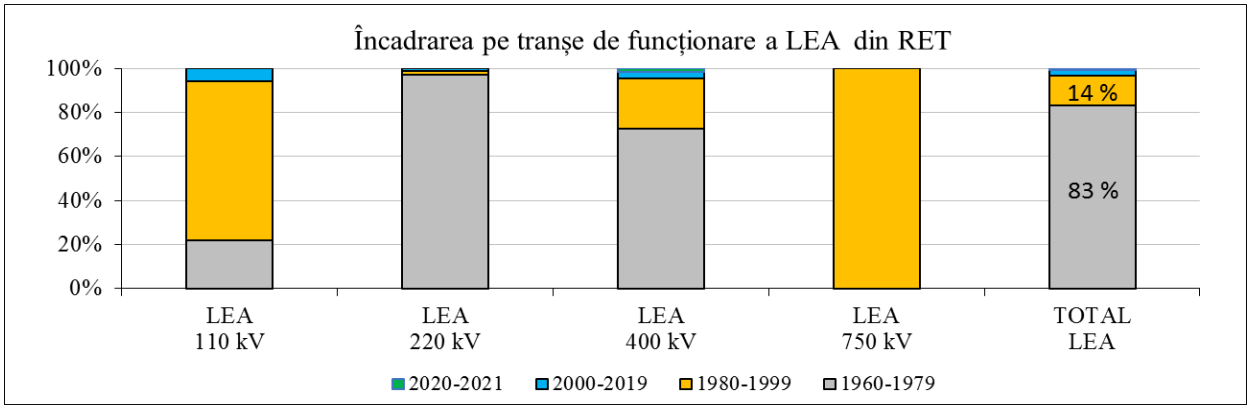
The electricity transmission system includes power lines with the nominal voltage of 750 kV, 400 kV, 220 kV, 110 kV and power stations with the higher voltage of 400 kV and 220 kV, according to the table:

Power stations		Electric lines				
		LEA				LES
400kV [buc]	220kV [buc]	750 kV [km]	400 kV [km]	220 kV [km]	110 kV [km]	220 kV [km]
39	42	3,11	4.984,65	3.875,84	40,42	0,3

Note: The lines with the constructive voltage of 750 kV Isaccea – Stupina and Stupina – Varna operate at the nominal voltage of 400 kV

The total length of the electric transmission network is 8,904.62 km, of which the interconnection lines are 489.04 km long.

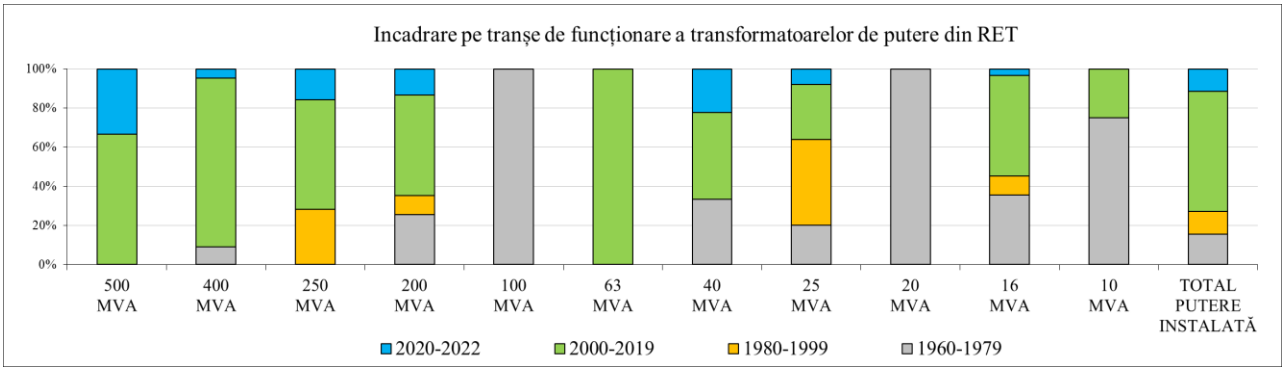
The LEA distribution by voltage levels and commissioning periods is as follows:



Of the total length of the LEA, 83% were put into operation between 1960 and 1979 and 14% between 1980 and 1999. These lines require maintaining an appropriate level of operation by applying appropriate maintenance programs.

The number and installed power of transformers/autotransformers in power stations are shown in the following table:

	Period PIF	The apparent power of the transformer [MVA]											TOTAL [MVA / %]	
		500	400	250	200	100	63	40	25	20	16	10		
No. of Trafo [pcs]	1960-1979		2		21	1		3	5	1	11	6	5.601	15,3 %
	1980-1999			9	8				11		3		4.173	11,4 %
	2000-2019	2	19	18	42		2	4	7		16	2	22.237	60,9 %
	2020-2022	1	1	5	11			2	2		1		4.496	12,3 %



It is found that of the total power installed in transformers/autotransformers approx. 27% was put into operation before 2000. For this equipment, it is necessary to carry out some maintenance programs and carry out re-technology and modernization works.

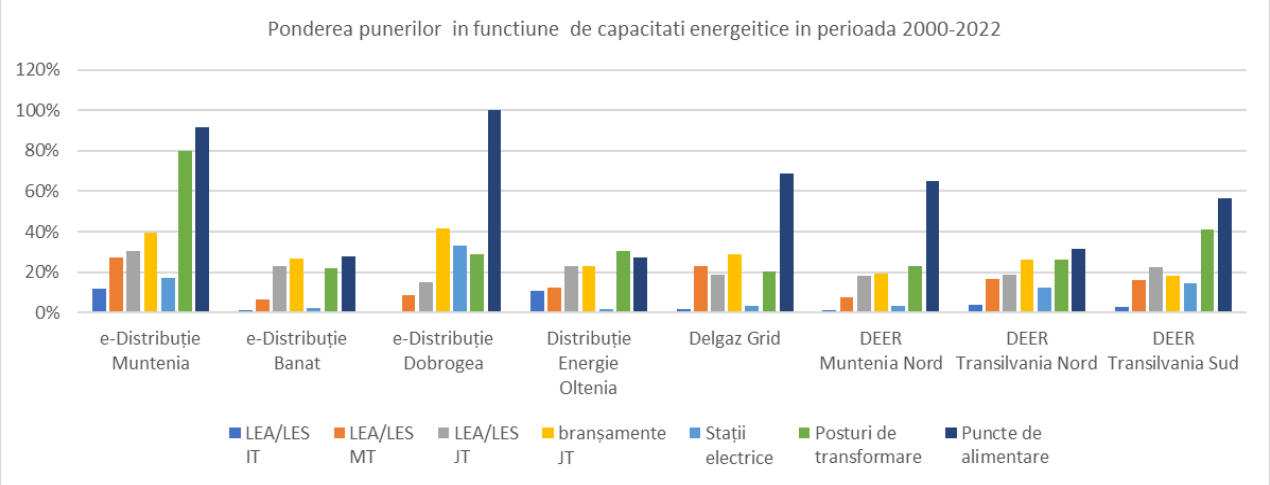
The volume and duration of operation of electricity distribution networks

At the level of the entire country, the following breakdown of operating durations of installations managed by distribution operators can be found:

PIF	LEA+ LES IT [km route]	LEA+ LES MT [km route]	LEA+ LES JT [km route]	Branch JT [km route]	Power stations 110kV [pcs]	Power stations under 110kV [pcs]	Trasformation stations [pcs]	Power points [pcs]
before 1960	1.670	9.810	7.861	7.888	36	12	2.066	22
1960-1979	14.608	70.041	87.573	69.894	545	198	31.712	315
1980-1999	4.998	22.658	51.398	49.804	181	60	15.962	176
2000-2019	926	14.065	36.702	40.789	102	14	22.200	702
2020-2022	82	3.482	3.356	4.753	9	0	3.205	153
TOTAL	**22.285**	**120.055**	**186.890**	**173.128**	**873**	**284**	**75.145**	**1.368**

Most of the installations related to the electrical distribution networks currently in operation have a long service life, mostly more than 35 years.

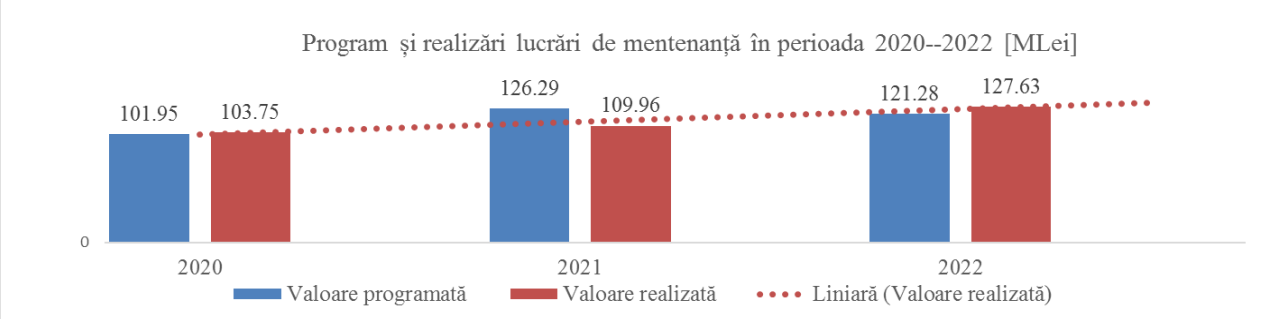
The share of the energy capacities put into operation in the period 2000-2022 from the total, by category of installations and operators is presented in the following figure:



It is necessary to intensify and streamline maintenance activities to maintain electrical installations within the nominal operating parameters, to carry out adequate monitoring and evaluations of the state of the networks, as well as to apply consistent programs for re-technology and modernization of these installations.

Realization of the annual maintenance plans of the TSO

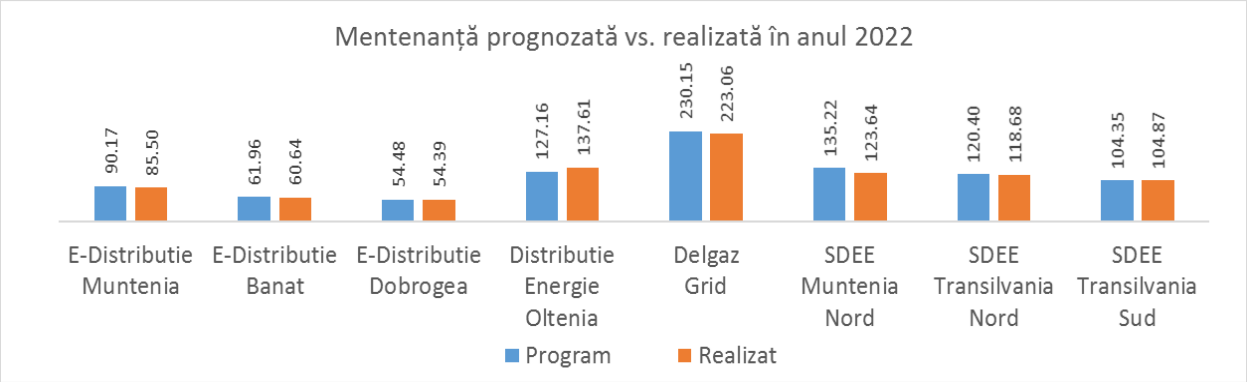
The evolution of the values programmed and achieved in the period 2020-2022 is as follows:



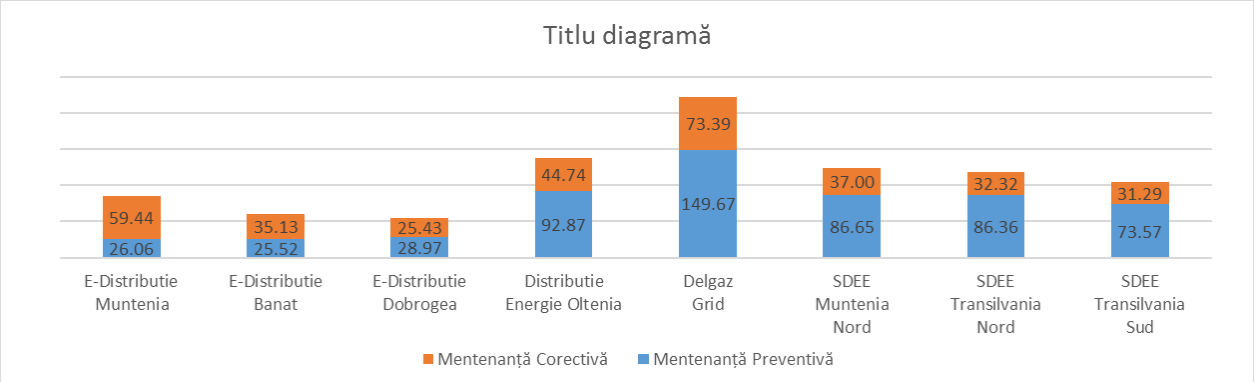
The maintenance program in the network (in RET elements and/or in elements used for system operation) was carried out in terms of value in proportion to 105.2% of the programmed value, of which preventive works, representing 59.19% of the plan have been achieved in proportion of 84.45%. In 2022, the condition provided for in art. 36, para. (5) of the Procedure regarding the substantiation and approval of the development and investment plans of the transport and system operator and of the electricity distribution operators (Order 98/2022), regarding the implementation of maintenance works worth at least 90 % of the total value of the annual plan.

Realization of the annual maintenance plans of the OD

According to OD reports, the forecasted and realized values of network maintenance in 2022 are presented in the following figure:



From the reported data, for some of the operators the achieved values of corrective maintenance are significant, especially in the case of E-Distribution operators (69.5% at E-Distribution Muntenia, 57.9% at E-Distribution Banat and 46 .7% at E-Distribuţie Dobrogea).



Since the corrective maintenance is carried out because of incidents in the network with a negative impact on the quality of the service provided, it is necessary for the OD to take measures to carry out the preventive maintenance works and the scheduled investments.

Regarding the maintenance programs of the ODC, in 2022, the condition provided for in art. 36, para. (5) of the *Procedure regarding the substantiation and approval of the development and investment plans of the transport and system operator and of the electricity distribution operators* (ANRE Order no. 98/2022), regarding the implementation of maintenance works in the amount of at least 90% of the total value of the annual plan.

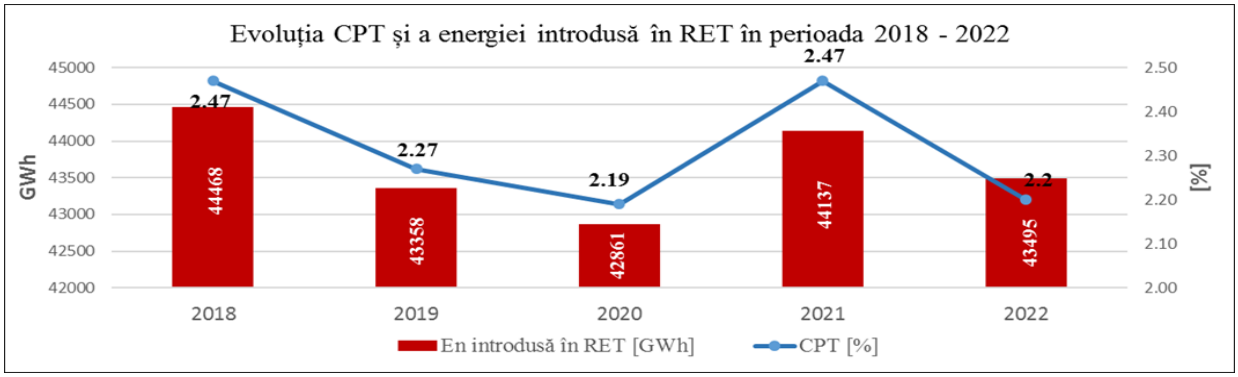
Monitoring performance indicators of electricity transmission, system and distribution service, reconnection time after planned repairs and after unplanned outages

The monitoring of performance indicators is presented in the *Report on the achievement of performance indicators for the transmission, system and distribution services of electric energy and the technical condition of the electric transmission and distribution networks - 2022* -, published on the ANRE website at the address: https://www.anre.ro/despre/rapoarte , section Reports - Performance indicators for transport, supply and distribution services.

General performance indicators and continuity of energy transmission service

Own technological consumption in the RET is determined as the difference between the electrical energy entered the RET and the electrical energy extracted from the RET, relative to the electrical energy entered into the RET.

The following figure shows a comparative situation of the CPT in the period 2018-2022:



The CPT registered in the RET in 2022 was 958.981 GWh, 11.9% lower than in 2021. The decrease in losses occurred because of the decrease in the energy entered the RET outline, but mainly due to the more advantageous distribution of of the physical flows on the interconnection lines and of the

somewhat more favorable distribution of the production compared to the places of consumption, which determined the transport of energy over shorter distances, with lower losses.

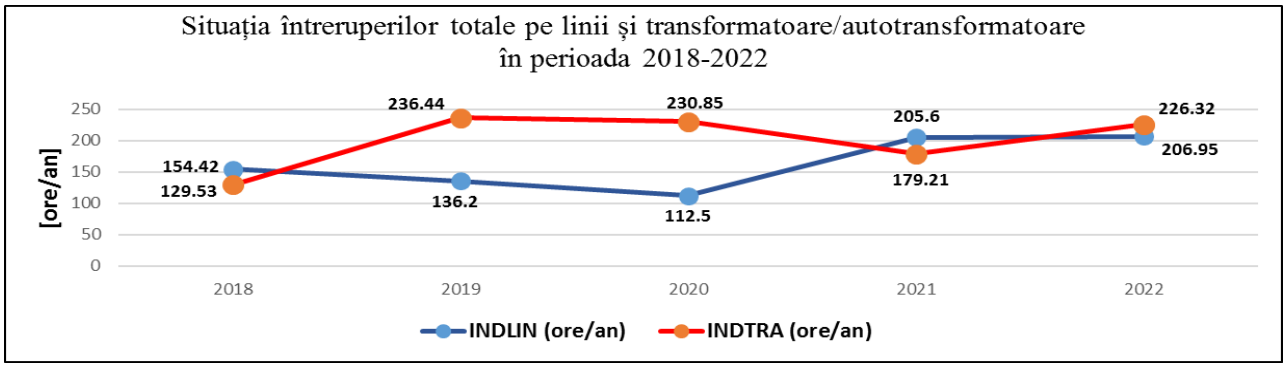
The energy that entered the RET outline was 43,495 GWh, decreasing in 2022 by 1.5% compared to 2021, given that the net domestic consumption recorded a decrease of approx. 7.8%. The evolution of the energy entered the RET was influenced by that of the power plants that discharge directly into the RET, which produced approx. 2.7% less energy and the energy input from RED to RET, which decreased by approx. 18.7%, while the SEN import increased by approx. 15.6%.

Physical flows on the interconnection lines had a more favorable evolution compared to 2021, which led to a decrease in losses.

Overall, the structure of production that discharges directly into the RET was more advantageous in terms of losses in 2022 compared to 2021. The power plants that discharge directly into the RET produced almost 3% less energy in 2022 compared to 2021.

The amount of precipitation recorded was lower in 2022, causing the Corona component of the losses to decrease.

The average unavailability over time of the INDLIN and INDTRA installations, which is determined according to planned or unplanned (accidental) events and is related to the length expressed in km for LEA in RET or to the apparent power expressed in MVA for transformers and autotransformers in RET stations, is presented in the figure below for the period 2018-2022.



General System Service Performance Indicators

In 2022, breakdown aid was granted following the request of NPC Ukrenergo (3,727 MWh based on contract C578/8.03.2022), respectively the request of I.S. Moldelectrica (19,790 MWh based on contract C919/30.09.2022).

The deviation of the SEN balance with the ACE frequency correction is presented in the following table:

SEN balance deviation with ACE frequency correction [MWh/h]			
An	**2020**	**2021**	**2022**
ACE mean value	3,43	1,22	1,11
ACE maximum value	350	105	382
ACE minimum value	-102	-92	-214
Standard deviation	14,4	10,41	9,57

The balance deviation values with the frequency correction fall within the evolutions of previous years, but also the requirements imposed by the European regulations in force, in accordance with the methodology approved at the ENTSO-E level *"Methodology for creation of load-frequency control annual report*".

The performance of the AC power regulation with the frequency deviation was very good even according to the new standards imposed by the European regulations.

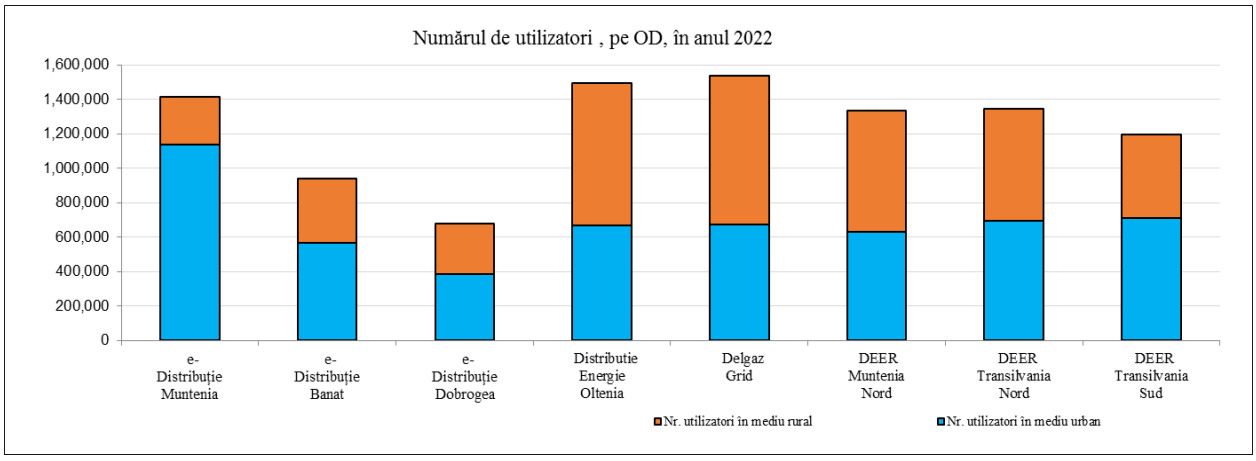
The congestions and network restrictions that caused these congestions in the year 2022 are shown in the following table:

	Congestion caused by emerging network restrictions		
	in the scheme with N elements in operation in the RET and in the 110kV network of the RED	Because of the decommissioning of the RET elements	Because of the decommissioning of RED elements
Amount of electricity used for network congestion management [MWh]	390,412	1.227,670*)	0
The cost of congestion [lei]	160.278,607	182.878,047*)	0

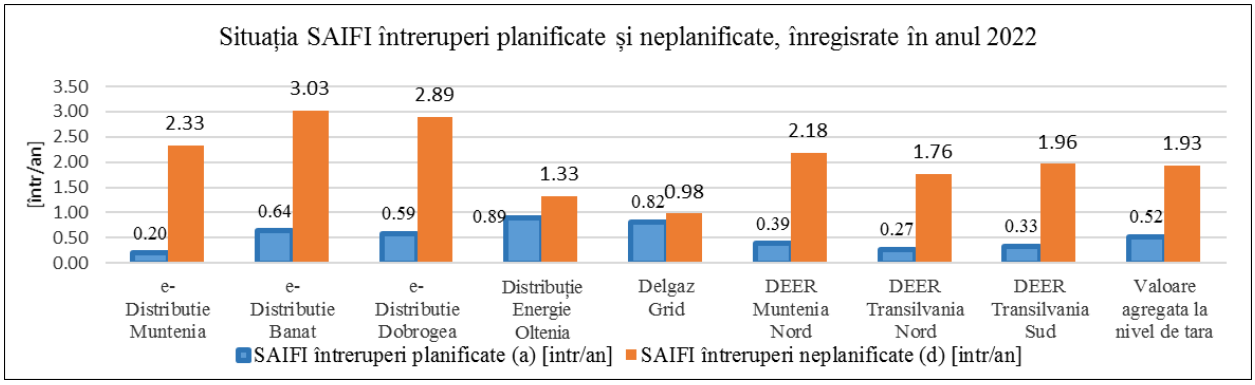
**) Accidental withdrawals from operation*

Indicators of continuity of the electricity distribution service

The figure below presents the situation of the number of users at all voltage levels in the urban and rural areas, in each concession area and in total for the country, against which the calculation of the annual continuity indicators related to the year 2022 was reported.



