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1 Implementation of Tracking Systems

1.1 Electricity Disclosure

The disclosure obligation has been implemented through Governmental Decision no. 1007/ 2004. The disclosure system was further regulated by ANRE President Order (41/2004) in December 2004. This was implemented based on contract tracking.

The E-TRACK II country report describes the 2004 system in brief distinguishing 3 phases in the disclosure process:

- Producers sent statements with disclosure information to their trading partners
- Authorities calculated national and residual mixes
- Suppliers to end consumers adapted mixes based on their contracts with generators

Producers which sold electricity to OPCOM (the Romanian power market operator) during a year had to supply the information relating to electricity disclosure after the end of the year to OPCOM, which then calculates the mix of the Day Ahead Market (DAM). This information was used by suppliers who have bought from the DAM during that year.

The label format given to the suppliers was quite detailed.

In 2009, the system was revised through a new President Order (69/2009, from 7th February 2009) repealing the 41/2004 President Order. This new order provides for regulations that apply to producers and suppliers of electricity, under the supervision of ANRE.

The disclosure period is the calendar year. The basis is still contract-based tracking. ANRE calculates the mix to be disclosed to consumers who belong to the regulated market, this mix is then communicated to end consumers through suppliers. Mixes for consumers from the deregulated market are supplier dependent. Suppliers will have to use the calculation model drafted that is explained in Annex 4 of the President Order and the labelling format for supplier portfolio.

Disclosed sources are the following :

- coal,
- nuclear,
- natural gas,
- oil,
- other conventional sources,
- all RES and the breakdown of : hydro, wind, biomass, solar and other renewable sources

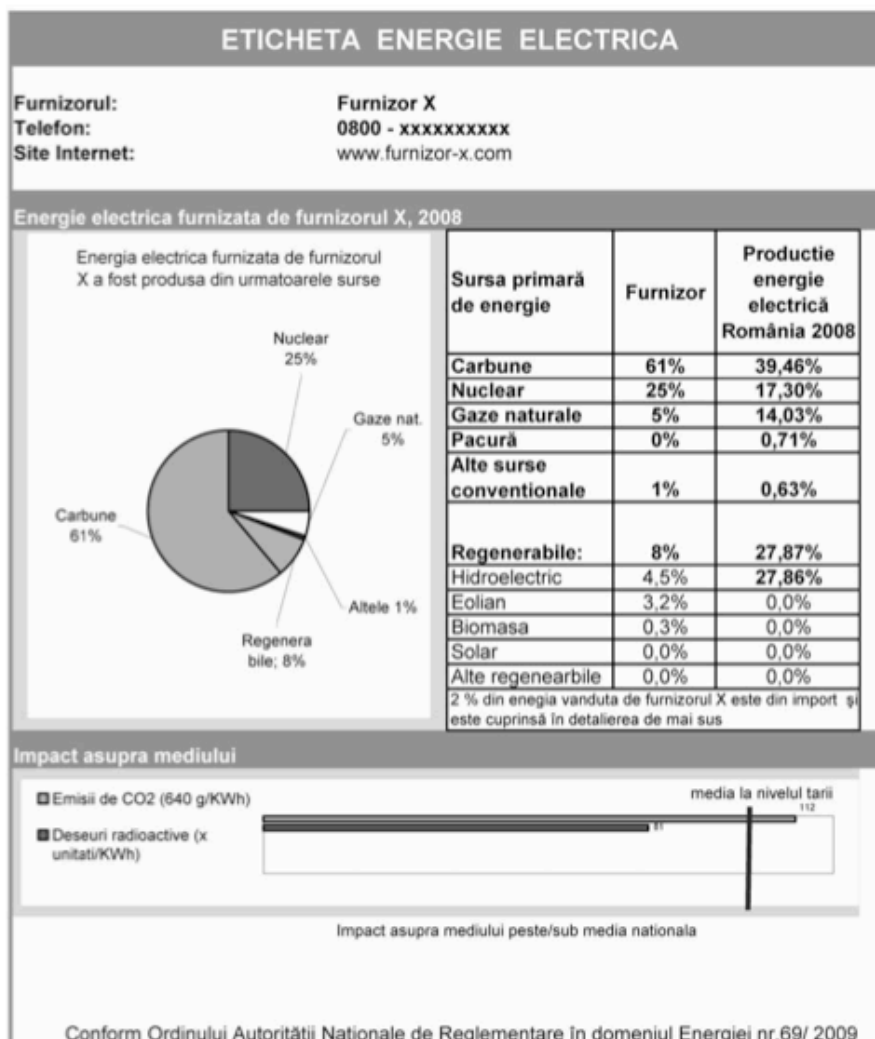
The format of the label is extracted from the President Order 69/2009, Annex1. It comprises the disclosure of the mix in terms of one pie and one table, the latter including the details of the renewables share. The table includes a comparison with the national production mix for the disclosed year. It also includes the CO2 emissions in g/kWh and the radioactive waste in g/kWh with a comparison of the national average.

