

LAW NO. 123 AS OF JULY 10, 2012 ON ELECTRICITY AND NATURAL GAS
(valid on 20.11.2019)

TITLE I: ELECTRICITY

CHAPTER I: General provisions

Art. 1: Regulatory field

(1) This title establishes the regulatory framework for conducting activities in the electricity and thermal energy sectors produced in cogeneration, in order to optimize the use of primary energy resources in the conditions of accessibility, availability and supportability and in compliance with safety, quality and environmental protection norms.

(2) The provisions of this title are not subject to:

- a)** electric accumulators, mobile generator groups, electrical installations located on vehicles of any kind, except electric traction units consisting of electric locomotives, electric trams and subway frames;
- b)** the stationary sources of electricity in direct current, if they are not connected through inverters to the national power system, hereinafter referred to as SEN.

Art. 2: The objectives of the activities in the field of electricity and thermal energy produced in cogeneration

Activities in the field of electricity and thermal energy produced in cogeneration must be carried out in order to achieve the following basic objectives:

- a)** ensuring the sustainable development of the national economy;
- b)** diversification of the primary energy resources;
- c)** creation and ensuring the functioning of the competitive electricity markets;
- d)** ensuring the non-discriminatory and regulated access of all participants to the electricity market and to the electricity networks of public interest;
- e)** transparency of tariffs, prices and taxes on electricity within a tariff policy, aiming the increasing of energy efficiency during the cycle of electricity production, transport, distribution and use;
- f)** establishing the safety stocks for the fuels necessary to produce electricity, as well as of the thermal energy produced in cogeneration;
- g)** ensuring the interconnected functioning of the SEN with the electricity systems of the neighbouring countries and with the electricity systems of the European Network of Transmission System Operators and Electricity System - ENTSO-E, hereinafter referred to as ENTSO-E;
- h)** improving the competitiveness of the internal electricity market and active participation in the formation of both the regional market and the internal energy market of the European Union and the development of cross-border exchanges;
- i)** promoting the use of new and renewable energy sources;
- j)** ensuring environmental protection at local and global level, in accordance with the legal regulations in force;
- k)** ensuring security measures to prevent and combat acts of terrorism and sabotage on the SEN infrastructure;
- l)** ensuring the operational safety of the SEN;
- m)** ensuring the safety in the supply of electricity to the final clients;
- n)** promoting the production of electricity produced in high efficiency cogeneration systems, associated with the thermal energy delivered to cover a justified economic consumption.

Art. 3: Meaning of some terms and expressions

For the purposes of this Title, the terms and expressions below have the following meanings:

1. access to the electrical network of public interest - the set of rules by which a third party exercises the right to connect and to use, according to the law, the electrical networks of transport and distribution;
2. Competent authority - the National Energy Regulatory Authority, hereinafter referred to as ANRE;
3. guaranteed access to electricity networks - the set of rules and technical and commercial conditions by which some categories of producers covered by the national support schemes adopted at national level are guaranteed to have taken over in the electricity network the electricity contracted on the competitive market or on the basis of procurement obligations established under this law;
4. priority access to electricity networks - the set of rules and technical and commercial conditions by which certain categories of producers are assured the possibility of taking over in the network, at any time, the electricity produced, depending on the capacity of the connection to the network and the availability of the units / eligible resources, without jeopardizing the security of the system;
5. damage - the event that manifests itself through dangerous deviations from the functional parameters provided by the technical norms in force;
6. interconnection capacity - a line of electricity transmission that crosses or passes the border between two states and that connects the national transport systems of those states;
7. energy capacity - the installations to produce electricity and / or thermal energy in cogeneration, electricity networks and other electro-energetic equipment;
8. power station - the assembly of installations, constructions and equipment necessary for the production of electricity; a power station comprises one or more units (groups) of production;
9. cogeneration power station (district heating) - the assembly of installations, constructions and equipment necessary for the combined production of electricity and heat;
10. client - the wholesale or final client of electricity;
11. wholesale client - the natural or legal person who purchases electricity for resale inside or outside the system in which it is established;
12. eligible client - the client who is free to choose his electricity supplier from which he buys electricity, within the meaning of art. 33 of Directive 2009/72 / EC of the European Parliament and of the Council of 13 July 2009 on common rules for the internal market in electricity and repealing Directive 2003/54 / EC;
13. final client - any natural or legal person who buys electricity for his own consumption; in the law, the terms "end client" and "consumer" are equivalent;
14. non-household client - any natural or legal person who purchases electricity that is not for his own household consumption; this category also includes electricity producers, network operators and wholesale clients;
15. household client - the client who buys electricity for his own household consumption, excluding consumption for commercial or professional activities;
16. vulnerable client - the final client belonging to a category of domestic clients who, for reasons of age, health or low income, are at risk of social marginalization and who, in order to prevent such risk, benefit from social protection measures, including of financial nature. The social protection measures, as well as the eligibility criteria for them, are established by normative acts;
17. congestion - the situation in which, when programming the operation or in the real-time operation, the circulation of powers between two nodes or system areas leads to the non-observance of the safety parameters when operating an electric power system;
18. electricity supply contract - the contract under which the electricity supplier provides its client with an amount of electricity for a certain period, but which does not include a derivative instrument in the field of electricity;
19. processing contract - a contract by which an amount of fuel belonging to an economic operator is processed in an energy production capacity belonging to a producer, in exchange for an amount of electricity and with the payment of a processing tariff to the producer; the conclusion of a processing contract represents an exceptional situation from the other types of contracts and is carried out under transparent and non-discriminatory conditions, based on ANRE regulations;

20. control over an economic operator - any rights, contracts or any other elements that, each in part or taken together and considering the factual or legal circumstances, give the possibility to exercise a decisive influence on an economic operator, in particular through:

a) property or use rights over all or part of the assets of an economic operator;

b) rights or contracts that give a decisive influence on the structure of the economic operator, the vote or the decisions of the governing bodies of an economic operator;

21. electric crossing line - the land surface along the power line and the airspace above it, which imposes restrictions in terms of the coexistence of the line with its natural elements, objects, constructions and installations; the crossing line includes the protection zone and the safety zone;

22. distribution of electricity - the transmission of electricity through high voltage, medium voltage and low voltage distribution networks, with nominal line voltage up to 110 kV inclusive, for its delivery to clients, not including supply;

23. balance between production and consumption - covering the predictable demand for electricity, without having to reduce consumption;

24. commercial exploitation of an energy capacity - all the activities carried out by an economic operator in the electricity sector based on a license granted under the conditions of this law;

25. supply of electricity - the activity of selling electricity to clients, as well as supplying electricity to the consumption places owned by the supplier;

26. supplier - natural and / or legal person carrying out the activity of energy supply;

27. last resort supplier - the supplier designated by the competent authority to provide the universal supply service under specific regulated conditions;

28. guarantee of origin - the electronic document issued by the competent authority to electricity producers, which has the unique function of proving to an end client the evidence that a given quantity or amount of energy was produced from renewable sources or in high efficiency cogeneration;

29. group of measurement - the assembly consisting of the meter and the related transformers, as well as all the intermediate elements that constitute the circuits for measuring the electricity, including the security elements;

30. commercially sensitive information - information whose disclosure could restrict, prevent or distort competition in the electricity market and / or lead to the damage of market participants;

31. interconnection - the assembly of installations and equipment through which the connection of the electricity systems is realized;

32. financial instrument derived from the field of electricity - one of the financial instruments provided in art. 2 paragraph (1) point 11 lit. d), g) and h) of Law no. 297/2004 regarding the capital market, with subsequent modifications and completions, combinations thereof, as well as other instruments thus qualified by regulations of the National Securities Commission, hereinafter referred to as CNVM;

33. direct power line - the power line that connects an isolated production energy capacity to an isolated client or the power line that connects a producer and supplier of electricity, for the direct supply of their headquarters, subsidiaries or their eligible clients;

34. energy efficiency oriented management and demand satisfaction - global or integrated approach, aimed at influencing the volume and programming of electricity consumption in order to reduce the primary energy consumption and the peaks by giving priority to energy efficiency investments, power contracts with interruptible electricity, new investments to increase the production capacity, if these are the most efficient and economical options, considering the positive impact that the economy has on the environment, on the security of the electricity supply, and on the costs distribution related to them;

35. congestion management - all the activities, programs and actions undertaken by the transmission system operator to eliminate the congestion that appear when programming the operation or the real-time operation of the SEN; in order to eliminate congestion on the interconnection lines by implicit allocation of capacity, the transmission system operator cooperates with the electricity market operator;

36. resort ministry - Ministry of Energy, Small and Medium Enterprises and the Business Environment;

- 37.** natural monopoly in the field of electricity - the market situation in which the transport service and the electricity distribution service are provided, each in part, by a single economic operator for the users in a defined territory;
- 38.** operator of the electricity market - the legal person that ensures the organization and administration of the centralized markets, with the exception of the balancing market, in order to trade wholesale electricity in the short, medium and long term;
- 39.** distribution operator - any natural or legal person who owns, under any title, an electrical distribution network and who is responsible for the operation, maintenance and, if necessary, the development of the distribution network in a certain area and, after case, of its interconnections with other systems, as well as of ensuring the long-term capacity of the network to meet a reasonable level of demand for electricity distribution;
- 40.** transport and system operator - any legal person who owns, under any title, an electrical transmission network and who is responsible for the operation, the maintenance and, if necessary, the development of the transport network in a certain area and, where applicable, its interconnection with other electricity systems, as well as ensuring the long-term capacity of the transmission network to meet reasonable demands for electricity transmission;
- 41.** affiliate economic operator - any other economic operator that, directly or indirectly, controls the specified economic operator, is controlled by it or is under jointly control, together with this economic operator;
- 42.** economic operator in the field of electricity - any natural or legal person carrying out at least one of the following activities: production, transport, distribution, supply or purchase of electricity and having commercial, technical and / or maintenance attributions related to these activities, but does not include end clients;
- 43.** horizontally integrated economic operator - the economic operator who performs at least one of the following activities: production for the purpose of sale, transport, distribution or supply of electricity, as well as another activity that is not in the field of electricity;
- 44.** vertically integrated economic operator - an economic operator or a group of economic operators in the field of electricity in which the same person or persons are / are entitled, directly or indirectly, to exercise control, and this economic operator or this group operators carry out at least one of the transport or distribution activities and at least one of the activities of electricity production or supply;
- 45.** the order of economic priority - the hierarchy of the power sources of electricity according to economic criteria;
- 46.** party responsible for balancing - the license holder who undertakes financial responsibility for the imbalances between the notified values and the measured values of electricity;
- 47.** wholesale electricity market - the organized framework for trading electricity and associated services involving electricity producers, transmission and system operators, distribution operators, electricity market operator and wholesale clients;
- 48.** the electricity market - the organizational framework in which the electricity is traded and the associated services;
- 49.** the centralized electricity market - the organized framework for conducting electricity transactions between various economic operators, intermediated by the electricity market operator or the transmission and system operator, based on specific rules, approved by the competent authority;
- 50.** the electricity retail market - the organized framework in which electricity is purchased by end clients, in order to satisfy their own consumption from suppliers or producers;
- 51.** the balancing market - the centralized electricity market, organized and managed by the transmission system operator, conducting electricity transactions between it, on the one hand, and the electricity producers operating dispatchable production units, respectively dispatchable final clients, on the other hand, in order to ensure the real-time balance between production and consumption;

- 52.** the intraday electricity market - the centralized market for electricity, organized and managed by the operator of the electricity market, which offers market participants the opportunity to improve their portfolio balance for a day of delivery through transactions carried out after the closing sessions transactions on the market for the next day and before with a certain timeframe for starting the delivery;
- 53.** the day-ahead-market (PZU) - the centralized market for electricity, organized and managed by the operator of the electricity market for the sale and purchase of electricity on the day of delivery that follows immediately after the trading day;
- 54.** the centralized market of bilateral contracts - the organized framework for conducting, in a transparent manner, by public auction, the transactions with contracts with physical supply of electricity, based on specific rules approved by the competent authority;
- 55.** the market for the allocation of international interconnection capacities - the centralized market for the allocation of interconnection capacities of SEN, organized and administered by the transmission system operator based on specific rules, for the purpose of carrying out the import / export and transit transactions of electricity;
- 56.** SEN defence plan against major disruptions - the document that contains technical and organizational measures, with the role of preventing the spread of disruptions in the system and limiting their consequences;
- 57.** development plan - the long-term planning document of the need for investments in production, transport and distribution capacities, in order to cover the electricity demand of the system and to ensure the deliveries to the clients, according to the applicable legislation;
- 58.** tendering procedure - the procedure by which the additional consumption requirements, as well as the production capacities planned to be replaced, are covered by the achievement of new electricity production capacities or by the refurbishment of the existing ones;
- 59.** electricity producer - the natural or legal person having as specific activity the production of electricity, including in cogeneration;
- 60.** distributed production - the electricity production plants connected to the distribution network;
- 61.** rehabilitation - the assembly of the operations carried out on some equipment and / or energy installations that, without modifying the initial technology, restore their technical and efficiency status to a level close to the one had at the beginning of their life;
- 62.** network technology - the set of operations to replace existing technologies, morally and / or physically used, with modern technologies, in order to increase the efficiency of the activity, to reduce the specific energy consumption, to reduce polluting emissions, etc.;
- 63.** electricity network - the assembly of lines, including their supporting and protective elements, electrical stations and other connected electrical equipment through which electricity is transmitted from an energy generating capacity to a user; the electrical network may be a transmission network or a distribution network;
- 64.** electrical distribution network - the electrical network with nominal line voltage up to 110 kV inclusive;
- 65.** electrical network of public interest - the electrical network to which at least 2 users are connected;
- 66.** electric transmission network - the electrical network of national and strategic interest with the nominal line voltage greater than 110 kv;
- 67.** electricity sector - all the activities of electricity production, including the production of thermal and electrical energy in cogeneration, transport, distribution and supply of electricity, provision of system services, import and export of electricity, natural and / or breakdowns exchanges with the neighbouring countries' electricity systems, as well as their related installations;
- 68.** distribution service - the services provided by the distribution operator which consists in ensuring the transmission, in terms of efficiency and safety, of the electricity between two or more points of the distribution network, in compliance with the performance standards in force;

- 69.** system service - the services provided by the transmission system operator and for maintaining the level of safety in operation of the electric power system, as well as the quality of electricity, according to the regulations in force;
- 69¹.** public service - activity of general interest in the field of electricity, authorized and monitored by a public authority;
- 70.** technological system service - the service provided, by the dispatchable producers or final clients, at the request of the transport operator and of the system for maintaining the level of safety in operation of the SEN, as well as the quality of the electrical energy transported to the parameters provided by the norms in force;
- 71.** transport service - the service provided by the transmission system operator which consists in ensuring the transmission, in terms of efficiency and safety, of the electricity between two or more points of the transmission network, in compliance with the performance standards in force;
- 72.** universal service - the electricity supply service guaranteed to household clients and non-household clients with a number of employees less than 50 and an annual turnover or a total value of the assets in the balance sheet according to the annual fiscal reports that does not exceed 10 million euros, at a quality level and at reasonable, transparent, easily comparable and non-discriminatory prices;
- 73.** security of electricity supply - ensuring the technical capacity of the national energy system to supply electricity to the users of this system, in compliance with the legislation in force;
- 73¹.** SEN safety - ensuring the continuity in supply by the transmission and system operator of a mixed production and technological system services, so that the exit of any energy capacity can be completed, without disconnecting consumers from network;
- 74.** operational safety of the network - the continuous operation of the transport network and, as the case may be, of the distribution network, under foreseeable circumstances;
- 75.** electro-energetic system - the set of interconnected electro-energetic installations through which the production, transport, operational management, distribution, supply and use of electricity are realized;
- 76.** isolated electricity system - the local system of electricity generation, distribution, supply and use under the conditions provided by law, which is not interconnected with SEN;
- 77.** national power system (SEN) - the power system located on the national territory; SEN is the basic infrastructure used jointly by the participants in the electricity market;
- 78.** interconnected system - the transport and distribution systems linked to each other through one or more interconnections;
- 79.** performance standard for electricity transmission / distribution / supply services - the regulation issued by the competent authority for establishing performance indicators in ensuring the electricity transmission / distribution / supply service;
- 79¹.** electricity trader - the natural or legal person who buys and sells electricity exclusively on the wholesale market of electricity or on import / export.
- 80.** electricity transmission - the transmission of electricity through the interconnected electricity transmission network, for the purpose of transmitting electricity to final clients or distributors, but not including supply;
- 81.** user of electricity network - any natural or legal person whose installations are connected to an electric power system for the purpose of electricity delivery to or from the transmission system, respectively of electricity distribution;
- 82.** protection zone - the area adjacent to the energy capacity, extended in space, in which prohibitions regarding the access of persons and the regime of constructions are introduced;
- 83.** safety zone - the area adjacent to the energy capacities, extended in space, in which restrictions and prohibitions are established in order to ensure the normal functioning and to avoid endangering people, goods and the environment; the safety zone also includes the protection zone.

CHAPTER II: Energy strategy and policy, authorities and competences

Art. 4: Energy strategy and policy

(1) The national energy strategy defines the objectives of the electricity sector in the medium and long term and the ways to achieve them, aiming to ensuring a sustainable development of the national economy. The energy strategy is elaborated by the relevant ministry and approved by the Government, in consultation with non-governmental organizations, social partners and representatives of the business environment.

(2) The energy policy, following the directions established by the energy strategy, is elaborated by the relevant ministry, on the basis of the Governance Program, for an average period of time and taking into account the probable long-term developments, consulting with non-governmental organizations, social partners and of the representatives of the business environment, considering mainly:

- a) establishing the appropriate institutional framework, by defining the bodies and authorities competent to carry out this policy;
- b) ensuring security in the supply of fuels and electricity;
- c) ensuring environmental protection, ecological reconstruction of sites affected by energy activities;
- d) transparency of prices and tariffs on fuels and energy;
- e) increasing the efficiency in the use of fuels and energy;
- f) development of renewable energy sources and high-efficiency cogeneration, with priority given to electricity supply for isolated settlements;
- g) development of international energy cooperation, participation in regional markets and the European electricity market.

(3) The financing sources used for the implementation of the national energy strategy and of the Government's policy in the energy sector shall be ensured from the own sources of the economic operators in the field, the state budget, the local budgets, repayable and non-repayable loans.