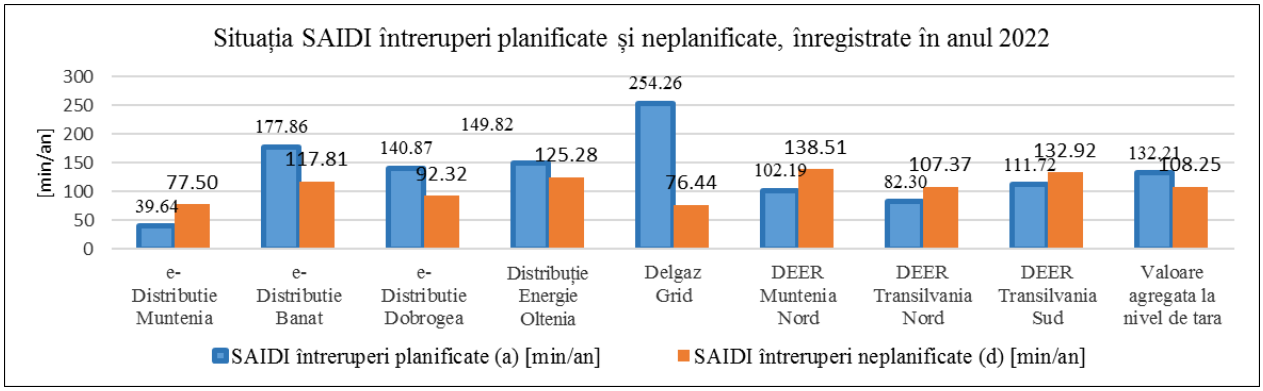
The SAI\FI and SAIDI users' supply continuity indicators recorded the following values for 2022:



According to the analysis carried out, in the period 2018 – 2022 a slight improvement of the SAIFI values for unplanned interruptions is observed, as follows:

Indicator	**2018**	**2019**	**2020**	**2021**	**2022**
SAIFI planned outages (a) [in/year]	0,61	0,61	0,58	0,60	0,52
SAIFI unplanned interruptions (d) [in/year]	3,2	2,9	2,57	2,31	1,93

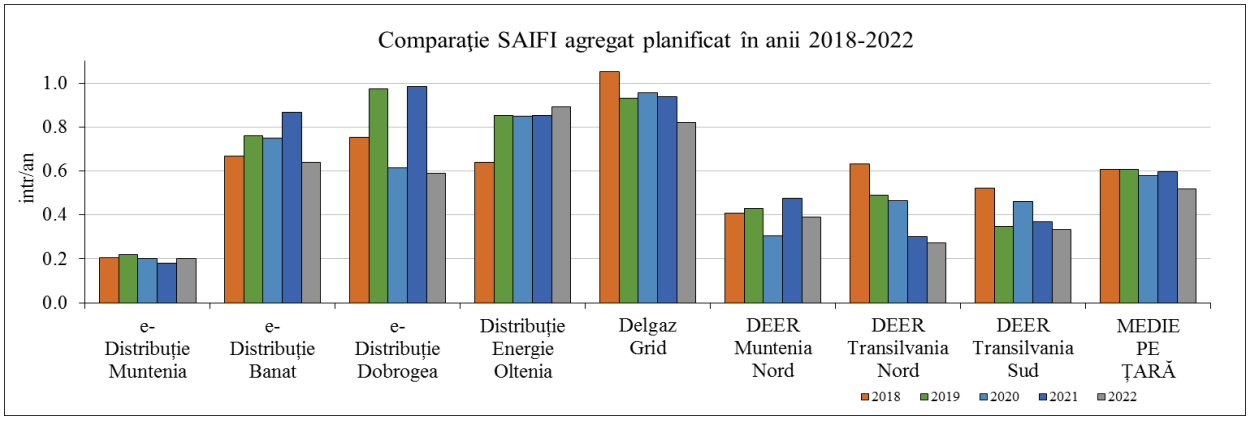
The results recorded in 2022 regarding the average frequency of interruptions in the network (SAIFI) reveal low values of the planned index (both in urban and rural areas) and much higher values of the unplanned index, corresponding to a large volume of outages accidental damage to the electricity supply

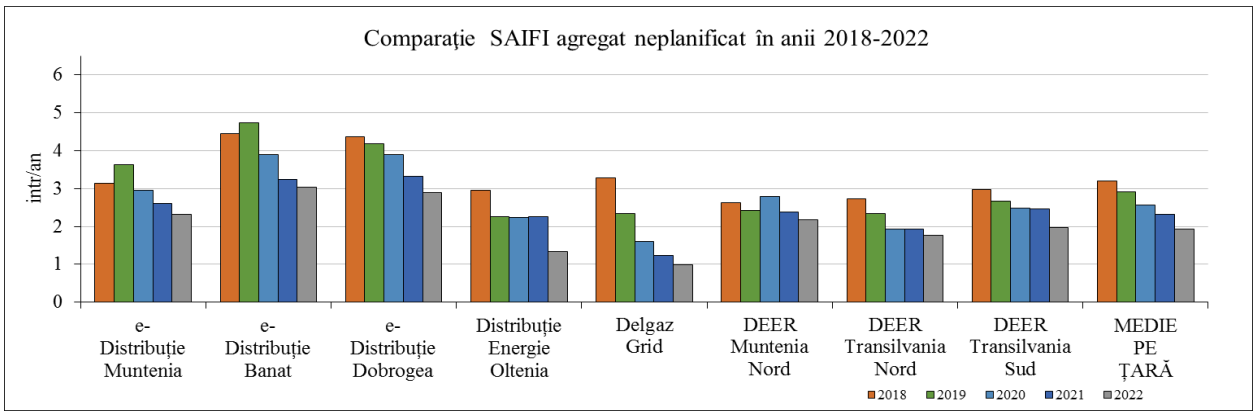


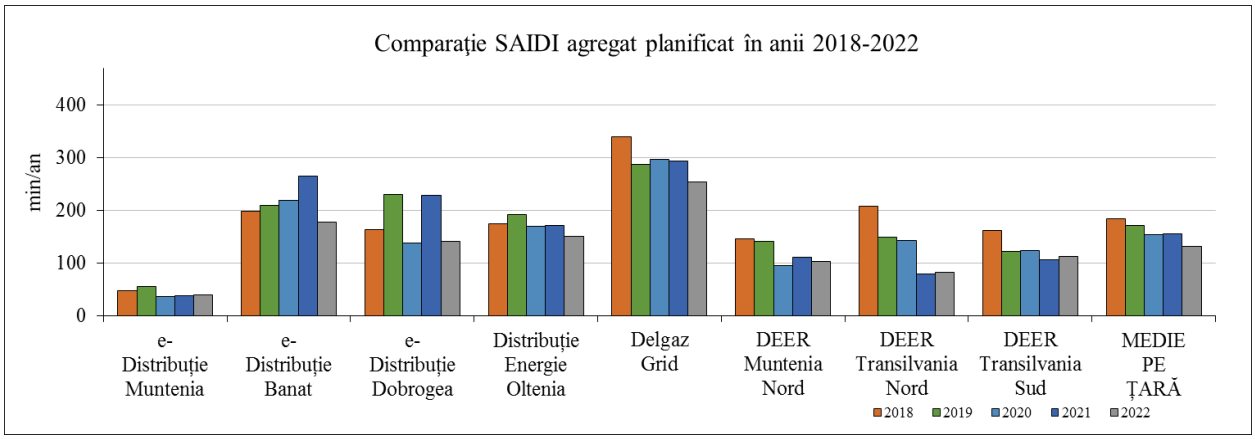
According to the analysis carried out, in the period 2018 – 2022 a slight improvement of the SAIDI values for planned and unplanned interruptions is observed.

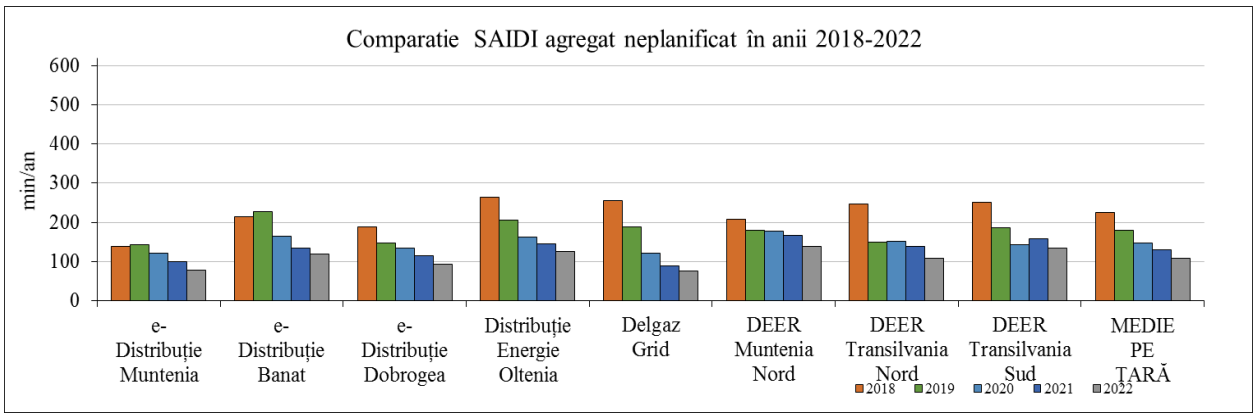
Indicator	**2018**	**2019**	**2020**	**2021**	**2022**
SAIDI planned interruptions (a) [min/year]	183,6	171,1	153,93	155,59	132,21
SAIDI unplanned interruptions (d) [min/year]	224,1	178,9	146,78	130,43	108,25

The evolution of the electricity distribution service continuity indicators in the 8 distribution areas, over the last 5 years, is as follows:


Comparaţie SAIFI agregat planificat în anii 2018-2022
intr/an
1.0
0.8
0.6
0.4
0.2
0.0
e-Distribuţie Muntenia
e-Distribuţie Banat
e-Distribuţie Dobrogea
Distribuţie Energie Oltenia
Delgaz Grid
DEER Muntenia Nord
DEER Transilvania Nord
DEER Transilvania Sud
MEDIE PE ŢARĂ
2018
2019
2020
2021
2022


Comparaţie SAIFI agregat neplanificat în anii 2018-2022
intr/an
6
5
4
3
2
1
0
e-Distribuţie Muntenia
e-Distribuţie Banat
e-Distribuţie Dobrogea
Distribuţie Energie Oltenia
Delgaz Grid
DEER Muntenia Nord
DEER Transilvania Nord
DEER Transilvania Sud
MEDIE PE ŢARĂ
2018
2019
2020
2021
2022


Comparaţie SAIDI agregat planificat în anii 2018-2022
min/an
400
300
200
100
0
e-Distribuţie Muntenia
e-Distribuţie Banat
e-Distribuţie Dobrogea
Distribuţie Energie Oltenia
Delgaz Grid
DEER Muntenia Nord
DEER Transilvania Nord
DEER Transilvania Sud
MEDIE PE ŢARĂ
2018
2019
2020
2021
2022


Comparatie SAIDI agregat neplanificat în anii 2018-2022
min/an
600
500
400
300
200
100
0
e-Distribuţie Muntenia
e-Distribuţie Banat
e-Distribuţie Dobrogea
Distribuţie Energie Oltenia
Delgaz Grid
DEER Muntenia Nord
DEER Transilvania Nord
DEER Transilvania Sud
MEDIE PE ŢARĂ
2018
2019
2020
2021
2022

Monitoring the duration and cost of connections to the electricity distribution network

The average duration of the connection process, which represents the time between the date of submission of the connection request with complete justification documentation and the date of energizing the user installation, has the following distribution per DSO:

DSO		E-Distribuție Muntenia	E-Distribuție Banat	E-Distribuție Dobrogea	Distribuție Energie Oltenia	Delgaz Grid	DEER Muntenia Nord	DEER Transilvania Nord	DEER Transilvania Sud	AVERAGE ON THE COUNTRY
Average duration of the connection process [days]	JT	112	152	132	62	152	143	73	84	114
	MT	431	337	380	232	442	46	51	60	247

The average duration of the JT connection process was 114 days nationwide (compared to 132 days in 2021 and 87 in 2020), ranging between 62 days at Distribuție Energie Oltenia and 152 days at E-Banat Distribution and Delgaz Grid.

The average duration of the MV connection process was 247 days nationwide (compared to 290 in 2021 and 247 in 2020), with a minimum value of 46 days at DEER Muntenia Nord and a maximum value of 442 days at Delgaz Grid.

The average cost of the connection process has the following distribution per DSO:

DSO		E-Distribuție Muntenia	E-Distribuție Banat	E-Distribuție Dobrogea	Distribuție Energie Oltenia	Delgaz Grid	DEER Muntenia Nord	DEER Transilvania Nord	DEER Transilvania Sud	AVERAGE THE ON COUNTRY
Average cost of connection [lei]1)	JT	1.257	2.957	2.005	1.633	3.263	2.623	1.945	2.095	2.222
	MT	160.136	131.834	142.018	43.764	174.862	54.734	60.098	139.134	113.323

The average cost of connecting to JT was 2,222 lei nationwide (compared to 2,110 lei in 2022 and 2,167 in 2020) with a minimum value of 958 lei at E-Distribuție Muntenia and a maximum value of 3,218 lei at Delgaz Grid.

The average MV connection cost was 113,323 lei nationwide (106,415 lei in 2021 and 117,408 lei in 2020) with a minimum value of 43,764 lei at Distributie Energie Oltenia and a maximum value of 174,862 lei at Delgaz Grid.

In 2022, in accordance with the provisions of art. 51, para. 3^5 of the Electricity and Natural Gas Law no. 123/2012, the categories of consumers expressly specified by the Law, who are connected to the low-voltage network, benefited from the reimbursement of the value of the branch design and execution works, up to an average value of a branch approved by the Order of the President of ANRE no. 23/2022.

Intelligent electricity metering systems

Monitoring the SMI implementation process

From the point of view of the volume of implementations, the degree of fulfillment of the implementation obligations related to the year 2022 according to the approved calendar is 55% at the country level, with important differences between the distribution operators (according to the table below). Regarding the achievement of the total cumulative number of integrated users in the period 2019 – 2022, compared to the obligation of implementation provided by the calendar, the degree of achievement as of 12.31.2022 is 91%. At the end of 2022, the total degree of implementation of SMI at the country level is 19%.

Although all distribution operators implemented SMI in 2022, in seven of the eight concession areas the SMI implementation obligations stipulated in the national SMI implementation calendar were not met.

For the most part, the non-achievements in 2022 are justified by the distribution operators by the impossibility of ensuring the material base due to the cancellation of tenders, requests to change the contractual conditions from suppliers or non-compliance of the offers with the requirements of the specifications.

The detailed results of the SMI implementation until 31.12.2022 are presented in the Annual Report on the status of the implementation of smart electricity metering systems on 31.12.2022 according to the Implementation Calendar of smart electricity metering systems at the national level for the period 2019-2028, approved by ANRE Decision no. 778/08.05.2019, with subsequent amendments and additions, published on the ANRE website at https://anre.ro/despre/rapoarte/ in the *Intelligent measurement systems* section.

The priorities of the regulatory activity regarding the methodologies for establishing regulated tariffs in the field of electricity in the period 2023-2024

In accordance with the ANRE 2023-2024 multi-year regulation program, published on the ANRE website, SMITEE has the following priorities in regulatory activity:

1) Modification of the Methodology for evaluating the financing conditions of investments for the electrification of localities or for the expansion of electricity distribution networks, approved by ANRE Order no. 36/2019

Completion deadline: Term. III 2023 (document in the public debate phase).

Purpose: The modification and completion of the current regulation ensures the harmonization of the regulatory framework with the new provisions of the Law regarding the expansion of the electrical distribution networks located in urban areas.

Changes to some existing provisions are additionally considered to clarify the obligation of distribution operators to recalculate the investment efficiency rate based on the value of the network expansion work resulting from the acceptance report of its commissioning.

2) Approval of the rules on how to allocate costs regarding CPT due to additional energy transits in the 110 kV networks of concessionary electricity distribution operators

Completion deadline: Quarter III 2023 (document in the public debate phase).

Purpose: Costs related to own technological consumption (hereinafter referred to as CPT) are recognized in the tariffs of concessionary electricity distribution operators within the limits of the CPT targets approved by ANRE, according to the CPT reduction plans established for each regulatory period. In some cases, the recording of a level of losses that exceeds the regulated level of the CPT targets for the 110 kV voltage level, is caused by circumstances outside the control area of the electricity distribution operators, respectively by additional circulations of energy through the network 110 kV. These circulations are caused by electricity producers, through power surplus compared to regional needs or by the transport and system operator. Consequently, in 2022, ANRE purchased consulting services for the realization of a Study on the determination of the calculation algorithm and the way of assigning to the producers and to the transport and system operator, the own technological consumption caused by the additional transits of energy in the networks of 110 kV of concessionary electricity distribution operators.

Considering the results of the mentioned study, ANRE considers it appropriate to introduce some measures to allow the bearing of the amount of CPT caused by the additional energy transits from the 110 kV networks of the concessionaire distribution operators by the party responsible for their occurrence.

3) Revision of the Methodology for establishing tariffs for the electricity distribution service, approved by the Order of the Romanian Energy Regulatory Authority no. 169/2018, with subsequent amendments and additions

Completion deadline: Quarter IV 2023 (The order for modification and completion of the methodology is in the approval phase).

Purpose: The modification and completion of the methodology is necessary to establish the applicable methodological norms for the year 2024, which is the transition year from the fourth regulatory period, respectively 2018-2023 to the fifth regulatory period, respectively 2025-2029.

The draft order provides for the method of establishing the regulated income for the electricity distribution service related to the transition year, as well as the rules regarding the establishment of inflation corrections related to the fourth regulatory period.

Also, the rules regarding the establishment of annual corrections for the year 2024 are provided, as well as the deadline for submitting to ANRE the documentation substantiating the regulated tariffs for the year 2024.

In the annex to the order, respectively annex 1^1 to the Methodology, the methodological rules for establishing the target income for the electricity distribution service related to the transition year 2024 are provided.

For the operators that merged in the fourth regulatory period, it is foreseen to establish transitional tariffs that ensure the transition from distinct distribution tariffs to a single tariff so that users do not bear an increase of more than 10% on each voltage level and of 7% on the average rate in real terms according to the methodological provisions.

4) Revision of the Methodology for establishing tariffs for the electricity transmission service, approved by the Order of the Romanian Energy Regulatory Authority no. 171/2019, with subsequent amendments and additions

Completion deadline: Quarter IV 2023.

Purpose: Revising the methodology by completing it is necessary to introduce some clarifications of some provisions applicable at the end of the fourth regulatory period.

5) The conditions and stages for granting TSOs and ODs the right to own, develop, manage, and operate energy storage facilities according to art. 321 paragraph (2) and (3) and art. 461 para. (2) and (3) of the Energy Law no. 123 of 2012; monitoring and public consultation processes according to art. 321 paragraph (4), art. 45 para. (9) and art. 461 para. (4) from the Energy Law no. 123 of 2012;

Completion deadline: Quarter III 2023.

Purpose: Regulation of the manner and conditions of acceptance in the development and investment plans of network operators of electricity production facilities from renewable sources with or without storage, which are fully integrated network components, in accordance with the provisions of art. 32^1 para. (2) and to art. 46^1 para. (2) from the Electricity and Natural Gas Law no. 123/2012, with subsequent amendments and additions.

The regulation is complementary to the regulation related to "*Technical-economic characteristics of storage facilities considered fully integrated network components according to art. 3 paragraph (27), art. 321 and art. 461 of the Energy Law no. 123 of 2012*".

6) Modification of the ANRE President's Order no. 129/2022 for the approval of the Methodological Norms regarding the recognition in tariffs of additional costs with the purchase of electricity to cover own technological consumption compared to the costs included in the regulated tariffs

The regulation is not provided for in the regulation program, the document is in the public debate phase.

Purpose: The amendment is necessary to transpose in the secondary legislation the amendments made to art. III paragraph (1) from GEO no. 119/2022 and considering that Order 129/2022 contains provisions regarding the determination of additional costs with the purchase of electricity to cover own technological consumption compared to the costs included in the regulated tariffs approved only for the period January 1, 2022- to March 31, 2023. Thus, on the date of approval of ANRE Order no. 129/2022, the period of applicability of the provisions of GEO no. 119/2022 provided for in art. III paragraph (1) was January 1, 2022 – August 31, 2023. By approving GEO no. 119/2022 by Law no. 357/2022, the period of applicability of the provisions of art. III paragraph (1) was extended until March 31, 2025.

7) Approval of the principles for establishing binomial tariffs for the distribution service provided by concessionary electricity distribution operators.

The regulation is not provided for in the regulation program, the document is in the simulation phase at the level of distribution operators.

Purpose: The regulation is necessary to implement in the next regulatory period the binomial type of tariff system, which represents a practice at the level of most European states, to which Romania must align. By introducing binomial tariffs for the electricity distribution service, the aim is to stimulate the rational use of the distribution network, i.e., to reduce the cases of requests to connect to the network for powers significantly higher than those used after connection.

8) Modification of the Procedure regarding the substantiation and approval of the development and investment plans of the transport and system operator and of the electricity distribution operators, approved by ANRE Order no. 98/2022, with subsequent amendments and additions.

The regulation is not provided for in the regulation schedule.

The modification of the procedure is necessary for the introduction of conditions to stimulate the network operators to access non-reimbursable funds for the financing of investments.