Finally there is a mention of the share of imports in the disclosed mix.

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ANEXA Nr. 1*)
la regulament

Exemplu de etichetă a energiei electrice

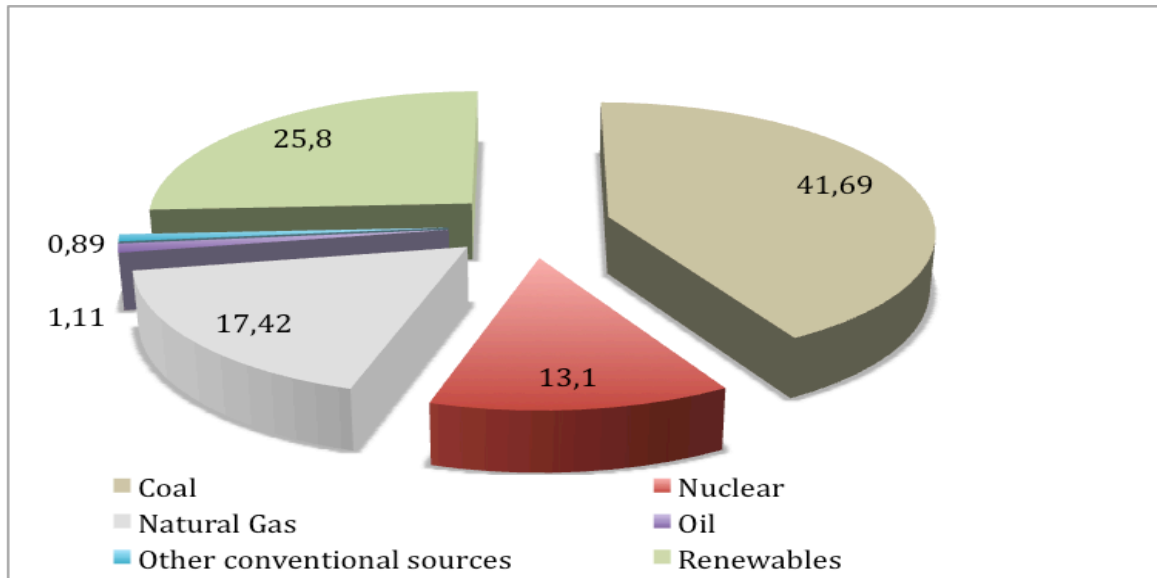


Disclosure of product mix is optional, if it is done, it should follow a specific format which provides for the disclosure of 3 columns in the above table : product mix / default supplier mix (= overall supplier mix – product mix) / national production mix.

Disclosure values for year X have to be communicated to end consumers by 31st July of year X+1.