(4) The support measures of the nature of the state aid, proposed to ensure the implementation of the national energy strategy and of the Government policy in the electricity sector, as well as those provided by this law, will be approved and granted only under the conditions of the law.

Art. 5: The energy program

(1) The energy policy is materialized in a program comprising measures to stimulate investment activities, research-innovation, sustainable development, efficient use of energy resources, energy efficiency and other activities in order to ensure the safety and security in operation of SEN, approved by Government decision.

(2) The government, the relevant ministry, the other specialized bodies of the central and local public administration take measures to achieve the objectives inscribed in the program provided in par. (1) and examines, annually or whenever necessary, the status of compliance with its provisions.

(3) By Government decision, for reasons related to the security of electricity supply, guaranteed access to the electricity networks may be granted for electricity produced in power plants that use fuels from domestic production, but only for annual quantities corresponding to a primary energy of maximum 15% of the total amount of equivalent fuel needed to produce the electricity related to the country's final gross consumption.

Art. 6: Duties of the Ministry of the resort

The relevant Ministry elaborates the national energy strategy and the energy policy and ensures its fulfilment, according to the provisions of this law, having the following main attributions:

- a) establishes the appropriate institutional framework for carrying out, under conditions of efficiency and competitiveness, the activity of commercial companies under the subordination or coordination of the ministry that carries out its activity in the field of electricity;
- b) elaborates programs and plans of measures for the implementation of the Government's policy in the electricity sector, including energy efficiency programs and for the promotion of renewable energy sources;
- c) elaborates normative acts for the electricity sector;
- d) ensures the elaboration of studies based on which the priorities for investments of strategic interest in the electricity sector are to be established;
- e) elaborates the program for setting up fuel safety stocks and aims to achieve its provisions by economic operators;

- f)** permanently monitors, through the institutions and authorities empowered in this regard, the performances and quality of technologies and installations in the energy system and initiates measures to increase their level;
- g)** has the quality of a contracting authority regarding the concession in the electricity sector;
- h)** take measures for the realization of the installations of electricity production that allow the use, under the conditions of the economic efficiency, of the inferior fuels from internal resources, as well as the capitalization of predetermined amounts of renewable and secondary energy resources;
- i)** supervises the application and observance of the measures established for the protection of the environment by the participants in the activities of the electricity sector that are under the subordination or coordination of the ministry;
- j)** elaborates programs regarding the diversification of primary energy sources, proposing to the Government measures in this regard;
- k)** implements the energy policy of the Government, regarding the further promotion of cogeneration, as an efficient solution to cover the national consumption of thermal energy and to the use of renewable energy sources;
- l)** coordinates the actions of cooperation with similar institutions from other countries, as well as with international bodies of profile;
- m)** ensures monitoring of compliance with the commitments assumed by the Treaty of accession to the European Union for the energy sector and coordinates the transposition and implementation of these commitments by the institutions involved;
- n)** defines the critical infrastructure of SEN;
- o)** monitors the fulfilment of the measures assumed for the conformity of the installations in the energy sector, which have obtained the transition period following the negotiations with the European Union, to the norms stipulated in the environmental legislation;
- p)** pursues and proposes, together with other state institutions and authorities competent in the field, mandatory measures for all economic operators in the electricity sector, regardless of the form of ownership, in relation to the achievement of the SEN safety stocks for fuels for the period of the cold season and the volume of water from the accumulation lakes, as well as any other measures regarding the level of safety and security in operation of the SEN, in order to be approved by Government decision; establishes penalties for non-compliance with these measures;
- q)** promotes and facilitates, together with ANRE, the cooperation between the electricity market operator, the transmission system operators and their counterparts at the regional level, including regarding cross-border issues, in order to create a competitive internal energy market electric. This cooperation covers the geographical areas defined in accordance with art. 12 paragraph (3) of Regulation (EC) no. 714/2009 of the European Parliament and of the Council of 13 July 2009 on the conditions of access to the network for cross-border exchanges of electricity and repealing Regulation (EC) no. 1.228 / 2003, as well as other geographical areas;
- r)** collaborates with the Ministry of Labour, Family and Social Protection, which has the responsibility of carrying out the national action plan in cases of energy poverty, defining the critical situations and the clients who cannot be disconnected in such situations, as well as how to recover the associated costs, by the operators, based on a specific procedure approved by Government decision, at ANRE's proposal;
- s)** takes measures for the realization of installations for production of electricity, which allow the use, under conditions of economic efficiency, of inferior fuels from internal resources, as well as the use of renewable energy sources;

Art. 7: Regulatory authority

- (1)** ANRE is organized and functions as an autonomous administrative authority, with legal personality.
- (2)** The organization, functioning, competences and powers of ANRE are established according to the law.

Art. 7¹: Compliance and relations

- (1) ANRE monitors the implementation of the rules regarding the roles and responsibilities of the transmission system operators, distribution operators, suppliers, clients and other market participants, in accordance with Regulation (EC) no. 714/2009.
- (2) ANRE solves the complaints against the transmission system operator and the distribution operators regarding their obligations under this law, by issuing a decision within 60 days from the date of registration of the complaint, with the possibility of extending by another 60 days, if the authority needs additional data. This extended period may be further extended by a maximum of 60 days, with the applicant's consent. Starting the process of solving complaints by ANRE is without prejudice to the right of the petitioners to address the courts of law for solving the same complaints. Disputes between the transmission and system operator and the owner of the transmission network are subject to the same procedure.
- (3) To solve the complaints provided in para. (2) the alternative settlement procedure is allowed, in accordance with the provisions of Directive 2013/11 / EU of the European Parliament and of the Council of 21 May 2013 on the alternative settlement of consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22 / EC (Consumer SAL Directive).
- (4) The relations of cooperation and exchange of information between ANRE and the Agency for the Cooperation of Regulators in the Field of Energy, hereinafter referred to as ACER, and, respectively, between ANRE and the other regulatory authorities within the European Union shall be carried out with the same level of confidentiality. of information such as that imposed on the issuing authority.
- (5) ANRE has the obligation to implement the rules regarding the roles and responsibilities of the transmission system operators, distribution operators, suppliers, clients and other market participants, in accordance with Regulation (EC) no. 714/2009.
- (6) ANRE may request the opinion of ACER regarding the conformity of a decision taken by a regulatory authority with the guidelines mentioned in Directive 2009/72 / EC or in Regulation (EC) no. 714/2009.
- (7) ANRE may inform the European Commission, if it considers that a decision relevant to cross-border trade, taken by another regulatory authority, does not comply with the guidelines issued by the European Commission or with the provisions of Regulation (EC) no. 714/2009, within 60 days from the date of the respective decision, if there is sufficient information on such a situation.
- (8) ANRE shall comply, within 60 days, with a decision of the European Commission which requires the withdrawal / revocation of a decision of ANRE and shall inform the European Commission accordingly.
- (9) In the activity of monitoring the electricity market, ANRE publishes on its website quarterly reports on its functioning.
- (10) ANRE ensures the increase of the degree of information and awareness of the rights of the final clients of electricity in relation to the economic operators participating in the electricity market and takes all the necessary measures to make available their practical information.

CHAPTER III: Authorizations, licenses and concessions

SECTION 1: Authorizations and licenses

Art. 8: Activities subject to the authorization regime

- (1) The realization of new energy capacities, as well as the refurbishment of the existing ones, is based on authorizations established, granted in compliance with the legal provisions in force.
- (2) The production, transmission, system services, distribution and supply of electricity, as well as the administration activities of the centralized electricity markets shall be based on licenses granted under the conditions of this law.
- (3) The exercise of any activity without authorization or license shall be sanctioned according to this law.

Art. 9: Authorization regime

- (1) For the authorization, the applicant shall register the application with the competent authority.

(2) The applicant shall attach, upon request, the acts and documents proving fulfilment of the economic, financial, technical and professional conditions established by categories of energy capacities and activities in the field.

(3) Applicants who have as controlling shareholders or administrators, persons who previously had the controlling shareholder or administrator capacity within certain licensed economic operators who have not fulfilled their payment obligations under transactions concluded on the electricity market shall not be authorized.

(4) The procedure for granting, modifying, suspending and withdrawing authorizations and licenses, the terms and conditions for granting, consisting of: criteria, power limits, certifications, opinions, guarantees and the like, differentiated by categories of capacities and activities subject to authorization, are established by the regulation approved by order of the president of ANRE.

(5) The refusal to grant an authorization or license, the lack of response within the deadline and any other solution of the competent authority, considered by the applicant as illegal and prejudicial, can be appealed to the Bucharest Court of Appeal, the Administrative Contentious Section, according to the law.

(6) For the distributed production capacities and / or for the small electricity producers, the authorization criteria will consider the limited dimensions of the production capacities and the impact on the functioning of the electricity distribution networks.

(7) In establishing the conditions for granting licenses and authorizations for new production capacities, the following elements shall be considered:

- a) the safety and security of electrical systems, installations and associated equipment;
- b) protection of public health and safety;
- c) environmental protection;
- d) land occupation and site choice;
- e) use of the public domain;
- f) energy efficiency;
- g) the nature of the primary sources;
- h) characteristics specific to the applicant, such as: technical, economic and financial capabilities;
- i) compliance with the measures adopted in relation to public service obligations and consumer protection;
- j) the contribution to the creation of capacities for the achievement of the European global objective, according to which the energy from renewable sources represents 20% of the final gross energy consumption of the European Union in 2020, the national objective of Romania being 24%, according to art. 5 paragraph (1) of Law no. 220/2008 for establishing the system for promoting the production of energy from renewable energy sources, republished, with subsequent amendments and completions;
- k) contribution to the creation of energy production capacities for reducing emissions;
- l) the efficient and rational capitalization of the resources of energetic raw material in accordance with the strategic interest of sustainable development of Romania and of the safe and stable functioning of the SEN in order to achieve the national energy independence.

Art. 10: Categories of authorizations and licenses

(1) The competent authority issues authorizations for setting-up new energy capacities for the production of electricity, including capacities for production of electricity and thermal energy in cogeneration, or their technologization, as follows:

- a) if the installed electrical power of the respective capacities exceeds 1 MW, it is necessary to obtain a setting-up authorization;
- b) if the installed electrical power of the respective capacity is between 500 kW inclusive and 1 MW inclusive, it is not necessary to obtain a setting-up authorization, but it is mandatory to notify the competent authority regarding the investment project and to periodically report the stage of its realization, according to the regulations in force;
- c) if the installed electrical power of the respective capacities is less than 500 kW, it is not necessary to obtain a setting-up authorization, but the obligation to notify the competent authority regarding the

investment project and periodically report the stage of its realization, according to the regulations in force, are incumbent on the operators. of electricity distribution.

(2) The competent authority issues licenses for:

- a) commercial exploitation of capacities for electricity production;
- b) commercial exploitation of capacities for heat production in cogeneration;
- c) the provision of the electricity transmission services;
- d) providing the system services;
- e) providing the electricity distribution services;
- f) administration of centralized markets - a single license is granted for the electricity market operator and one for the balancing market operator;
- g) the activity of supplying electricity.
- h) the activity of the electricity trader.

(3) Authorizations for setting up new capacities, provided in para. (1), is granted only if those capacities are located on / in public / private state-owned property or of administrative-territorial units on the private property of the applicant for the establishment authorization or on properties held under another legal title.

(4) The licenses for the commercial exploitation of the new energy capacities are granted if the new energy capacities are located on /in public or private state or territorial-administrative units, on the private property of the license applicant, on the private property of to some natural or legal persons or on / in buildings owned with a legal title other than that of property.

(5) The commercial exploitation of energy capacities can be carried out without having the license for the activities provided for:

- a) para. (2) lit. a), by the holder of capacities to produce electricity that can be started without voltage from the SEN, self-starting groups and which are used by him for the purpose of supplying security, with electricity, of his own equipment or installations;
- b) para. (2) lit. a) and b), by the domestic client holding capacities to produce electricity, respectively electric and thermal energy in cogeneration, connected to the grid, with electrical power less than 100 kW;
- c) para. (2) lit. b), by a producer of electricity and heat in cogeneration, if from the total energy produced annually, the thermal energy produced in cogeneration, which it trades, represents less than 20%;
- d) para. (2) lit. e), by the owner of an electrical distribution network/s, if from the technical connection permits results that the power approved for the users of this / these networks, other than the owner, totals less than 1 MW;
- e) para. (2) lit. e), by the owner of a distribution network (s), if the users of this network have consumption places exclusively inside a building (s) powered by that network (s).

(6) The activity of a natural or legal person to resell electricity to the users of the electrical networks under its operation is performed without the supply license provided in par. (2) lit. g), in compliance with the specific regulations, approved by the competent authority.

(7) In order to commercialize the electricity obtained from a processing contract, the economic operator party to such a contract must hold the supply license provided in par. (2) lit. g).

(8) The authorizations and licenses shall be modified in the case of changes in the circumstances or conditions existing at the time of their granting.

Art. 11: Suspension and withdrawal of authorizations and licenses

(1) In case of non-compliance by the holder of the establishment authorization, respectively of the license of his legal obligations, as well as in case of non-observance of the conditions, limitations, restrictions, prohibitions or tasks established by the authorization, respectively by license, found by the authority competent ex officio or upon notification of third parties or upon notification by the holder, the competent authority will proceed as follows:

- a) if the breach or non-compliance of the obligations is not attributable to the holder, it will order:
 - a compliance period, if the created situation is remediable;
 - withdrawal of the authorization, respectively of the license, if the created situation is irretrievable;

b) if the breach or non-compliance of the obligations is attributable to the holder, it will order:

- suspension of the authorization, respectively of the license, for a fixed period in order to remedy the created situation and to comply with the authorization, respectively with the license, if the created situation is remediable;
- withdrawal of the authorization, respectively of the license, if the created situation is irretrievable.

(2) The competent authority shall withdraw the authorization of establishment, respectively the license, in case of the incapacity or bankruptcy of the holder, as well as at the end of the concession or lease of the energy capacity or when the capacity is sold by the holder.

Art. 12: Rights and obligations arising from the setting-up authorization and licenses

(1) The works for the realization and refurbishment of the energy capacities for which authorizations are granted, as well as the activities and services for which licenses are granted, as the case may be, are of public interest, except those which are exclusively intended to satisfy the own consumption of the authorization holder or license.

(2) On the lands and assets public or private property of other natural or legal persons and on the activities carried out by natural or legal persons in the vicinity of the energy capacity, there are established limitations of the property right in favour of the holders of the establishment authorizations and licenses that benefit from:

a) the right of use for the execution of the works necessary for the realization, relocation, refurbishment or abolition of the energy capacity, object of the authorization;

b) the right of use for ensuring the normal functioning of the capacity, object of the establishment authorization, for the necessary revisions, repairs and interventions;

c) underground, surface or air passage easement for the installation / dismantling of electrical networks or other equipment related to the energy capacity and for access to their location, according to the law;

d) the right to obtain the restriction or cessation of activities that could endanger persons and goods;

e) the right of access to public utilities.

(3) The rights of use and easements have as their object the public utility, they have legal character, and their content is stipulated in art. 14 and is exercised without registration in the Land Book for the entire duration of the energy capacity or, temporarily, on the occasion of the re-technologization of a functioning capacity, repair, overhaul, intervention work in case of damage.

(4) The exercise of the rights of use and easements on the state properties and of the administrative-territorial units affected by the energy capacities shall be carried out free of charge, throughout their existence.

(5) The exercise of the rights of use and easements on the private properties affected by the energy capacities, which will be realized after the entry into force of the present law, shall be done in accordance with the procedural rules regarding the conditions and terms regarding the duration, content and limits of exercise. of these rights, provided for in a framework convention, as well as for determining the amount of the allowances, the compensations and the method of payment thereof, which is approved, together with the framework convention, by a Government decision, at the proposal of the relevant ministry.

(6) The owners of lands affected by the exercise of the rights of use and easements by the license and authorization holders may request the conclusion of conventions, according to the provisions of para. (5).

(7) They benefit from allowances and damages, respectively, of the owners of lands affected by the exercise of the rights of use and easements by the licensees and authorizations holders, which at the date of entry into force of this law have in force conventions regarding the exercise of these rights concluded in the conditions of the law.

(8) Licensees and authorizations are obliged to proceed to the conclusion of the framework conventions provided in para. (5), within a maximum of 30 days from the request of the affected owners.

(9) If, on the occasion of the intervention for refurbishment, repairs, overhauls or breakdowns, damages occur to the owners in the vicinity of the energy capacities, the license holders have the obligation to pay damages, under the conditions of the present law.

(10) The owners of the lands and the holders of the activities affected by the exercise by the licensees and authorizations of the rights provided in para. (2) shall be compensated for the damages caused to them. The following criteria will be taken into account when calculating damages:

- the area of land affected during the works;
- types of crops and plantations, as well as the arrangements affected by the works;
- restricted activities during the works.

The amount of the compensation is established by the agreement of the parties or, if the parties do not agree, by a court decision.

(11) The right of use and easements on the land privately owned, the restriction or cessation of some activities provided in para. (2) shall be established and exercised in compliance with the principle of equity, the right of property and the minimal impairment thereof.

(12) The holders of authorizations and licenses are entitled to carry out the vegetation deforestation works or the modelling cuts to create and maintain the proximity distance to the electrical networks with specialized personnel respecting the legal provisions in force.

Art. 13: Obligations arising from the establishment authorizations and licenses

(1) The holder of the establishment authorization has the following obligations:

- a) to establish and apply, for the entire duration of the execution of the works, the measures of protection of persons, goods and the environment;
- b) to obtain all the opinions, agreements and attestations provided by law for the achievement of the authorized objective.

(2) During the validity of the licenses, the license holders are obliged:

- a) to comply with the conditions accompanying the license;
- b) in the case of economic operators in the field of electricity, they must organize the accounting records using separate accounts for each of the transmission and distribution activities, as they would be required to do if the respective activities were carried out by separate economic operators, thus to allow accurate reflection of the incomes and expenses of each activity, in order to avoid discrimination and cross-subsidization and distortion of competition, as well as to encourage competition; they also keep separate accounting records, which can be consolidated, for other activities in the electricity sector, as well as for other activities outside the electricity sector; the revenues resulting from the ownership of the transmission or distribution network must be specified separately in the income analytical accounts; the internal accounting records include a balance sheet and a profit and loss account for each activity;
- c) to establish and maintain financial guarantees that allow them to carry out their activity and ensure the continuity of the service;
- d) to make available to the competent authority the information necessary to carry out its activity in good conditions;
- e) to prepare, submit for audit and publish their annual accounting records at the level of the commercial company, without distinctly comprising the secondary offices without legal personality, according to the specific legislation, adopted in accordance with the Fourth Directive 78 / 660 / EEC of the Council of 25 July 1978.