REGULATION OF NETWORK TARIFFS AND MONITORING OF INVESTMENTS

NATURAL GAS SECTOR

The evolution of tariffs in the field of natural gas

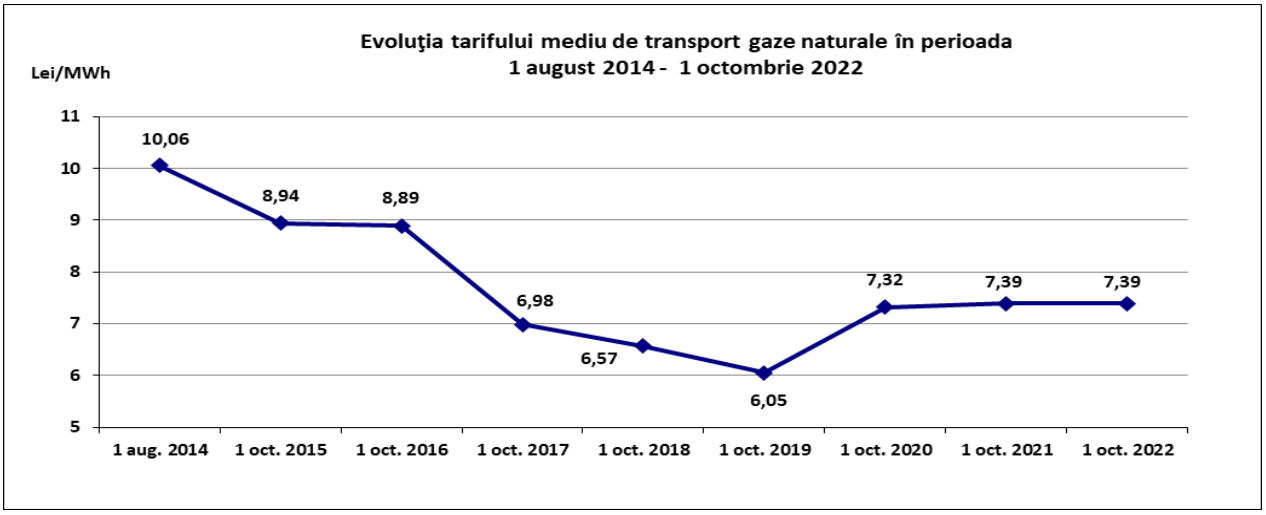
Tariffs for natural gas transportation services through the National Natural Gas Transportation System (SNT)

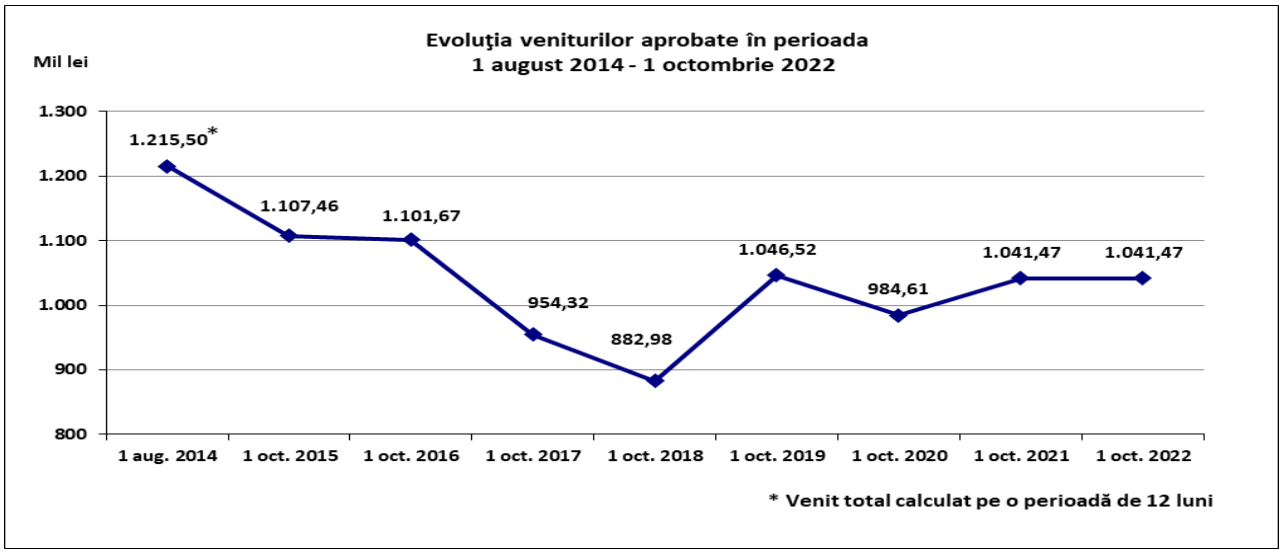
These tariffs are established according to the provisions of the *Methodology for establishing regulated tariffs for natural gas transport services*, approved by ANRE Order 41/2019, with subsequent amendments and additions, and include a set of "entry/exit" type tariffs established for the group of points of entry, respectively for the group of exit points in/from the SNT where the capacity is reserved, as well as a volumetric tariff for the use of the SNT determined as a postage stamp type tariff.

This tariff system ensures the achievement of the income allowed by ANRE to the transport and system operator, to cover the justified costs necessary for carrying out the natural gas transport activity in one year of the regulatory period.

The capacity reservation rates related to firm and interruptible long-term and short-term transport services for the group of entry/exit points, as well as the volumetric tariff for the use of the National Transport System (with the exception of the Isaccea – Negru Vodă transport pipelines, for which apply distinct tariffs) practiced between October 1, 2022 and September 30, 2023 by SNTGN Transgaz S.A., were approved by ANRE Order no. 75/2022, being valid until September 30, 2023.

The following tables show the annual evolution of the average transport tariff and the regulated income for the natural gas transport service approved between August 1, 2014, and October 1, 2022.





Tariffs for connection to the natural gas transport system

In 2022, for the connection to the SNT, the rates calculated and approved by the operator were applied based on the *Methodology for calculating the rates related to the process of connecting to the transmission and distribution systems in the natural gas sector and determining the average value of a connection*, approved by ANRE order no. 9/2022.

Natural gas distribution activity

The regulated tariffs for the activity of natural gas distribution include tariffs differentiated by customer category, for each of the licensed distribution operators, established based on the Methodology for establishing regulated tariffs for distribution services in the natural gas sector, approved by ANRE Order no. 217/2018.

In 2022, differentiated distribution tariffs were established for customer categories depending on their inclusion in consumption margins, transit tariffs and proximity distribution tariffs by applying a single cost correction, in accordance with the provisions of GEO no. 27/2022.

Evolution of natural gas distribution tariffs

In 2022, GEO no. 27/2022 which, on the date of issuance, provided in article 14 paragraph (1), the modification of the regulated tariffs, applicable from April 1, 2022, to cover the additional costs related to technological consumption, generated by the increase in prices on the wholesale market

above the value considered by the regulatory authority when calculating the natural gas distribution tariffs from 2021. At the same time, paragraph (2) stipulated that the tariffs resulting from the application of the provisions of paragraph (1) do not change between April 1, 2022, and March 31, 2023.

In applying the provisions of the mentioned normative act, ANRE proceeded to calculate the additional costs related to technological consumption based on the documents submitted by the distribution operators and approved a number of 24 orders to change the regulated tariffs for the provision of the distribution service, respectively ANRE Orders no. 36-59/2022.

For the two large natural gas distribution operators, Societatea Distrigaz Sud Rețele S.R.L. and Societatea Delgaz Grid S.A., the distribution tariffs approved by:

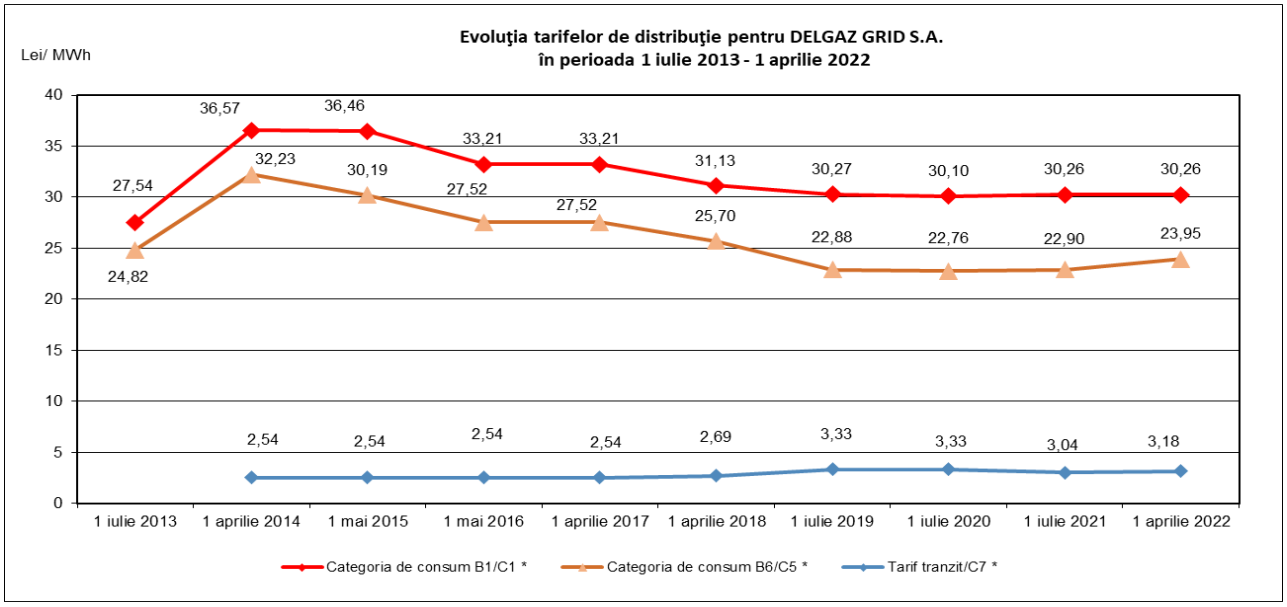
- **ANRE Order no. 39/2022** regarding the establishment of regulated tariffs for the provision of the natural gas distribution service carried out by Societatea Distrigaz Sud Rețele S.R.L., as follows:

Category of customers	**Minimum annual consumption MWh**	**Maximum annual consumption MWh**	**Distribution tariffs lei/ MWh**
C.1.		≤ 280	32,32
C.2.	> 280	≤ 2.800	30,44
C.3.	> 2.800	≤ 28.000	29,02
C.4.	> 28.000	≤ 280.000	22,39
C.5.	> 280.000		11,30
C 6.	Customers benefiting from the proximity distribution tariff		5,36

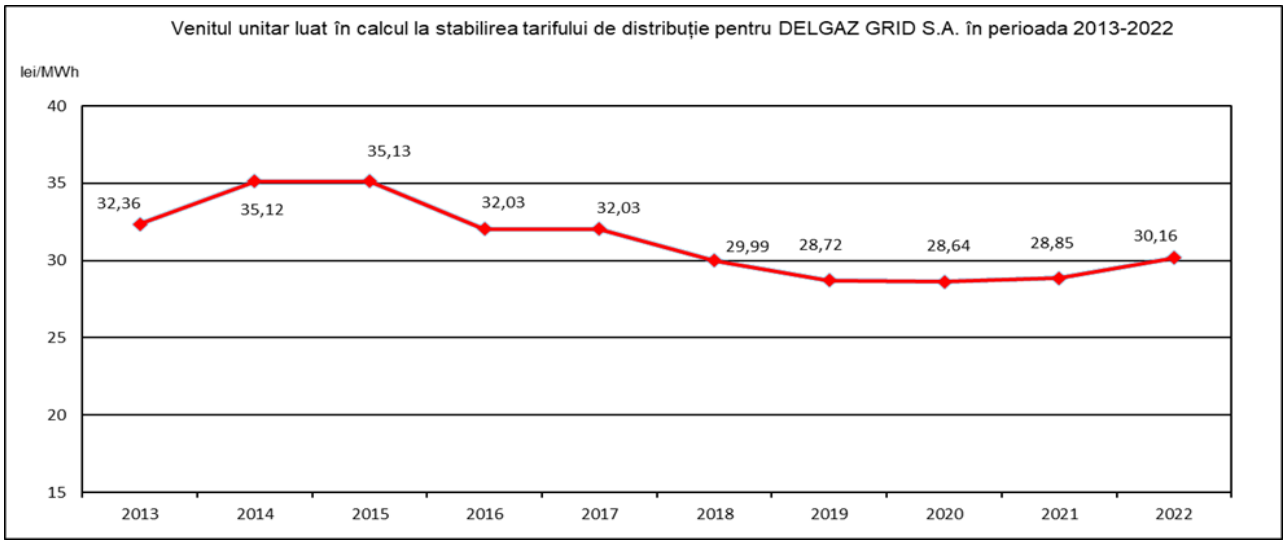
- **ANRE Order no. 37/2022** regarding the establishment of regulated tariffs for the provision of the natural gas distribution service carried out by Societatea Delgaz Grid S.A., as follows:

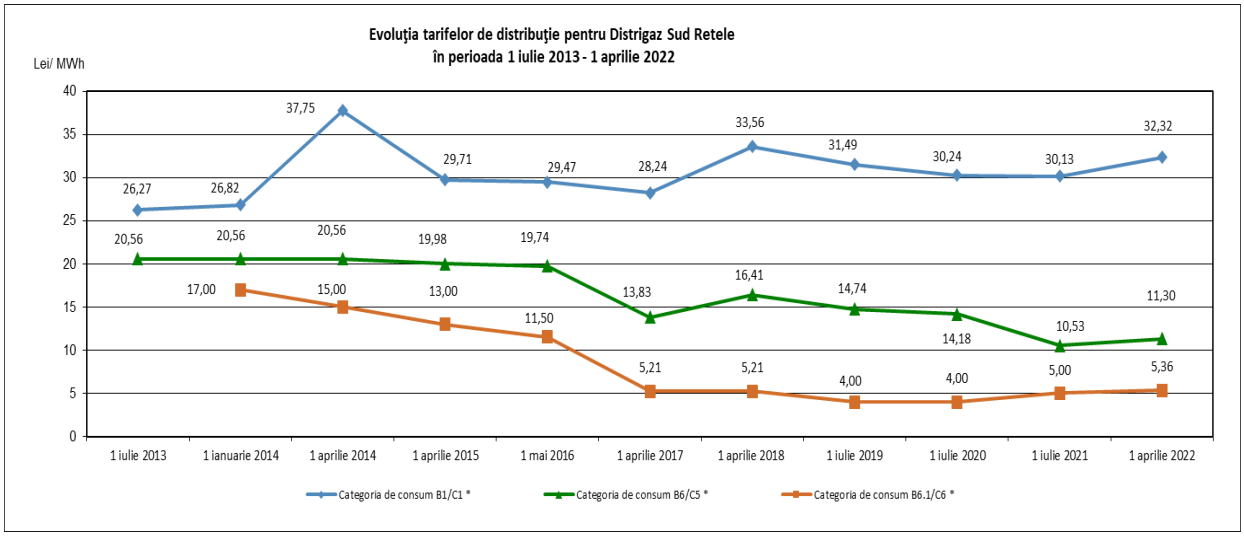
Category of customers	**Minimum annual consumption MWh**	**Maximum annual consumption MWh**	**Distribution tariffs lei/ MWh**
C.1.		≤ 280	31,64
C.2.	> 280	≤ 2.800	29,92
C.3.	> 2.800	≤ 28.000	27,43
C.4.	> 28.000	≤ 280.000	25,36
C.5.	> 280.000		23,95
C.7.	Customers benefiting from transit distribution tariff		3,18

The graphs below show the annual evolution of natural gas distribution rates and regulated revenues for the two licensed operators that distribute natural gas to more than 100,000 customers, from July 1, 2013, to the present.

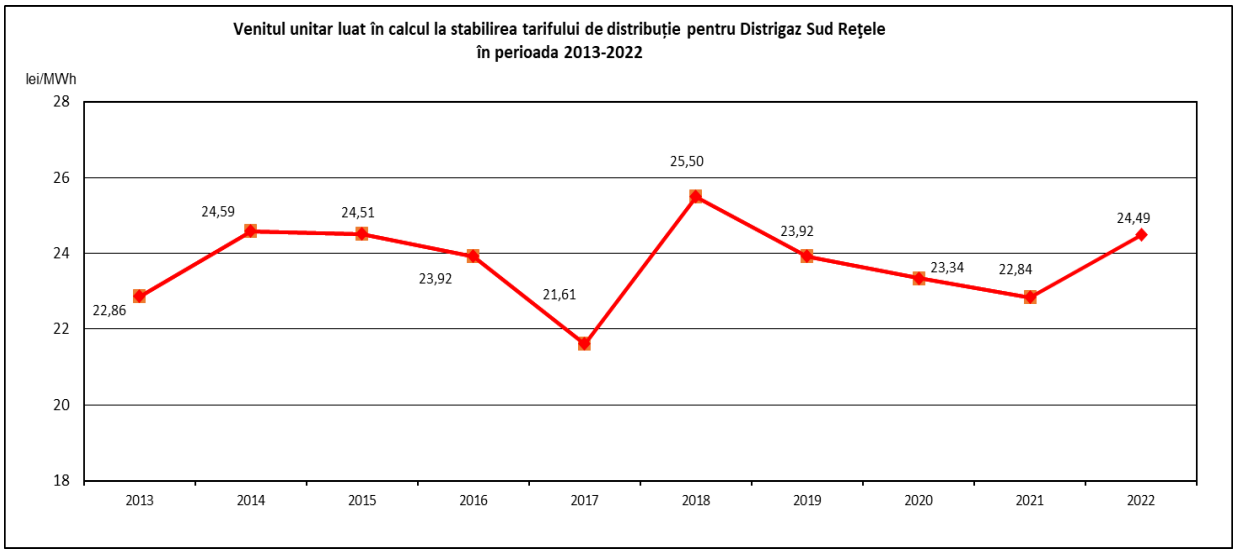


** Starting from July 1, 2019, the customer categories for which distribution tariffs are approved were changed, so that they are closer to the consumption tranches provided for in Regulation (EU) 2016/1952 of the European Parliament and of the Council of October 26, 2016, regarding European statistics on natural gas prices*





** As of 1 July 2019, the categories of customers for whom distribution tariffs are approved have been changed so that they approximate to the consumption bands provided for in Regulation (EU) 2016/1952 of the European Parliament and of the Council of 26 October 2016 on European statistics on natural gas prices*



Tariffs for connection to natural gas distribution systems

Following the amendments brought by GEO nr. 143/2021, approved by Law no. 248/2022, to Law no. 123/2012 on electricity and natural gas there were introduced a series of provisions according to which, for certain categories of customers, mainly households, the equivalent value of connection works, including design works, is fully borne by the distribution operator up to the limit of the average value of a connection, established on the basis of a methodology approved by ANRE.

To implement the mentioned legal provisions, **ANRE Order no. 9/2022** on the approval of the *Methodology for calculating the tariffs related to the connection process to the transmission and distribution systems in the natural gas sector and the average value of a connection* was approved.

Monitoring of investments in gas networks (network extensions, investment plans, correlation between 10-year plans, PCIs and national plans)

Evolution of the regulatory framework during 2022

In July 2020, the Romanian Parliament issued Law no. 155, which brought significant amendments and completions *to the Law on electricity and natural gas* nr. 123/2012. Thus, obligations were included regarding the obligation of operators to finance pipeline extension works and connections necessary to connect consumers located within the perimeter of the administrative-territorial unit for which the service was concessioned, with the recovery of costs related to connection to the transmission system, respectively connection to the distribution system of household and non-household customers with a connection installation length of less than 2500 m through transmission and distribution tariffs, respectively, according to ANRE regulations. In case of using goods owned by third parties to perform the transmission or distribution service, the operator had the right, with the owner's consent, to take over these goods into its ownership within the limit of their efficiency quota, established according to ANRE regulations.

ANRE harmonized during 2020 the regulatory framework with the new provisions of the primary legislation mentioned above, through ANRE Order no. 204/2020, ANRE Decision no. 2288/2020 and ANRE Order no. 95/2020.

The monitoring of investments in natural gas networks and the technical condition of systems is presented in the Report on the achievement of performance indicators for the transmission system service and the distribution and system service of natural gas in the gas year 01.10.2021 - 30.09.2022 and the technical condition of the natural gas transmission and distribution systems - 2022 -, published on ANRE's website at: https://anre.ro/despre/rapoarte/, section *Reports – Performance indicators for transport, supply and distribution* services.

Monitoring of the development plan for the national gas transmission system

The transmission system operator (TSO) shall draw up the ten-year development and investment plan, based on the national strategy and the European development plan developed by ENTSOG, in accordance with the current state and future evolution of natural gas consumption and sources, including imports and exports of natural gas, respecting the principles set out in *Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC*, including investments related to projects of common interest. They have a cross-border impact on the interconnection capacity of the system and benefit from certain facilities, including grants, granted at national and European level.

The TSO has carried out a national capacity adequacy assessment of the transmission system in accordance with the provisions of Article 8 para. (4) of Regulation (EC) No 715/2009 of the *European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005*. Thus, the need for major cross-border projects and how to integrate them into the European network was confirmed. The implementation of these projects shall be decided in correlation with the evolution of natural gas sources and consumer demand, as well as with the results of market tests carried out by the operator.

The development plan of the national gas transmission system for the period 2022-2031 (PDSNT 2022-2031) elaborated by S.N.T.G.N. Transgaz S.A., as TSO and approved by ANRE by Decision no. 1944/01.11.2022, includes the main types of works and the values of investments that the operator proposed during that period.

The total estimated value of investment works for the development of NTS included in PDSNT 2022-2031 is approx. EUR 3632.1 million, of which:

- 3422.6-million-euro major projects as follows:
    - EUR 555 million - major FID projects;
    - €130.7 million non-FID major projects;
    - 2737 million euros – major projects LA non FID;
- EUR 209.4 million – internal NTS development projects, of which EUR 39.6 million for the extension of the NTS for connection, in application of the provisions of art. 125 of the Act.

Thus, SNTGN Transgaz S.A. made investments in 2022 totaling 124,814,687 lei from the plan assumed for this year, of which 94,227,508 lei financing from own sources and 30,587,179 lei financing from non-reimbursable funds.

Out of the total value of investments made with financing from own sources mentioned above, 77,340,597 lei represents the total value of tangible and intangible assets related to the system, respectively 82% of the total realized.

Among the most important objectives put into operation in 2022, the following projects can be listed:

- NTS developments in the north-eastern part of Romania in order to improve the natural gas supply of the area, as well as to ensure transmission capacities to the Republic of Moldova;
- New developments of the NTS in order to take gas from the Black Sea shore (Vadu-T1);
- Access works to NTS;
- Refurbishment of pipes, connections, regulation and measuring stations;
- Acquisition of equipment, namely automotive equipment, computer technology, software, work equipment and for improving working conditions, security, and surveillance systems.

The degree of implementation of the annual investment plan for 2022, established according to the provisions of art. 34 para. (2) of the *Procedure* approved with ANRE Order no. 38/2019, respectively by reporting the realized value of tangible and intangible assets in the system of 77,340,597 lei to their planned value of 336,911,383 lei, is 23%.

According to the *Procedure*, the degree of implementation of the investment plan for 2022 will be reanalyzed after the first 6 months of 2023, a period during which the operator has the right to recover the investments not made in the previous year, being mandatory to make a degree higher than 95% of the planned investments in the system.

Regarding the fulfillment of the investment plan for 2021, the TSO recovered during 2022 outstanding investments related to it amounting to 50,113,200 lei, so that the total value of the investments made among those included in the investment plan for 2021 was 871,681,660 lei, of which 692,001,835 lei from own sources and 179,679,825 lei from non-reimbursable sources. Direct investments in the system financed from own sources had a total value of 617,037,375 lei, and those in endowments 74,964,460 lei, representing 12% of the total financed from own sources, given that the regulatory framework allows a maximum limit of 15%.

By reporting the value financed from own sources of direct investments in the system made according to the investment plan assumed for 2021 of 617,037,375 lei to their assumed plan value of 846,244,443 lei, results in a degree of achievement of the investment plan for 2021, established in

accordance with the provisions of art. 34 para. (2) of the *Procedure* of 73%, below the mandatory minimum degree of 95%. The most significant investments related to the investment plan undertaken for 2021, which were recovered during 2022, were:

- Natural gas transmission pipeline Nadeș - Sighisoara;
- Natural gas transmission pipeline Mintia – Brad – Stei;
- Modernization of SMG Isaccea gas metering station;
- Access works to NTS.

For 2023, SNTGN Transgaz SA forecast investments in total value financed from own sources of 208,337,159 lei, of which investments in the system of 186,322,886 lei and investments in endowments of 22,014,273 lei.

Among the most significant objectives planned to be put into operation in 2023, the following projects can be listed:

- Natural gas transmission pipeline Plătărești - Bălăceanca;
- Mihai Bravu – Siliștea natural gas transmission pipeline;
- Access works to NTS;
- Refurbishment of pipes, connections, regulation and measuring stations;
- Acquisition of equipment, namely automotive equipment, computer technology, software, work equipment and for improving working conditions, security and surveillance systems.

Monitoring the implementation of annual investment plans of gas storage operators

The total value of investments planned in 2022 by DEPOGAZ was 4,459,492 lei. Of this value, tangible and intangible assets related to the storage system accounted for 66.4%, respectively 2,960,942 lei, the rest representing purchases of endowments. The investments made had a total value of 8,159,942 lei, being financed entirely from own sources.

