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Factsheet Romania

General energy market information

1. basic information						
Development and forecast of economic growth GDP (real) [%]	2014	2015	2016	2017	2018	2019 (est.)
	2,8	3,8	4,8	6,9	4,1	4,0
Development and forecast of final energy consumption in billion ktoe	2006	2011	2016	2017	2018	2022 (est.)
	27.625	25.033	22.317	23.269	23.500	26.190
Distribution of primary energy consumption by energy source [%], 2016	Coal	Crude oil	Natural gas	Nuclear	EE	Other
	13,6	34,4	22,6	6,8	13,2	2
Distribution of electricity generation by energy source [%], 2018	Coal	Crude oil	Natural gas	Nuclear	EE	Other
	24,22	0,06	15,22	18,11	41,17	n.a.
Import/export balance by energy source [ktoe]*, 2018 *When the values are negative, there is an export surplus	Coal	Crude oil	Natural gas	Uranium	Other (oil products, waste, biofuel)	Power
	551	8.265	1.198	N.A.	3.759	252
Distribution of heat generation by energy source [%], 2015 (No more recent values are available)	Coal	Crude oil	Natural gas	Nuclear	EE	Other
	31,46	5,87	58,6	0	4,31	0
2. electricity market						
Installed capacity [MW], and forecast, December 2019	20.696					
Installed capacity by type of generation [MW], December 2019	Thermal power plants (coal/ gas)	CHP	Nuclear	EE	Other	
	8.026	4.143	1.413	11.253	4,73	
Electricity price industry [€/ kWh], S1 2019	Consumer group: 500 MWh < consumption < 2 000 MWh Excluding taxes and levies: 0.0821 Excluding VAT and recoverable taxes and duties: 0.0972 All taxes and duties included: 0.1157					
Electricity price end consumer [€/ kWh], S1 2019	Consumer group: 2500 kWh < consumption < 5000 kWh Without taxes and levies: 0.0983 Excluding VAT and recoverable taxes and duties: 0.1141 All taxes and duties included: 0.1358					
Is the price of electricity subsidised? How?	Electricity prices are not subsidised, except for small consumers who enjoy a lower electricity price. For involuntary customers, prices are set by the Romanian regulator depending on the volume of consumption.					

Gefördert durch:

