

RES DEPLOYMENT LEGAL INSIGHTS: ANRE'S MEASURES TO REDUCE THE COSTS ASSOCIATED WITH BALANCING THE ELECTRICITY SYSTEM

On 29th August 2024 *Order No. 60/2024 for the amendment and completion of certain orders issued by the President of the National Energy Regulatory Authority concerning the electricity market* has been published in the Official Gazette, Part I, No. 867 of 29 August 2024 (the "**Order No. 60/2024**").

The measures adopted by ANRE through the Order No. 60/2024 are meant to provide a regulatory framework that for reducing the costs associated with balancing the electricity system.

The amendments introduced based on the Order No. 60/2024 include the following:

- a) amendment the Order No. 127/2021 for the approval of the regulation on the terms and conditions for balancing service providers and frequency restoration reserve providers, and of the regulation on the terms and conditions for balancing responsible parties, as well as for the amendment and repeal of certain orders of the President of the National Energy Regulatory Authority (the "**Balancing Regulation**")¹;
- b) amendment of the Order No. 59/2013 for the approval of the grid connection regulation of the users to the public interest grid (the "**Grid Connection Regulation**")²;
- c) amendment of the Order No. 51/2019 regarding the approval of the notification procedure for the grid connection of generating units and the verification of the compliance of generating units with the technical requirements for the connection of generating units to public interest electrical networks, (the "**Grid Connection Notification Regulation**")³;
- d) amendment of the Order No. 105/2022 for the approval of the standard grid connection contracts for public interest electrical networks (the "**Grid Connection Contract Order**")⁴.

Order No. 60/2024 will enter into effect as of 1st September 2024.

However, the provisions for the amendment of the Balancing Regulation, Grid Connection Regulation, Grid Connection Notification Regulation and Grid Connection Contract Order shall apply as of 1st of October 2024, while the grid operators' obligation to timely provide to electricity suppliers consumption data shall apply as of 1st January 2025.

¹ Published in the Official Gazette of Romania, Part 1, No. 1196, of December 17, 2021, with subsequent amendments and completions

² Published in the Official Gazette, Part I No. 517a of 19 August 2013, as subsequently amended.

³ Published in the Official Gazette of Romania, Part 1, No. 318 and 318BIS of April 23, 2019, with subsequent amendments and completions.

⁴ Published in the Official Gazette of Romania, Part I, No. 781 on August 5, 2022, with subsequent amendments.

A. BALANCING REGULATION ADJUSTMENTS:

2. The introduction of elastic and inelastic demand mechanisms is designed to mitigate imbalance prices and enhance grid stability, addressing the challenges posed by increased renewable energy generation. This mechanism allows the Transmission System Operator (TSO) to manage costs more effectively by negotiating better prices for balancing energy.

B. GRID CONNECTION REGULATION REVISIONS:

3. Operators are now required to keep user installations under voltage only during specified Testing Periods until final energization conditions are met.

Power plant category	Connection Point Voltage U (kV) and Installed Power P (kW, MW) of the Generating Unit/Power Plant	Testing Periods/ category
Category A	$U < 110 \text{ kV}$ and $0.8 \text{ kW} \leq P < 1 \text{ MW}$	\Rightarrow a maximum of 6 months from the date of first energization;
Category B	$U < 110 \text{ kV}$ and $1 \text{ MW} \leq P < 5 \text{ MW}$	\Rightarrow a maximum of 12 calendar months from the date of first energization;
Category C	$U < 110 \text{ kV}$ and $5 \text{ MW} \leq P < 20 \text{ MW}$	\Rightarrow a maximum of 12 calendar months from the date of first energization;
Category D	$U \geq 110 \text{ kV}$ and $P \geq 20 \text{ MW}$ or $U \geq 110 \text{ kV}$ and $P < 20 \text{ MW}$ or $U < 110 \text{ kV}$ and $P \geq 20 \text{ MW}$	\Rightarrow a maximum of 24 months from the date of first energization;

C. GRID CONNECTION NOTIFICATION UPDATES:

4. Power plant managers must maintain their temporary functioning status for the duration of the Testing Period, ensuring compliance with rigorous testing procedures.

D. GRID CONNECTION CONTRACT AMENDMENTS:

5. Developers must maintain operational status during Testing Periods as part of their grid connection contracts.

E. NEW DATA PROVISION REQUIREMENTS:

6. Starting January 1, 2025, network operators must provide electricity consumption data to suppliers by 10:00 a.m. on delivery day D, improving consumption forecasting and potentially reducing costs for end consumers.

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