By reporting the realized value of tangible and intangible assets in the system, amounting to 5,249,313, to their planned value of 2,960,942 lei, resulted in a degree of fulfillment of the investment plan in 2022, established in accordance with the provisions of art. 34 para. (2) of the 177% Procedure. The most important works carried out were aimed at modernizing the storage warehouse in Butimanu, through the construction of two cooling towers.

For 2023, DEPOGAZ has forecast investments totaling 93,927,035 lei, of which 89,176,932 lei represent tangible and intangible assets for the system, mainly wells, installations and related infrastructure, representing about 95% of the total.

The storage system operator DEPOMURES has planned for 2022 investments totaling 522,284, of which 440,300 represent investments in the system and 81,984 are investments in facilities. Only the latter were achieved in proportion of 63.4%, respectively the amount of 51,984 lei. For 2023, DEPOMURES forecasted investments worth 761,082 lei.

Technical functioning aspects (technical condition and maintenance of the network, performance standards, network connection times)

The monitoring of performance indicators and technical condition of natural gas networks is presented in the Report on the achievement of performance indicators for the transmission and system

service and the distribution and system service of natural gas in the gas year 01.10.2021 - 30.09.2022 and the technical condition of the natural gas transmission and distribution systems - 2022 -, published on ANRE's website at: https://anre.ro/despre/rapoarte/, section *Reports – Performance indicators for transport services, supply and distribution.*

Technical condition of the national gas transmission system

The natural gas transmission activity is carried out by S.N.T.G.N. Transgaz S.A. as sole transmission and system operator of natural gas, based on the license for the operation of the national gas transmission system nr. 1933/20.12.2013, approved by ANRE with validity until 08.07.2032.

The transport of natural gas is ensured through main pipelines and supply connections, with a total length of 13,978 km, with diameters between 25 mm and 1200 mm, as well as through their installations, equipment and facilities, at pressures between 6 bar and 63 bar, which ensures the takeover of natural gas extracted from the production perimeters, from underground storage and imported storage deposits and their transport for delivery to final customers on the domestic and foreign gas market. S.N.T.G.N. Transgaz S.A. operates an international transit pipeline operating at a pressure of 54 bar. The main components of the National Gas Transmission System (NTS) are presented in the following table:

Main components of the natural gas NTS on 31.12.2022
❖ 13,978 km of main pipelines and natural gas supply connections, of which 183.5 km are transit pipelines and 481 km are related to the BRUA pipeline;
❖ 1,148 gas measuring stations / 1,254 measuring directions;
❖ 10 physical interconnection points with adjacent transmission systems
❖ 6 gas measuring stations for import/export;
❖ 2 measuring stations located on the transit pipeline;
❖ 59 valve/node control stations (SCV, NT);
❖ 6 physical entry/exit points connected to storage facilities;
❖ 8 gas compression stations (SCG);
❖ 1,057 cathodic protection stations (SPCs);
❖ 1,054 gas odorization stations (SOG).

The operational life statement of the NTS components, in use on 31.12.2022, is presented in the following table:

Duration of operation	**Transport pipelines and supply connections (km.)**	**Number of measuring directions related to measuring regulation stations (SRM)**	**Number of gas** freshener stations **(SOG)**	**Number of import/export** gas measurement **(SMG)** control stations	**Number of cathodic protection stations (SPCs)**	**Number of valve control stations (SCV-NT)**	**Number of gas compressor stations (SCG)**
≥ 40 years	7.717	155	18	1	5	11	0
between 30 and 40 years	1.456	59	25	0	4	0	0
between 20 and 30 years	1.377	396	271	3	14	3	0
between 10 and 20 years	2.178	530	430	0	926	14	0
between 5 and 10 years	364	52	214	1	71	24	0
≤ 5 years	886	62	96	1	37	7	8
TOTAL	**13.978**	**1.254**	**1.054**	**6**	**1.057**	**59**	**8**

The changes compared to the previous year are highlighted in the following summary table:

Item No.	**Name of objective / NTS component**	**U.M.**	**Total as at 31.12.2021**	**Achievements in 2022**	**Total as at 31.12.2022**	**Difference compared with 2021 (%)**
1	Transport main pipelines and supply connections, except transit T3	Miles	**14.026**	-48	**13.978**	-0,3%
2	Total number of gas measuring stations/measuring directions	Pcs	**1.141/1247**	7/7	**1.148/1254**	0,6%
3	Interconnection points with storage warehouses	Pcs	**6**	0	**6**	0
4	Gas measuring stations located on the transit pipeline	Pcs	**2**	0	**2**	0
5	Gas measuring stations – import/export	Pcs	**7**	-1	**6**	-14,3%
6	Cathodic Protection Stations (SPC)	Pcs	**1.045**	12	**1.057**	1,1%
7	Valve control stations / technology nodes (SCV-NT)	Pcs	**59**	0	**59**	0
8	Gas compression stations (SCG)	Pcs	**8**	0	**8**	0
9	Gas odorization stations (SOG)	Pcs	**1.026**	28	**1.054**	2,7%

During 2022, the national transmission system recorded the following changes:

- the total length of pipelines and connections (including transit pipelines and the BRUA pipeline) decreased by about 0.3%, caused by the decommissioning of sections of pipeline with a very long age and which were no longer used for transport activity;
- 12 new cathodic protection stations were put into operation, bringing their total number to 1057;
- 28 new gas odorization stations were put into operation, thus bringing their total number to 1,054 – which represents an increase of approx. 2.7% compared to the previous year;
- 7 new gas metering stations were put into operation.

Technical condition of natural gas distribution systems

The 28 natural gas distribution operators, holders of licenses granted by ANRE, owned on 31.12.2022 natural gas distribution pipelines and related connections with a total length of 58,594 km. Of these, a share of 68.15% is represented by polyethylene networks, these being those that have experienced a sharp development in the last 20 years.

The following table presents the operational life situation of pipelines and connections of natural gas distribution systems, polyethylene, and steel, at the end of 2022.

Network age	**OL lens length**	**EP lens length**	**Total lens length**	
(years)	**(km)**	**(km)**	**(km)**	**(%)**
≥40	1.712	0	1.712	2,92
[30;40)	3.071	0	3.071	5,24
[20;30)	11.487	4.569	16.056	27,40
[10;20)	2.114	18.373	20.486	34,96
<10	276	16.993	17.269	29,47
Total	**18.660**	**39.934**	**58.594**	**100**

Thus, out of the total of 58,594 km, a share of over 29% is represented by networks that are less than 10 years old, and about 35% of them are between 10 and 20 years old. On the other hand, over 27% are pipes and connections between 20 and 30 years old, while only about 8% are more than 30 years old.

Compared to the previous gas year, there is an extension of the national gas distribution network by 2,496 km, which represents an increase of 4.45%.

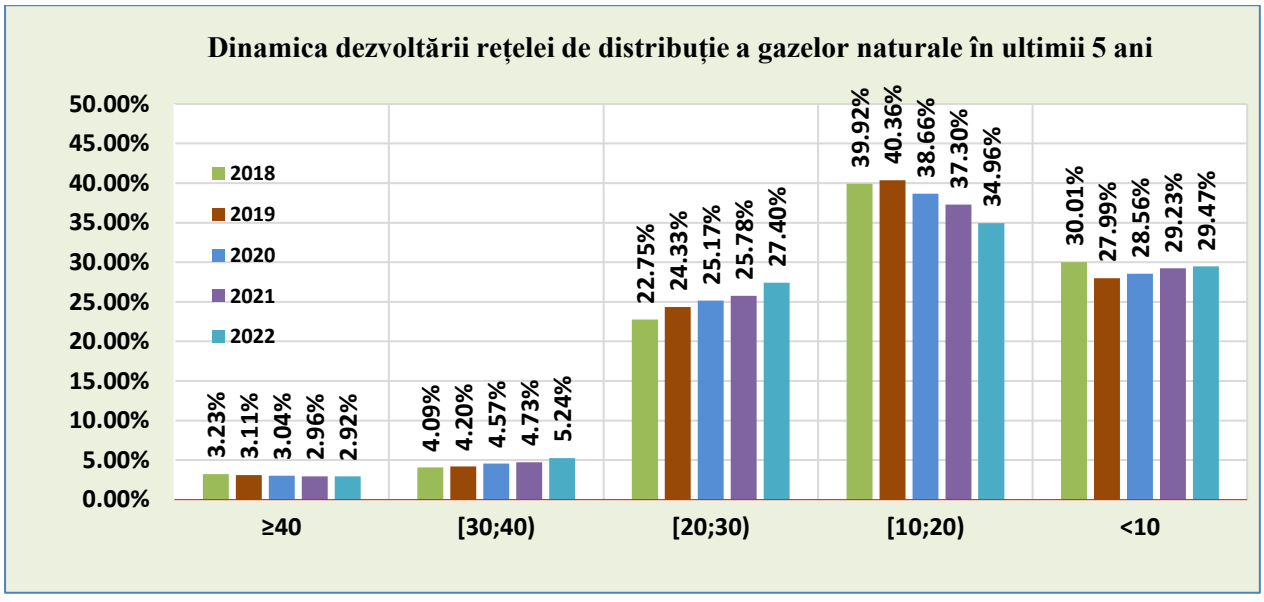
The share of polyethylene and steel pipes, broken down by age bands, out of the total length of natural gas distribution system pipelines, is shown in the following table:

Network age (years)	**OL percentage (%)**	**Percentage PE (%)**
≥40	2,92	0,00
[30;40)	5,24	0,00

[20;30)	19,60	7,80
[10;20)	3,61	31,36
<10	0,47	29,00
Share of total (%)	**31,85**	**68,15**

The following table presents the dynamics of the development of the natural gas distribution network in the last 5 years, depending on its age.

Network age (years)	In 2018	In 2019	In 2020	In 2021	In 2022
≥40	3,23%	3,11%	3,04%	2,96%	2,92%
[30;40)	4,09%	4,20%	4,57%	4,73%	5,24%
[20;30)	22,75%	24,33%	25,17%	25,78%	27,40%
[10;20)	39,92%	40,36%	38,66%	37,30%	34,96%
<10	30,01%	27,99%	28,56%	29,23%	29,47%



III. LICENCES, AUTHORISATIONS AND CERTIFICATES

ELECTRICITY

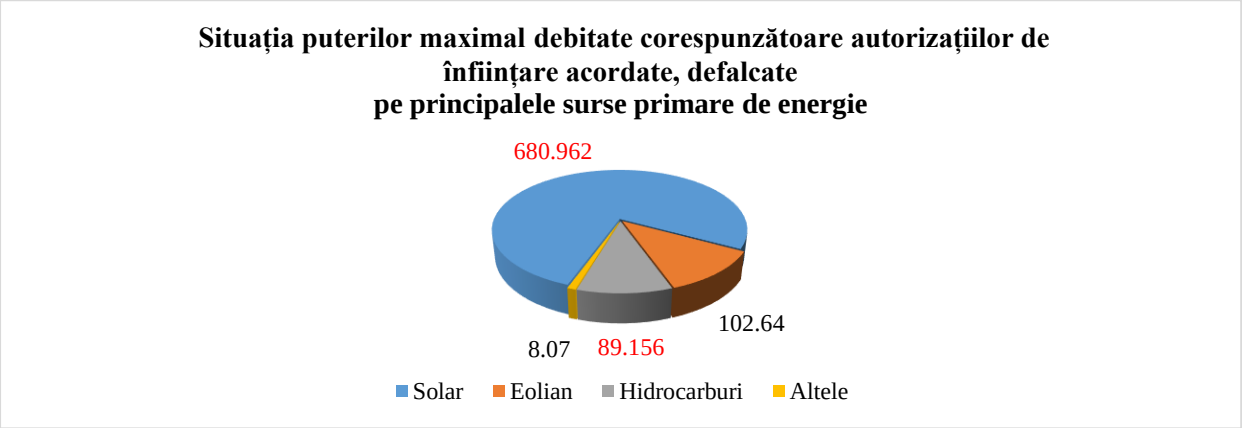
Status of establishment permits granted in 2022

During 2022, there was an increased interest of investors in building new energy capacities, based on renewable energy sources or conventional sources using modern technologies, with a low degree of environmental pollution, which materialized in the granting by ANRE during 2022 of 55

establishment authorizations for energy objectives totaling about 881 MW, unlike 2021 when 8 establishment authorizations were granted, totalling 80 MW.

The situation by primary energy sources is as follows:

- **Solar** - 41 establishment authorizations, totaling a maximum power debited into the power grid of **680,962** MW;
- **Wind -** 2 establishment authorizations, totaling a maximum power debited into the power grid of **102,640** MW;
- **Hydrocarbons - 10** establishment authorizations, totaling a maximum power debited into the power grid of **89,156** MW;
- **Other - 2** start-up authorizations, totalling a maximum power debited into the power grid of **8.07** MW.



Number of licenses and authorizations granted in 2022

Licences for the operation of electricity generation capacities, including electricity generation capacities from cogeneration and/or electricity storage plants added thereto	7
Provisional licences for the operation of electricity generation capacities, including electricity generation capacities from cogeneration and/or electricity storage plants added thereto	6
Licenses for electricity supply activity	29
Licenses for electricity trader activity	9
Licenses for storage activity	1
Confirmations of licenses from EU Member States for the activity of electricity trader	3
Confirmations of licenses from EU Member States for the activity of the electricity supplier	1
Confirmations of classification of the distribution system as a closed system	2
TOTAL NUMBER	**58**

Number of modified licenses and establishment authorizations in 2022, including the extension of their validity

Establishment authorisations for the construction of electricity generation capacities	3
Licences for the operation of electricity generation capacities, including electricity generation capacities from cogeneration and/or electricity storage plants added thereto	53
Provisional licences for the operation of electricity generation capacities, including electricity generation capacities from cogeneration and/or electricity storage plants added thereto	0
Licenses for electricity supply activity	27
Licenses for electricity trader activity	4
Licences for electricity transmission service, balancing market administration and ancillary services	1
Licenses for the provision of electricity distribution service	11
Licences for wholesale electricity market management	1
Confirmations of licenses from EU Member States for the activity of electricity trader	3
TOTAL NUMBER	**103**

During 2022, 22 licenses/confirmations in the field of electricity were withdrawn and 1 license was suspended. Most withdrawals were due to merger processes by absorption of licensed companies.

Number of licenses withdrawn/suspended in 2022

	Withdrawn	Suspended
Licences for the operation of electricity generation capacities, including electricity generation capacities from cogeneration and/or electricity storage plants added thereto	11	-
Licenses for electricity supply activity	4	1
Licenses for electricity trader activity	2	-
Confirmations of licenses from EU Member States for the activity of electricity trader	3	-
Licenses for the provision of electricity distribution service	2	-
TOTAL NUMBER	**22**	**1**

Number of establishment authorizations, licenses, and confirmations in force on 31.12.2022

Establishment authorisations for the construction of electricity generation capacities	57
Licences for the operation of electricity generation capacities, including electricity generation capacities from cogeneration and/or electricity storage plants added thereto	417
Provisional licences for the operation of electricity generation capacities, including electricity generation capacities from cogeneration and/or electricity storage plants added thereto	0
Licenses for electricity supply activity	164
Licenses for electricity trader activity	33
Confirmations of licenses from EU Member States for electricity supply activity	4
Confirmations of licenses from EU Member States for the activity of electricity trader	8
Confirmations of classification of the distribution system as a closed system (SDI)	5
Licenses for the activity of the electricity market operator	1
Licences for electricity transmission service, balancing market administration and ancillary services	1
Licenses for the provision of electricity distribution service	46
Aggregation activity licenses	1
TOTAL NUMBER	**737**

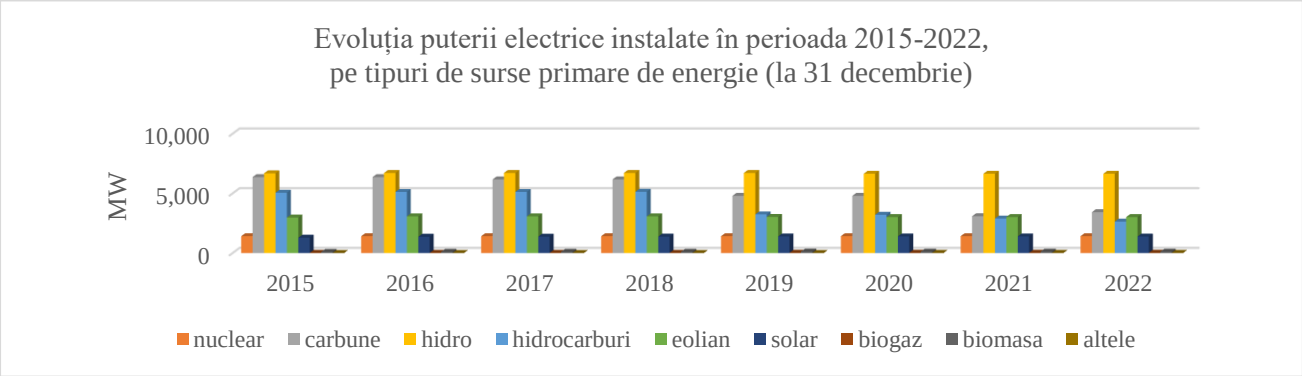
Evolution of installed electrical power in electricity generation capacities

Primary energy type-:	**Installed electrical power (MW)**							
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
nuclear	1413	1413	1413	1413	1413	1413	1413	1413
coal	6360	6360	6165	6165	4787	4787	3082	3422
hydroelectric	6678	6709	6710	6710	6704	6643	6643	6643
hydrocarbon	5048	5117	5117	5129	3240	3206	2888	2657
Wind	2973	3072	3073	3073	3024	3013	3015	3015
solar	1284	1367	1373	1377	1392	1391	1393	1394
biogas	16	16	17	17	20	20	20	22

biomass	89	95	95	95	112	107	107	107
Other (waste, geothermal, etc.)	4	4	4	4	5	10	10	10
TOTAL	**23865**	**24153**	**23967**	**23983**	**20697**	**20590**	**18571**	**18683**

Note:

The processing was carried out based on the technical characteristics included in the Conditions associated with licenses for the commercial exploitation of electricity generation capacities (including electricity produced in cogeneration), in force at the end of each calendar year. The analysis does not include electricity producers producing exclusively for their own consumption or which, according to the Law on electricity and natural gas no. 123/2012, with subsequent amendments and completions (Law), are not subject to the authorization regime by ANRE (producers commercially exploiting electricity production capacities with installed electricity capacity below 1 MW, who can carry out their activity without a license granted by ANRE, based on the Law).



IV. RENEWABLE SOURCES OF ENERGY, COGENERATION AND HEAT

Promotion system for electricity produced in renewable power plants with an installed electrical capacity of no more than 400 kW belonging to prosumers

Conditions of applicability

Prosumers may be applied, upon request, to the promotion system of electricity produced in renewable power plants with an installed electrical capacity of no more than 400 kW per consumption place, provided that they do not benefit from the GREEN CERTIFICATES (CV) promotion system. Thus, prosumers with renewable power plants with an installed electrical capacity of no more than 400 kW per consumption place can sell the electricity produced and delivered to the electricity grids to electricity suppliers with whom they, as final consumers, have concluded/conclude electricity supply contracts, through the quantitative compensation/financial settlement mechanisms provided for in art. 73^1 para. (3) or (4) of Law nr. 123/2012.

- Quantitative compensation between electricity produced from renewable sources and delivered to the electricity grid by prosumers, individuals and legal persons owning renewable power plants with an installed electrical capacity of no more than 200 kW per consumption place, and
- Financial adjustment between electricity produced from renewable sources and delivered to the electricity grid by prosumers, natural and legal persons who own power plants from renewable sources with an installed electrical capacity of over 200 kW, but not more than 400 kW per consumption place.

- If prosumers do not opt for the quantitative compensation/financial settlement mechanism they have the possibility to trade the electricity produced and delivered to the electricity grid at least through directly negotiated bilateral transactions (Article 23 paragraph (2) of Law no. 123/2012).

Quantitative compensation

Electricity suppliers with whom prosumers owning RES-E production power plants with an installed electricity capacity of up to 200 kW per consumption place conclude/have concluded electricity supply contracts are obliged, at the request of prosumers, to purchase electricity produced and delivered to the electricity grid, at a price identical to the price of active electricity used by the electricity supplier in the supply contract concluded with the prosumer as consumer, during the billing period and which does not include any of the following components: value of transport services, value of distribution services, value of system services, amount of excise duty according to legal provisions, value of cogeneration contribution, value of green certificates, other components provided by the applicable legal framework or supply contract, as the case may be, with a distinct marking of VAT that the energy supplier He owes it to the state budget for each of the above positions.

The quantity of electricity produced and carried forward is automatically returned, partially or totally, to cover the electricity consumption of the prosumer during the subsequent billing period(s) in which the quantity of electricity consumed by the prosumer from the electricity network is higher than the quantity of electricity produced and delivered to the electricity grid by him, within 24 months of the date of production, in which case this quantity of energy shall be billed at a price equal to that of the active electricity taken over by the electricity supplier specified in the invoice in the month in which this electricity was produced.

Through the quantitative compensation mechanism, both the quantity of electricity produced and delivered to the electricity grid and the amount of electricity consumed from the electricity grid are invoiced at the price stipulated in the supply contract, and the electricity produced and remaining unconsumed is carried forward to be used in the coming months and highlighted in a separate invoice.

During the period of application of the provisions of *GEO nr. 27/2022*[1], the quantitative compensation provided for in art. 73^1 para. (3) of *Law nr. 123/2012* is carried out by taking over the electricity produced and delivered to the electricity grid by prosumers at a price identical to that of the active electricity consumed by them as consumers, established by electricity suppliers in accordance with the provisions of art. 12^1 of the Methodology and which does not include the value of transport services, distribution services, system services, green certificates, cogeneration contribution, excise duty, imbalances and other components provided by the applicable legal framework or supply contract, as the case may be, with the distinct marking of the VAT that the electricity supplier owes to the state budget for those listed above.

During the period of applicability of the provisions of *GEO no. 27/2022*, in case of quantitative compensation provided for in art. 73^1 para. (3) of *Law* nr. *123/2012*, the price of electricity produced and delivered to the electricity grid by prosumers is identical to that of active electricity consumed by them as consumers, set by electricity suppliers as follows:

- If the electricity price established in the supply contract is lower than the capped final invoiced price referred to in art. 1 para. (1) and (2) of GEO nr. 27/2022, the contract price applies;

[1] *OUG No. 27/2022 on the measures applicable to final customers in the electricity and natural gas market between 1 April 2022 and 31 March 2023, as well as for amending and supplementing certain normative acts in the field of energy, as subsequently amended, and supplemented.*

- If the electricity price established in the supply contract is higher than the capped final invoiced price referred to in art. 1 para. (1) and (2) of GEO nr. 27/2022 and the prosumer consumes monthly a quantity of energy that falls within the margins established to benefit from the capped price, then the price of electricity consumed from the network is the average purchase price of electricity calculated by each supplier, for each month of the period of application of the provisions of *GEO 27/2022* according to the provisions of art. 3 para. (2) of *GEO no. 27/2022*.
- If prosumers do not fall into any of the consumption bands referred to in art. 1 of *GEO nr. 27/2022*, the price of electricity consumed from the electricity grid by those prosumers is the average purchase price of electricity calculated by each supplier according to the provisions of art. 6 para. (1) or (2) of GEO nr. 27/2022.

Prosumers may use the amount of energy carried forward for a maximum period of 24 months from the date of billing.