(3) Economic operators who are not obliged to publish the annual accounts shall keep at their premises a copy of them available to the public.

(4) The audit activity provided in para. (2) lit. e) consists, in particular, in verifying compliance with the obligation to avoid discrimination and cross-subsidization between the activities performed by the audited economic operator.

Art. 14: Rights and obligations of holders of authorizations for setting-up and licensing on the property of third parties

1) The right of use on the land for the execution of the works necessary for the realization / relocation / cancellation or refurbishment of energy capacities extends for the duration necessary for the execution of

the works. In exercising this right of use, the holder of the setting-up authorization / relocation / cancellation or refurbishment, as the case may be, in compliance with the legal provisions, may:

- a)** deposit, on the lands necessary for the execution of the works, materials, equipment, machinery, installations;
- b)** abolish crops or plantations, constructions or other existing arrangements or only to restrict them, to the extent strictly necessary to execute the works for the authorized capacity, according to the law;
- c)** to remove materials, to capture water, under the conditions provided by the legislation in force;
- d)** to install and work with machinery, to set up offices and construction sites, with the prior consent of the owner;
- e)** to stop or restrict the activities of the owner, to the extent strictly necessary to execute the works for the authorized capacity, in compliance with the legal provisions in force.

(2) The right of use provided in para. (1) shall cease before the expiry of the period established for the execution of the works or before this term, at the date of the anticipated completion of the works or at the date of their cessation and the renunciation of authorizations. Any of these situations must be notified immediately to the owner.

(3) The right of use on the land to ensure the normal functioning of the energy capacity extends throughout the functioning of the capacity, and its exercise is performed whenever necessary to ensure the normal functioning of the capacity. In exercising this right, the license holder may:

- a)** store materials, equipment, machinery, installations for maintenance, revisions, repairs and interventions necessary to ensure the normal functioning of the capacity;
- b)** install machines and work with them;
- c)** abolish or reduce existing crops, plantations or other arrangements and to restrict activities of the owner, to the extent and for the duration strictly necessary to perform maintenance operations, repairs, revisions or interventions to ensure the normal functioning of the capacity, in compliance with the legislation in force.

(4) The licensee is obliged to notify in writing the owner of the goods or the provider of the activities that will be affected as a result of the works to the energy capacities, except in the case of damage, in which case the owners are notified within the shortest time.

(5) The licensee is obliged to pay the owners the appropriate compensation for the damages produced, to clear the land and to restore it in the previous situation, as soon as possible.

(6) The subsurface, surface or air servitude includes the right of access and execution of the works at the place of the energy capacities during the intervention for refurbishment, repair, overhaul and damage.

(7) To avoid endangering the persons, goods or activities carried out in the area of execution of works for the realization or refurbishment of energy capacities, as well as of the operations of revision or repair to the capacity in operation, the holder of the authorization or of the license has the right to obtain the restriction or cessation, during all the works, of the activities carried out in the vicinity of other persons. In this case, the affected persons will be notified, in writing, about the date of commencement or completion of the works.

(8) Upon termination of the exercise of the rights stipulated in art. 12 paragraph (2), the holder of the establishment authorization, respectively the license holder, is obliged to ensure the clearing of the land and its restoration in the initial situation.

(9) The right of access to public utilities, provided in art. 12 paragraph (2) lit. e), must be exercised by the holder of the authorization or license in good faith and reasonably, without prejudice to the access of other persons to the respective public utilities.

Art. 15: Protection zones and safety zones

(1) For the protection and normal functioning of the energy capacities and their annexes, as well as for avoiding the danger of persons, goods and the environment, protection and safety zones are established.

(2) The protection and safety zones are determined for each capacity, according to the technical norms elaborated by the competent authority.

(3) The land owned by the third parties, included in the protection and security areas, is established as a legal easement.

Art. 16: Obligations of public service

(1) The holders of setting-up authorizations and licenses have the obligation to carry out their activities in compliance with the public service obligations regarding the safety, the quality and the price of the electricity supplied, the continuity of the supply, the energy efficiency, in compliance with the safety and health norms of the labour and environmental protection, as well as the provisions of direct contracts with consumers.

(2) The public service obligations may be established by Government decision or by ANRE regulations, in which case the ANRE is notified to the European Commission, by means of licenses or authorizations, for each activity in the electricity sector.

Art. 17: Expropriation

(1) The land necessary for the establishment and functioning of the energy capacity is either private property of a third party or of the holder of the authorization, or public property.

(2) If the land necessary for the establishment and functioning of the energy capacity is the private property of a third party, the applicant for the setting-up authorization has as a first option the purchase of the land from the owner or to initiate the legal procedure of expropriation of the land for public utility cause, with the compensation of the owner, according to the law, and to obtain its concession, during the existence of the energy capacity.

SECTION 2: Procedures for new energy production capacities

Art. 18: Auction procedure and other procedures

(1) If, following the authorization procedure, the production capacities that are being built or the measures taken on the line of the management oriented to the energy efficiency and the satisfaction of the demand are not sufficient to guarantee the security of the supply for the internal consumption, the resort ministry can initiate a tender procedure or any other similar procedure for the award of a contract, under conditions of transparency and non-discrimination, based on published criteria, by which to invite new economic operators or pre-existing production license holders to offer for the realization of new production capacities of electricity.

(2) Under the conditions of para. (1) and in order to ensure the protection of the environment and the promotion of new technologies, the relevant ministry may initiate a tender procedure regarding the development of new capacities for the production of electricity. This procedure may refer to new capacities or management resources oriented towards energy efficiency and demand satisfaction.

(3) To the bidder declared winner will be granted authorization to establish and license, according to the provisions of section 1 of this chapter.

(4) The procedure for conducting the tender for new production capacities, as well as the list of criteria underlying the selection of tenders and the award of the contract, is approved by Government decision, at the proposal of the relevant ministry.

(5) The procedure provided in para. (4) will be elaborated in compliance with the following principles:

a) the information on the tendering procedure for the production capacities and the energy efficiency measures and the satisfaction of the request shall be published in the Official Journal of the European Union, with at least 6 months before the final deadline for the submission of tenders;

b) the specifications are made available to any interested economic operator, at his request;

c) the specifications contain the detailed description of the contract specifications and the procedure to be followed by all the bidders, as well as the complete list of the criteria that determine the selection of the bidders and the award of the contract, including the incentives, such as the subsidies, which are covered by the tender;

d) for the invitations to participate in the tendering procedure which refers to the expected production capacity to be required, the offers of electricity supply with long-term guarantees, proposed by the existing

production units, should be taken into consideration, under the condition to allow additional needs to be covered.

(6) The organization, monitoring and control of the tender procedure shall be carried out by the transport operator and the system.

Art. 19: Concession. The object of the concession and the contracting authority

(1) The public or private property assets of the state, activities and public services of national interest in the field of electricity may be subject to an energy concession.

(2) The quality of contracting authority is held by the resort ministry for public or private property of the state or for public activities or services of national interest.

(3) The general framework regarding the legal regime of the concession contracts, the procedures for granting the concessions, as well as the framework content of the specification, are elaborated by the contracting authority, in accordance with the provisions of the law, and is approved by Government decision.

(5) The conditions for granting, maintaining, suspending and withdrawing the concession shall be established by the concession contract concluded by the contracting authority and approved in accordance with the provisions of the present law.

CHAPTER IV: Electricity

Art. 20: Electricity market

(1) The electricity market is composed of the regulated market and the competitive market, and the transactions with energy are performed wholesale or retail.

(2) The increase of the share of the competitive market is achieved gradually, by ensuring access to this market for as many participants, producers, suppliers and final clients, in accordance with the provisions of art. 23.

(3) The Dispute Settlement Commission shall be established as a body that resolves disputes on the wholesale and retail market arising between the participants in the electricity market.

(4) The dispute settlement commission is composed of 5 members, who are appointed by decision of the president of ANRE for a period of 3 years, among the ANRE specialists with at least 8 years old experience in the electricity sector.

(5) The dispute settlement commission shall carry out its activity on the basis of a regulation of organization and functioning, approved by decision of the president of ANRE, after public consultation.

Art. 21: Participants in the electricity market

(1) The participants in the electricity market must comply with its operating rules, provided by orders, favourable decisions and opinions issued by the competent authority and make payments for electricity and the services they benefit from, resulting from transactions carried out in accordance with these rules, within the deadlines provided in the contracts concluded between the parties.

(2) The participants in the electricity market and the associated operational structures are: the producer, the transmission and system operator, the electricity market operator, the distribution operator, the supplier, the electricity trader and the final client.

(3) Market participants are obliged to assume the financial responsibility for the payment of the imbalances they generate on the electricity market, except for the imbalances for which socialization / redistribution rules established by the competent authority or explicitly provided by the legislation in force, to comply with the provisions of the licenses and regulations issued by the competent authority. The payment obligations will be paid within a maximum of one month from the end of the trading month, based on the measured electricity transaction quantities.

(4) Clients have the obligation to pay the value of the invoices for the electricity and for the services they benefit from, within the deadlines stipulated in the contracts concluded between the parties, as well as the establishment of financial guarantees in order to avoid the risks of non-payment on the electricity market.

(5) The participants in the electricity market must notify to the transmission system operator the imports, exports and transits by trading intervals, with the external partners, on each border.

(6) The participants in the electricity market must notify to the transmission system operator all the net contracted quantities.

(7) The participants in the electricity market have the obligation to transmit to the operator of the electricity market and of balancing information about the quantities of electricity traded related to the contracts of sale-purchase of electricity concluded.

Art. 22: Operation of the regulated electricity market

(1) The supply of electricity under the regulated conditions is performed to ensure the supply of electricity to the clients provided for in art. 55 paragraph (1) until December 31, 2013 for non-household clients, respectively until December 31, 2017 for household clients.

(1¹) For the period from March 1, 2019 to February 28, 2022, for the household clients the supply of electricity is performed under conditions regulated by ANRE.

(2) In the regulated market, the competent authority has the right:

a) to impose public service obligations on the producers, the transport operator and the system, the distribution operators and the suppliers of last resort in order to ensure the supply of electricity to the clients referred to in art. 55 paragraph (1), according to art. 16;

b) to impose transparent procedures for the purchase of electricity on the competitive market for the clients referred to in art. 55 paragraph (1);

c) to approve and publish the prices and quantities in the contracts concluded between the producers and the suppliers of the clients mentioned in art. 55 paragraph (1);

d) to approve and publish the tariffs applied by the last resort suppliers to the household clients for the period March 1, 2019-28 February 2022.

e) to approve methodologies for monitoring the expenses with the purchase of electricity according to letter b);

f) to approve and publish the prices proposed by the last-resort suppliers for the electricity supplied to the clients referred to in art. 55 paragraph (1), after eliminating the regulated tariffs.

(3) In order to ensure the operational safety of the SEN, the competent authority may approve the prices and quantities in the procurement and delivery contracts of the technological services of the system.

(4) The supply of electricity to the clients referred to in art. 55 paragraph (1) under the conditions of para. (1) is based on regulated contracts.

(5) The competent authority will continuously monitor the effect of the regulated market on the competitive electricity market and will take the necessary measures to avoid possible distortions and to increase the degree of transparency of commercial transactions.

(6) The competent authority shall organize, within the monitoring action, a detailed annual evaluation process of the functioning of the electricity market, in the conditions of the gradual renunciation of the application of the regulated tariffs for the non-household clients provided in art. 55 paragraph (1) lit. a), in which, at least, the following general indicators will be used:

a) the number of suppliers active in the electricity market each year;

b) the market share of each of the active suppliers;

c) the economic-financial capacity of the active suppliers and their behaviour in the market;

d) the evolution of the annual number of changes of the energy supplier by categories of clients;

e) the level and evolution of prices in the market;

f) the degree of information of the final clients regarding the electricity market;

g) the facilities granted to vulnerable clients and their number;

h) the number of clients who benefit from the universal service under the conditions of this law;

i) the degree of transparency of information in the energy market.

(7) Based on the monitoring process provided in para. (5) and (6), ANRE draws up a report every two years, regarding the prices regulated as public service obligations and their impact on the electricity market.

(8) The schedule for the gradual elimination of regulated prices for final clients, starting on September 1, 2012 for non-household clients, respectively on July 1, 2013 for household clients, is established taking into account the possible negative effects of the elimination of regulated prices, so that they are as less felt by the clients.

Art. 23: The functioning of the competitive market

(1) The transactions with electricity are carried out on the competitive market, in a transparent, public, centralized and non-discriminatory way.

(2) In the competitive market, the commercial transactions are made wholesale or retail, according to ANRE regulations, the prices are formed on the basis of the demand and supply, as a result of competitive mechanisms.

(3) In the competitive electricity market, the transmission system operator may purchase technological system services.

(4) In the retail competitive market, suppliers sell electricity to final clients through bilateral contracts, at prices negotiated or established through standard offers.

(5) The relevant data such as the duration, the rules regarding the delivery and settlement, the quantity, the execution time, the transaction prices, the means of identifying the wholesale client, regarding all transactions within the electricity supply contracts and the derivative instruments in the field electricity concluded with wholesale clients and with transmission and system operators shall be kept by suppliers for at least 5 years and shall be made available to ANRE, the European Commission and the other competent national authorities, upon their request.

(6) The obligation to keep the data regarding the transactions in the derivative financial instruments is applied according to the provisions of the guidelines published by the European Commission.

(7) The data provided in para. (6) can be published by ANRE, in compliance with the law.

(8) On the competitive market, ANRE has the right to suspend the functioning of the competitive market, in the case of applying the provisions of art. 24.

(9) The provisions of para. (8) shall be applied on the basis of a regulation approved by order of the president of ANRE, published in the Official Gazette of Romania, Part I, within 6 months from the entry into force of this law.

Art. 24: Safeguard measures

(1) In case of unexpected situations of crisis in the energy market and if the physical safety or security of persons, devices or installations is threatened or the integrity of the system, the transmission and system operator propose ANRE and the relevant ministry to take measures of safety.

(2) The measures mentioned in para. (1) should affect the smooth functioning of the European internal market as little as possible and should be strictly limited to remedying the crisis situation that generated them.

(3) The implementation of the measures provided in para. (1) is made by Government decision, initiated by the relevant ministry.

(4) The Ministry of Emergency shall notify the other Member States of the European Union, as well as the European Commission, of the security measures adopted in each case.

(5) Within 3 months from the entry into force of this law, the transmission and system operator shall elaborate and propose for approval, by order of the head of the competent authority, a set of technical and commercial regulations regarding the measures provided in paragraph (1).

Art. 25: Access to electricity grid

(1) The license holder and the final client have regulated access to the electrical networks of public interest. Access to electrical networks of public interest is a compulsory service, under regulated conditions, which must be performed by the transmission system operator and the distribution operator.

(2) The access to the network can be restricted only if the connection affects the SEN security, by not complying with the technical norms and the performance standards stipulated in the technical regulations in force or in cases in which the transport or distribution operator does not have the necessary capacities.

The refusal must be properly motivated and justified on objective criteria, from a technical and economic point of view, according to the regulations issued by the competent authority.

(3) The disputes regarding the access to the electrical network shall be resolved by the competent authority by issuing a binding decision for the parties, within two months from receiving the notification or complaint.

(4) The realization of direct electric lines and the access to them shall be regulated by the competent authority.

(5) The tariff for access to the electricity grid of public interest is regulated.

(6) Electricity producers and suppliers can supply their own premises, subsidiaries or eligible clients through direct lines.

(7) The power supply through a direct line according to para. (6) is conditioned by the absence of an economically and technically reasonable offer for access to the electric grid of public interest.

(8) The realization of the direct electric lines is done in compliance with the technical and safety norms included in the technical regulations in force.

(9) The supply through a direct line must ensure the fulfilment of the conditions regarding the protection of the consumers provided by this law.

(10) The owner of a direct electric line has the obligation to ensure access to the direct line, according to the regulations of the competent authority.

(11) The interconnection capacities financed by private commercial investments are realized without prejudice to the provisions of Regulation (EC) no. 714/2009.

(12) The decisions regarding the realization of the investments related to the interconnection capacities are taken following a common analysis carried out by the transmission system operators.

(13) The stages and the procedures necessary for connecting the users to the transport and distribution networks are established by the regulation for connecting the users to the public interest networks, approved by ANRE.

Art. 26: The connection contract

(1) At the written request of a new or existing network user, the transmission and system operator or the distribution operator, as the case may be, is obliged to communicate, in writing, within 30 days, the technical-economic conditions of network connection and collaborate with the applicant to choose the most advantageous connection solution.

(2) The connection contract is concluded according to the regulations issued by the competent authority.

(3) The transmission and system operator or the distribution operator has the right to refuse an applicant the update of the connection notice and / or the conclusion of a new transport or distribution contract for a pre-existing place of consumption, in the case where for that place of consumption there is a contract for the supply of electricity in progress concluded with another final client.

(4) When establishing the patrimonial delimitation point of the installations of the network operator and its user, the following will be considered:

a) type of installation: transport, distribution or use;

b) the property limit on the land, so that the electrical networks located on the public domain are, as a rule, owned by the network operator and that the installation of the network operator's facilities on the user's property is avoided as much as possible;

c) the connection, in perspective, of new users to the connection installation.

Art. 27: Electricity generation

(1) The production of electricity and the production of electricity and thermal energy in cogeneration shall be carried out by the economic operators who have units of electricity production, under the conditions of the present law.

(2) Electricity producers may benefit from guaranteed access or priority access to electricity networks, in accordance with ANRE regulations in force.