1.1.1 Disclosure Figures

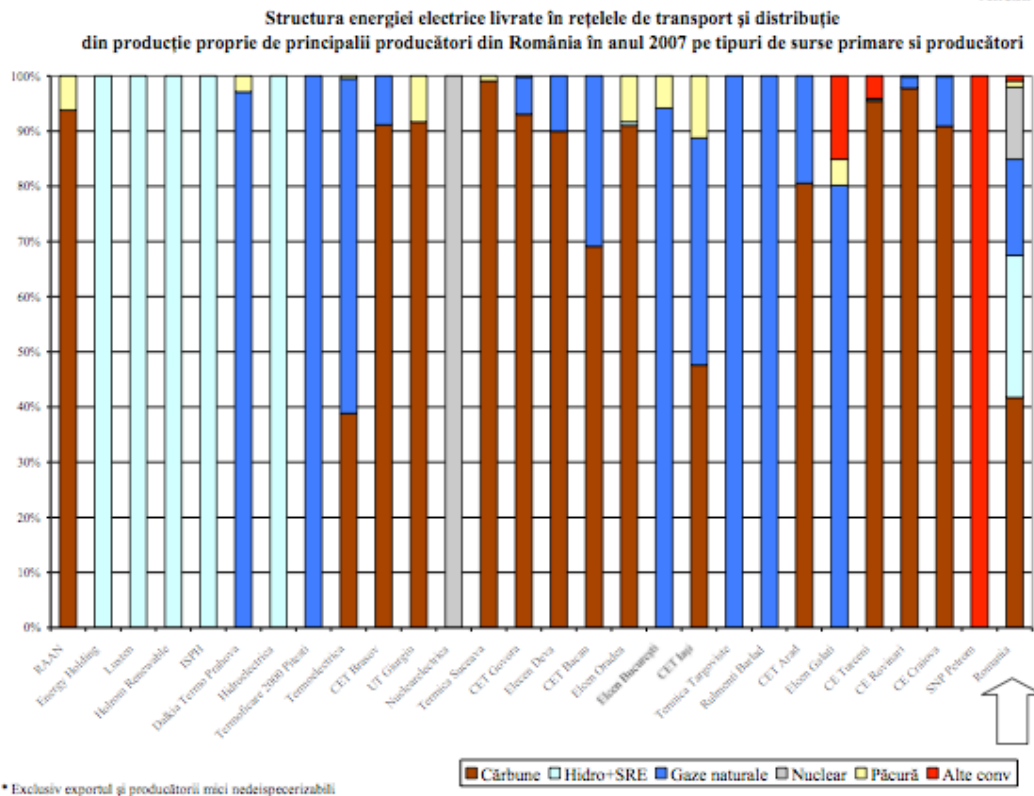
Latest information by ANRE date back from 2007 and are available on the following webpage of : <http://www.anre.ro/informatii.php?id=148>.



The electricity mix delivered to the transportation and distribution networks by the main electricity producers in Romania from own production in 2007 (excluding exports and small non dispatchable producers).

A comparison of all suppliers was also available for 2007.

Anexa 3



1.1.2 Environmental Information

See 1.1

As for the mix, the latest information dates back to 2007.

	Specific CO2 emissions from electricity production in Romania in 2007 (in g/kWh)
Coal	1 096
Natural Gas	523
Oil	625
Other conventional energy	1310
National average	566

Radioactive waste resulting from electricity production in Romania in 2007 (in g/kWh)
0,02

On the same webpage, the details of compared emissions per supplier for 2007 are also available, but no comparison for nuclear waste.

1.1.3 Suppliers Fuel-Mix Calculations

The supplier mix calculation takes into account the following sources of information:

- Purchases from electricity producers
- Purchases from the Day Ahead Market,
- Purchases on the Balancing market
- Imports.

Contract based tracking is allowed, and clearly regulated. However, the calculation of a national residual mix does not follow RE-DISS recommendations.

Until 31st March of year X+1, producers have to communicate to their buyers in the disclosed period and to ANRE, their production mix for year X, as well as the volume of imported or exported production. This communication includes the calculation of the CO2 emission in g/kWh and the nuclear waste generated in g/kWh.

By 15th April, ANRE should calculate the national production mix and its environmental impacts on the basis of the information communicated by producers.

For electricity purchased from other suppliers, net sellers should communicate their mix to net buyers. Regarding environmental impacts of the mix, suppliers buying from another supplier should use the national averages calculated by ANRE.

ANRE also has the responsibility to calculate the mix for balancing market and Day Ahead Market by the same date.

Suppliers should use the individual producers' declarations for all electricity purchased to them and the mixes calculated by ANRE for the DAM and the Balancing market.

Import mix should conform to Eurostat figures, regarding EU 27 (as is specified in the calculation example in Annex 5 of President Order 69/2009).

1.2 Guarantees of Origin for Electricity from Renewable Energy Sources and High-Efficient Cogeneration

1.2.1 RE-GO System

GO for RES were implemented through Electricity Laws 2003 and 2007. ANRE, the Romanian Energy Regulatory Authority is appointed as the competent authority for GO. At the time these GOs were not linked with disclosure, but with target monitoring of RES-E production share in national gross consumption.

Law 220/2008, in its second publication on August 2010, establishes a clear linkage of GO with disclosure (art.2, S).

GO were issued until 2010 but no exports or imports have taken place. For 2010, 2011 and 2012, no more GO were issued.

In July 2011, a new law was taken with effect beginning of 2012, which establishes new regulations for GOs in order to comply with Directive 2009/28.