The non-use by the prosumer of a quantity of electricity carried forward within a maximum period of 24 months from the date of its delivery to the electricity grid from the one provided in the invoice leads to the inclusion of the value of the electricity remaining unreturned in the financial compensation process.

The period of validity of the electricity sale-purchase contract shall be at most equal to the period of validity of the electricity supply contract concluded between the prosumer and the supplier, without exceeding the date of termination of the electricity supply contract.

Financial statement

At the request of prosumers who produce electricity in energy production units with an installed capacity of over 200 kW, but not more than 400 kW per consumption place, electricity suppliers who conclude/have concluded electricity supply contracts are obliged to purchase the electricity produced and delivered to the electricity grid with the weighted average price recorded in the Day-Ahead Market for the month in which it was produced and delivered the respective electricity, starting with 01.05.2022 in accordance with the provisions of art. 10 of ANRE Order nr. 15/2022.

The period of validity of the electricity sale-purchase contract shall be at most equal to the period of validity of the electricity supply contract concluded between the same contractual parties, without exceeding the date of termination of the electricity supply contract.

The financial adjustment between the value of electricity produced from renewable sources and delivered to electricity grids and the value of electricity consumed from electricity networks is made according to applicable tax regulations (VAT).

The weighted average price recorded in the day-ahead market for the month in which the electricity was produced and delivered, used by suppliers for financial adjustment is the price published by the "Electricity and Natural Gas Market Operator S.A" - OPCOM on its website on the first working day of the month following the month in which the electricity was produced and delivered.

The evolution of the weighted average price recorded in the day-ahead market for May-December 2022 can be found in the table below:

Luna	Pret mediu ponderat
	Lei/MWh
May-22	1.019,39
Jun-22	1.172,26
Jul-22	1.849,73
Aug-22	2.423,86
Sep-22	1.864,69
Oct-22	1.056,60
Nov-22	1.125,35
Dec-22	1.303,45

Obligations of distribution system operators and electricity suppliers regarding prosumers

Obligations of distribution system operators regarding prosumers:

a) ensure the connection of the prosumed to the distribution network,

b) ensures the certification of the quality of prosumer,

To obtain the connection certificate attesting the quality of prosumer, the prosumer and the *distribution operator to which the prosumer is connected* comply with the steps provided for in the Procedure for connection to the electricity networks of public interest of the consumption and production sites belonging to prosumers approved by ANRE Order no. 19/2022, as amended.

c) ensures the purchase, installation, sealing, verification, reading and, if necessary, replacement of the metering groups of the electricity produced;

d) ensures the measurement of electricity consumed/injected from/into the network and the transmission of information to the supplier for electricity billing.

The distribution operator ensures the measurement of active electricity and reactive electricity related to consumption sites / places of consumption and generation.

The meter readings related to the places of consumption / places of consumption and production shall be made by the distribution operator with the periodicities agreed between the contracting parties.

The distribution operator submits to the supplier the metering data to settle the electricity consumption/quantity of electricity produced and delivered to the network by prosumers, in the framework format established by ANRE, within maximum 8 working days.

Obligations of electricity suppliers regarding prosumers:

The legal provisions in force stipulate the obligation of electricity suppliers to take over on request the surplus electricity from prosumers with whom they have concluded/conclude electricity supply contracts, as final consumers, namely, to purchase electricity produced in power plants from renewable sources with an installed electrical capacity of no more than 100/400 kW per consumption place belonging to prosumers and delivered to the electricity grid.

a) Concludes the sale-purchase contract for electricity produced in power plants from renewable energy sources belonging to prosumers;
b) estimates the monthly quantities of electricity produced in the power plant belonging to the prosumer, which will be delivered to the power grid.
c) issues monthly (calendar month) the electricity invoice(s):

– for electricity produced and delivered to the electricity network comprising/comprising the quantity delivered in the contract month concerned, and

- for electricity consumed from the grid.

Facilities for prosumers with an installed capacity of up to ≤ 400 kW/place of consumption for the sale of electricity produced:

Facilities for prosumers with installed capacity up to ≤ 400 kW/consumption place:

a) may sell the electricity produced and delivered to electricity suppliers with whom they have concluded electricity supply contracts;

b) are exempted from the obligation to purchase CVs for electricity produced and used for own consumption;

c) are exempted from tax obligations - individuals;

d) only prosumers who are not authorized and according to GEO 44/2008 can install units producing electricity from renewable sources without registering and authorizing their operation.

Facilities for individual prosumers:

- are exempt from income tax for revenues obtained from the sale of electricity to electricity suppliers with whom those prosumers have concluded electricity supply contracts;
- do not have the obligation to submit the Single Declaration on income tax and social contributions due by individuals for income obtained from the sale of electricity to electricity suppliers with whom those prosumers have concluded electricity supply contracts;
- are exempted from the payment of social security contributions of income payers to the public pension system for income obtained from the sale of electricity to electricity suppliers with whom those prosumers have concluded electricity supply contracts;
- are exempted from the obligation to issue invoices for electricity deliveries to electricity suppliers with whom those prosumers have concluded electricity supply contracts;
- do not keep records for electricity deliveries made to electricity suppliers with whom those prosumers have concluded electricity supply contracts.

ANRE'S ACTIVITY IN THE FIELD OF THERMAL ENERGY

As a result of the provisions of Art. 15 para. (1) of *Law nr. 325/2006*, A.N.R.E. develops, establishes and monitors the application of all mandatory regulations at national level, necessary for the functioning of the public heat supply service in a centralized system, in efficient conditions.

The consolidated results at national level, for 2022, based on the reports received from authorized legal entities, are presented side by side in tabular and graphical form.

During the reporting period from April 2022 to March 2023, the total number of apartments in which heating cost sharing systems were installed represents 64% of the total number of apartments located in condominiums where service contracts have been concluded with legal entities authorized to install heating cost sharing systems. The number of equipment installed during the reporting period is 279,676.

The total number of apartments in which heating cost sharing systems were operated represents 73% of the total number of apartments located in condominiums where service contracts have been concluded with legal entities authorized to install heating cost sharing systems.

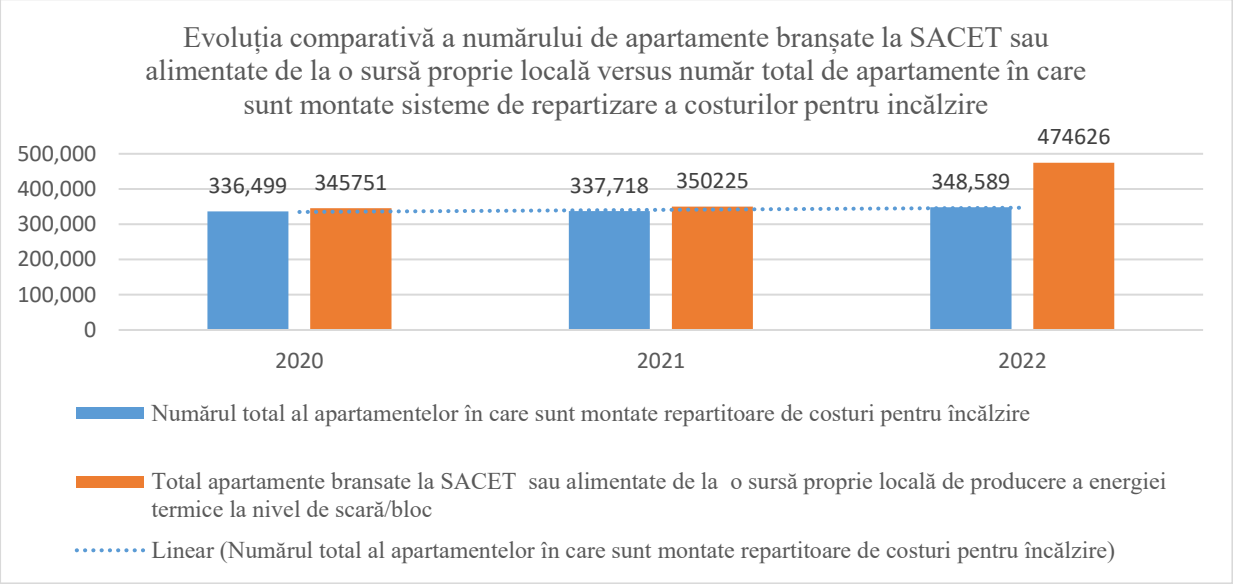
The total number of apartments where heating cost sharing systems were installed increased by 3% compared to the previous reporting period. The total number of equipment operated also increased by 3 % compared to the previous reporting period.

In the reporting period from April 2022 to March 2023, the total number of apartments in which cost sharing systems for hot water consumption have been installed represents 85% of the total number of apartments located in condominiums where service contracts have been concluded with legal

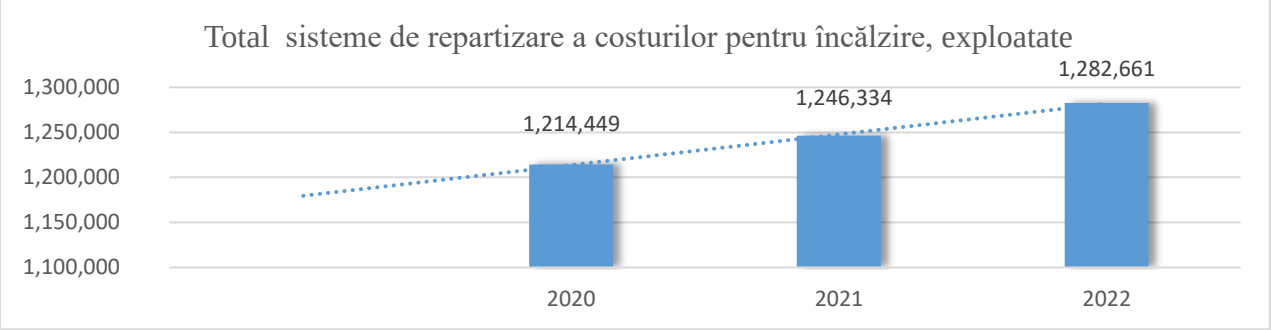
entities authorized to install hot water cost sharing systems. The number of equipment installed during the reporting period is 63,156.

The total number of apartments in which hot water cost sharing systems were operated represents 84% of the total number of apartments located in condominiums that have been concluded service contracts with legal entities authorized to install hot water cost sharing systems.

The total number of apartments where hot water cost sharing systems were installed increased by 17% compared to the previous reporting period. The total number of equipment operated also increased by 15 % compared to the previous reporting period.



The graph above shows that between 2020 and 2022, the total number of apartments connected to SACET or supplied from its own local source of heat production, where service contracts were concluded with permit holders, registered a slightly upward trend. During the reporting period, the number of apartments where heating cost sharing systems are installed increased, while the number of operated equipment was also increasing.



The graph above shows that the number of heating cost sharing systems operated had an upward trend between 2020 and 2022.

RESOLUTION OF PETITIONS IN THE FIELD OF THERMAL ENERGY

In 2022, a number of 394 petitions were registered and solved, formulated by individuals and legal entities beneficiaries/applicants of services provided by economic operators in the thermal energy sectors.

A number of 371 petitions were submitted for analysis and resolution directly to ANRE (by filling in the form on ANRE's website, by email, or by submitting the petition to the registry office), and a number of 23 petitions were sent to ANRE indirectly, by redirection from other public institutions

V. MARKET MONITORING

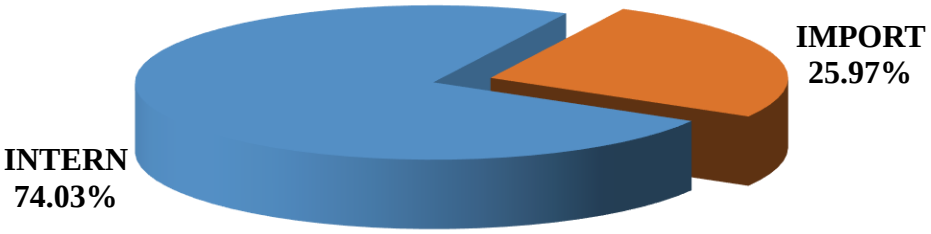
NATURAL GAS MARKET

Wholesale natural gas market

The domestic production of natural gas in 2022, current production and extracted from storage, which entered consumption accounted for approximately 74.03% of the total sources.

The first two producers (Romgaz and OMV Petrom) together covered approximately 92.64% of this source.

Tipul surselor de gaze naturale intrate în consum în anul 2022



Source: Monthly reports of suppliers – processed by ANRE

The production extracted from the production blocks during 2022 and that injected into underground storage warehouses are presented in the table below:

Month	Current production (MWh)	Injected quantity of domestic production (MWh)
January	8.139.185,340	113.599,799
February	7.397.308,182	190.379,290
March	8.172.039,807	513.471,293
April	7.756.306,880	1.690.327,046
May	7.701.051,767	3.104.391,338
June	7.632.619,569	3.392.308,693
July	8.495.401,078	5.143.288,225

August	8.185.748,900	4.482.667,716
September	8.398.992,025	3.986.197,144
October	8.587.528,557	4.289.980,063
November	8.556.059,500	791.607,152
December	8.801.108,115	264.069,731
Total 2022	**97.823.349,719**	**27.962.287,490**

The amount of natural gas produced in 2022 was 97,823 TWh, as follows:

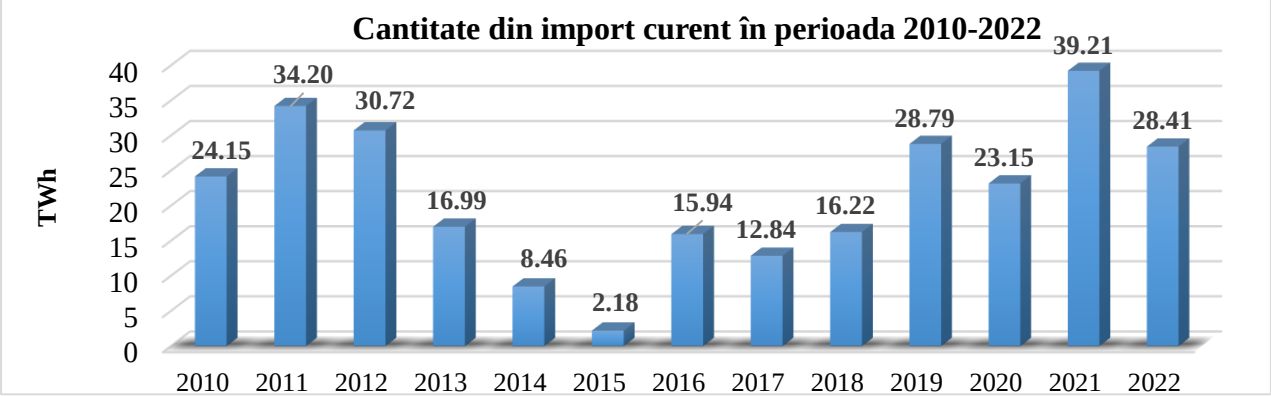
Amromco Energy	**Black Sea Oil & Gas**	**Dacian Petroleum**	**Drilling Wells**	**Gas Plus Dacia**	**Hunt Oil Company**	**Mazarine Energy Romania**	**OMV Petrom**	**Petro Ventures Resources**	**Raffles Energy**	**Romgaz**	**Serinus Energy Romania**	**Stratum Energy Romania**	**Total (TWh)**
0,574	4,394	0,243	0,090	0,628	0,048	0,271	37,174	1,255	0,018	51,902	0,268	0,958	97,823

The import of natural gas that entered consumption in 2022 accounted for 25.97% of total sources. It includes, besides current imports, the extraction of natural gas from external sources from underground storage deposits, but excludes quantities stored in underground storage deposits from current import. The top three importers together accounted for around 57.21% of these quantities.

The table below shows the current import and the import entered consumption:

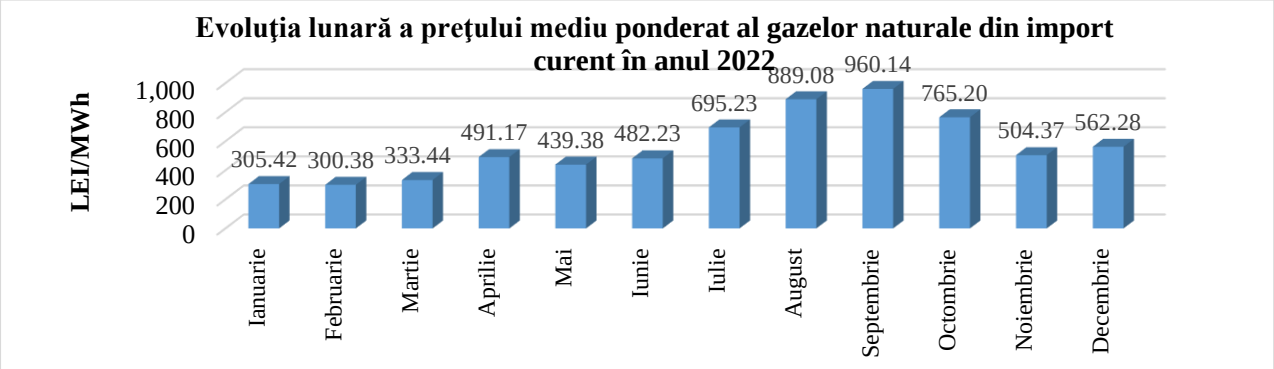
Month	**Current import (MWh)**	**Import entry into consumption (MWh)**
January	4.083.720,468	5.047.039,670
February	3.021.359,985	3.924.168,039
March	3.199.615,557	3.914.495,804
April	1.384.734,327	1.440.498,674
May	1.955.177,055	1.657.007,575
June	2.001.971,894	1.626.089,862
July	2.801.965,765	2.505.033,553
August	2.274.604,494	1.710.761,496

September	1.845.078,550	1.264.803,366
October	2.240.419,041	2.123.761,032
November	1.565.972,839	1.289.873,458
December	2.039.119,546	1.846.667,631
TOTAL 2022	**28.413.739,521**	**28.350.200,159**

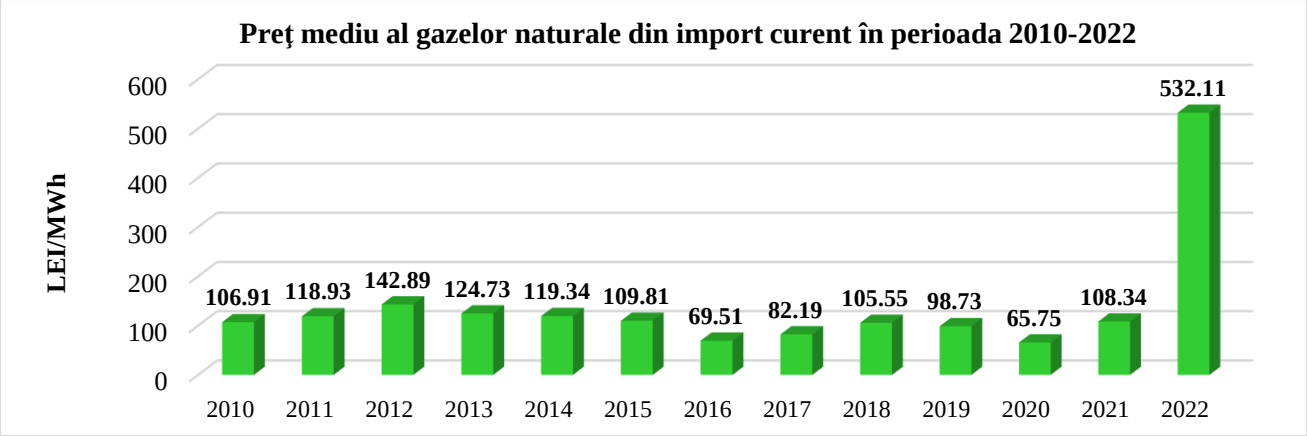


Source: reports of natural gas market participants, processed by ANRE

In 2022, there was a decrease in imported quantities compared to the previous year, resulting from a decrease in annual consumption.



Source: reports of natural gas market participants, processed by ANRE



Source: reports of natural gas market participants, processed by ANRE

Regarding the prices of current imported natural gas, we specify that they are determined by weighting the prices with the quantities delivered monthly corresponding to the sales transactions of imported natural gas, reported by market participants, and do not include VAT, excise duties or other taxes.

The quantities exported regardless of source of origin, as well as the quantities exported from domestic production, during 2022, are presented in the table below:

Month	**Exported quantities (MWh)**	**Quantities exported from domestic production (MWh)**
January	32.877,678	23.264,076
February	460.434,232	286.287,286
March	914.825,029	369.743,966
April	264.866,295	147.528,965
May	228.654,471	122.929,137
June	855.235,780	567.255,148
July	1.139.006,250	1.006.709,820
August	959.831,604	451.594,109
September	927.793,753	425.499,262
October	426.703,774	374.965,120
November	830.043,936	649.758,907
December	1.154.337,897	768.007,351
Total 2022	**8.194.610,699**	**5.193.543,147**

Natural gas storage

The activity of storing natural gas during the summer period is necessary for the optimal functioning of the Romanian market, given that the current production together with the current import fail to cover the monthly consumption needs during the winter period.

As current production is surplus to consumption during the summer period, storage becomes even a necessity for natural gas producers, if suppliers do not purchase quantities for storage, necessary for consumption during the cold period.

Type of economic operator	Stock as at October 31, 2022 (MWh)
Producers	7.102.856,294
Other market participants*	24.560.843,713
Total stored	**31.663.700,007**

**Suppliers and carrier*

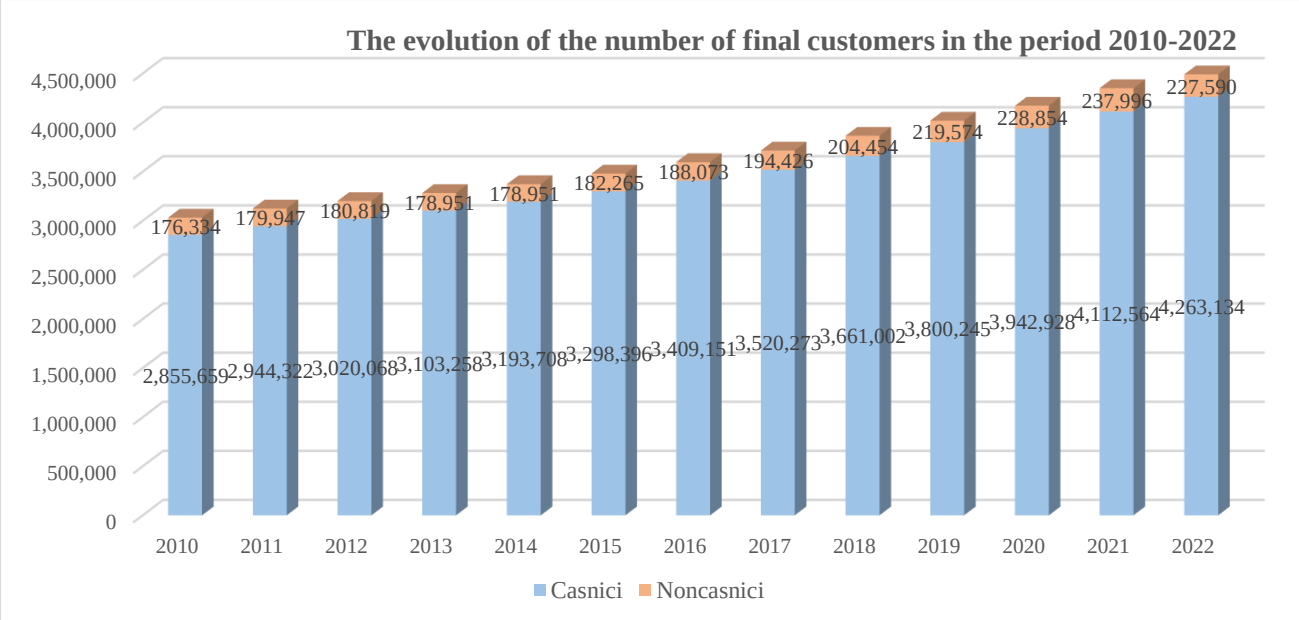
The table below highlights the monthly evolution of the existing natural gas stock in underground storage during 2022:

Stock 2022	Total (MWh)*
January 2022	12.530.091,041
February 2022	9.041.660,816
March 2022	6.200.441,392
Stock at the end of the extraction cycle 2021-2022	**6.200.441,392**
April 2022	7.263.635,035
May 2022	10.525.022,964
June 2022	14.031.655,667
July 2022	19.286.418,981
August 2022	24.102.366,777
September 2022	28.092.005,547
October 2022	31.663.700,007
Stock at end of injection cycle 2022*	**31.663.700,007**
November 2022	30.628.351,559
December 2022	26.292.440,794

** Summer extractions were also considered*

Two underground natural gas storage operators operate on the national gas market, Depomures S.A. and S.N.G.N. Romgaz S.A. – Natural Gas Storage Subsidiary Depogaz Ploiesti S.R.L. The total capacity and the evolution of the use of this capacity is presented in the table below.