<p>Has the electricity market been liberalised? If so, what is the competitive structure of the suppliers?</p>	<p>The electricity market has been liberalised since 2004. 4 out of 7 traditional electricity distribution companies were privatised via foreign investors. In 2017, 105 electricity supply companies and 25 electricity producers acting as electricity suppliers were authorised on the competitive market. As of 01.01.2014, regulated prices for industry were abolished and at the beginning of 2018 this has also happened for households. The regulator will only approve the electricity prices of the suppliers of last resort (Enel, E.On, CEZ and Electrica)</p>												
<p>Who owns the transmission networks?</p>	<p>Transelectrica SA, has the Romanian state as its main shareholder.</p>												
<p>Is network access regulated? Are there any obstacles to the connection of RE plants?</p>	<p>Access to the grid is regulated. Obstacles could be the insufficiently developed network, the rather long waiting times and the bureaucracy.</p>												
<p>3. heat market</p>													
<p>Heat supply/energy sources [TJ], 2017</p>	<table border="1"> <thead> <tr> <th>Coal</th> <th>Crude oil</th> <th>Natural gas</th> <th>Nuclear</th> <th>EE</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>24,1</td> <td>4,5</td> <td>44,8</td> <td>0</td> <td>3,3</td> <td>n.a.</td> </tr> </tbody> </table>	Coal	Crude oil	Natural gas	Nuclear	EE	Other	24,1	4,5	44,8	0	3,3	n.a.
Coal	Crude oil	Natural gas	Nuclear	EE	Other								
24,1	4,5	44,8	0	3,3	n.a.								
<p>How is the heating market structured?</p>	<p>Romania has 19,644,350 inhabitants. 54% of the population lives in the cities and 46% in the countryside. In 2017, district heating was supplied to about 3.5 million Romania in about 1.18 million flats of 64 cities and 9 municipalities, with a decreasing trend. Romania supplied 9.3 million Gcal of district heating, of which approx. 8 million Gcal went to private households. Businesses and public authorities account for a total of about 20% of national consumption. The main fuel for heating and food preparation in rural areas is "biomass" (wood, wood or agricultural waste). In Romania, there are 246 cities and 663 municipalities connected to the gas grid. In 2017, 3.2 bcm of gas was supplied to households and 6 bcm to industry.</p>												
<p>Does the state regulate and/or subsidise the heating market?</p>	<p>The prices and fees for the production, transport, distribution and supply of thermal energy are not uniform. Each operator sets a local price in consultation with ANRE, the regulatory authority in the energy sector (since January 2018, ANRE is the only regulatory authority for the district heating sector, previously the Regulatory Authority for Municipal Utility Services (ANRSC) was responsible for this). The prices paid by the end consumer are subsidised by the local budget in some localities. Subsidising thermal energy consumers is a method of ensuring social protection. Consumers receive subsidies for natural gas, biomass (wood) and electricity. In parallel to the general subsidy programme, low-income earners receive a discount on the district heating they purchase. The suppliers of district heating have priority in the purchase of the electrical energy produced in CHP</p>												
<p>4. share and promotion of renewable energies (RE)</p>													
<p>Share of RE in energy consumption [%], 2017 (as of 2018)</p>	<p>24,5%</p>												
<p>Expansion targets of the government (according to NREAP) [%]</p>	<p>24% (2020)</p>												
<p>Forecast Share of RE [%]</p>	<p>27%</p>												
<p>What instruments are there to promote RE and how are they designed?</p>													

	<p>Suppliers demonstrate compliance with the quotas by the number of "Green Certificates" (GZ) they have acquired.</p> <p>For one MWh produced and fed into the grid, the producer receives 1 to 4 certificates, depending on the energy source used. The energy sources that qualify for GZ were defined in Law 220/2008. These are: Wind, solar, biomass, biogas, sewage sludge and energy produced in hydropower plants with a capacity of max. 10 MW.</p> <p>The green certificates can still be sold on the green certificate market through two platforms - Centralised Green Certificate Market (PCCV) and Bilateral Contract Green Certificate Market.</p> <p>The ANRE determines the annual "mandatory quota" through a resolution. According to resolution 110/2017, a number of 14.9 million GZ is planned for 2018. This corresponds to a value of 0.346 GZ/MW.</p> <p>The remuneration received by the RES-E producer consists of the variable traded electricity price and an additional trading price for the green certificates (2008-2025: 27-55€) and possibly an additional CC in the case of high energy efficiency cogeneration.</p> <p>New investments from 2017 onwards no longer qualify for the GZ scheme, the targets have been met and market parity is assumed.</p> <p>Financing of investments in RE plants possible through:</p> <ul style="list-style-type: none"> - Co-financing from structural funds for bioenergy and geothermal plants; - Environmental Fund subsidies for the replacement of existing classic heating systems with systems using solar energy, bioenergy and geothermal energy as well as for ecological building materials for private households or public institutions - Casa Verde Plus - Performance contracts with third parties; - Performance contracts with ESCOs (energy service companies); - Bank loans from external lenders (WB, EBRD, EIB, JBIC) or from commercial banks <p>By the end of 2017, 774 RES-E producers were authorised. Of these, there are 67 wind power producers, 576 solar power producers, 28 biomass power producers and 103 in hydropower plants with a capacity of max. 10 MW.</p>
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5. relevant information on energy efficiency (EnEff)

