



## RECENT UPDATES REGARDING THE REGULATION FOR ISSUANCE OF AUTHORIZATIONS AND LICENSES IN THE ELECTRICITY SECTOR

At the beginning of December, the Regulation for the issuance of licenses and authorizations in the electricity sector, enacted through Order of the President of the Romanian National Regulatory Authority no. 12/2015 (“**Licensing Regulation**”) was amended, following the enactment of Order no. 115/2021 of the President of the Romanian National Regulatory Authority.

The amendments brought to the Licensing Regulation are mainly aimed at: (i) improving the general regulatory framework regarding the granting, suspension and withdrawal of licenses in the electricity sector, (ii) ensuring the correlation with the provisions of superior legal enactments interconnected with the Licensing Regulation, as well as (iii) optimizing the access to, and sharing of, spatial data and services, in accordance with the provisions of Directive 2007/2/EC of the European Parliament and of the Council of 14 March 2007 establishing an Infrastructure for Spatial Information in the European Community (INSPIRE) (“**INSPIRE Directive**”).

Among the most relevant amendments brought to the Licensing Regulation, we note the following:

1. reorganizing the provisions of Article 10(4<sup>2</sup>) in distinct paragraphs with a view to provide more clearly each situation whereby power of distribution operations are authorized without holding a power distribution license, in compliance with the provisions of article 10(4<sup>2</sup>) of the Energy and Natural Gas Law no. 123/2012;

2. explaining the format in which the information regarding the components of the power transmission/distribution networks (power cables/branching/electrical substations/transformation substations) are transmitted in the national stereographic coordinates system 1970, with a view to ensure uniformization with the GIS application<sup>1</sup> format already implemented by the Romanian National Regulatory Authority (“ANRE”) for operators in the natural gas sector – the GIS application is used to ensure the implementation of the INSPIRE Directive;
3. supplementing the types of spatial data in the GIS application with data regarding low-voltage power cables and power branching, with a view to ensure that the spatial data cover electricity networks, regardless their nominal voltage;
4. attaching to the spatial data requested in the GIS application a new set of data connected with the displayed spatial data, including the value and inventory number of the components of power transmission/distribution networks, necessary to enable ANRE to verify the fixed assets pertaining to the investments performed by licensees, with a view to be recognized in the regulated assets base;
5. providing the obligation for the license holders mentioned in article 10(1) letters a), b), c), d), e) and f)<sup>2</sup> of the Licensing Regulation, to communicate to ANRE, in accordance with the scheme published on ANRE’s website:
  - (i) until December 31, 2022, information regarding medium- and high-voltage power cables, power substations and transformation substations provided in the conditions annexed to their licenses;
  - (ii) until December 31, 2023, information regarding low-voltage power cables and power branching, provided in the conditions annexed to their licenses;
6. including in the licensing file for aggregation operations, a description of the envisaged licensed business activity, including by reference to the electricity market(s) to which the applicant intends to participate as aggregating entity, with a view to enable ANRE to establish accurately the specific rights and obligations of the licensee;

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<sup>1</sup> Geographic Information System, meaning applications used to organize spatial information, including for accessing digital computer maps, supplementing existing maps with new information, performing spatial analysis, etc.

<sup>2</sup> Licenses for: (i) production of electricity and the commercial operation of storage capacities pertaining to production capacities; (ii) production of electricity and thermal energy in cogeneration and the commercial operation of storage capacities pertaining to production capacities; (iii) electricity transmission services; (iv) system services; (v) power distribution services; (vi) operation of the centralized exchange.

7. reducing the period in which license applicants may supplement the licensing file from 90 days to 60 days from the date of receipt of ANRE's request;
8. reducing the deadline for requesting a provisory setting-up authorization/license from at least 120 days to at least 60 prior to the date at which the transfer of the power capacity becomes effective;
9. the withdrawal of the license (at the request of the licensee) becomes conditional upon: (i) confirmation that all licensee' obligations towards ANRE have been fulfilled and, (ii) in case of supply licenses, the licensee does not carry out the supply activity at the date of filing the withdrawal request;
10. amending article 17 (6) by eliminating the provisions regarding the method of computation of the analysis tariff and repealing the provisions of articles 49 (4) – (7) and 50, with a view to include all these provisions into the order regarding the payment of tariffs and contributions due to ANRE by licensed operators;
11. amending the annexes no. 2, 4 and 5 of the Licensing Regulation.

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This article contains general information and cannot be considered qualified legal advice.



**Vlad Cordea**

**Senior Associate**

vlad.cordea@mprpartners.com

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