Underground storage operator	**Year**	**Storage capacity (MWh)**	**Stock after extraction activity (MWh)**	**Injected quantity (Apr-Oct.) (MWh)**
Romgaz	2013	29.503.400	6.704.018,854	21.188.550,748
	2014		8.141.654,008	18.077.373,958
	2015		5.611.283,576	17.869.463,34
	2016		8.521.425,916	14.894.617,259
	2017		5.311.927,379	16.121.839,816
	2018		3.486.578,156	18.095.856,140
	2019		3.350.173,024	26.183.951,444
	2020		17.632.619,755	11.510.603,344
	2021		5.530.359,023	19.190.773,605
	2022		6.105.753,296	24.301.135,539
Depomures	2013	3.154.550	330.006,289	3.024.810,381
	2014		570.191,740	2.587.221,864
	2015		272.360,874	2.883.003,902
	2016		378.675,860	2.084.214,398
	2017		172.135,518	3.021.150,985
	2018		664.282,762	2.362.868,907
	2019		354.952,744	2.579.950,000
	2020		1.246.198,529	1.748.920,000
	2021		225.282,800	2.543.134,000
	2022		94.688,096	2.788.415,000



Source: Monthly reports of suppliers to end customers - processed by ANRE

The average selling price of natural gas to final customers in 2022

The final price invoiced for the consumption of natural gas by domestic and non-domestic final customers, including final customers taken over as a last resort, is made in accordance with the provisions of GEO no. 27/2022, with subsequent amendments and additions:

a) maximum 0.31 lei/kWh, including VAT, in the case of household customers and

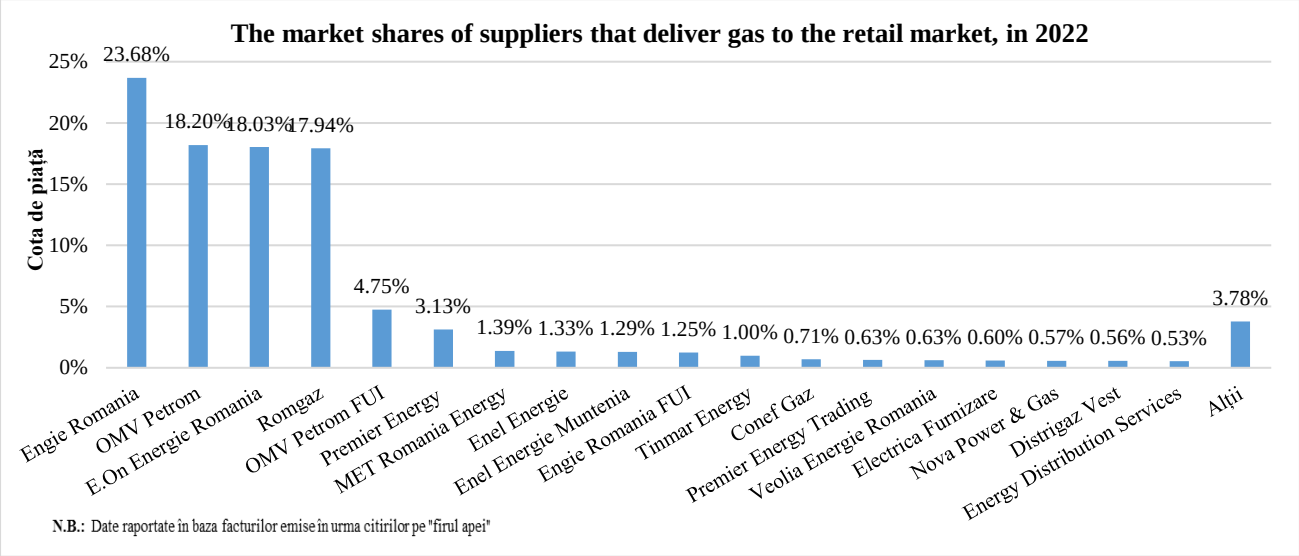
b) maximum 0.37 lei/kWh, including VAT, in the case of non-domestic customers, with the exceptions provided in GEO no. 27/2022 with subsequent amendments and additions.

The sales prices by categories of final customers, excluding customers fed under the last resort regime (FUI), depending on the connection system and consumption class are presented as follows, in 2022:

Customer type	Login system	Consumption class	Price (lei/MWh)
Household end customers	End customers connected to upstream pipelines	A1 Annual consumption of up to 280,000.00 MWh	437,10
	Customers connected to SNT	B1 Annual consumption of up to 280,000.00 MWh	241,88
	Customers connected in the distribution system	C1 Annual consumption of up to 280.00 MWh	300,32
		C2 Annual consumption between 280.01 MWh and 2,800.00 MWh	337,05
		C3 Annual consumption between 2,800.01 MWh and 28,000.00 MWh	439,93
Non-household final customers	End customers connected to upstream pipelines	A1 Annual consumption of up to 280,000.00 MWh	621,13
		A2 Annual consumption of over 280,000.01 MWh	622,51

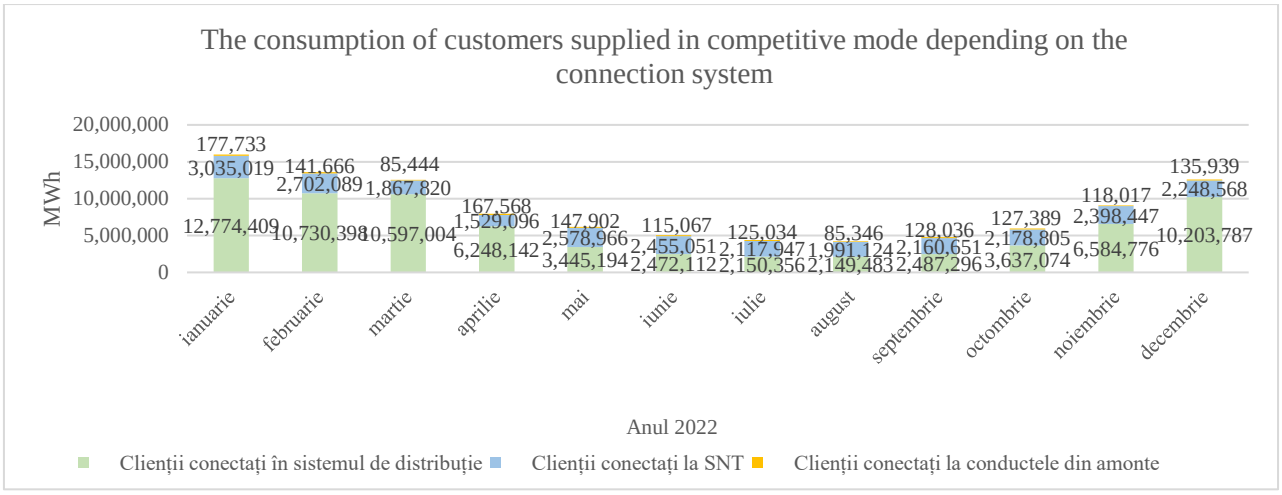
	Customers connected to SNT	B1 Annual consumption of up to 280,000.00 MWh	434,83
		B2 Annual consumption of over 280,000.01 MWh	262,52
	Customers connected in the distribution system	C1 Annual consumption of up to 280.00 MWh	533,77
		C2 Annual consumption between 280,01 MWh și 2.800,00 MWh	520,81
		C3 Annual consumption between 2.800,01 MWh and 28.000,00 MWh	486,24
		C4 Annual consumption between 28.000,01 MWh and 280.000,00 MWh	453,71
		C5 Annual consumption of over 280.000,01 MWh	185,58

We note that the average selling price corresponding to each category of final customers does not include VAT, excise duties or other taxes. The average sales prices related to final customers do not include the rates related to transport, distribution, and storage services.
In 2022, 74 suppliers were active on the natural gas retail market, whose market shares are shown in the following chart:



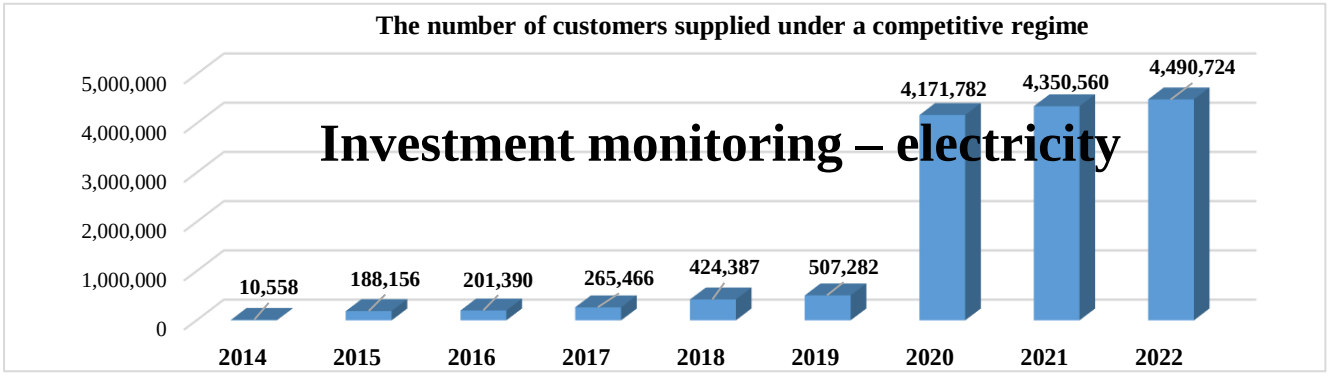
Source: Monthly reports of suppliers to end customers - processed by ANRE
** The Others category includes 56 suppliers that have a market share below 0.5% of the total deliveries on the retail market.*

Analyzing the following graph, which presents the monthly evolution of natural gas consumption by final customers, during 2022, highlighted separately according to the type of connection, more precisely, in the National Transport System, in the Distribution Systems and in the Upstream Pipelines a smaller variation can be observed in the consumption made by customers connected in the SNT and in the upstream Pipelines, compared to that made by customers connected in the Distribution Systems.



Source: Monthly reports of suppliers to end customers - processed by ANRE

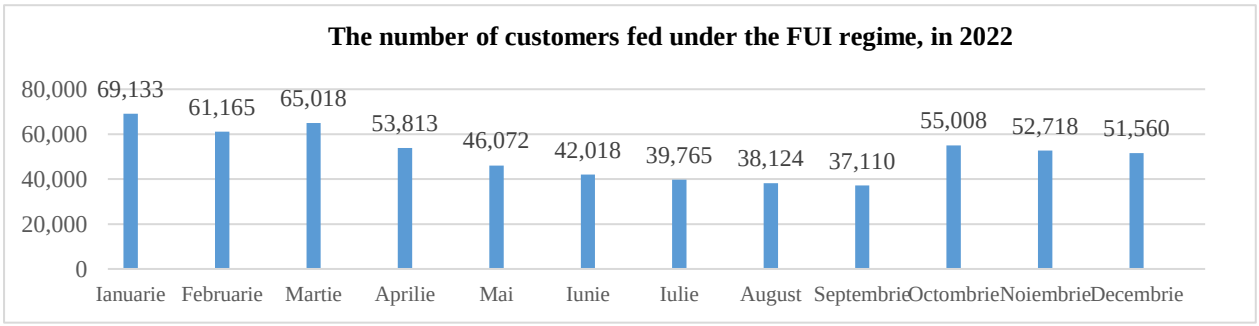
The total number of customers supplied under a competitive regime in December 2022 was 4,490,724. Since from July 1, 2020, the internal natural gas market was fully liberalized, in accordance with the provisions of art. 179 para. (2) lit. b) from the Electricity and Natural Gas Law no. 123/2012, with subsequent amendments and additions, the total number of these customers has increased considerably compared to the year before liberalization, 2019. We present an annual evolution of their number, from that moment until now:



Source: Monthly reports of suppliers to end customers - processed by ANRE

Natural gas market for final customers served by suppliers of last resort (FUI)

The following graph shows the evolution of the number of final customers fed as a last resort in 2022:



Source: Monthly reports of suppliers to end customers - processed by ANRE

Clarifications: The average selling price corresponding to each customer category does not include VAT, excise duties or other taxes. Average selling prices to customers in the retail market do not include tariffs.

The results of the monitoring activity can be accessed on the ANRE website, within the Monthly Reports on the natural gas market.

In the following table we present the situation of observations/proposals received from economic operators on the draft order subject to the public consultation process during 2022, with the mention that it was not approved during 2022, being approved by ANRE Order no. 15/16.03 .2023.

Draft regulation (Discussion document published on 08 November 2022)	**Number of observations/ proposals received. (November 28, 2022)**	**Number of comments/proposals accepted**
Draft Order for the approval of the Natural Gas Market Monitoring Methodology	**169**	**51**

Electricity market monitoring

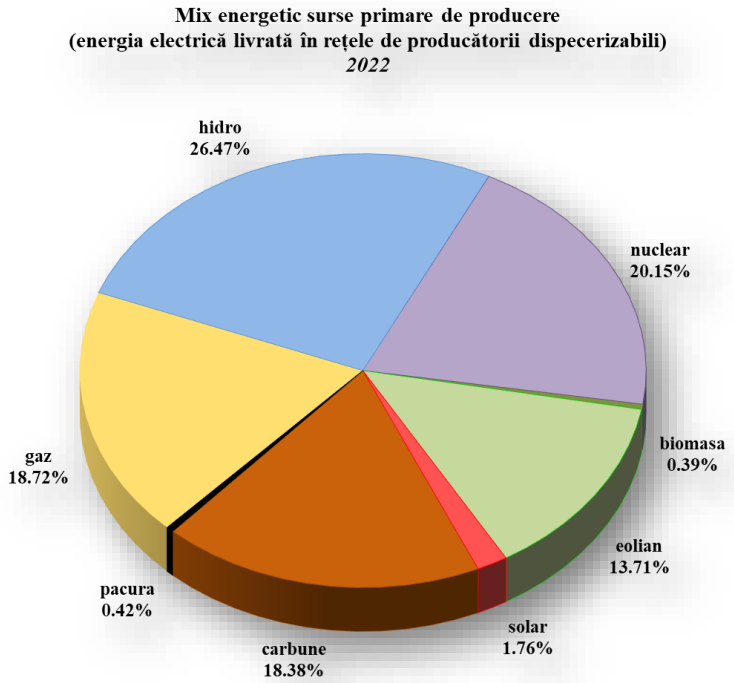
Electricity market monitoring reports

The specialized department prepares the monthly wholesale (PAN) and retail (PAM) electricity market monitoring reports, which contain aggregate and summary data on the operation of the national power system and the electricity market, as well as information on the rules market functioning.

The participants in the electricity market reported during 2022, to the specialized department within ANRE, technical data, and transaction data according to the provisions of the Methodology for monitoring the wholesale electricity market, approved by ANRE Order no. 67/2018 and from the Retail Market Monitoring Methodology, approved by ANRE Order no. 167/2019.

The data collected monthly from the 101 dispatchable producers shows that in 2022, the amount of electricity produced in the dispatchable units was 53.54 TWh of electricity, of which approx. 50.63 TWh were delivered to the transmission and distribution networks.

We present the structure by type of primary sources of electricity production delivered by dispatchable producers in 2022. The most important source of energy production remains this year as well, hydropower, followed by nuclear and gas-based.



Source: Monthly reports of dispatchable producers - ANRE processing –

Compared to the previous year, at the level of 2022, a decrease of approx. 6.3% of the electricity delivered to networks by dispatchable producers, mainly determined by the significant reduction in the amount of energy produced and delivered from the hydro source (20% less, representing a decrease of 3.26 TWh). There were also declines, but not as large, for energy delivered by coal, gas and nuclear, which could not be offset by the relatively small increases in energy produced in wind and solar dispatchable units.

Developments recorded on the wholesale electricity market

Considering the situation determined by the price increase on the international energy markets, as well as the effects caused by these increases on the markets and consumers in our country, a new legislative framework was created established by the Government of Romania through: GEO no. 118/2021, approved with amendments and additions by Law no. 259/2021, with subsequent amendments and additions, GEO no. 3/2022, GEO no. 27/2022, with subsequent amendments and additions. Through the additions brought by GEO no. 153/2022 of the last normative act, the mechanism for the centralized purchase of electricity (MACEE) was established within OPCOM.

The day-ahead market (DAM) operates from June 2021 in a mechanism linked to the European SDAC project and through flow-based coupling from June 2022. The intraday market (PI) operates in a coupled regime with the markets of 23 other EU member states in the European project SIDC.

From March 2022, the company Bursa Română de Mărfuri S.A. (BRM S.A.) became the holder of the license for the activity of the electricity market operator in Romania.

Distribution operators purchased 4.8 TWh of electricity through PCC (43.2% of the total), mainly through existing products on PC-OTC (22.4%) and on PCCB-LE and PCCB-LE-flex (14.3%), followed by PZU (29.4%) and directly negotiated contracts (27.2%).

The evolution of centralized bilateral contract markets

Next, we present the annual volumes traded in 2022 on forward contracts on each of the components of the centralized market of bilateral contracts, the weighted average trading prices, the number of traded contracts and their evolution compared to the values of the previous year, for each of the two operators market licensees OPCOM SA, respectively BRM S.A..

Market for the next day - PZU

The volume of electricity traded on PZU in 2022 decreased by approx. 1.1% compared to the previous year. The monthly share of transactions carried out on PZU from domestic consumption varied between 42.4% (March 2022) and 53.6% (July 2022), at the annual level registering a significant increase compared to 2021 (49.3% compared to 46%).

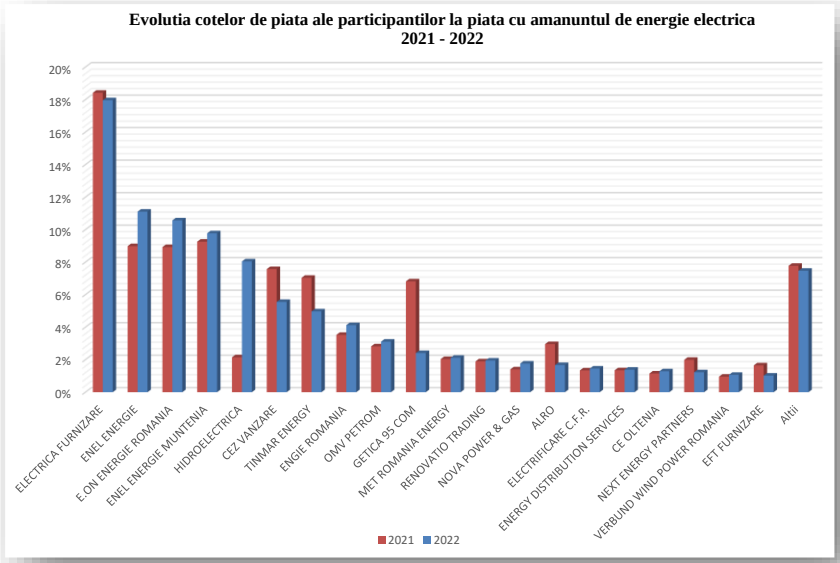
The average annual price per PZU, calculated by ANRE as the average of the average monthly prices per PZU weighted by the monthly volumes traded in 2022 (RO hours), was 1,333.75 lei/MWh, registering an increase of approx. 147.5% compared to the 2021 average.

As of June 8, 2022, the day-ahead market in Romania has moved to the next stage provided by Commission Regulation (EU) 2015/1222 of July 24, 2015 establishing guidelines for capacity allocation and congestion management (CACM Regulation) , by implementing the CORE FB MC project (flow-based coupling).

The retail electricity market

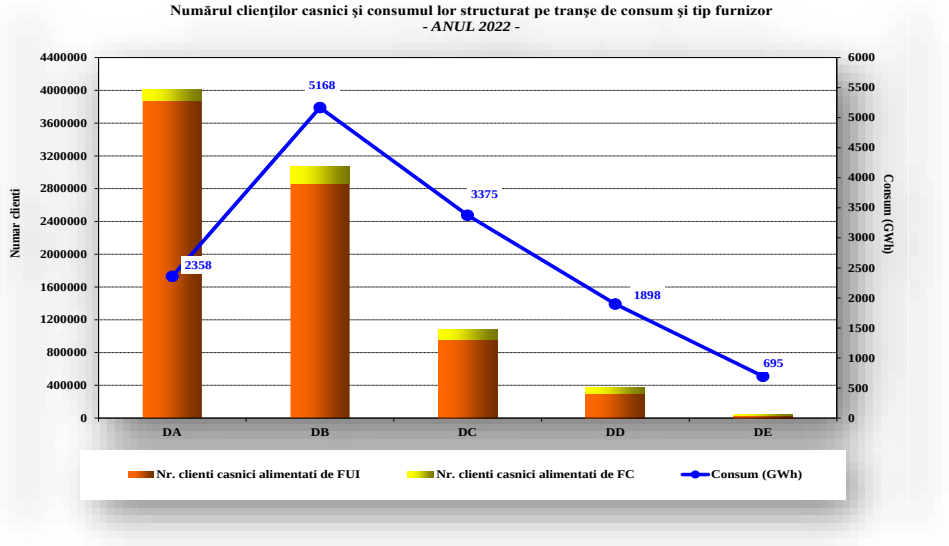
During 2022, on the retail electricity market (PAM) 65 economic operators whose main activity is the supply of electricity (including last-resort suppliers operating both on the last-resort and on the competitive) and 29 economic operators whose main activity is the production of electricity (these being holders of a license for the commercial exploitation of electricity production capacities with dispatchable units).