Art. 28: Obligations of the producers

Producers have mainly the following obligations:

- a)** to ensure the electricity supplies and the technological services of the system, in compliance with the conditions imposed by licenses, contractual clauses and regulations in force;
- b)** in the case of the dispatchable units to offer all the electrical power available on the balancing market, defined according to the regulations issued by the competent authority;
- b¹)** to deliver to the last resort suppliers, between March 1, 2019 and February 28, 2022, the electricity needed to ensure the consumption of the domestic clients for whom they apply regulated tariffs, in accordance with the regulations elaborated by ANRE;
- c)** to offer publicly and in a non-discriminatory manner on the competitive market all the remaining electricity available after the fulfilment of the obligation stipulated in letter. b¹).
- d)** to offer non-discriminatory system technological services;
- e)** not to send to the transport and system operator physical notifications in negative imbalance with respect to the contracts they have concluded, except for the producers who benefit from support schemes, according to the provisions of this title;
- f)** maintain a fuel reserve at a sufficient level or, as the case may be, a sufficient water supply, to ensure the safety of SEN and to fulfil the obligations of continuous production and supply of electricity, which shall be remunerated in accordance with the regulations in force;
- g)** to comply, from an operational point of view, with the requirements of the transmission system operator and to establish, as appropriate, their own stages of operational management;
- h)** to submit to the competent authority an annual activity report, according to the regulations in force, even under the conditions in which it does not hold the production license, or the capacities are transferred to another economic operator.

Art. 29: The rights of the producers

(1) Electricity producers have mainly the following rights:

- a)** to have access to the electrical networks of public interest, under the conditions of this title;
- b)** to obtain, in accordance with the law, a passageway for its own electric lines;
- c)** to trade electricity and system technological services on the regulated and competitive market in a transparent and non-discriminatory manner;
- d)** to establish and maintain its own telecommunications system for the connection with its production capacities, with the clients or with the operational management levels;
- e)** to commercialize the thermal energy produced in cogeneration;
- f)** to access the support schemes established at national level.

(2) Without endangering the operational safety of the SEN, the electricity producers may offer on the European internal market technological system services according to ANRE regulations, with the approval of the transmission system operator.

(3) Electricity producers have the right to conclude contracts with other producers, creating an energy mix, in order to offer electricity on the domestic market or for export, according to art. 28 and the other legal provisions in force.

Art. 30: Electricity transmission

(1) The activity of electricity transmission is a public service of national interest.

(2) The transmission of electricity is performed by transmission system operators, legal persons certified by the competent authority, under the conditions of this law.

(3) The electricity network for the transmission of electricity existing in the territory of Romania is the public property of the state for the assets concessioned to the National Electricity Transport Company «Transelectrica» - S.A., as well as for the return goods according to the concession contract and the legal provisions.

(4) The lands on which the electric transmission network is located provided in para. (3) are and remain in the public ownership of the state for the lifetime of the network.

(5) The assets resulting from the investments made from own sources or from sources attracted by the transmission system operator, during the concession, materialized in the development, modernization and refurbishment of the electric transmission network of the electricity provided in para. (3), are part of the public property of the state.

(6) The assets provided in para. (5) are considered tangible assets subject to depreciation, unless otherwise provided by law.

(7) By way of derogation from the provisions of point I subpoint 14 of the annex to Law no. 213/1998 regarding the public property goods, with the subsequent modifications and completions, the electric networks of electricity transmission, realized by the economic operators that can be certified as transmission and system operators according to the provisions of art. 34 paragraph (2), have the legal regime of private property and can be connected to the electrical network of electricity transmission provided for in para. (3), under the public service conditions regulated by ANRE.

Art. 31: Certification of the transmission system operator

(1) If the electricity transmission network belongs to a vertically integrated economic operator on September 3, 2009, the transmission system operator who manages this electricity network shall be certified as an independent system operator as follows:

a) ANRE certifies the legal person regarding the fulfilment of the conditions stipulated in art. 34 paragraph (1);

b) to comply with the conditions provided in art. 34 paragraph (1), (3) and (4), by Government decision, elaborated at the proposal of the relevant ministry, designates the public entity that holds, on behalf of the state, the majority shareholder of the economic operators that carry out production and supply activities, on the one hand, as well as the public entity that holds, on behalf of the state, the majority shareholder status with the transmission system operator, on the other hand;

c) within 15 days from the adoption of the measures provided for in letter b), the transmission and system operator send ANRE, with the approval of the owner of the transmission network, the certification request accompanied by the supporting documentation regarding the fulfilment of the requirements provided in art. 34 paragraph (1);

d) ANRE issues a preliminary certification decision within a maximum of 4 months from the date of registration of the request of the transmission and system operator, which shall be notified to the European Commission, together with the related documentation;

e) the procedure of certification of the transmission and system operator is finalized according to the provisions of art. 3 of Regulation (EC) no. 714/2009;

f) the designation of the transmission and system operator as an independent system operator is approved by the European Commission following the communication by ANRE of the certified economic operator, after the completion of the certification procedure according to letter. e).

(2) In cases where an economic operator owns an electrical network of electricity transmission, it acts as a transmission and system operator. The certification process, respectively of those who meet the provisions of art. 97 paragraph (4) and is within the definition of the transmission system operator and is carried out by ANRE, in compliance with the steps provided in par. (1) lit. d) and e) and respectively of the provisions of art. 34 paragraph (2).

(3) Together with the certification decision, the competent authority is obliged to notify the European Commission of any request for certification of the owner of the transport network or of the transmission system operator, which is controlled by a person or persons from one or more third countries, as well as any circumstances in which a person or persons from one or more third countries would gain control over the transmission network or the transmission and system operator, if the case.

(4) After the expiry of the period of 120 days from the submission of a certification request from a transmission and system operator, in the absence of a decision of ANRE, the certification shall be considered granted. Explicit or tacit certification becomes effective only after being notified to the European

Commission together with all relevant information and the procedure provided in art. 3 of Regulation (EC) no. 714/2009.

(5) The decisions for certification of a transmission and system operator issued by ANRE shall be published in the Official Gazette of Romania, Part I, and notified to the European Commission.

(6) ANRE designates and notifies to the European Commission the transmission and system operator who owns a transmission network, after closing the certification procedure according to par. (2) - (5).

Art. 32: Certification of a transport and system operator that is controlled by third countries

(1) Before the certification of a transmission and system operator which is controlled by a person or persons from one or more third countries, ANRE requests an opinion from the European Commission that:

- a) the respective entity respects the requirements of art. 34 paragraph (1) and (2);
- b) granting the certification does not endanger the security of the energy supply of the European Union.

(2) Within 60 days from the issuance of the opinion by the European Commission, ANRE adopts and publishes the final decision regarding the certification together with the opinion, taking into account to the highest degree of such. In case the European Commission does not issue an opinion within two months of receiving the request or within 120 days if it has requested an additional opinion, it can be considered that there are no objections to ANRE's decision.

(3) If the final decision of ANRE differs from the opinion of the European Commission, the reasoning of this decision shall be published.

(4) ANRE refuses the certification provided in para. (1) in the following situations:

- a) the entity in question does not fulfil the requirements stipulated in art. 34;
- b) granting the certification may endanger the security of electricity supply in the national territory or of the European Union. When examining this aspect, ANRE takes into account:
 - (i) the rights and obligations of the European Union towards the third country concerned under international law, including any agreement with one or more third countries to which the European Union is a party and in which energy security issues are addressed;
 - (ii) the rights and obligations of Romania towards the respective third country under the agreements concluded with the respective third country, insofar as they respect the European law; as well as
 - (iii) other specific elements of the case and of the third country involved.

Art. 33: Reassessment of the certification of the transmission system operator

(1) The transmission and system operator shall notify ANRE of any planned transaction that may require a reassessment of its compliance with the requirements of art. 34, as well as any circumstances under which a person or persons from one or more third countries could gain control over the transportation system or the transmission and system operator.

(2) ANRE may decide a reassessment of the fulfilment by the transmission and system operator of the requirements stipulated in art. 34 paragraph (1) - (3):

- a) ex officio;
- b) following notification by the transmission and system operator under the conditions of par. (1);
- c) at the motivated request of the European Commission.

Art. 34: Conditions for certification of the transmission system operator

(1) The certification of the transmission system operator who manages an electrical transmission network, as an independent system operator, is performed if the following requirements are met:

- a) the same person or the same persons has/have no right:
 - (i) exercise, directly or indirectly, the control over an economic operator that carries out any of the activities of production or supply and at the same time exercise, directly or indirectly, control or exercise any right over the transmission system operator or over a transport network; or
 - (ii) to exercise, directly or indirectly, control over the transmission and system operator or over a transmission network and, at the same time, directly or indirectly, control or exercise any right over an economic operator that carries out any of the activities of production or supply;

- b)** the same person or persons is not / are not authorized to appoint members to the supervisory board, the board of directors or other bodies representing the transmission and system operator and from a legal point of view in the case of a transmission and system operator or in the case of a transmission network and also to exercise, directly or indirectly, control or exercise any right over an economic operator that carries out any of the activities of production or supply;
 - c)** the same person is not authorized to be a member of the supervisory board, the board of directors or other bodies representing the economic operator from a legal point of view, both in the case of an economic operator carrying out any of the production or supply activities, as well as in the case of a transmission and system operator or in the case of a transport network;
 - d)** the transmission and system operator has the financial, technical, physical and human resources for fulfilling the obligations stipulated in art. 36;
 - e)** the transmission and system operator undertakes to comply with a 10-year transport network development plan, approved by the competent authority;
 - f)** the transmission and system operator has the capacity to comply with its obligations under Regulation (EC) no. 714/2009, including regarding the cooperation with other transport and system operators at European and regional level;
 - g)** the owner of the transport network fulfils the requirements stipulated in art. 37.
- (2)** The certification of the transmission and system operator who owns a transport network in the property is performed if the following requirements are met:
- a)** the same person or the same persons has / have no right:
 - (i) to exercise, directly or indirectly, control over an economic operator that carries out any of the activities of production or supply and at the same time to exercise, directly or indirectly, control or exercise any right over the transmission operator or over a network transport; or
 - (ii) to exercise, directly or indirectly, control over the transmission and system operator or over a transmission network and at the same time to exercise, directly or indirectly, control or exercise any right over an economic operator carrying out any of the production activities or supply;
 - b)** the same person or persons is not / are not authorized to appoint members to the supervisory board, to the board of directors or to other bodies representing the transmission and system operator from a legal point of view, in the case of a transmission and system operator or in the case of a transport network, and also to exercise, directly or indirectly, control or exercise any right over an economic operator that carries out any of the activities of production or supply;
 - c)** the same person is not authorized to be a member of the supervisory board, the board of directors or other bodies representing the economic operator from a legal point of view, both in the case of an economic operator carrying out any of the production or supply activities, as well as in the case of a transmission and system operator or a transmission network.
- (3)** The rights provided in para. (1) lit. a) and b) and respectively in para. (2) lit. a) and b) include, in particular:
- (i) the power to exercise voting rights;
 - (ii) the competence to appoint members to the supervisory board, the board of directors or other bodies representing the economic operator from a legal point of view; or
 - (iii) holding a majority quota.
- (4)** For the purpose of para. (1) lit. a) and respectively of para. (2) lit. a), the notion "economic operator that carries out activity of production or supply of energy" also includes the activities of production and supply of natural gas, and the terms "transmission and system operator" and "transmission/transport network" also include also the terms that are used in the same sense in the natural gas sector.
- (5)** If two different public bodies exercise the control, on the one hand, on a transmission and system operator or on a transport network and, on the other hand, on an economic operator that carries out any of the production or supply activities, then it is considered that the two bodies are not the same person or the same persons if the separation criteria provided in par. (1) or (2) are met, as the case may be.

(6) Any transmission and system operator certified on the territory of Romania, according to the law, may be part of a joint venture, consisting of 2 or more economic operators that have transport networks and who play the role of transmission and system operator in two or more Member States for the transport systems concerned.

Art. 35: Development plans

(1) The transmission and system operator has the obligation to develop investment plans and development of the transport network for 10 years, in accordance with the current state and future evolution of energy consumption and sources, including energy imports and exports.

(2) The development plans provided in para. (1) contain the modalities of financing and realizing the investments regarding the transport networks, considering the plans for the planning and systematization of the territory crossed by them, in compliance with the environmental protection norms.

(3) The plans provided in para. (1) are approved by ANRE.

Art. 36: Obligations of the transmission and system operator

(1) The transmission and system operator shall provide the public transmission service for all users of the electric transmission networks, in non-discriminatory conditions, ensuring the same tariff as any applicant under the law and in particular avoiding discrimination in favour of the affiliated economic operators, in compliance with the norms and performances. provided in the technical regulations in force

(2) The transmission and system operator may only participate in the trading of electricity in the following situations:

a) to cover the consumption in the own electrical networks and in the places of consumption that belong to them;

b) for maintaining the production-consumption balance, by means of sale-purchase operations in the balancing market or by sale-purchase operations with other transport operators in the neighbouring countries, according to the regulations in force and the ENTSO-E norms.

c) to ensure the mechanisms of connection of the electricity markets to which Romania is a party;

d) to compensate for unplanned exchanges with neighbouring electricity systems.

(3) The transmission and system operator may carry out sales-purchase services of system technological services with the transmission and system operators of the countries with which Romania has concluded agreements that facilitate the creation and development of regional markets, with producers or clients, according to the regulations issued by the competent authority.

(4) The transactions with electricity and system technological services are performed on the basis of transparent and non-discriminatory procedures, through competitive mechanisms, according to the regulations of the competent authority.

(5) The transmission and system operator provides the system service in non-discriminatory conditions for all SEN users, ensuring the operative management, in order to achieve the safety of the operation, the stability of the frequency and the voltage, the continuity in the supply of the clients and the coordination of the exchanges of electricity with other electrical energy systems.

(6) The transmission and system operator may hold shares in companies established in the national territory or in other states, having as main activity the allocation of interconnection capacities and checking the safety of the network at regional level, covering the territory of two or more states.

(7) The transmission and system operator shall mainly carry out the following activities:

a) ensures the long-term capacity of the transmission network to meet the reasonable demands of electricity transmission and exploits, maintains, rehabilitates and develops the transport network in economic conditions to ensure its safety, reliability and efficiency, in compliance with the environmental protection norms;

b) guarantees the adequate means for fulfilling the public service obligations;

c) contributes to achieving the security of electricity supply, by ensuring adequate transport capacities and by maintaining their reliability;

- d)** ensures the management of energy flows in the transport network, taking into account energy exchanges with other interconnected systems;
 - e)** acquires the technological services of system, primary, secondary and tertiary deregulation quickly and slowly and qualifies the dispatchable producers and clients who provide system technological services, based on their own procedure, approved by the competent authority;
 - f)** performs the exchange of information with other interconnected transmission and system operators and with other economic operators in the energy sector, in compliance with ENTSO-E regulations regarding information exchange protocols, reports, structure and procedures for accessing databases;
 - g)** ensures the allocation of interconnection capacities, collects revenues resulting from congestion management and makes payments under the compensation mechanism between the transmission system operators in accordance with art. 13 of Regulation (EC) no. 714/2009, granting and managing the access of third parties and offering reasoned explanations when they refuse such access, without abusing, in the situation of the sale or purchase of electricity by the affiliated economic operators, of the commercially sensitive information obtained by to third parties in the context of granting access to the network, under the supervision of ANRE;
 - h)** exploits, maintains and develops the installations for measuring and counting the electricity transfer through the electric transmission networks and at the interface with the users of the electrical transmission networks belonging to it, the IT and telecommunication installations from the electrical transmission networks related to SEN;
 - i)** analyses and approves the fulfilment of the technical connection conditions by the users of the electric transmission networks, in accordance with the provisions of the technical regulations in force;
 - j)** ensures the transmission of the results of the electricity measurements to the electricity market operator in order to achieve the settlement of the transactions in the balancing market and the imbalances of the parties responsible for the balancing, as well as the access of the beneficiaries of the transport service for the verification of the measurement groups;
 - k)** performs the operational planning and operational management of the SEN at central and territorial level based on its forecast, according to the legal regulations in force, giving priority to the production plants that use renewable energy sources or that produce electricity in high efficiency cogeneration, to the extent in which the safe operation of the national electricity network allows this;
 - l)** authorizes the personnel who perform the operative management, according to the regulations in force;
 - m)** collects, records and archives the statistical data regarding the operation of SEN;
 - n)** elaborates and submits to the approval of the competent authority the technical norms and the specific regulations necessary for the accomplishment of the operational management activity, with the consultation of the participants in the electricity market;
 - o)** elaborates, in accordance with the law, the SEN defence plan against major disturbances;
 - p)** elaborates studies, programs and works regarding the development of SEN;
 - q)** elaborates and submits to the approval of the competent authority the rules on congestion management, including on interconnection capacities, as well as the norms of attribution of interconnection capacities;
 - r)** organizes and manages the market for balancing electricity.
 - s)** prevents discriminatory transfer of commercially sensitive information.
- (7¹)** The transmission and system operator certified as an independent system operator is responsible for the operation, maintenance and development of the transport network and for guaranteeing its long-term ability to solve reasonable demands by planning investments. Regarding the development of the transport network, the independent system operator is responsible for the planning, including the authorization procedure, construction and commissioning of the new infrastructure.
- (8)** In the event of a major failure that endangers the safety of the SEN operation, the transmission and system operator may order, for a limited period, the use of the water reserve outside the accumulation exploitation programs, with the obligation to inform the competent authorities in water management.

(9) Restrictions in the supply of electricity for emergencies should meet predefined criteria regarding the management of imbalances by the transmission system operator. Any security measures should be taken in close cooperation with the consultation of other transmission and system operators involved, in compliance with applicable bilateral contracts, including information exchange agreements.

(10) The transmission and system operator publishes the information regarding its own activities, necessary for the network users, according to ANRE regulations, in order to ensure efficient access to the network, effective competition and the efficient functioning of the energy market, preserving the confidentiality of sensitive information from the commercial point of view they obtained during the activity, including those obtained from third parties in the context of granting or negotiating the access to the network, and does not disclose any commercially sensitive information to the other parts of the economic operator, unless this is required in order to conclude a commercial transaction.

(11) The expenses for the modification of the electricity transmission installations, as a result of the connection of new users or of the change of the initial energy characteristics of the existing users, including for the release of some sites, are incurred according to the regulations in force.

(12) The transmission system operator shall allocate interconnection capacities on one or more borders together with other economic operators, including those registered in the territory of a Member State of the European Union or of the Treaty establishing the Energy Community, subject to the signature of a memorandum of understanding between the parties, endorsed by ANRE.