The framework for RES-GO described in these regulations is the following :

- Issuing is voluntary, and made on written request by producer, not more than 30 days after end of production period. The issuing is made on the basis of the information on production coming from the TSO and DSOs.
- For each unit of energy, only one GO can be issued
- Support information is coded, as well as expiration date
- Production period can last 1, 3 or 6 months
- Transfers of GO are possible, but only after written request to ANRE, who should implement them within 5 days following the receipt of the request. Transfers of GO do not affect statistical transfers, joint projects or support schemes.
- GO not linked to support, nor to physical electricity
- GO has to be deducted from supplier mix if transferred to a third party
- GOs are issued for net production.
- Information on GO for the previous year should be put by ANRE on their website by 31st March
- ANRE has to withdraw a GO after notification of use by the supplier.

A guarantee of origin is issued in electronic format for each unit of energy (1MWh) of RES-E produced and delivered to the grid and contains the following information:

- date of issue, issuing body and country of origin, as well as a unique identification number.
- energy source from which the electricity was produced and the starting and final production;
- the identity, location, type and capacity of the installation where the energy was produced;
- whether and to what extent the facility has received support for investments;
- whether and to what extent energy unit benefited in any way support a national scheme and the type of support system;
- the date on which the installation was put into operation;
- In issuing guarantees of origin, fractions greater than or equal to 0.5 MWh rounded by adding 1 MWh, and the lowest of 0.5 MWh are not considered.

ANRE has the responsibility to implement a new registry. A call for tender has been carried out to subcontract the creation of this registry. At the time this report is being written, the winner has been designated and contacts are ongoing for the design of the new electronic registry. There is no plan for

now to be connected to the EECS system, as there is no demand for exports or imports, but this could change.

1.2.2 CHP-GO System

According to electricity law, ANRE has the right to issue GO for electricity produced in cogeneration of high efficiency. The framework for CHP GO is described in the Governmental Decision no.1461/2008 published in the Official Gazette of Romania no. 813/4.XII.2008.

There is no CHP GO registry in Romania yet, but the intention is to unify it with the RES-GO registry.

1.2.3 EECS

No EECS system is in place in Romania.

1.2.4 GO Statistics

GO statistics are available in the annual report from ANRE, which is available on their website and date back to 2009. At the time, they were not used for disclosure. For 2010, 2011 and the first semester of 2012, no issuing of GO took place.

1.3 Other RES-E Relevant Support Schemes

There is a quota obligation on suppliers in Romania, which they have to fulfil by purchasing green certificates from producers of renewable electricity, or they should pay a penalty. Feed-in tariffs are not considered as RTS, since plants which receive green certificates can also receive a GO for the same unit of electricity. Green certificates are issued by the TSO to the producers. Details of the system are available in Law 220/2008 republished in the Official Gazette of Romania part 1, n° 577 August 13th 2010.

2 Proposals for Improvement of the Tracking System

2.1 Proposals regarding general regulation on tracking systems

Recommendations have to take into account that the electricity market is still 50% regulated. Consumers' interest for suppliers' differentiation through disclosure is not high. The same goes for specific products. The recommendations should aim in priority at ensuring the good functioning of the existing contract based tracking and of a proper calculation of a residual mix. They should create a reliable framework for suppliers that can be further developed when customers start to have an interest in green offers.

2.2 Proposals regarding Disclosure

In the recommendations below, only the priority recommendations that will lead to a sound framework have been detailed. For further recommendations on product disclosure, please refer to the RE-DISS Best Practice Recommendations and to the E-TRACK II final report.

1. Some regulations are in place, but for the moment they don't seem to be implemented, e.g. calculation of national mix and environmental impact cannot be found on ANRE's website for the years after 2007. They should be followed.
2. Regarding contract based tracking, there is a provision according to which ANRE should be able to provide comprehensive statistics about the volumes and types of electricity attributes, which are tracked through it. This provision should be followed.
3. In cases that suppliers of electricity intend to use contract based tracking in order to fulfil claims made towards consumers regarding the origin of a certain electricity product (e.g. a green energy product), GO should be used instead of contract based tracking.