We present below the market shares of the participants in the electricity retail market, in the period 2021-2022, determined for all license holders monitored active on PAM (competing suppliers, suppliers of last resort, producers) depending on the electricity supplied to all domestic and non-domestic customers regardless of the supply regime (competitive, SU and **UI).**

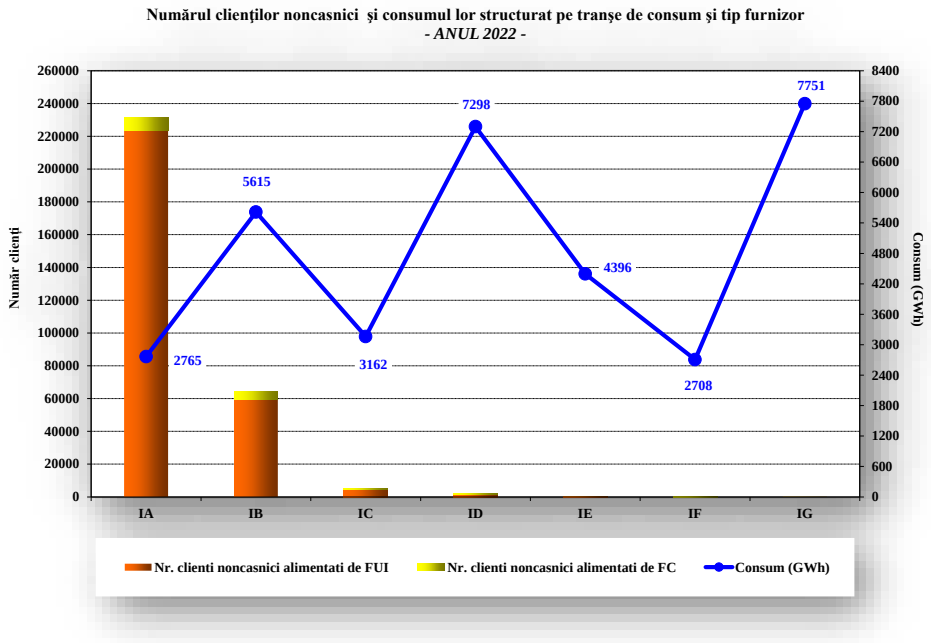


Source: monthly reports of suppliers to end customers - ANRE processing
- the "Others" category includes 78 PAM participants
- final customer consumption was 50989 GWh in 2021 and 47190 GWh in 2022

The following graphs show for the year 2022 the number of household customers and the number of non-household customers who are supplied with electricity on the retail market, structured by categories of final customers and consumption tranches.

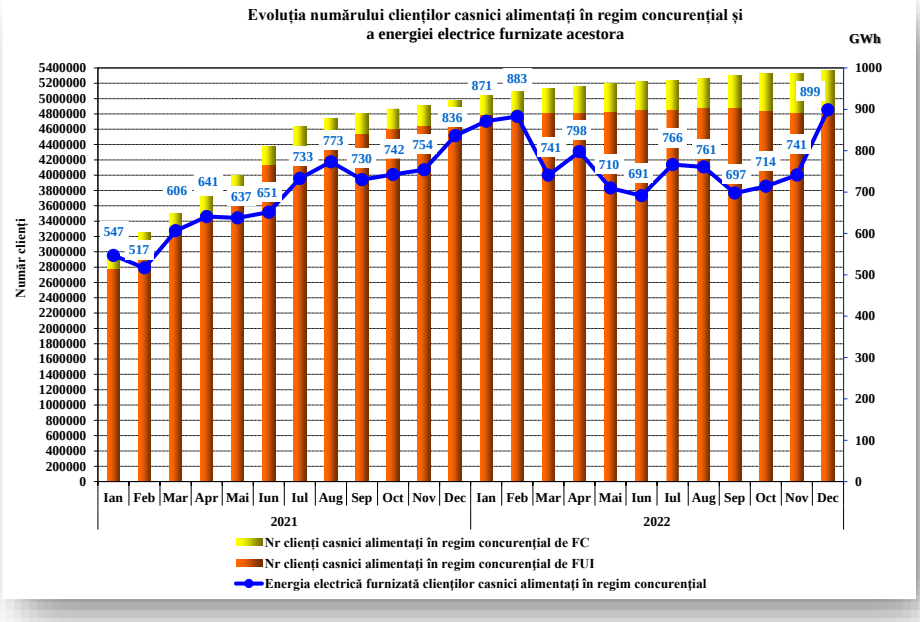


Source: Monthly reports of end customer suppliers - ANRE processing

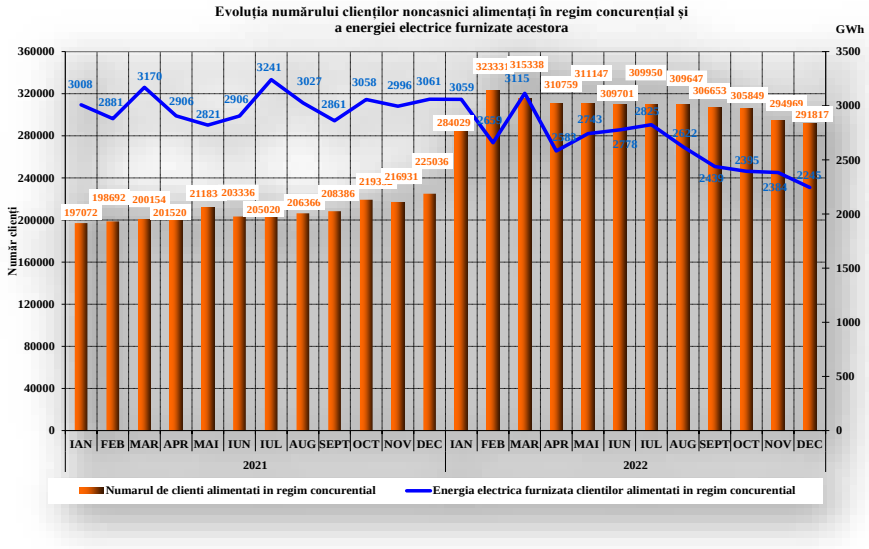


Source: Monthly reports of end customer suppliers - ANRE processing

Regarding the competitive segment of the electricity retail market, we continue to present the evolution of the number of domestic and non-domestic customers supplied under a competitive regime and the electricity supplied to them in the period 2021 - 2022.



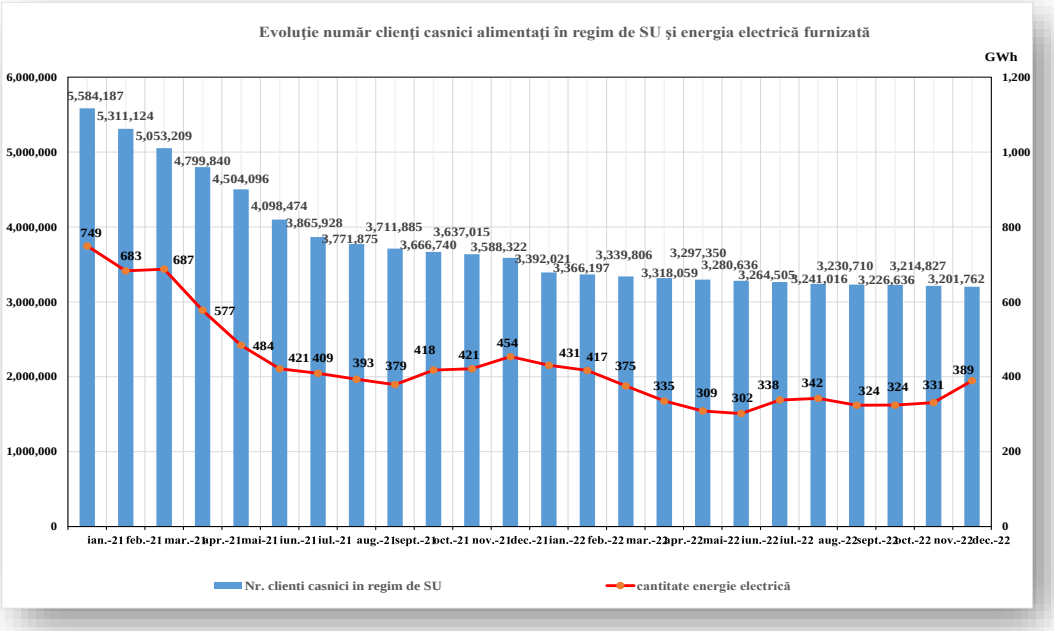
Source: Monthly reports of end customer suppliers - ANRE processing



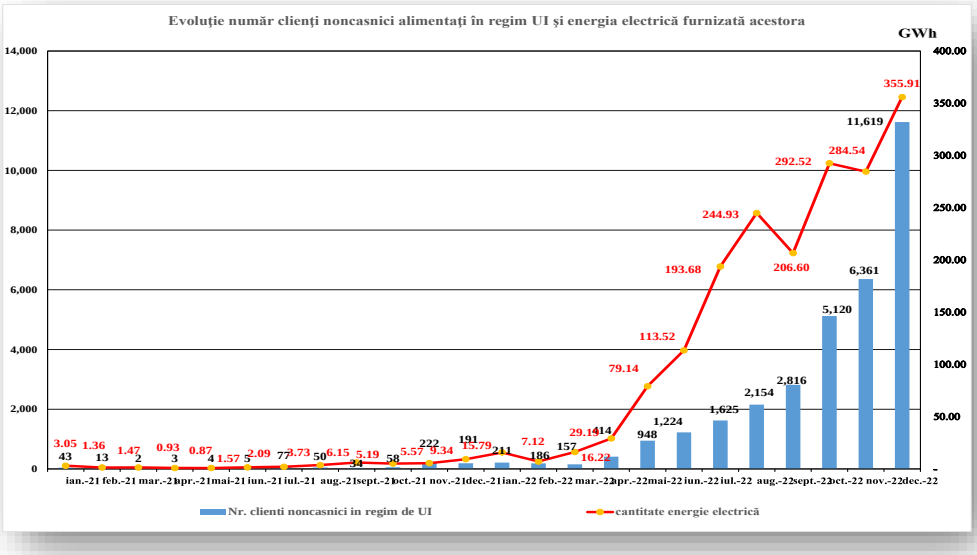
Source: Monthly reports of end customer suppliers - ANRE processing

The average sales prices and consumption of domestic and non-domestic final customers on PAM in 2022 are presented aggregated by consumption tranches and supply regimes in the following tables. The average selling price corresponding to each consumption tranche was determined as a weighted average of the prices from the supply contracts concluded with the final customers included in the respective consumption tranche with the quantities supplied to them. The prices do not include VAT, excise, or other taxes, but include all related services (transport tariffs, system services, distribution, imbalances, PRE aggregation taxes, measurement). On the electricity market for final customers served by last-resort suppliers, 6 FUIs were activated between January 1 and April 31, 2022, respectively 5 FUIs starting from May 1, 2022, from which, mainly, information on the number of customers is collected, the average purchase prices of electricity from the wholesale market, the quantities of electricity sold to final customers and the average selling price.

The following graphs show the evolution of the number of final customers fed by SU and UI, respectively the electricity supplied to them by FUI in the period 2021-2022:

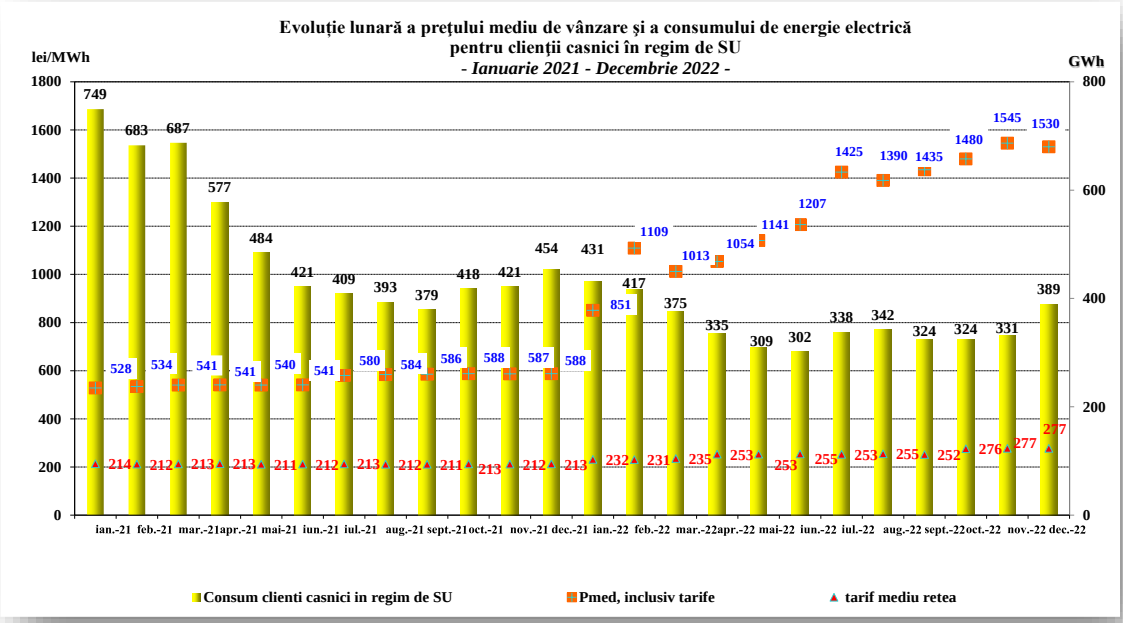


Source: Monthly reports of final customers' suppliers – ANRE processing

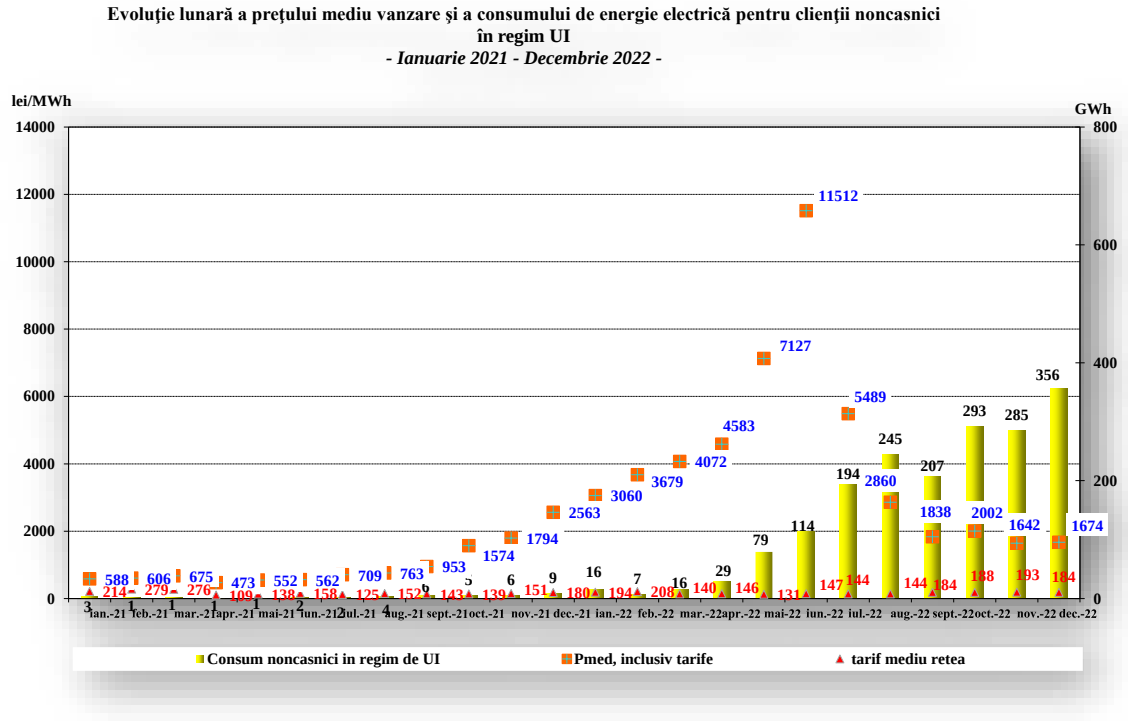


Source: Monthly reports of end customer suppliers - ANRE processing

The monthly evolution of the quantities of electricity supplied by FUI to final customers supplied under the SU and UI regime, of the average sales prices of electricity and of the average network tariffs is presented in the following graphs:



Source: Monthly reports of end customer suppliers - ANRE processing



Source: Monthly reports of end customer suppliers - ANRE processing

The results of the monitoring activity, respectively the main specific indicators of the wholesale and retail electricity market and their monthly evolution, can be accessed on the ANRE website, within the Monthly Reports on the results of the electricity market monitoring.

VI. CONTROL ACTIVITY

I. The activity of resolving complaints, pre-contractual misunderstandings arising from the conclusion of contracts, as well as complaints against network operators, formulated by participants in the electricity and gas markets

Complaints Resolution Activity

In 2022, a number of 38,998 complaints were registered and resolved by individuals and legal entities benefiting from the services provided by economic operators in the electricity and natural gas sectors. 25,971 complaints were registered in the electricity sector and 13,027 complaints in the natural gas sector. Compared to 2021, there was an increase in the number of complaints by 64%, generated by the problems encountered by electricity consumers in the competitive electricity market, most often reported issues related to contracting and billing of electricity, as a result of the effects of the adoption of Emergency Ordinance no. 118 of October 4, 2021 regarding the establishment of a compensation scheme for the consumption of electricity and natural gas for the cold season 2021-2022, as well as for completing Government Ordinance no. 27/1996 regarding the granting of facilities to people who live or work in some localities in the Apuseni Mountains and in the Danube Delta Biosphere Reserve, with subsequent amendments and additions, of Emergency Ordinance no. 27 of March 18, 2022 regarding the measures applicable to final customers in the electricity and natural gas market in the period April 1, 2022-March 31, 2023, as well as for the amendment and completion of some normative acts in the field of energy, with subsequent amendments and additions, as well as

Emergency Ordinance no. 143/2021 and Law no. 248/2022 through which amendments were made to the Electricity and Natural Gas Law no. 123/2012, but also problems encountered by prosumers regarding the connection to the electrical distribution network.

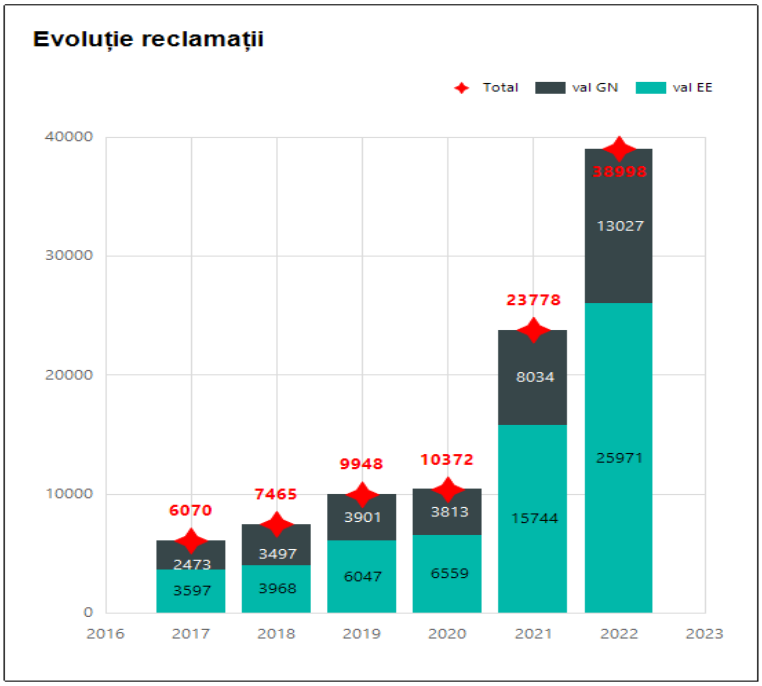
In the electricity sector:

The main problems reported by the complainants are presented in the following table:

Top 5 probleme reclamate în sectorul energiei electrice		
Nr.crt.	**Denumire**	**Număr probleme**
1	Facturare energie electrica piata concurentiala	14932
2	Contractare energie electrica piata concurentiala	2959
3	Prosumator - Aspecte comerciale, contract, reguli de comercializare	1405
4	Citire grup de masurare	1303
5	Realizare bransament, racord	1301

The main economic operators with complaints in 2022 were:

Top 5 Furnizori de energie electrică reclamați		
Nr.crt.	**Furnizor reclamat**	**Număr probleme**
1	ENEL ENERGIE MUNTENIA	6032
2	ELECTRICA FURNIZARE	4518
3	SOCIETATEA DE PRODUCERE A ENERGIEI ELECTRICE IN HIDROCENTRALE HIDROELECTRICA	4252
4	ENEL ENERGIE	3745
5	E.ON ENERGIE ROMANIA	1283



Top 5 Distribuitori de energie electrică reclamați		
Nr.crt.	**Distribuitor reclamat**	**Număr probleme**
1	E-DISTRIBUTIE MUNTENIA	3152
2	DISTRIBUTIE ENERGIE ELECTRICA ROMANIA	2351
3	E-DISTRIBUTIE BANAT	917
4	E-DISTRIBUTIE DOBROGEA	628
5	DISTRIBUTIE ENERGIE OLTENIA	515

For the complaints that required additional checks, control actions were requested through the Territorial Control Directorate. Thus, in the year 2022, 66 notes of necessity and 208 notes of notification were drawn up.

In the natural gas sector:

The main problems reported by the complainants are presented in the following table:

Top 5 probleme reclamate în sectorul gazelor naturale		
Nr.crt.	**Denumire**	**Număr probleme**
1	Facturare gaze naturale	9539
2	Racordare la sistemele de gaze naturale	1187
3	Contractare gaze naturale piata libera	982
4	FUI	773
5	Citire contor	504

The main economic operators with complaints in 2022 were:

Top 5 Furnizori de gaze naturale reclamați		
Nr.crt.	**Furnizor reclamat**	**Număr probleme**
1	ENGIE ROMANIA	4416
2	E.ON ENERGIE ROMANIA	3298
3	ENEL ENERGIE	718
4	ENEL ENERGIE MUNTENIA	707
5	ELECTRICA FURNIZARE	446

Top 5 Distribuitori de gaze naturale reclamați		
Nr.crt.	**Distribuitor reclamat**	**Număr probleme**
1	DISTRIGAZ SUD RETELE	1010
2	DELGAZ GRID	208
3	PREMIER ENERGY	149
4	MEGACONSTRUCT	47
5	GAZ VEST	27

For the complaints that required additional checks, control actions were requested through the Territorial Control Directorate. Thus, in the year 2022, 18 notes of necessity and 205 notes of notification were drawn up.

II. The control activity of the Romanian Energy Regulatory Authority (ANRE) is carried out through the Territorial Control Directorate (DCT), within the General Control Directorate (DGC)

This activity was carried out based on the attributions established by the legislation in force and was carried out in accordance with the annual control program, approved by the ANRE president, through inspection-type control actions and additionally through verification and supervision-type control actions, results from the current activities of the specialized departments within ANRE.

In 2022, a total of 1009 control actions were carried out, as follows:

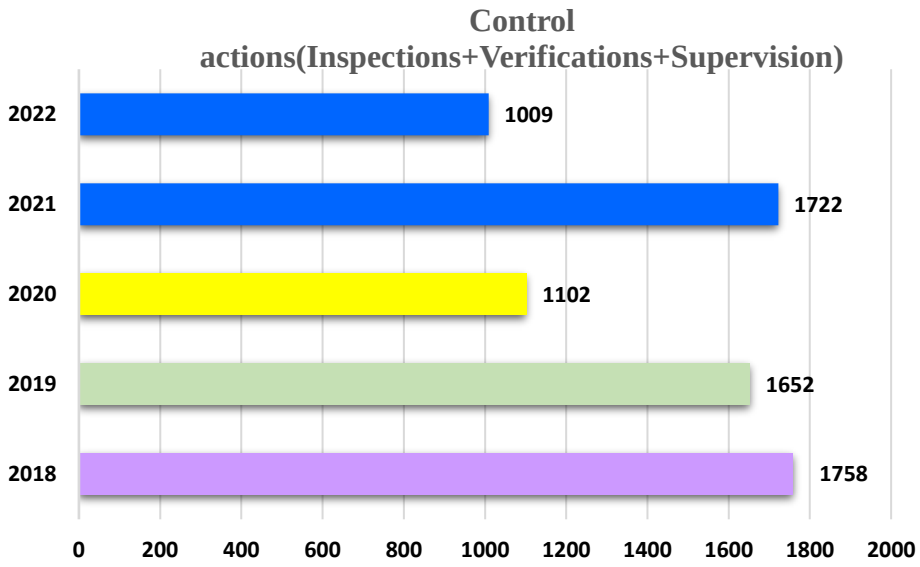
Based on the 2022 control program, a number of 295 inspection-type control actions were carried out.