(13) The designated transmission and system operator elaborates and transmits to ANRE, for approval and publication, the specifications, characteristics and technical safety criteria, as well as the technical norms that establish the minimum design and operation requirements of the equipment that connects to the energy system, in compliance with applicable European law. These rules ensure the interoperability of the systems and are objective and non-discriminatory. Before being approved by ANRE, the mentioned norms are notified to the European Commission, in accordance with the provisions of Government Decision no. 1.016 / 2004 regarding the measures for the organization and realization of the exchange of information in the field of technical standards and regulations, as well as of the rules regarding the information society services between Romania and the Member States of the European Union, as well as the European Commission, as subsequently amended and supplemented.

(14) The transmission and system operator is obliged to publish all the costs regarding the operation, maintenance and development of the networks, in accordance with ANRE regulations.

Art. 37: The attributions of the owner of the transport network in the case of the transmission and system operators who manage an electric transmission network

(1) In the case of the transmission system operators who manage an electric transmission network, the owner of the transmission network:

a) cooperates with the transmission system operator in order to fulfil the latter's tasks, providing all relevant information both to it and to ANRE, which monitors the exchange of information between the transmission system operator and the owner;

b) it finances and/or gives its agreement on how to finance investments in the electric transmission network, established by the transmission system operator and approved in advance by ANRE, which has the obligation to consult with it and the other parties concerned;

c) holds the responsibility for the assets of the transmission network, except for the responsibility regarding the transport attributions of the transmission and system operator;

d) offers guarantees on facilitating the financing of any network extensions, except for the investments for which it has given its agreement to be financed by any interested party, including the transmission system operator, according to the provisions of letter b).

(2) The Competition Council, in close cooperation with ANRE, is empowered with the necessary competences to effectively monitor the compliance of the transport network owner with its obligations, pursuant to para. (1).

(3) The owner of the transmission network is not responsible for granting and managing the access of third parties, nor for planning investments in the transport network.

Art. 38: Separation of the owner of the transmission network

(1) If the owner of the transmission network is part of a vertically integrated economic operator, the owner of the transmission network is independent at least in terms of its legal status, the organization and the decision-making process with respect to other unrelated activities with the transport of electricity.

(2) To ensure the independence of the owner of the transmission network under the conditions of para. (1), the following minimum criteria apply:

a) the persons with management position within the owner of the transmission network cannot be part of the structures of the integrated economic operator in the field of electricity which is responsible, directly or indirectly, for the daily management of the activities of electricity production, distribution and supply;

b) the persons with management position within the owner of the transmission network act independently of any market interest in fulfilling the duties of the service;

c) the owner of the transmission network establishes a compliance program, which contains the measures taken to guarantee the exclusion of discriminatory practices and establishes the specific obligations imposed on the employees to achieve the independence objective;

d) the owner of the transmission network shall designate a person or body, named compliance agent, to ensure the adequate monitoring of compliance with the compliance program and to submit to ANRE, in December of each year, a report on the measures taken, which will be published on the website of the transmission and system operator.

e) the owner of the transmission network and the transmission and system operator, respectively the remaining part of the economic operator provided in para. (1) does not use common services, except for purely administrative or IT services;

f) the owner of the transmission network maintains the confidentiality of the commercially sensitive information he obtained during the course of his activities, prevents their discriminatory transfer and does not disclose any commercially sensitive information to the other parts of the economic operator, unless this is required in order to conclude a commercial transaction.

(3) The owner of the transmission network transmits for approval, to ANRE, all the draft contracts to be concluded with the transmission system operator, including those regarding the use of existing goods, as well as those realized as a result of investments in the transmission network.

Art. 39: Reporting the physical flows of electricity

The transmission and system operator is obliged, according to ANRE regulations, to draw up, from 3 to 3 months, a report on the physical flows of electricity that took place within the electricity imports from third countries of the European Union during the last 3 months prior to the reporting date, which is transmitted to ANRE and to the relevant ministry, in order to inform the European Commission.

Art. 40: Prohibitions regarding the control over the transmission and system operators

Economic operators carrying out any of the activities of production or supply of electricity are prohibited, directly or indirectly, to exercise control or exercise any right regarding the transmission and system operators separated from other EU countries applying the provisions of art. 9 paragraph (1) of Directive 2009/72 /CE.

Art. 41: Prohibitions regarding the personnel of the transmission and system operator

1) The transmission and system operator that was part of a vertically integrated economic operator, as well as the personnel within it, are prohibited to transfer the information held, commercially sensitive, to any economic operators in the electricity sector that carries out production or supply activities.

2) Persons who held, within the transmission and system operator, relevant functions under which they had access to sensitive commercial information have the obligation to maintain their confidentiality and cannot hold similar functions within the economic operators in the field of production and / or supply of electricity, for a period of at least 2 years from the date of termination of contractual relations with the transmission and system operator, according to the clauses provided and regulated in the individual employment contract.

Art. 42: Prohibitions

For the protection of transport facilities, it is forbidden to natural or legal persons:

- a)** to carry out constructions of any kind in the safety zone of the installations, without the approval of the location from the transmission and system operator;
- b)** to carry out excavations of any kind or to set up plantations in the safety area of the electric transmission networks, without the consent of the transmission and system operator;
- c)** to store materials on the passageways and in the areas of protection and safety of the installations, without the consent of the transmission system operator;
- d)** to throw objects of any kind on the electric transmission networks or to intervene in any other way on them;
- e)** to deteriorate the constructions, fences or inscriptions of identification and warning related to the transport facilities;
- f)** to limit or restrict, by fencing, by construction or by any other means, access to the installations of the transmission system operator.

Art. 43: The operator of the electricity market

- (1)** The operator of the centralized electricity market is the legal person holding the license that ensures the organization and administration of the centralized electricity markets, with the exception of the balancing market, in order to trade electricity in the short, medium and long term, according to the regulations issued by competent authority.
- (2)** The operator of the electricity market is not allowed to disclose the information related to the electricity transactions he holds, obtained during his activity, otherwise than under the law.
- (3)** The prices and quantities established as a result of transactions carried out on all centralized electricity markets, including contracts on the regulated or export market, shall be made public in accordance with ANRE regulations.

Art. 44: Distribution of electricity

- (1)** The distribution of electricity is performed by the distribution operator, legal entity, license holder.
- (2)** The distribution operators provide services for all the users of the electrical distribution networks, in non-discriminatory conditions, ensuring the access to them to any applicant that meets the requirements of this law, in compliance with the norms and performance standards provided in the technical regulations in force.
- (3)** The electrical distribution networks are delimited with respect to the production facilities or the electrical transmission networks and those of the final clients at the points of patrimonial delimitation.
- (4)** The lands on which the electricity distribution networks existing at the entry into force of this law are located and remain in the public property of the state.
- (5)** Except from the provisions of para. (4) the lands for which the distribution operator, license holder, acquired the property right, according to the law.
- (6)** Electricity distribution networks are developed on the basis of the principles of economic efficiency, in compliance with urban planning, property rights, environmental protection, health and life of people and energy saving, according to the technical and safety norms included in the regulations. technical in force.
- (7)** The expenses for the modification of the electricity distribution installations, as a result of the connection of new users or of the change of the initial energy characteristics of the existing users, including for the release of some sites, are borne according to the regulations issued by the competent authority, based on objective criteria.
- (8)** If the expenses stipulated in para. (7) are supported by the client, the resulting energy capacities will be taken over by the distribution operator with compensation, according to a methodology approved by ANRE, within 60 days from the date of entry into force of this law.
- (9)** Until the date of entry into force of the regulations issued by the competent authority, the costs of modifying the installations are to be borne by the one that generated the modification.

(10) The distribution operator is obliged to provide a network connection solution for all applicants and to communicate the connection conditions, according to the regulations in force.

Art. 44¹: Character of the distribution activity

The activity of electricity distribution, except for the one obtained through the closed distribution systems, constitutes a public service of general interest.

Art. 45: The distribution operator

(1) The distribution operator has the following main attributions:

a) exploits, refurbishes, rehabilitates and develops the electricity distribution networks, in compliance with the technical regulations in force, in economic conditions, as well as in compliance with the legislation on environmental protection and the promotion of energy efficiency, so as to ensure the long-term capacity to satisfy reasonable requests for connection to the distribution network;

b) ensures the transit of electricity through the distribution networks, at the request and with the information of the transmission and system operator, for those areas of the country where there is not sufficient capacity through the transmission networks, for the evacuation of power from power plants, including power plants of cogeneration, for the connection to the electricity system of a neighbouring country, under the conditions of a bilateral agreement in this respect, in the case of incidents in the SEN and the execution of the operation and maintenance works or of the new works in the transport networks, which make temporary unavailability transport networks in the area;

c) performs works of development of the electrical distribution networks, by consulting, as the case may be, with the transmission and system operator, through optimal development programs from their economic point of view, based on the perspective studies and through specific modernization programs for installations, approved by ANRE, so that the distribution network is safe, reliable and efficient.

d) ensures the operational management according to the distribution license, giving priority in dispatching the production plants using renewable energy sources or to those that produce electricity in high efficiency cogeneration, insofar as the safe operation of the national electricity network allows this thing;

e) disseminates, in a non-discriminatory manner, the information regarding their own activities, necessary for the network users, not being allowed to disclose the commercially confidential information obtained during its activity;

f) submit to the approval of the transmission and system operator the program of repairs and maintenance works planned in the installations with the nominal line voltage of 110 kV;

g) monitors the operational safety of the electrical distribution networks, as well as the performance indicators of the distribution service.

(2) In order to fulfil the attributions provided in para. (1), the distribution operator may interrupt the operation of the installations for the time strictly necessary for the planned maintenance and repair work, with the prior notification of the users of the electrical distribution network.

(3) The distribution operator may participate in the wholesale market of electricity only for transactions necessary to cover its own technological consumption related to the electricity distribution networks and for its own consumption places on the basis of transparent and non-discriminatory procedures, in compliance with the competitive mechanisms approved by the competent authority.

(4) The attributions regarding the development of the distribution system provided in par. (1) letter a) -c) are not applicable to the operator of a closed distribution system.

(5) The distribution operator has the obligation to perform the works of realization / refurbishment / rehabilitation / modernization of the electrical networks in order to increase the quality level of the electricity distribution service. To this end, and for the adoption of technical solutions as efficiently as possible, the technical equipment can be placed on the public domain, in urban areas in the underground or underground construction variants, without affecting the public circulation, in compliance with the applicable technical regulations and the standardized technical conditions in force regarding location of the municipal networks.

(6) The situations existing at the date of entry into force of this law, contrary to the provisions of para. (5), are resolved by the distribution operator within 60 days from the date of receiving a request to this effect from the entitled persons.

Art. 46: Obligations of the owner of the distribution network

(1) Any person who owns or uses his own electricity distribution network at the date of entry into force of this law is obliged to ensure access to the network, according to the regulations of the competent authority.

(2) If the owner of the electricity distribution network is unable to provide the universal service for the users connected to that network, the concessionary distribution operator, license holder in the area in which the network is located, will take over this network after payment of a fair compensation, with the opinion of ANRE.

(3) If the distribution network is not owned by the distribution operator, the owner of the distribution network has the following obligations:

- a) cooperates with the distribution operator in order to fulfil its tasks, providing all relevant information;
- b) cooperates with ANRE and with the distribution operator when establishing investments in the distribution network, on how to finance them, as well as on the transfer of the distribution service to another licensed distribution operator;
- c) holds the responsibility for the assets of the distribution network, except for the responsibility regarding the attributions of the distribution operator;
- d) facilitates the financing of any extensions of the network, except for the investments for which it has agreed to be financed by any interested party, including the distribution operator.

Art. 47: Limiting or interrupting the supply

(1) The distribution operator is entitled to interrupt the supply of electricity in the following situations:

- a) when life, human health or integrity of material goods are endangered;
- b) to prevent or limit the spread of damage in energy equipment, in electrical grid areas or at the level of the entire SEN;
- c) for the execution of manoeuvres or works that cannot be performed without interruptions.

(2) The distribution operator is obliged to notify the users affected by the planned interruptions, respectively on their suppliers, in the manner established by contracts and to communicate the planned duration for the interruptions necessary to perform maintenance and repair work.

(3) The distribution operator is responsible for the damages caused to the users due to his fault.

(4) The supply regulation establishes the conditions under which, in exceptional situations, the supply of electricity to final clients may be limited or interrupted.

Art. 48: Separation of distribution and supply activities

(1) If the distribution operator is part of a vertically integrated economic operator, it must be independent at least in terms of its legal form, organization and decision-making process, in relation to the other unrelated activities with distribution. This rule does not create the obligation to separate ownership over assets belonging to the distribution operator from the vertically integrated economic operator.

(2) In addition to the requirements stipulated in para. (1), if the distribution operator is part of a vertically integrated economic operator, it must be independent in terms of its organization and decision-making process, in relation to the other activities that are not related to the distribution. For this purpose, the following minimum criteria must be applied:

- a) the persons responsible for the management of the distribution operator cannot participate in the structures of the vertically integrated economic operator responsible directly or indirectly for the daily operation of the activities of production, transport or supply of electricity;
- b) appropriate measures must be taken to ensure that the professional interests of the persons responsible for the management of the distribution operator are taken into account, in a way that ensures their independence of action;
- c) the distribution operator has the right to make decisions, effectively, independently of the vertically integrated economic operator, regarding the assets necessary for the operation, maintaining or developing

the network. The parent company is forbidden to give any kind of instructions regarding the distribution activity or to make individual decisions regarding the construction or rehabilitation of some energy distribution capacities. The distribution operator is obliged not to exceed the conditions established in the approved financial plan and not to prejudice the rights of the parent company of economic supervision and those of supervising the profitability of the assets of a subsidiary, the right to approve the annual financial plan or any other equivalent instrument. , as well as the right to set the general limits of the level of indebtedness of its subsidiary. The distribution operator is obliged to publish all the costs regarding the operation, maintenance and development of the network, in accordance with ANRE regulations;

d) the distribution operator establishes a compliance program, which contains the measures taken to guarantee the exclusion of discriminatory practices and establishes the specific obligations imposed on the employees in order to achieve the independence objective;

e) the distribution operator designates a person or body, named / referred to as a compliance agent, to ensure adequate monitoring of compliance with the compliance program and to submit to ANRE, in December of each year, a report on the measures taken will be published on the site of the distribution operator. The compliance agent of the distribution operator is completely independent and has access to all the information of the distribution operator or any affiliated economic operator, which are necessary for the fulfilment of his duties.

(3) The vertically integrated economic operators, which provide services for less than 100,000 connected clients or who serve small, isolated systems, have no obligation to implement the measures provided in para. (1) and (2).

(4) The distribution operator is obliged to maintain the confidentiality of the commercial information obtained during the course of its activity.

(5) The distribution operator is obliged to prevent the discriminatory disclosure of information regarding its own activity, which may be commercially advantageous.

(6) In order to fulfil the obligations stipulated in para. (2) lit. c), the distribution operator must have the necessary resources, which include human, technical and financial resources.

(7) In carrying out the economic activity, including communication and advertising, the distribution operator is obliged not to create confusion regarding the separate identity to the economic operator that performs the electricity supply service within the vertically integrated economic operator.

(8) ANRE monitors the activity of the distribution operator that is part of a vertically integrated economic operator, taking measures to avoid or eliminate any practices that distort competition.

Art. 49: Prohibitions

In order to protect the electricity distribution networks, it is forbidden to natural and legal persons:

a) to carry out constructions of any kind in the safety area of the electrical distribution networks, without the approval of the location of the distribution operator;

b) to carry out excavations of any kind or to establish plantations in the safety zone of the electrical distribution networks, without the consent of the distribution operator;

c) to store materials on the passage corridor and in the protection and safety zones of the installations, without the approval of the distribution operator;

d) to throw objects of any kind on the electrical distribution networks or to intervene in any other way on them;

e) to deteriorate the constructions, fences or inscriptions of identification and warning related to the electrical distribution networks;

f) to limit or restrict, by fencing, by constructions or by any other way, the access to installations of the distribution operator.

Art. 50: The closed distribution system

(1) The closed distribution system is that system by which electricity is distributed in a common industrial, commercial or service area, geographically limited and which, without prejudice to the provisions of para. (4), does not supply household clients if:

a) for specific technical or security reasons, the activities or production process carried out by the users of the respective system are integrated; or

b) the respective system distributes electricity, mainly to the owner of the distribution system, to its operator or to the economic operators affiliated with them.

(2) The operator of a closed distribution system shall not apply to:

a) the obligation to buy the electricity necessary to cover its own technological consumption on the basis of transparent, non-discriminatory procedures, under the conditions of art. 36 paragraph (4);

b) the obligation for the tariffs for connection to the network or the methodologies underlying their calculation to be approved before their entry into force.

(3) The tariffs for the distribution service from a closed distribution system or the methodologies underlying their calculation may also be approved and revised by ANRE, at the request of a user of the closed distribution system.

(4) The provisions of para. (2) also applies if in the area served by a closed distribution system, household clients are located, only if their annual consumption is less than 5% of the annual consumption of the closed system and if they are in an employment report or in a form of association with the owner of the distribution system.

Art. 51: Electrification of localities and extension of electricity distribution networks

(1) In the execution of the concession contract, at the request of the authorities of the local or central public administration, based on the regional development and urban planning plans, the distribution operator is obliged to ensure the development and financing of the distribution network for the electrification of the localities or for the expansion of the distribution networks in the area covered by the concession contract, respectively the license, which he holds.

(2) In case the realization of investments from para. (1) is not economically justified for the distribution operator, they are realized by co-financing from own funds of the distribution operator, from funds of local budgets and from the state budget according to the law, as well as from funds of natural and legal persons who have requested connection to the network in that area, according to ANRE regulations.

(3) Evaluation of the financing conditions of the investments provided in para. (1) and (2) are determined by the distribution operator, based on a feasibility study carried out within a maximum of 60 days from receiving the request, according to a methodology approved by ANRE.

(4) For the development of the programs of electrification of the localities and of the extension of the electricity distribution networks, the authorities of the local public administration and the ministries involved will respond, within 60 days from receiving the requests of the transmission system operator, as well as of the distribution operators, for the implementation of medium and long term network development plans.

(5) The localities which, for technical or economic reasons, are not connected to the SEN can be supplied with electricity through isolated electricity systems.