4. Cancellations of GO relating to production periods in a given year X which take place until 31 March of year X+1 should count for disclosure in year X. Later cancellations should count for disclosure in year X+1. This would also require revision of the timeline which currently applies within Romania.
5. In the medium to longer term, GO should be the only “tracking certificate” used. Any other tracking systems of a similar purpose and function as GO should be closely coordinated with GO and eventually converted to GO.
6. (Other) Reliable Tracking Systems (RTS) should be defined where appropriate based on criteria of added value, reliability and transparency.
7. If contract based tracking is to be allowed besides GO as explicit tracking instrument, it shall be regulated so that
 - a. The rules of the tracking system are transparent and comprehensive and are clearly understood by all participants in the system.
 - b. Double counting of attributes and loss of disclosure information is minimised within the contract based tracking scheme and also in the interaction of the contract based tracking scheme to GO and other RTS (if applicable). As a precondition for this, the contract based tracking scheme should be able to provide comprehensive statistics about the volumes and types of electricity attributes, which are tracked through it.
 - c. The relevant information for disclosure purposes should be available in time to meet the timing requirements for the coordinated calculation of a European Residual Mix. This means that this information has to be collected centrally in order to have a national residual mix calculated by end of April of year X+1.
 - d. In cases that suppliers of electricity intend to use contract based tracking in order to fulfil claims made towards consumers regarding the origin of a certain electricity product (e.g. a green energy product), GO should be used instead of contract based tracking.
8. Full disclosure schemes should be implemented, including the disclosure of CO₂ emissions and radioactive waste.
9. Timing of Disclosure:
 - a. The deadline for cancelling GO for purposes of disclosure in a given year X should be 31 March of year X+1.
 - b. The timing of the calculation of the Residual Mix should be coordinated across Europe:
 - i. By 30 April X+1 all countries should determine their preliminary domestic Residual Mix and whether they have a surplus or deficit of attributes.
 - ii. By 15 May X+1, the European Attribute Mix should be determined.
 - iii. By 31 May X+1, the final national Residual Mixes should be published.
 - iv. As of 1 July X+1 the disclosure figures relating to year X can be published by suppliers.
10. All electricity products offered by suppliers with claims regarding the origin of the energy (e.g. green or low-carbon power) should be based exclusively on cancelled GO. No other tracking systems should be allowed, with the exception of mechanisms defined by law, e.g. a pro-rata allocation of generation attributes to all consumers which is related to a support scheme.

2.3 Proposals regarding GO

11. The metered production periods for purposes of issuing GO should not be longer than a calendar month. Longer intervals up to one year are acceptable only for very small plants. If possible, issuing should be done without delay after the end of each production period.
12. Issuing should be done on net generation.

13. The lifetime of GO should be limited to 12 months after the end of the production period in order to be in line with the EU RES Directive.¹ GO which have reached this lifetime should expire and be collected into the Residual Mix.
14. The new GO system should be implemented under EECS.
15. So-called ex-domain cancellations of GO, where a GO is cancelled in one registry and a proof of cancellation is then transferred to another country in order to be used there for disclosure purposes, should only be used if there is no possibility for a secure electronic transfer and if there is an agreement on such ex-domain cancellations between the competent bodies involved. Statistical information on all ex-domain cancellations should be made available in order to support Residual Mix calculations.
16. Within the rules set by the respective European Directives, Romania should consider to reject the recognition of GO from other countries for disclosure in case that these countries have not implemented adequate measures which avoid double counting, e.g. a proper determination of a Residual Mix for disclosure.

Furthermore, it shall be noted that the participating domains of the RE-DISS project have decided that the Best Practice Recommendations should also include the following recommendations, which should generally be considered by all Competent Bodies in order to assess relevance for their individual domains:

- Member States should at least publish the set of criteria they apply in order to decide over recognition of GO from other Member States.
- Member States should clearly regulate the use of GO directly by end consumers.
- If using cooperation mechanisms, Member States should take care of regulating the attribution of GO concerning electricity concerned by these mechanisms.

2.4 Matrix of disclosure related problems and country-specific proposals

Problem	Country-specific proposal
Possible double counting in different explicit tracking instruments	2, 5, 6, 7, 10
Double counting of attributes in explicit and implicit tracking mechanisms	5, 6, 10, 12, 16
Double counting within individual supplier's portfolio	
Loss of disclosure information	1
Intransparency for consumers	1, 8, 10
Leakage of attributes and/or arbitrage	9, 11, 13
Unintended market barriers	14

¹ One should note that the existing regulation to extend this expiry date for production which takes place early in the year in principle is feasible for exclusion of double counting. However, in order to allow for a sound calculation of the Residual Mix, a shift of the cut-off date to end of March of year X+1 would be needed.