In addition to inspection-type control actions, 225 verification-type control actions and 489 surveillance-type control actions were additionally performed.

The situation of control actions, by category of economic operators subject to control, is shown in the following table:

Control action type	**Graduates**		**Attest/Authorize**		**Renewable energy**		**Thermal energy**	**Others**	
	Electricity	**Natural gases**	**Electricity**	**Natural gases**	**Graduates (CV Accreditation)**	**License Obligations CV**		**Electricity**	**Natural gases**
Inspection	7	0	168	119	1	0	0	0	0
295									
Verification	130	78	2	8	0	0	0	6	1
225									
SURVEILLANCE	311	138	3	7	9	17	4	0	0
489									
Subtotal	448	216	173	134	10	17	4	6	1
Total	**664**		**307**		**27**		**4**	**7**	

The evolution of the total number of control actions carried out by ANRE in the last five years is shown in the following graph:



- The themes of the control actions carried out at the holders of licenses in the field of electricity and in the field of natural gas consisted, mainly, in the verification of the way in which the legal provisions in force were respected regarding:
- application of the support scheme according to the provisions of GEO no. 118/2021 regarding the establishment of a compensation scheme for the consumption of electricity and natural gas for the cold season 2021-2022, as well as for the completion of Government Ordinance no. 27/1996 regarding the granting of facilities to people who reside or work in some localities in the Apuseni Mountains and in the "Danube Delta" Biosphere Reserve, with subsequent amendments and additions;
- connecting prosumers to electricity networks;
- compliance with the provisions of GEO no. 27/2022 regarding the measures applicable to final customers in the electricity and natural gas market in the period April 1, 2022-March 31, 2023, as well as for the modification and completion of some normative acts in the field of energy, with subsequent amendments and additions;
- respecting the deadlines for reading the devices for measuring the amounts of electricity consumed by household customers;
- compliance with the implementation schedule of intelligent measurement systems;
- compliance with the provisions of the regulations regarding access and/or connection to the natural gas transport/distribution systems and/or upstream supply pipelines;
- the frequency of issuing the invoice for the electricity supplied to end customers;
- change of electricity supplier;
- the obligation to purchase green certificates;
- compliance with the validity conditions of certificates and authorizations held in the electricity and natural gas sector.
- design, verification, execution, reception and commissioning of natural gas use installations;
- design, verification, execution, reception and commissioning of electrical installations;
- compliance with the validity conditions of the certificates and authorizations held;

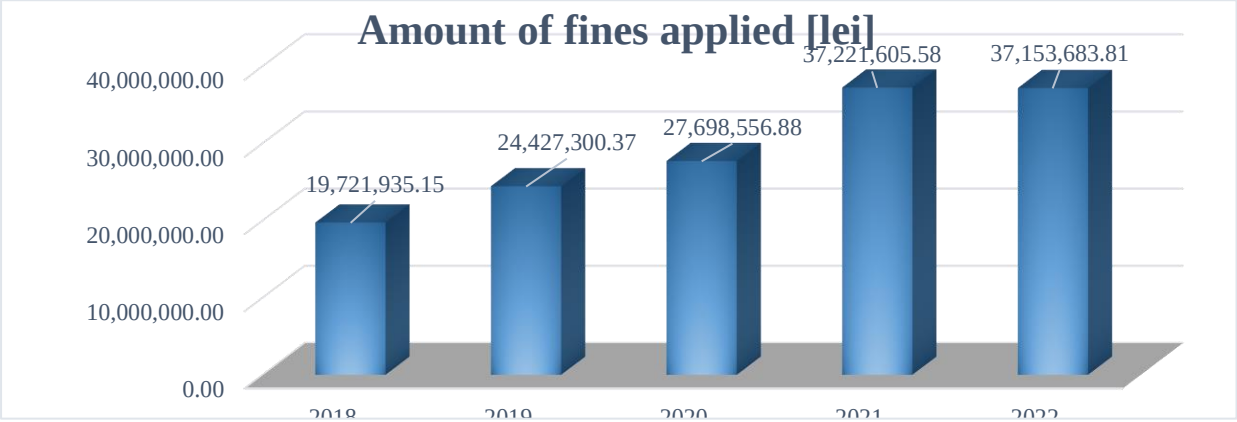
As a result of the control actions carried out in 2022, 581 minutes of detection and sanctioning of contraventions were drawn up:

- 320 in the field of electricity,
- 193 in the field of natural gas,
- 65 in the field of renewable energy
- 3 in the field of thermal energy

Based on the minutes of findings and sanctions concluded, a number of 2776 contraventional sanctions were applied for the detected irregularities, distributed as follows:
• 2294 in the field of electricity;
• 405 in the field of natural gas;
• 74 in the field of renewable energy;
• 3 in the field of thermal energy.

By means of the minutes of detection and sanctioning of contraventions, contravention fines were applied in the total amount of 37,153,683.81 lei, distributed as follows:

Distribution of sanctions by types of economic operators		
Economic Operator Type	**No. total penalties applied**	**Total amount of fines applied (lei)**
License EE	2250	13.715.000,00
Graduate GN	358	11.345.000,00
License ET	3	10.000,00
Attest EE	33	60.000,00
Authorize GN	46	85.000,00
Accredited CV	8	0,00
EE graduate	66	11.883.683,81
CV purchase obligations	11	55.000,00
Others EE	1	0,00
(PF, PFA, Developers, OD)	**2776**	**37.153.683,81**



The main acts committed by the offenders consisted of:

- Failure to comply with the obligation to read the index of the household customer's electricity meter, at a maximum interval of 3 months, in order to issue the regularization invoice;
- Failure to comply with the legal provisions regarding the connection of prosumers to the electricity distribution network;
- Non-compliance with the obligation to transmit the index of the measuring equipment to the suppliers, in order to regularize the payment obligations, as a result of the actual change of the electricity supplier;

- Failure to comply with the legal provisions regarding the connection of customers to the electricity distribution network;
- Failure to comply with the legal provisions regarding the technical quality of electricity from the performance standard for the electricity distribution service;
- The integration, with long delays, into the smart metering system (SMI) of the smart meters installed at the places of consumption and not ensuring the continuous availability of electricity measurement data;
- Failure to comply with the obligation to submit, within 15 working days from registration, the response to consumer notifications regarding electricity bills and the payment of related compensations in case of exceeding the deadline;
- Failure to comply with the obligation to return the amounts owed to the end customer, within 5 days from the date of issuing the invoice with the final liquidation statement, in the situation where a negative balance is registered;
- Failure to comply with the contents of the electricity bill;
- Failure to comply with the legal provisions regarding the electricity billing period;
- Non-compliance with the 5-day deadline for concluding the electricity supply contract;
- Non-compliance with the legal provisions regarding the change of electricity supplier.

VII. INVESTIGATIONS

Investigative activity

Within ANRE is carried out in accordance with the provisions of the Regulation for the organization and conduct of investigative activity in the field of energy regarding the operation of the wholesale energy market, approved by ANRE Order no. 25/2017, with amendments and additions.
At the European level, the rules prohibiting abusive practices affecting wholesale energy markets are consistent with the rules applicable to financial markets and with the proper functioning of wholesale energy markets, established in Regulation (EU) no. 1227/2011 of the European Parliament and of the Council of 25.10.2011, regarding the integrity and transparency of the wholesale energy market (REMIT).
Starting from the legal basis presented previously, the investigation structure within the ANRE framework ensures:

a) Carrying out investigations, in accordance with the law, ex officio, in response to a registered complaint, formulated by a natural or legal person genuinely and directly affected by a potential violation of the legal provisions regarding the proper functioning of the wholesale electricity market and natural gas, as well as at the request of ACER, only in the fields in which ANRE has investigative competence according to the law.

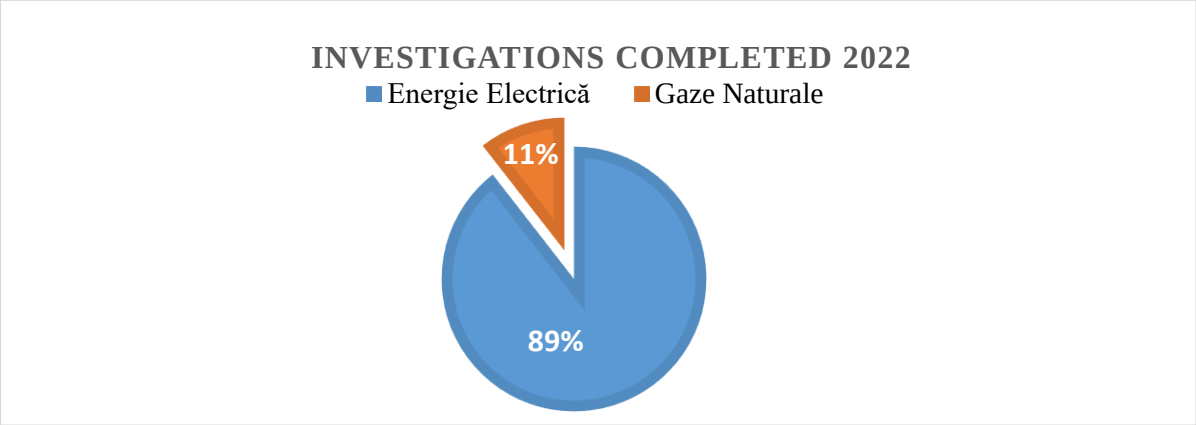
b) Pursuing compliance with market rules and promoting open and fair competition on the wholesale electricity and natural gas market for the benefit of end consumers and the removal and/or elimination of behaviors that affect the integrity and transparency of the wholesale energy market.

c) Direct correspondence with ACER regarding the investigations launched, ongoing and/or completed on the wholesale electricity and natural gas markets because of the cases notified in the ACER Notification Platform regarding the violation of REMIT provisions.

Investigative actions

In the year 2022, the Directorate of Investigations within ANRE has completed a number of 19 (nineteen) investigations at producers and suppliers of electricity and natural gas, license holders, who carry out activities on the wholesale energy market, according to Chart no. 1.

Chart no. 1



The purpose of the investigations carried out by ANRE is to verify compliance by the participants in the wholesale energy market with the provisions of Regulation (EU) no. 1227/2011 of the European Parliament and of the Council of October 25, 2011 on the integrity and transparency of the wholesale energy market (REMIT), as well as other specific European regulations.
Following the 19 (nineteen) investigative actions completed, ANRE penalized 16 (sixteen) participants in the wholesale energy market, of which 14 (fourteen) in the wholesale electricity market and 2 (two) in the wholesale natural gas market according to Chart no. 2, with fines totaling 7,140,294.27 lei according to Chart no. 3.

Chart no. 2

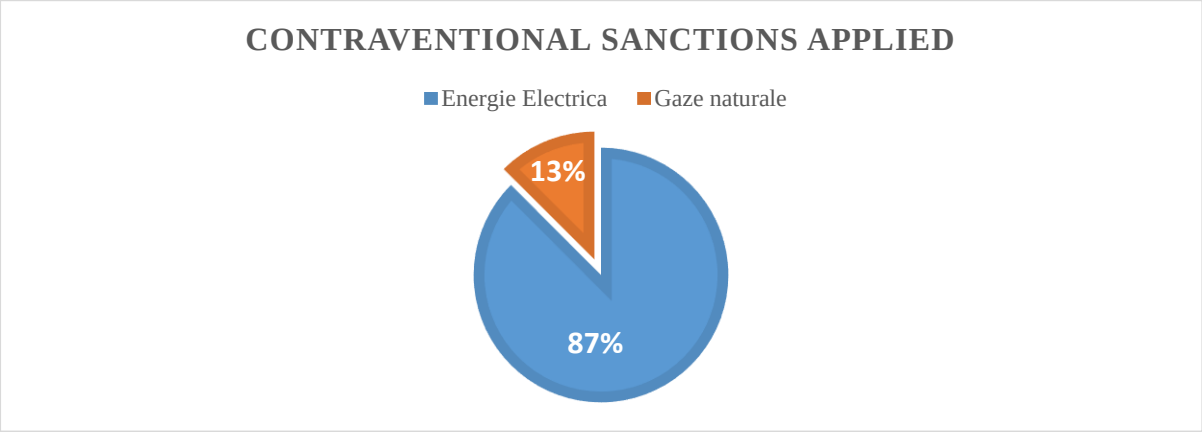
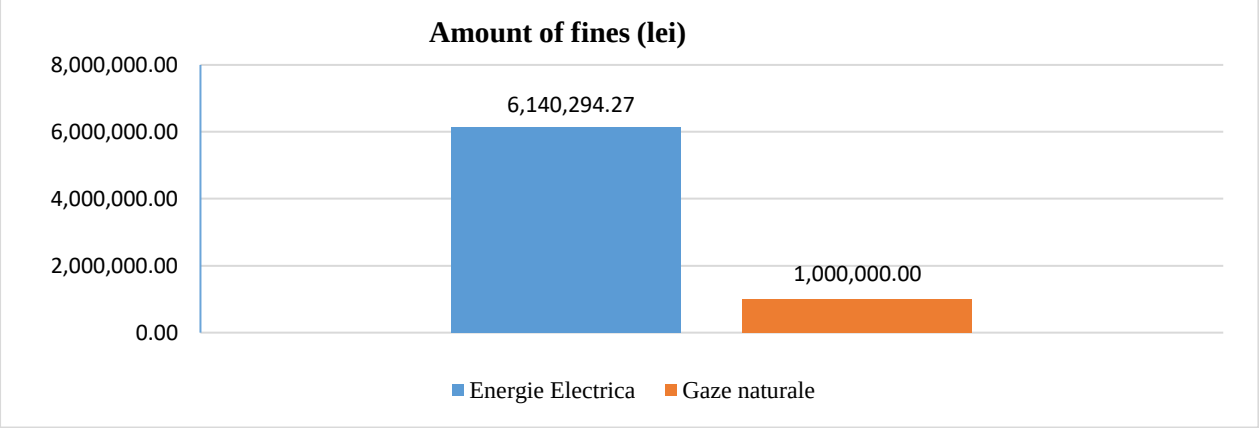


Chart no. 3



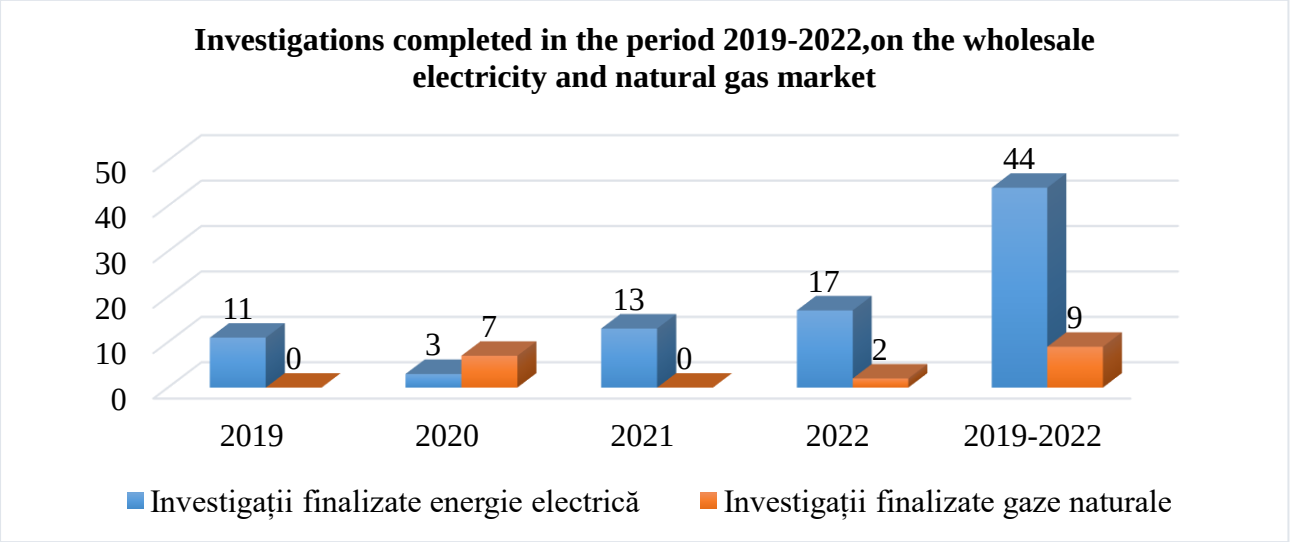
Economic operators were sanctioned for violating the provisions of art. 5 of REMIT. The investigated economic operators carried out on the wholesale electricity market, transactions qualified as "market manipulation", these being of a nature to offer false or misleading indications regarding the "offer, demand or price of wholesale energy products", according to the provisions of art. 2 point 2 lit. a) subsection (i) or (ii) from the normative act. One of the investigated economic operators was fined 1% of the turnover, representing 340,294.27 lei, for contraventional acts committed repeatedly.

The investigative activity carried out in 2022, compared to previous years, is highlighted in Table 1 and Graph no. 4, as follows:

Tabel 1

Period	**2019**	**2020**	**2021**	**2022**	**2019÷2022**	**Total**
Investigations completed in the electricity sector	11	3	13	17	44	53
Investigations completed in the natural gas sector	0	7	0	2	9	

Chart no. 4



Also, in 2022, the Directorate of Investigations started another 11 (eleven) investigations on participants in the wholesale electricity market.

For the investigative activity, as a result of the provisions of Emergency Ordinance no. 143 of December 28, 2021 for the amendment and completion of the Electricity and Natural Gas Law no. 123/2012, as well as for the modification of some normative acts, the establishment and individualization of sanctions in the case of the commission of contraventions for which sanctions are provided from the turnover of the year prior to the application of the sanction is done by the Regulatory Committee, according to the provisions of the Procedure regarding the establishment and individualization of sanctions contraventions reported to turnover, by the Regulatory Committee of ANRE, as a result of investigative actions, approved by ANRE Order no. 13/2022. The principle that governs the application of sanctions is that of applying the sanctions in a way and in an amount that ensures their dissuasive and/or preventive effect, to protect the participants in the electricity and natural gas market and/or the end customers.

The procedure regarding the establishment and individualization of contraventional sanctions related to the turnover, by the Regulation Committee of ANRE, because of investigative actions

In February 2022, by ANRE Order no. 13/23.02.2022, the Procedure regarding the establishment and individualization of contraventional sanctions related to turnover was approved by the Regulatory

Committee of ANRE, because of investigative actions. The elaboration of this procedure was carried out based on the Electricity and Natural Gas Law no. 123/2012, with subsequent amendments and additions, which, in art. 95 para. (2) and (3) and art. 198 para. (2) and (3), modified by Emergency Ordinance no. 143 of December 28, 2021, published in the Official Gazette no. 1259 of December 31, 2021, provides the following:

" Art. 95 [...] (2) In the case of contraventions for which sanctions are provided based on turnover, the establishment and individualization of sanctions will be carried out by the Regulatory Committee based on a procedure approved by the ANRE president, within of 60 days from the date of entry into force of this normative act.

(3) The individualization of sanctions for the contraventions provided for in para. (2) it will be done depending on the gravity and duration of the act, the impact produced on the electricity market and the final customer, depending on the case, respecting the principles of effectiveness, proportionality and the dissuasive effect of the sanction applied.

[...]

Art. 198 [...] (2) In the case of contraventions for which sanctions related to the turnover are provided, the establishment and individualization of the sanctions will be carried out by the Regulatory Committee of ANRE, based on a procedure approved by order of the president of ANRE, within 60 days from the entry into force of this emergency ordinance.

(3) The individualization of sanctions for the contraventions provided for in para. (2) it will be done according to/considering the gravity and duration of the act, the impact produced on the natural gas market and the end customer, depending on the case, respecting the principle of effectiveness, proportionality and the dissuasive effect of the sanction applied.".

The purpose of the procedure is to establish the necessary rules for the establishment and individualization of sanctions in the case of committing the contraventions provided for in art. 93 para. (1) and art. 194 of the Law for which sanctions are provided from the turnover of the year prior to the application of the sanction, depending on the gravity and duration of the act, the impact produced on the energy market and the final customer, depending on the case, in compliance with the principles of effectiveness, proportionality and deterrent effect of the sanction applied.

The procedure regarding the establishment and individualization of contraventional sanctions related to the turnover, by the Regulation Committee of ANRE, because of investigative actions
In July 2022, by ANRE Order no. 101/2022, the amendment and completion of ANRE Order no. 13/2022 for the approval of the Procedure regarding the establishment and individualization of contraventional sanctions related to turnover, by the Regulation Committee of ANRE, because of investigative actions.

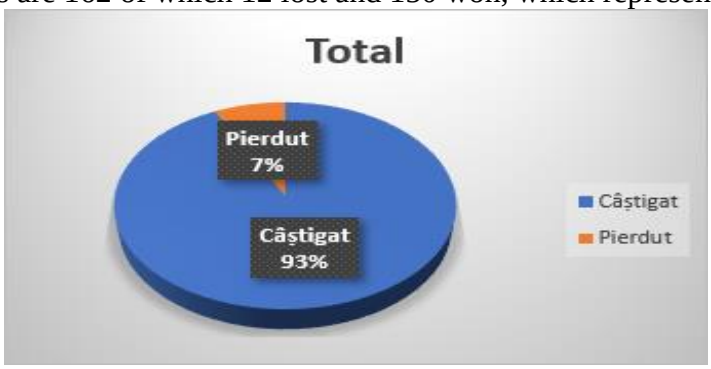
VIII. LEGAL ASPECTS

During 2022, because of the constant dynamics of the sector, ANRE's regulatory activity was maintained at a high level, in the exercise of the powers and powers expressly stipulated by GEO no. 33/2007, numerous normative acts applicable to the electricity, thermal energy and natural gas markets being adopted. At the same time, based on the prerogatives provided by the law, ANRE also issued individual administrative documents, aimed at, for example, the issuance/modification/withdrawal of licenses, authorizations and certificates, the approval of prices and tariffs applicable by economic operators, the application of the support scheme bonus type and the promotion system through green certificates, etc.

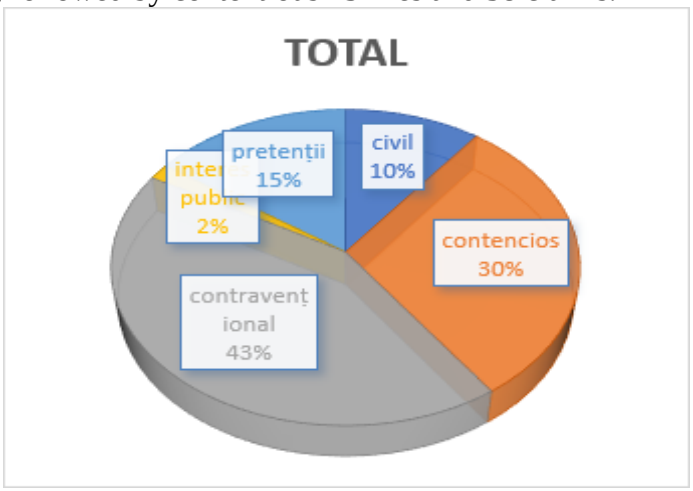
Specifically, in consideration of the prerogatives of approving regulations in the electricity, thermal and natural gas sector, in 2022 ANRE submitted for publication a number of 144 Orders and 3 Decisions of the President of ANRE, these being published in the Official Gazette of of Romania, Part I.

Regarding the situation of the disputes that had a deadline in 2022 following the centralization, the following resulted:

- There were a number of 251 files;
- Completed files are 162 of which 12 lost and 150 won, which represents a 93%-win rate;



- The files that had as their subject contravention complaint dominated the litigations in 2022, being 108 in number, followed by contentious 75 files and 38 claims.



ANRE

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