(6) ANRE will establish the local price and the minimum conditions regarding the continuity and quality of the supply service.

Art. 52: Electricity supply

(1) The supply of electricity is the activity by which licensed entities sell electricity to clients. For the supply of electricity to clients, a supply contract shall be concluded, in accordance with the legal provisions in force.

(2) The electricity supplied to clients shall be invoiced by the supplier, in accordance with ANRE regulations and the legal provisions in force.

(3) The consumption and supply of electricity without the conclusion of the supply contract are forbidden, except in cases regulated separately by the competent authority.

Art. 53: Obligations of the supplier of last resort

(1) The supplier of last resort has the obligation to provide the universal service to the clients provided in art. 55 paragraph (1) letter b).

(2) The supplier of last resort has the obligation to supply electricity to final clients whose supplier is in a situation of license withdraw or in any other situation identified by the competent authority in which the final clients have not insured the supply of electricity from any other source, except for clients disconnected for theft or non-payment of electricity, according to the regulations issued by the competent authority.

Art. 54: Designation of the suppliers of last resort

Last resort suppliers are designated by ANRE from the existing suppliers on the energy market, through competitive mechanisms, based on a regulation that establishes the modalities and criteria for their selection, for each category of final clients they serve.

Art. 55: Clients of last resort suppliers

(1) Last resort suppliers are obliged to ensure the supply of electricity, under quality conditions and at reasonable, transparent, easily comparable and non-discriminatory prices according to ANRE regulations, in compliance with the provisions of art. 22 paragraph (1) and (1¹), to the following categories of clients:

a) final clients who, at the date of entry into force of this law, did not exercise their right to eligibility;
b) household clients and non-household clients with a scripted average number of employees less than 50 and an annual turnover or total value of the assets in the annual balance sheet not exceeding 10 million euros

(2) Identification of the final non-household clients who fulfil the conditions mentioned in para. (1) letter b) will be made by the suppliers of last resort, based on the documents provided by the specific legislation, transmitted by clients to the suppliers of last resort. The deadline for completing their identification is a maximum of 12 months from the date of entry into force of this law.

(3) After the completion of the identification process, the final non-household clients provided in para. (2) have the obligation to transmit, once every 2 years, the documents mentioned in para. (2) to the supplier of last resort.

Art. 56: Transfer of final clients to the supplier of last resort

(1) Passing a client in one of the situations provided in art. 53 paragraph (2) to the supplier of last resort is made according to the regulations issued by the competent authority, without the need to sign a supply contract.

(2) In case of change of the supplier as a result of the switch of the supplier to last resort under the conditions of art. 53 paragraph (2), the operator of the network to which the place of consumption is connected will ensure its continuity in the electricity supply, and the electricity and the services related to the supply under these conditions will be supported through the last resort supplier.

(3) The supply of electricity by the supplier of last resort is made at established tariffs / prices approved according to the regulations issued by the competent authority.

Art. 57: Obligations of the supplier

(1) The supplier / distribution operator must inform the final clients, both through single contact points and website, according to ANRE regulations, as well as through the invoice or documents attached to it, as well as through promotional materials, regarding their rights, to the legislation in force and to the ways of settling disputes in case of requests, notifications, complaints or appeals.

(1¹) The single point of contact is constituted by a central point that coordinates the regional / local information points, which are easily accessible and located at a distance of maximum 50 km from the places of consumption of the final clients who benefit from universal service and offer their information for free.

(2) The supplier must make available to the household clients more ways of payment of the energy supplied and allow them to opt for any of them.

(3) The supplier is obliged to ensure the labelling of the electricity according to the regulations of the competent authority and to inform, periodically, the final clients about the structure, provenance, characteristics and environmental impact for the electricity supplied to them.

(4) The supplier is obliged to participate in activities that ensure the safety and security of SEN.

(5) The supplier shall make available to the consumers the consumption data in an optional format, easy to understand and harmonized at national level, according to the regulations issued by the competent authority.

(6) The supplier has the obligation to purchase electricity so as to ensure the coverage of the consumption of its clients, with priority for the clients benefiting from the universal service from its own portfolio.

Art. 58: Contracting obligation

(1) At the written request of a final client, the supplier is obliged to communicate, in writing, within a maximum of 15 working days, an offer regarding the fair conditions of electricity supply, which contains, necessarily, the supply price, the payment terms and the deadline for the conclusion of the supply contract, elaborated in accordance with the regulations issued by the competent authority.

(1¹) The supplier does not have the right to unilaterally terminate the electricity supply contracts concluded with the final clients.

(2) Without prejudice to Law no. 193/2000 regarding the abusive clauses in the contracts concluded between professionals and consumers, republished, with the subsequent modifications and completions and the Government Emergency Ordinance no. 34/2014 regarding the rights of consumers within the contracts concluded with the professionals, as well as for the modification and completion of some normative acts, the supply contract negotiated and concluded on the basis of the provisions of para. (1) is valid for an indefinite period or for a period agreed by the parties and must contain at least the following elements:

- a) the identity and address of the supplier;
- b) the prices / tariffs and services offered, the quality level of the services offered, as well as the time limit for the initial connection, as the case may be;
- c) the types of maintenance services offered, if any;
- d) the means by which up-to-date information can be obtained on all applicable prices / tariffs, including those for maintenance, as the case may be;
- e) the duration of the contract, the conditions for renewal and termination of services and of the contract and if there is the right to terminate the contract without costs;
- f) the possible compensations and the reimbursement method applicable if the levels of quality of the services provided in the contract are not met, including in the case of inaccurate and late invoicing;
- g) the modalities of initiating the procedures for the settlement of disputes, in accordance with the provisions of art. 57 paragraph (1) and art. 62 paragraph (1) lit. h⁶;
- h) information on the rights of the clients, including on the settlement of complaints and all the information provided in letter. a)-g), clearly communicated in the invoices or on the websites of the operators of the electricity sector.

(3) The final client has the right to unilaterally terminate the supply contract, with notification transmitted to the electricity supplier with at least 21 days in advance, in compliance with the contractual conditions.

(4) The supplier is entitled to terminate the contract in the following cases:

- a) the theft of electricity established by a final court decision;
- b) non-payment of invoices;
- c) other situations provided by the legislation in force.

(5) The supplier is entitled to request to a final client the constitution of financial guarantees for an equivalent consumption period of maximum one year in case of finding, according to the legal provisions in force, of actions meant to distort in any way the indications of the measuring equipment or to steal electricity by bypassing its measuring equipment. The manner of establishing the financial guarantees is provided in the framework contracts for the supply of electricity and / or in other regulations issued by ANRE.

(6) Refusal to set up the guarantees provided in para. (5) gives the supplier the right to request the distribution operator to disconnect the final client from the network.

Art. 59: Payment of the energy supplied

In accordance with the provisions of the contract, the final client is obliged to pay the amount of electricity consumed at the price and under the conditions stipulated in the electricity supply contract.

Art. 60: Responsibility of the supplier

(1) The supplier is liable for all damages caused to the final client through his fault, under the conditions established by the supply contract.

(2) The supplier is entitled to recover the damages produced to final clients and, respectively, to the supplier itself from the distribution operator, the transmission and system operator or from the producer, proven to be caused by the them.

Art. 61: Obligations of the final electricity client

(1) The final electricity client shall be liable for the proven damages caused to the network provider / operator due to his fault.

(2) Failure to comply with the contract for the supply of electricity by the final client may entail the following consequences, as the case may be:

a) penalties;

b) temporary cessation of electricity supply;

c) termination of the contract for the supply of electricity.

(3) In the case of interventions on electrical installations by unauthorized persons, the network operator is entitled to interrupt the electricity supply, in accordance with the specific regulations of ANRE.

(4) In the case of finding, according to the legal provisions in force, of actions meant to distort in any way the indications of the measuring equipment or to steal the electricity by bypassing the measuring equipment, the final client is obliged to provide a financial guarantee, according to the provisions of art. 58 paragraph (5).

(5) The final client of electricity with a power approved by the technical connection notice of at least 1,000 kVA is obliged to present hourly forecasts of consumption to the supplier with whom he has contractual relationships, according to the regulations issued by the competent authority.

(6) The final clients have the obligation to pay the value of the invoices for the electricity and for the services they benefit from within the deadlines stipulated in the contracts concluded between the parties.

(7) In order to guarantee the payment of the electricity bills, the suppliers of last resort may request the clients to establish financial guarantees, only under the conditions established by the regulations issued by the competent authority.

Art. 62: Rights of the final electricity client

(1) The final clients of electricity have the following rights:

a) to have access to the electrical networks of public interest and to consume electricity in accordance with the provisions of the supply contract;

b) to request the supplier to modify and supplement the supply contract and the annexes thereto or to initiate additional deeds to the contracts, when new elements appear or when it considers it necessary to detail or supplement contractual clauses;

c) to have read access to the measurement groups for settlement;

d) to request the supplier or distribution operator to take measures to remedy the faults and disturbances that have occurred in the electrical networks;

e) to receive compensation from the supplier, network operator or other final client, according to the contractual provisions, when they are damaged by their fault or in case of non-compliance with the energy quality indicators;

f) to voluntarily associate in order to represent the interests of the clients, according to ANRE regulations;

g) to purchase electricity on the basis of a bilateral contract from an energy supplier, regardless of the Member State in which the supplier is registered, provided that it complies with the applicable marketing and balancing rules established on the Romanian territory;

h) to change the supplier free of charge, according to a procedure approved by order of ANRE;

h¹) to be duly notified of any intention to change the contract conditions / clauses and to be informed, at the time of notification, of the right to terminate the contract. The supplier and, as the case may be, other economic operators who have the right to conclude bilateral contracts with final clients, notify clients of

any tariff increases, directly and in a timely manner, no later than the end of the first normal billing period following the entry into force of increase, in a transparent and easy to understand manner;

h²) to denounce any contract if it does not accept the new conditions / clauses notified by the electricity supplier;

h³) to receive transparent information on the prices and tariffs applied, as well as on the contractual conditions / clauses regarding the access to the services offered and their provision by the economic operators in the field of electricity;

h⁴) to receive all relevant data regarding consumption in a non-discriminatory manner regarding the costs, efforts or time required to provide such data;

h⁵) to benefit from several payment methods, which do not unjustifiably discriminate between clients. Prepayment systems must be fair and adequately reflect the probable consumption. In the case of the household client, if after the regularization the amount paid by him in addition is greater than 100 lei, then the supplier is obliged to return the amount paid by the client. Amounts below this amount will be offset against the following invoices. Any difference related to the clauses and conditions should reflect the supplier's cost for different payment systems. The general conditions must be fair and transparent, presented in clear and easy-to-understand language and should not include non-contractual barriers to the exercise of client rights, for example, but not limited to excessive contractual documentation. Clients are protected against incorrect or misleading sales methods;

h⁶) to benefit from transparent, simple and inexpensive complaints settlement procedures. Clients are entitled to a high standard of service provision and to resolve complaints by the supplier and, where appropriate, licensed operators who conclude contracts with the final clients of electricity. The extrajudicial settlement of disputes provides for the correct and prompt settlement of disputes within 90 days and a system for reimbursing and / or compensating the actual amounts owed, in accordance with the principles set out in Commission Recommendation 98/257 / EC of 30 March 1998 on the principles applicable to the bodies responsible for the extrajudicial settlement of disputes with consumers; these procedures are elaborated in compliance with a framework procedure issued by ANRE;

h⁷) to be informed about the rights they have regarding universal services, when they have access to these services, according to the provisions of this law;

h⁸) to have the data regarding their own consumption and to be able to grant access to the measurement data, by explicit understanding and free of charge, to any licensed supplier. The party responsible for data management is obliged to provide this data to the supplier concerned. The format of data presentation and the procedure of access of the suppliers and consumers to these data are regulated by ANRE. No additional costs may be charged to clients for this service;

h⁹) to be adequately informed about the actual consumption of electricity and the actual costs, sufficiently frequently, so that they have the possibility to regulate their own electricity consumption. That information is communicated at appropriate intervals, taking into account the capacity of the client's measuring equipment and the energy product concerned. The supplier grants such facilities, taking due account of the cost-effectiveness of these measures. No additional costs can be charged to consumers for this service;

h¹⁰) to receive a final settlement for regularization of all payment obligations, within a maximum of 42 days from the change of the supplier.

i) to conclude contracts with several energy suppliers at the same time, for a single place of consumption, as it belongs exclusively to large non-household clients, whose maximum power approved by the technical connection notice is established by ANRE regulations;

j) to transmit for solving to the competent authority the divergences resulting from the development of the contracts concluded in the electricity sector, based on procedures elaborated by the competent authority;

k) to benefit from the services of a mediator, according to the Law no. 192/2006 regarding the mediation and the organization of the profession of mediator, with the subsequent modifications and completions, in order to solve extrajudicial disputes arising on the electricity market;

l) to unilaterally denounce the supply contract, under the conditions of art. 58 paragraph (3).

(2) The procedure provided in para. (1) letter h) mainly establishes the stages of the supplier change process, the way of extinguishing the payment obligations due by the final client to the supplier to be changed, the data that can be requested by the final client or the new supplier in the change process, as well as the operators economics who are obliged to provide them.

(3) The procedure provided in para. (1) letter h) must guarantee to a client who wants to change the supplier, in compliance with the contractual conditions, that this change can be made within 3 weeks from its initiation.

Art. 63: The right of final clients to choose the tariffs

(1) The final clients referred to in art. 55 paragraph (1) have the right to opt for any of the regulated tariffs applicable to the category they belong to or to benefit from the universal service, under the conditions established by ANRE regulations.

(2) Household clients have the right to choose any payment method that the supplier offers.

Art. 64: Protection of vulnerable clients

(1) Vulnerable clients benefit from facilities regarding the provision of electricity supply and network access services.

(2) The types of facilities for each of the categories of vulnerable clients, with the exception of the financial measures, as well as the modalities of their implementation are established by ANRE.

(3) It is forbidden to disconnect the vulnerable clients from the electricity network even in situations of energy crisis.

Art. 65: Measurement of electricity

(1) The electricity supplied to the final clients on the electricity market shall be measured by the measurement operators, through measurement groups, according to the measurement code elaborated by the competent authority.

(2) The measurement transformers for the electricity measurement groups for settlement purposes shall be ensured, as appropriate, by:

- a) the transport and system operator;
- b) producers;
- c) distribution operators;
- d) final clients of electricity.

(3) The measurement operators can be:

- a) the transport and system operator;
- b) producers;
- c) the distribution operator.

(4) The transmission and system operator, respectively the distribution operator, have the obligation to provide the electricity measurement service for the users of the respective electrical networks.

(5) The transmission and system operator, respectively the distribution operator, may assign the measuring service and the management of the measured data to an economic operator, provided that they are included in the costs recognized by the competent authority and in compliance with the applicable regulations issued by it.

Art. 66: Intelligent measurement systems

(1) ANRE evaluates the implementation of intelligent measurement systems from the point of view of the long-term costs and benefits for the electricity market, of the profitability, as well as of the feasible terms of implementation, based on all the data obtained from the implementation of the projects and the installed systems which ensures the specific functionalities of intelligent metering systems.

(2) Distribution operators have the obligation to submit to ANRE projects for the implementation of intelligent measurement systems based on their own cost-benefit analyses, in order to comply with the provisions of para. (3). The cost-benefit analyses will contain a detailed description of how to fulfil the mandatory functionalities for these systems, specified by the technical regulations in force, as well as the benefits offered to final consumers after the systems are installed.

(3) Based on the projects provided in para. (2), ANRE approves a timetable for the implementation of intelligent metering systems, so that:

a) final clients who have an annual consumption higher than a threshold, expressed in kWh, established by ANRE based on the information and data collected according to para. (1) and (2), as well as clients who have sources of production with an installed power of less than 10 kW, to have intelligent metering systems until January 1, 2024;

b) the final clients that do not comply with the provisions of letter a) to have intelligent measurement systems until December 31, 2028, by implementing large-scale intelligent measurement systems exclusively in terms of investment efficiency.

(4) Implementation of the systems provided in para. (2) is approved within the annual investment plans of the distribution operators. ANRE can approve the advance of the application of the provisions of para. (3) under the conditions of cost-benefit analyses that demonstrate the existence of advantages and at the level of consumers, and the choice of this solution is more advantageous than that of installing the classic meters.

CHAPTER V: Promoting electricity produced from renewable energy resources and high-efficiency cogeneration

Art. 67: Definition of renewable energy sources

Under the terms of this title, renewable energy sources are defined as:

a) wind energy;

b) solar energy;

c) the energy of waves and tides;

d) geothermal energy;

e) hydropower;

f) the energy contained in the biodegradable fraction of agricultural products, waste and residues (including plant and animal residues), forestry and related industries, as well as the biodegradable fraction of industrial and communal, city and municipal waste, called biomass;

g) the energy contained in the fermentation gas of the waste, also called storage gas;

h) energy contained in the fermentation gas of sludge from wastewater treatment plants;

r) energy contained in gaseous secondary products, obtained by fermentation from organic waste materials, forming the gas fuel category, called biogas;

j) the energy contained in liquid products obtained by distilling fermented organic matter, forming the category of liquid fuel, called fuel alcohol;

k) energy obtained from other renewable sources, not currently exploited.

l) the energy obtained from braking with the energy recovery of the electric traction units.

Art. 68: Cogeneration technologies

Under the conditions of this title, are defined the following cogeneration technologies with:

a) gas turbines in cycle combined with heat recovery and steam turbines;

b) steam turbine with back pressure;

c) steam turbine with condensation and adjustable sockets;

d) gas turbines and recovery boilers;

e) internal combustion engines;

f) microturbines;

g) Stirling engines;

h) combustion cells;

i) thermal engines;

j) Rankine organic cycles;

k) any other installation or combination of installations through which thermal and electrical energy are produced simultaneously.

Art. 69: High efficiency cogeneration

In order to promote the production of electricity in cogeneration, high efficiency cogeneration is defined as the process of combined production of electricity and thermal energy, which meets the following criteria:

a) in the case of cogeneration units with electric power installed over 25 MW:

(i) achieving an annual global yield of at least 70%; and

(ii) achieving a primary energy savings of at least 10% compared to the reference values of the separate production of the same quantities of electricity and heat;

b) in the case of cogeneration units with electric power installed between 1 MW and 25 MW, the achievement of primary energy savings of at least 10% compared to the reference values of the separate production of the same quantities of electricity and heat;

c) in the case of cogeneration units with powers installed below 1 MW, the realization of primary energy savings compared to the separate production of the same quantities of electricity and heat.