<p>What goals are being pursued in the EnEff area?</p>	<p>Romania has set itself the goal of reducing energy consumption by 27% by 2030 (basis: Energy Strategy 2016-2030, with a 2050 perspective).</p> <p>To achieve this, the following measures are to be taken:</p> <ul style="list-style-type: none"> • Increasing efficiency in the use of electricity and natural gas in industry; • Implement flagship projects to attract investment to replace or improve existing equipment and technical facilities; • Continuous investment in centralised renovation of cities and reduction of heat losses; • Implement the national programme for the thermal refurbishment of existing residential buildings; • Establish minimum energy efficiency requirements in industry, transport, construction, agriculture, services and hospitals; • Issuing grants for energy efficiency programmes from the Romanian Fund for Energy Efficiency; • Create the necessary legal framework for healthy competition in the energy efficiency services market; • Promotion of white certificate trading;
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- Promotion of the DSM (Demand Site Management) type;
- Provide fiscal and financial incentives for energy efficiency projects.

The following EU funding is available in Romania until 2020:

Priority POIM 6 "Promoting renewable energy and increasing energy efficiency" - €197 million for:

- The increase of energy production from less used renewable sources (biomass, biogas, geothermal energy), programme POIM 6.1: **The maximum funding for a project is 15 million EUR, the maximum funding rate for companies is 60%-80%. Eligible projects include: the purchase of machinery and equipment (must be new), purchase of land, -construction of buildings, connection costs to the Electricity and heat grid.**
- Reducing energy consumption in industry;
- Reduction of average electricity consumption in households
- Subsidies for combined heat and power POIM 6.4- Applications for subsidies can be submitted until 31 December 2019;
- The increase in primary energy savings through high-efficiency CHP.

Priority POIM 7 to increase the energy efficiency of district heating systems - €249 million; grants will be awarded for the rehabilitation of district heating systems in the cities of Botoșani, Oradea, Iași, Râmnicu Vâlcea, Bacău, Timișoara, Focșani (Programme 7.1) and in Bucharest (Programme 7.2).

Programme POR 3.1 to increase the energy efficiency of public buildings, 829 million EUR - concerns public buildings such as hospitals, schools and administrative buildings. Eligible for funding are thermal insulation and the renewal of heating systems, the installation of energy-saving light bulbs and, in general, all other investments that can save energy.

The financing of investments that aim to increase energy efficiency is additionally supported by:

- Funds from the state budget and local budgets;
- Subsidies from the Environmental Fund for the replacement of existing classic heating systems with systems using solar energy, bioenergy and geothermal energy as well as for ecological building materials for private households or public institutions;

Other financing options:

- Performance contracts with third parties;
- Performance contracts with ESCOs (energy service companies);
- Bank loans from external lenders (WB, EBRD, EIB, JBIC) or commercial banks. Under the **ELENA** (European Local Energy Assistance) programme, EIB provides EUR 20 million in funding per year. However, only large projects worth at least EUR 30 million are financed: EIB supports consultancy costs, including market studies, preparation of tender procedures, energy audits. Romania already has loans for investments in waste management, water and wastewater, modernisation of urban infrastructure, expansion of the gas distribution system.

The existing funding structure in Romania is attractive and it is also expected that many energy efficiency projects will be implemented in the following years. On the other hand, it must be taken into account that the quite often changing legal framework conditions lead to uncertainties for some investors. Financing the projects is also an obstacle that not every investor can overcome. Since, due to the bureaucratic procedures, the project development and approval phase is relatively long, the time frame between contracting and delivery to be greatly extended. These are mainly the necessary environmental permits and EU regulations for

What funding and financing opportunities are available in the country?

	<p>Financing via EU funds or internal bank regulations for financing via loans.</p> <p>German providers of energy efficiency solutions are market leaders worldwide and are also recognised as top providers in Romania. Many well-known German suppliers are also already more or less successful in the market, even if they are in the higher price segment compared to other international suppliers.</p>
<p>What are the most important fields of application?</p>	<p>Residential and Commercial - HVAC, Green Building Materials</p> <p>Industry - especially the energy-intensive industrial sectors or large consumers</p> <p>Infrastructure, Heat and Power Production, Transport and Distribution, Smart Metering, Metropolitan Solutions</p> <p>Waste management</p>

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Sources

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