ELECTRICITY AND GAS ROAD MAP

- ROMANIA -

Background

According to Article 3a of the Treaty establishing the Energy Community (the Treaty), the activities of the Energy Community (the EnC) shall, among others, include the implementation by the Contracting Parties of the Acquis Communautaire on energy, environment, competition and renewables. Under the Treaty, the Acquis Communautaire on energy is represented by the Directive 2003/54/EC, the Directive 2003/55/EC, and the Regulation 1228/2003/EC (Article 11 of the Treaty). The timeline, as specified in the Treaty’s Annex I, asked for this activity to be implemented by July 2007 (within twelve months of the entry into force of the Treaty). The Treaty also sets out the timetable to adopt the necessary measures to open the market to non-household customers by January 2008, and to all customers by January 2015.

Purpose

The implementation of the Acquis Communautaire on energy, and the adoption of necessary measures to open the electricity and gas markets to competition are supported by the development of tailor-made Road Maps (Action Plans), by each Contracting Party. This is based on electricity, and respectively gas templates prepared by the Energy Community Secretariat and agreed with the Permanent High Level Group members.

Electricity Road Map

(1) Adoption of the Acquis Communautaire

- Adopt the amendments to the Electricity Law nr. 318/2003, currently under debate in the Parliament.
- Appoint the supplier of last resort, after the adoption of the respective legal provisions included in the amendments to the Electricity Law nr. 318/2003, by July 2007.
- Adopt tendering rules for new capacity, as proposed in the amendments to the Electricity Law 318/2003 for the situation when long-term security of supply may be jeopardised.
- Prepare Direct Lines rules in accordance with the EU best practices, by 2008.
- Adopt new capacity allocation procedure, by which existing AAC related to old contracts will be removed, by the end of 2006.
- Introduce specific penalties for breaching the Regulation 1228/2003 in accordance with the amendments proposed to the Electricity Law 318/2003.

(2) Market structure

(3) Wholesale market
- Harmonise, if necessary, the Romanian licensing and authorisation system, to be compatible on the regional level, when/if a regional system will be introduced.

(4) Retail market
- Open the market for all customers, by July 2007.

(5) Tariff reform and affordability

Gas Road Map

(1) Adoption of the Acquis Communautaire
- Adopt the secondary legislation on imposing public service obligation; foreseen before the end of 2006.
- Accomplish full unbundling of TSO; foreseen before 1 January 2007.
- Accomplish legal unbundling of DSOs; foreseen before 1 July 2007.
- Ensure that all customers will be granted the eligibility status in accordance with the eligibility calendar, which foresees a 100% market opening from 1 July 2007.
- Elaborate and implement the legal basis for the establishment of a single mechanism for the cross-border transmission, in particular for allocation of capacity, for interconnection agreements as well as for operational balancing agreements.

(2) Market structure
- Elaborate and implement the network code; foreseen for 2007.

(3) Wholesale market
- Prepare and implement a non-discriminatory balancing regime, fostering competition and cross border trade; foreseen for 2007.
(4) Retail market

- Ensure 100% market opening; foreseen from 1 July 2007.

(5) Tariff reform and affordability

- Develop and implement investment incentives for further gasification of the country, taking the results of the gasification study into account. The risk perception when adapting the rate of return on the regulatory asset base and when setting incentives for investments shall be considered. The regulatory framework shall suit in the above mentioned sense the region.