Art. 70: Rules of access to the grid for electricity produced from renewable sources and in high efficiency cogeneration

The competent authority establishes by technical and commercial rules:

a) the guaranteed access to electricity networks and priority dispatching of electricity produced from renewable energy sources and in high efficiency cogeneration;

b) the priority access to the electricity networks and the priority dispatching of the electricity produced from renewable energy sources and in high efficiency cogeneration in power stations with installed powers less than or equal to 1 MW, as long as the safety level of the SEN is not affected.

Art. 71: Criteria for promoting electricity produced from renewable sources and in high efficiency cogeneration

(1) The criteria for promoting electricity produced from renewable energy sources take into account the following:

a) reaching the national target regarding the share of electricity produced from renewable energy sources;

b) compatibility with the market competition principles;

c) the characteristics of the different renewable energy sources and the technologies of electricity production;

d) promoting the use of renewable energy sources in the most efficient way, in order to obtain the lowest price to the final consumer.

(2) The criteria for promoting electricity produced in high-efficiency cogeneration take into account the following:

a) ensuring access to the support schemes, in the conditions of covering the justified costs related to high efficiency cogeneration;

b) the characteristics of the different technologies of electricity production in cogeneration;

c) promoting the efficient use of fuels;

d) ensuring the protection of the environment, by reducing pollutant emissions from the separate production of electricity and heat.

Art. 72: Support schemes for promoting the generation of electricity from renewable sources and in high efficiency cogeneration

(1) In order to promote the production of electricity from renewable energy sources and in high efficiency cogeneration, support schemes are applied, in accordance with the provisions of the European legislation.

(2) For access to the support schemes for the promotion of electricity produced from renewable energy sources and in high efficiency cogeneration, the accreditation and qualification rules established by the competent authority shall apply.

Art. 73: Guarantees of origin

The certification of electricity produced from renewable sources and in high efficiency cogeneration is attested by means of guarantees of origin issued by the competent authority.

Art. 74: Application of support schemes

The application of the support schemes for promoting the production of electricity from renewable energy sources and in high efficiency cogeneration is done after their authorization by the European Commission, according to the law.

CHAPTER VI: Prices and rates

Art. 75: Types of prices and rates. Their foundation

(1) For the activities carried out in the electricity sector, the following prices and tariffs apply:

- a) prices resulting from the competitive mechanisms of the electricity market;
- b) regulated tariffs for electricity transmission, system and distribution services;
- c) regulated tariffs / prices for the supply of electricity to the clients referred to in art. 55 paragraph (1) in compliance with the provisions of art. 22, until their elimination.
- d) prices / tariffs applied by the last resort suppliers to the clients in the situation provided in art. 53 paragraph (2);
- e) regulated tariffs for the acquisition of system technological services, until the creation of a competitive market for system technological services;
- f) regulated tariffs for connection to the network;
- g) regulated tariff applied by the operator of the electricity market;
- h) regulated prices charged by the producers / suppliers of electricity to the clients referred to in art. 55 paragraph (1), in compliance with the provisions of art. 22;
- i) regulated prices for the thermal energy produced in the cogeneration plants;
- j) prices resulting from the establishment / adjustment formulas provided in the sale - purchase of thermal energy contracts or from the concession or association or partnership contracts.

(2) ANRE elaborates and approves the rules regarding the mechanism of correlation of the hourly offer price on the balancing market with the closing price of the DAM market established for the respective hour.

Art. 76: Methodologies for regulating prices and tariffs

(1) The regulated prices and tariffs for the activities of production, transmission, distribution and supply of electricity and thermal energy produced in cogeneration plants, as well as for the activity provided by the electricity market operator are established on the basis of the methodologies approved and published by competent authority. In their calculation, the justified costs of the respective activities, the costs for development and the protection of the environment, as well as a reasonable share of profit will be taken into account.

(2) The methods of forming the regulated prices for the thermal energy and the support measures for the electricity produced in high efficiency cogeneration plants benefiting from support schemes established at national level shall be established on the basis of a Government decision.

(3) The methodologies for regulating prices and tariffs shall be approved by the competent authority, after the public consultation procedure has been completed.

(4) The prices of electricity sales delivered by producers to the suppliers of last resort according to the provisions of art. 28 lit. b1) are established on the basis of the methodologies approved by ANRE.

(5) The differences of purchase costs from the years 2018 and 2019 of the suppliers, not recovered by the prices applied, will be recovered until 30.06.2022, according to ANRE regulations.

Art. 77: Highlighting costs and revenues

The economic operators holding licenses in the electricity sector, who practice regulated prices and tariffs, are obliged to submit to the competent authority:

- a) the costs and revenues realized separately from the activities that are the subject of the licenses granted in the structure established by the competent authority;
- b) the modality to allocate assets, liabilities, expenses and revenues, according to the regulations issued by the competent authority.

Art. 78: Establishing regulated costs and revenues

(1) In order to control the tariffs for the clients provided in art. 55 paragraph (1), the competent authority approves the methodology of establishing the regulated costs / revenues for the purchase / sale of electricity for these clients.

(2) Exceeding the regulated costs for the purchase / sale of electricity for the clients referred to in art. 55 paragraph (1) and of the regulated costs for the transport and distribution services can be made, with the approval of the competent authority, only in exceptional situations, by force majeure or determined by legislative changes.

Art. 79: The principles for substantiating the proposed prices and regulated tariffs

(1) The proposals of regulated prices and tariffs shall be elaborated by the economic operators in the electricity sector, respecting the methodologies issued by the competent authority, and shall be communicated to the authority, together with the substantiation in the format established by it.

(2) The economic operators in the electricity sector shall transmit to the competent authority all the necessary data used in the process of substantiating the request and shall ensure access to these data of the representatives designated by the competent authority.

(3) The order approving regulated prices and tariffs for electricity, as well as approving their calculation methodologies, applicable to final clients and to activities of a natural monopoly character, shall be published in the Official Gazette of Romania, Part I. The Order shall also contain the date of their entry into force.

(4) The principles underlying the establishment of regulated prices and tariffs for the activities carried out in the electricity sector, excluding the prices for electricity and heat produced in high efficiency cogeneration plants benefiting from support schemes, take into account the following:

a) the prices / tariffs must be non-discriminatory, based on objective criteria and determined in a transparent manner, based on the methodologies approved and published by the competent authority;

b) electricity prices / tariffs must cover economically justified costs;

c) the prices / tariffs must ensure a reasonable rate of return on the invested capital, established according to the regulations issued by the competent authority;

d) the regulated tariffs and prices for the final clients must allow them to choose the type of price / tariff that is most favourable to them, from those practiced by the supplier, under the conditions established by the competent authority;

e) the connection charges must contain only the actual costs of carrying out the works of connecting the clients to the electrical network;

f) the methodologies for calculating the transport and distribution tariffs must contain short and long-term incentives for increasing energy efficiency, food safety, harmonious integration in the market, as well as supporting the research activity related to the field of activity;

g) the transport and distribution tariffs are non-discriminatory and reflect the justified costs of the operators, taking into account the marginal network costs avoided in the long term, as a result of distributed production and demand management measures.

(5) The cross-subsidy between the regulated activities, as well as between the regulated and unregulated activities of an economic operator is prohibited. In the case of the production of electricity and heat in high efficiency cogeneration or from renewable energy sources benefiting from support schemes established at national level, the cross subsidy is analysed between the activity of cogeneration production or from renewable energy sources benefiting from the scheme and the rest of the activities carried out by the economic operator.

(6) The electricity supplier and the associated costs, as well as a reasonable profit share, are fully recognized in the tariffs.

(7) The principles underlying the setting of regulated prices for electricity and heat produced in high-efficiency cogeneration plants or from renewable sources benefiting from support schemes take into consideration the following:

a) for the electricity and thermal energy produced in high efficiency cogeneration or from renewable sources, the provisions of the support schemes, approved by Government decision, are applied;

b) for the thermal energy produced in thermal production capacities located in a cogeneration power plant benefiting from support schemes, the prices are established on the basis of the methodology approved by the competent authority.

(8) For the calculation of the electricity transmission and distribution tariffs, during the regulatory period 2019-2024, the rate of return of the invested capital, representing the average cost of the invested capital, expressed in real terms, before taxation is 6.9%.

*) At the end of the period provided for in art. 79 paragraph (8), the regulated rate of return expressed in real terms, before taxation, applied when setting tariffs for the electricity transmission service, is the one provided in art. 1 of the Order of the President of the National Energy Regulatory Authority no. 168/2018 regarding the establishment of the regulated rate of profitability applied to the setting of tariffs for the electricity distribution service provided by the distribution operators concessionaires from January 1, 2019.

Art. 80: Price / tariff limitation

(1) In situations of major imbalances between supply and demand and obvious dysfunctions of the electricity market, the Government, at ANRE's proposal and with the opinion of the Competition Council, may limit the excessive increase of prices / tariffs or block them for a determined period of maximum 6 months, a period that can be extended successively for durations of maximum 3 months, as long as the circumstances that determined the adoption of the respective decision persist, by:

a) setting a higher price limit on a centralized market;

b) limitation of the income from the regulated activity.

(2) The costs recognized and deferred, according to the provisions of para. (1) lit. b), are fully recovered, in accordance with the procedure issued by the competent authority.

Art. 81: Cost recovery

(1) If the legal conditions for fulfilling the obligations of public service and universal service are required, the participants in the electricity market have the right to recover the costs resulting from the application of these conditions.

(2) The recovery of these costs will be done according to the regulations issued by the competent authority or by Government decision, depending on the way of imposing the public service obligations, according to art. 16 paragraph (2).

Art. 82: Highlighting the costs in the combined production of electricity and heat

The economic operators that produce combined electricity and heat and sell at least one of these will divide the costs between the two forms of energy, according to the regulations approved by the competent authority.

Art. 83: Related services

The services provided to third parties by the economic operators that produce hydroelectric energy, and which have in administration, concession or rental barrages, dams and reservoirs are performed on the basis of the contracts concluded with the beneficiaries.

CHAPTER VII: Procedure for conducting investigations

Art. 84: Arrangement for conducting investigations

The president of the competent authority shall, by decision, decide the carrying out of investigations, according to the provisions of art. 86, by the own personnel empowered in this respect, ex officio or in response to a complaint registered with the competent authority, formulated by a natural or legal person who is really and directly affected by a potential violation of the provisions of this title, only in the fields in which ANRE has the investigative competence according to the law.

Art. 85: Requesting information and documents

In carrying out the investigations, as well as the competences conferred on the basis of this title, the competent authority may request the economic operators the information and documents that are required,

mentioning the legal basis and the purpose of the request, and may set deadlines by which this information and documents will be provided.

Art. 86: Rights of investigation

(1) In order to investigate the violation of the provisions of this title under the conditions of art. 84, ANRE personnel empowered in this regard have the following rights:

- a) to enter into the spaces, lands or means of transport legally held by economic operators;
- b) to examine any documents, registers, financial-accounting and commercial documents or other evidences related to the activity of the economic operators, regardless of where they are stored;
- c) to ask any representative or employee of the economic operator for explanations regarding the facts or documents related to the object and purpose of the investigation and to write down or record their answers;
- d) to pick-up or obtain, in any form, copies or extracts from any documents, registers, financial-accounting and commercial documents or from other records related to the activity of the economic operator;
- e) to seal any site intended for the activities of the economic operator and any documents, registers, financial-accounting and commercial documents or other records related to the economic operator's activity, for the duration and to the extent necessary for the investigation.

(2) The competent authority shall proceed to the actions provided in para. (1) only if there are indications that documents can be found or information deemed necessary for the fulfilment of its competences can be obtained, and the result of the investigation will be recorded in a process - record of finding and inventory.

(3) The competent authority may make unannounced inspections and may request any kind of information or justifications related to the fulfilment of the investigative powers, both on the spot and by summoning the headquarters of the competent authority.

Art. 87: Judicial authorization of investigations

Based on the judicial authorization given by the resolution, according to art. 88, ANRE staff, empowered under the conditions of art. 84, may carry out inspections in any other spaces, including domicile, land or means of transport belonging to the managers, administrators, directors and other employees of the economic operators or associations of economic operators under investigation.

Art. 88: Obtaining judicial authorization

(1) ANRE personnel carry out inspections, in accordance with the provisions of art. 87, only on the basis of resolution of empowerment issued by the president of the competent authority and with the judicial authorization given by decision by the president of the Bucharest Court of Appeal or by a judge delegated by it. A certified copy of the empowerment decision and of the judicial authorization shall be communicated to the person subject to the inspection, before starting the inspection.

(2) The request for authorization shall be judged in the council chamber, without summoning the parties. The judge shall rule on the application for authorization within 48 hours from the date of registration of the application. The conclusion shall be motivated and communicated to the competent authority, within 48 hours at the most from the decision.

(3) In case the inspection must be carried out simultaneously in several spaces between those provided in art. 87, the competent authority will introduce a single request, the court ruling by a decision indicating the spaces where the inspection is to be carried out.

(4) The application for authorization must contain all the information that may justify the inspection, and the judge notified shall be required to verify that the application is well founded.

(5) Whatever the circumstances, the inspection shall take place between 8.00 and 18.00 hours and must be carried out in the presence of the person to whom the inspection is carried out or of his representative. The inspection may continue after 6 pm only with the consent of the person to whom the inspection is carried out or of his representative.

(6) The inventories and the placing of seals are made according to the provisions of the Criminal Procedure Code.

(7) The conclusion provided in para. (1) can be appealed with appeal to the High Court of Cassation and Justice, within 48 hours. The term of appeal for the competent authority starts from the moment of the

communication of the decision, according to the provisions of para. (2). Regarding the person subject to the inspection, the term of appeal starts from the moment of the communication of the decision, according to the provisions of para. (1). The appeal does not suspend the execution.

(8) The president of the Bucharest Court of Appeal or the judge delegated by it has the power to issue the judicial authorization in order to carry out the inspection, according to art. 87. The court verifies whether the decision of empowerment issued by the president of ANRE is authentic and if the coercive measures envisaged are neither arbitrary nor excessive, considering, in particular, the seriousness of the suspected infringement, the importance of the evidence sought, the involvement of the company in cause and the reasonable probability that the activity records and documents, related to the object of the inspection, will be kept in the premises for which the authorization is requested. The court can request ANRE detailed explanations regarding the elements that are needed to enable it to verify the proportionality of the coercive measures envisaged.

Art. 89: Access to documents and information

(1) The central and local public administration bodies, as well as any other public institutions and authorities, are obliged to allow the competent authority access to the documents, data and information held by them, in compliance with the legal provisions.

(2) The competent authority, receiving access to the documents, data and information mentioned in para. (1), has the obligation to respect the character of the classified data and information legally attributed to the respective documents, data and information.

Art. 90: Investigation procedure

The investigation procedure is carried out in accordance with the regulation regarding the organization and conduct of the investigation activity, approved by order of ANRE president.

CHAPTER VIII: Offenses and contraventions

Art. 91: Liabilities

Violation of the provisions of this title entails disciplinary, civil, contravention or criminal liability, as the case may be, of the guilty persons.

Art. 92: Offenses

(1) Deterioration, modification without the right or blocking the functioning of the equipment for measuring the electricity supplied or the modification without the right of the components of the energy installations constitutes an offense and is punished by imprisonment from 3 months to 2 years or with a fine.

(2) The execution or use of clandestine installations for the purpose of direct connection to the network or for the circumvention of the measuring equipment constitutes a crime and is punished by imprisonment from 6 months to 3 years or with a fine.

(3) If the offenses mentioned in para. (1) and (2) are committed by an employee of a license holder, the special limits are increased by half.

(4) Attempt to the offenses mentioned in para. (1) and (2) shall be punished.

Article 93: Contraventions

(1) The following facts constitute contraventions:

1. the carrying out by natural or legal persons of activities and / or services in the electricity sector without having a license or authorization according to the provisions of this law and of the regulation provided in art. 9 paragraph (4);
2. designing, executing and verifying electrical installations without certification and / or authorization;
3. not respecting the technical norms issued by ANRE;
4. not respecting the conditions of validity associated with the certificates issued by ANRE;
- 4¹. not observing the conditions of validity associated with the licenses / authorizations issued by ANRE;
5. the violation by the participants in the electricity market of the technical and / or commercial regulations issued by ANRE;
6. the refusal to allow the carrying out of control actions ordered by ANRE, as well as its obstruction in carrying out its tasks;

7. the supply / non-presentation of the data, documents and / or information requested within the deadlines set by ANRE or the incomplete or erroneous supply / presentation thereof, as well as / or the non-fulfilment of the measures within the deadlines set by ANRE and / or the unjustified refusal to respond to the summons transmitted by ANRE;
8. the unjustified refusal to grant access to any applicant to public interest networks;
9. the supply by the distribution operator or the transmission and system operator of incomplete or erroneous information necessary for the access to the network;
10. not ensuring by the distribution operator or the transmission and system operator a non-discriminatory treatment between the users of the electrical network;
11. unjustified delay in connecting / supplying clients with electricity or resuming the supply them after the interruption, as well as proposing connection solutions, other than the technically optimal ones and with minimum costs, according to the normative acts in force and the regulations issued by ANRE;
12. putting on power of electrical installations without having concluded a contract for the supply of electricity, as well as / or without having installed a group of electricity measurement, as the case may be;
13. not communicating an offer regarding the conditions of supply of electricity to the applicants, according to the provisions of art. 58 paragraph (1);
14. unjustified suspension of supply of clients' electricity supply;
15. not observing the provisions of the performance standards regarding the public transmission and distribution services, as well as the supply activity in the electricity sector;
16. not observing the provisions of mandatory clauses of the framework contracts issued by ANRE;
17. not observing the legal provisions regarding the change of the electricity supplier;
18. the disclosure of commercially sensitive information regarding commercial operations by the transmission system operator, distribution operators or the electricity market operator, including those regarding all transactions within the electricity supply contracts and / or financial instruments derived from the electricity sector, unless requested by the competent authorities;
19. not respecting the requirements of independence of the distribution operator or of the transmission and system operator and / or of the regulations regarding the direct or indirect control over some companies in the sector of electricity production, supply, distribution or transport;
20. the inspection by the supplier of last resort of the obligation to provide the universal service to the clients, according to the provisions of this title;
21. not respecting by the producers of their obligations according to art. 6 letter p) and art. 28;
22. not respecting by the transmission and system operator of the regulations regarding the order of merit in the balancing market, regarding the dispatch of the production facilities and / or the use of interconnections with the other systems;
23. not presenting by the transmission and system operator, in order to be approved by ANRE, the transport network development plan, within the terms established by the regulations in force;
24. the practicing of prices or tariffs not approved by ANRE, for the regulated activities;
25. not observing the regulations issued by ANRE regarding the establishment of prices and tariffs;
26. not respecting the regulations regarding the accounting separation of the activities carried out by the economic operators holding licenses in the electricity sector;
27. not publishing and not updating, on its own web page, the technical and commercial data provided by the regulations by the participants in the electricity market;
28. the refusal of the final clients to allow access to the measurement groups, as well as to the facilities in the heritage and / or in the management of the distribution operator or of the transmission and system operator;
29. the execution of excavations or works of any kind in the protection zones of the installations without the prior consent of their owner;
30. the prohibition / obstruction by natural or legal persons of the exercise of the rights provided by this law, of access, use and easements or of restriction of some activities, on the occasion of carrying out the

works of refurbishment, repairs, revisions, interventions to damage, investments, maintenance and / or connection of new users and for grinding or modelling cuts, for creating and maintaining the regulatory distance from the electrical networks;

31. the use by a third party of the components of the electrical distribution / transmission networks for purposes other than those provided by the legislation in the electricity sector without the conclusion of a contract in this respect with their right holder;

32. not observing by the transmission system operator of the obligations stipulated in art. 13 paragraph (2), (3) and (6) of Regulation (EC) no. 714/2009;

33. not observing by the transmission system operator and by the other market participants of the obligations stipulated in art. 15 of Regulation (EC) no. 714/2009;

34. not observing by the transmission system operator and by the other market participants of the obligations stipulated in art. 16 of Regulation (EC) no. 714/2009;

35. the failure by the transmission and system operator and by the other market participants of the obligations set out in Annex I to Regulation (EC) no. 714/2009;

36. not observing the provisions of art. 38 paragraph (2) letter c) and d) and of art. 48 paragraph (2) letter d) and e) regarding the establishment of the compliance program and the compliance agent;

37. not observing by the owner of the transmission network of the obligations incumbent upon him under this title;

38. not observing by the transmission system operator of the obligations stipulated in art. 31 paragraph (1) lit. c);

39. not observing by suppliers or distribution operators, as the case may be, of the obligations stipulated in art. 57 paragraph (1) and at art. 58 paragraph (2);

40. not observing by the network providers / operators of the rights of the final clients provided in art. 62 paragraph (1), except those specified in art. 62 paragraph (1) lit. a), f), h), j), k) and l);

41. not observing by the market participants of their obligations under the provisions of art. 4 paragraph (1) - (3), art. 8 paragraph (1) and (5), art. 9 paragraph (1) and (5) and art. 15 of Regulation (EU) no. 1227 / 2011 of the European Parliament and of the Council of 25 October 2011 on the integrity and transparency of the wholesale energy market;

42. not observing by the market participants of their obligations under the provisions of art. 3 paragraph (1) - (2) letter e) and art. 5 of Regulation (EU) no. 1227/2011;

43. not observing by network providers or operators, as the case may be, of their obligations under the provisions of art. 36 paragraph (7) letter s), art. 45 paragraph (1) letter a) and art. 57 paragraph (11);

44. not observing by the operator of the electricity market of the commercial regulations issued by ANRE.

45. the refusal of the distribution operators to take over the electricity grid according to the obligation stipulated in art. 46 paragraph (2);

46. breach of the provisions of art. 57 paragraph (6);

47. not observing by the transmission and system operator of the electricity and by the operators of the electricity distribution networks of the maintenance and investment programs, within the deadlines and under the conditions established by the ANRE regulations.

48. failure to comply with the provisions of art. 28 letter b1) and c).

(2) The contraventions provided in para. (1) the following shall be sanctioned:

1. In the case of natural persons, as follows:

a) with a fine from 1,000 lei up to 2,000 lei, for those provided in points 2, 11, 13, points 26-31;

b) with a fine from 2,000 lei up to 4,000 lei, for those provided in sections 3-7, 9, 12, points 14-17, 21, 24 and 25;

c) with a fine from 4,000 lei to 8,000 lei, for the ones provided in points 1, 8, 18 and 36;

d) with a fine from 20,000 lei up to 50,000 lei, for those provided in points 41, 42 and 45.

2. In the case of legal entities, as follows:

- a) with a fine from 5,000 lei up to 100,000 lei, for those provided in points 2, 6, 7, 9, 11-14, 16, 17, 23, 25, 27-31, 39, 40 and 44;
 - b) with a fine from 10,000 lei up to 200,000 lei, for those provided in points 1, 3-5, 8, 10, 15, 18, 20, 22, 26 and 36;
 - c) with a fine from 20,000 lei up to 400,000 lei, for those provided in points 4¹, 24, 32-35, 37, 38, 41 and 42;
 - d) with a fine between 5% and 10% of the annual turnover, for those provided in points 19, 21, 43, 45-47.
- (2¹) The contravention provided in para. (1) point 48 is sanctioned with a fine in the amount of 10% of the turnover of the year previous to the application of the sanction.
- (3) The finding of contraventions and the application of sanctions are made by:
- a) authorized representatives of the competent authority, in the case of the contraventions provided in para. (1) sections 1-27 and sections 32-47;
 - b) the authorized representatives of the local councils, in the case of the contravention provided in para. (1) section 29;
 - c) policemen, gendarmes or local policemen, together with the authorized representatives of the network operators, in the case of the contraventions mentioned in para. (1) points 28, 30 and 31.
- (4) For the contraventions provided in para. (1), with the exception of those mentioned in points 19, 21, 43 and 45-47, repeatedly committed by legal entities, the regulatory authority applies a fine between 1% and 5% of the annual turnover of the contravening person. By repeatedly committed deed is understood the previous committing of at least twice of the same contravention deeds during 12 consecutive months.
- (5) The annual turnover means the turnover resulting from the regulated activity for which the contravention of the contravening person was applied, obtained in the financial year prior to the sanction of the deed.
- (6) [the text of Art. 93, para. (6) of Title I, Chapter VIII was repealed on July 19, 2018 by [Art. I, point 13. of Law 167/2018](#)]
- (7) The application of the sanction of the contravention fine is prescribed within 2 years from the date of the commission of the deed.

Art. 94: The legal regime of contraventions

The contraventions provided in art. 93 paragraph (1) are subject to the application of the provisions of Government Ordinance no. 2/2001 regarding the legal regime of contraventions, approved with modifications and completions by Law no. 180/2002, with subsequent modifications and completions.

Art. 95: Finding the contraventions

In order to ascertain the contraventions provided in art. 93 paragraph (1), the investigating agents mentioned in art. 93 paragraph (3) have access, under the conditions of the law, in buildings, rooms, to installations and in any other place, up to the energy receivers, and have the right to verify the installation, as well as to carry out measurements and determinations. The owners and those who operate these buildings, places or installations are obliged to make available to the certifying agents the documents and documents specific to their activity.

CHAPTER IX: Transitional and final provisions

Art. 96: Entry into force

- (1) The provisions of art. 32 comes into force on March 3, 2013.
- (2) At the date of entry into force of this law, the Law on Electricity no. 13/2007, published in the Official Gazette of Romania, Part I, no. 51 of January 23, 2007, as subsequently amended and supplemented, except for art. 7-11.
- (3) Within a maximum of 60 days from the date of entry into force of this law, the competent authority approves the regulation for the supply of electricity.
- (4) Within 6 months from the date of entry into force of this law, ANRE will adapt the regulatory framework in accordance with this title.

- (5) Until the regulatory framework is adapted, all the normative acts issued under Law no. 13/2007, with the subsequent modifications and completions, remains valid, except for the provisions contrary to this title.
- (6) In order to simplify the bureaucratic authorization procedures, the authorization of the natural persons carrying out activities of design, verification and execution of the works related to the electrical installations belonging to the SEN is performed only according to the regulations issued by ANRE, in compliance with the provisions of this title.
- (7) Any other form of authorization made by other public entities regarding the activities provided in para. (6) is prohibited from the date of entry into force of this law.
- (8) The natural persons authorized until the date of entry into force of this law carry out their activity until the expiration of the term of validity of the authorizations.

Art. 97: Final provisions

- (1) In the normative acts in which the phrases "implicit supplier" and "supplier of last option" appear, they are replaced by the phrase "supplier of last resort".
- (2) The resort Ministry notifies the European Commission about the adoption of this law and other administrative acts necessary for the implementation of the provisions of Directive 2009/72/EC, including by sending the texts of these normative acts.
- (3) Within 24 months from the date of entry into force of this law, the resort ministry shall carry out an assessment of the functioning of the transmission system operator based on the model "independent system operator" and, if appropriate, propose to the Government adopting the property separation model, according to art. 9 paragraph (1) of Directive 2009/72/EC.
- (4) A vertically integrated economic operator that owns a transport network cannot be prevented from adopting the necessary measures to implement the property separation model provided for in art. 9 paragraph (1) of Directive 2009/72/EC.

TITLE II: NATURAL GAS

CHAPTER I: General provisions

Art. 98: Regulatory field

- (1) This title establishes the regulatory framework for carrying out the activities regarding the production, transport, distribution, supply and storage of natural gas and liquefied natural gas, as well as the ways of organizing and functioning of the natural gas sector, market access, and criteria and the procedures applicable for granting of permits and / or licenses in the natural gas sector.
- (2) The provisions of this title shall be applied in a non-discriminatory manner also for biogas, gas obtained from biomass or other types of gas, insofar as it is technically possible for them to be injected or transported through the transport systems of / distribution of / natural gas and through the upstream supply pipes and / or to be used in installations of use, in complete safety.
- (3) This title does not apply to liquefied petroleum gas (LPG), compressed natural gas (CNG), compressed natural gas for vehicles (CNGV).

Art. 99: The objectives of the activities in the natural gas sector

Activities in the natural gas sector must be carried out in order to achieve the following basic objectives:

- a) ensuring the sustainable development of the national economy;
- b) ensuring continuity and safety in the supply of natural gas to clients;
- c) protecting the legitimate interests of the final clients of natural gas;
- d) promoting, stimulating and ensuring competition in the natural gas market;
- e) harmonization of the national legislation with the European Union legislation in the field, respecting the principle of subsidiarity;
- f) transparency of prices and regulated tariffs in the natural gas sector;
- g) development of the natural gas sector under conditions of economic efficiency and environmental protection;

- h)** promoting the production and use of new and renewable gas sources;
- i)** ensuring non-discriminatory access to natural gas sources;
- j)** ensuring the security measures in order to prevent and combat acts of terrorism and sabotage on the infrastructure of the natural gas sector;
- k)** development of interconnections of natural gas transmission systems with similar systems in neighbouring countries and with other transport infrastructures and integration of the national natural gas transmission system into the European natural gas transmission and system network - ENTSO-G, hereinafter referred to as ENTSO -G;
- l)** ensuring the necessary conditions for the proper functioning of the natural gas market and for the integration of the national market into the European internal market of natural gas;
- m)** ensuring non-discriminatory access of third parties to the upstream supply pipelines, storage depots, transport systems, natural gas distribution systems, as well as LNG facilities;
- n)** ensuring the functioning of the surface technological installations in the production fields, of the storage warehouses, of the transport and distribution systems of natural gas, in safe and efficient conditions;
- o)** ensuring the storage capacity of natural gas for the current needs and for those contributing to the energy security of the country.

Art. 100: Meaning of terms and expressions

For the purposes of this title, the following terms and expressions are defined as follows:

- 1.** access to the upstream supply pipelines - the right of an economic operator from the natural gas sector or a client eligible to use the upstream supply pipelines, except the part used in the natural gas production processes, respectively at the point where the gas natural meet the technical quality requirements to be marketed;
- 2.** access to the distribution system - the right of an economic operator from the natural gas sector or a client to use the distribution system;
- 3.** access to the storage system - the right of an economic operator from the natural gas sector or of a client to use the underground storage system;
- 4.** access to the transport system - the right of an economic operator from the natural gas sector or a client to use the transport system;
- 5.** access to the LNG terminal - the right of an economic operator from the natural gas sector or a client to use the LNG terminal;
- 6.** related activities - activities complementary to those of production, transport, distribution, storage of natural gas, which are carried out by the licensed operator, according to the conditions of validity of the operating licenses of the respective systems;
- 7.** device for use - a component part of the installation for the use of natural gas, designated to consume natural gas as fuel or raw material, with the fulfilment of the legal conditions for its operation;
- 8.** authorization / license - the individual administrative act issued by ANRE, granted to a natural or legal person, for the exercise of a right and the execution of certain obligations;
- 9.** competent authority - the National Energy Regulatory Authority - ANRE, which is organized and operates in accordance with the provisions of the law;
- 10.** technical notice - the document issued following the analysis of a technical documentation, attesting the compliance with the conditions imposed by the legislation in force;
- 11.** biogas - a mix of gases of biogenic origin produced by processes of fermentation, gasification or pyrolysis of some organic substances;
- 12.** biomethane - biogas brought to the quality parameters to be used in transport and distribution networks mixed with natural gas;
- 13.** goods owned by third parties - component elements of transport systems or distribution systems, used by operators licensed to carry out transport or distribution services, goods not included in their patrimony;
- 14.** capacity - the maximum flow, expressed in unit of volume per unit of time or in unit of energy per unit of time, to which the user of the network is entitled according to the contractual provisions;

- 15. contracted capacity** - the capacity that the system operator has assigned to a user through a contract;
- 16. available capacity** - the part of the technical capacity that is not allocated and is still available for the system at that moment;
- 17. firm capacity** - the capacity guaranteed contractually as being uninterruptible by the system operator;
- 18. interruptible capacity** - the capacity that can be interrupted by the system operator, according to the conditions stipulated in the contract with the network user;
- 19. unused capacity** - the firm capacity acquired by a network user, based on a contract, but which the user did not nominate until the deadline specified in the contract;
- 20. technical capacity** - the maximum firm capacity that a system operator can offer to a user, taking into account the integrity of the system and its operating requirements;
- 21. client/client** - the wholesale client, the final client of natural gas or an economic operator from the natural gas sector who buys natural gas;
- 22. wholesale client** - natural or legal person, other than a transmission and system operator or a distribution operator, who buys natural gas for resale purposes inside or outside the system where it is established;
- 23. household client** - the client who buys natural gas for his own domestic consumption;
- 24. eligible client** - the client who is free to buy natural gas from a supplier chosen by him;
- 25. final client** - the client who buys natural gas for his own use;
- 26. industrial client** - the final non-household client who uses natural gas in industrial processes through installations defined according to the non-discriminatory regulation approved by ANRE;
- 27.** [the text of Article 100, point 27. of Title II, Chapter I was repealed on July 19, 2018 by Article I, point 16. of Law 167/2018]
- 28. non-household client** - the client who buys natural gas that is not intended for his own domestic consumption;
- 29. vulnerable client/client** - the final client belonging to a category of household clients who, for reasons of age, health or low income, are at risk of social marginalization and who, in order to prevent this risk, benefit from social protection measures, including of nature financial. The social protection measures, as well as the eligibility criteria for them, are established by normative acts;
- 30. interruptible safety client** - final client who by reducing his consumption until stopping contributes to maintaining security in the supply of natural gas in an emergency situation. Regulation of the legal regime applicable to the interruptible security client, as well as any other measures to implement the EU Regulation no. 994/2010 of the European Parliament and of the Council of 20 October 2010 regarding the measures to guarantee the security of natural gas supply and to repeal the Council Directive 2004/67 / EC is achieved by a Government decision elaborated on the proposal of the relevant ministry as competent authority;
- 31. code** - collection of regulations of a technical and / or commercial nature, elaborated or approved by ANRE, establishing rules and procedures for economic operators in the natural gas sector;
- 32. upstream supply pipeline** - any pipeline or pipeline network operated and / or constructed as part of a natural gas or oil production project or used for the transport of natural gas from the perimeter / perimeters in which the projects of natural gas and oil production are carried out to a system, an installation, a processing terminal or to a coastal discharge terminal;
- 33. transport pipeline** - the assembly consisting of pipes, including the installations, equipment and related facilities, which operate mainly in high pressure regime, through which the transport of natural gas is ensured between the pickup points in the upstream supply pipes, in the interconnection pipelines, the pick-up points from the import or from the LNG terminals, up to the delivery points to the distribution operators, to the final clients or to the interconnection pipelines;
- 34. interconnection pipeline** - transport pipeline that crosses or override a border between two Member States of the European Union for the sole purpose of connecting the transmission systems of these states; the interconnection pipelines with the states that are not members of the European Union are subject to the provisions of the agreements with these states;

- 35.** technological consumption - the quantity of natural gas, certified on the basis of the methodology developed by the National Agency for Mineral Resources, necessary to be consumed by an economic operator to ensure the technological parameters necessary to carry out the production and storage activity, respectively the quantity of natural gas certified based on the methodologies elaborated by ANRE, necessary to be consumed by an economic operator to ensure the technological parameters necessary to carry out the activity of distribution, respectively of natural gas transmission;
- 36.** natural gas supply contract - a contract for the sale and purchase of natural gas, which excludes a financing instrument from the natural gas field;
- 37.** smart metering - an advanced metering system that provides information to the final consumer and operator on the actual consumption of electricity or natural gas, as well as on the actual moment of consumption and which offers options to the consumer for the efficient use of energy;
- 37¹.** take or pay contract type – sale-purchase contract which obliges the buyer to pay a certain negotiated quantity, even in the absence of taking over it;
- 38.** underground storage deposit - the space from the earth's crust having natural or acquired qualities as a result of previous oil operations or mining activities, proper for injecting, storing and extracting volumes of natural gas, which is publicly owned by the state;
- 39.** holding control - any rights, contracts or any other elements that, each in part or taken together and taking into account the circumstances of fact or law, give the possibility to exercise a decisive influence on a company, in particular by:
- a)** property or use rights over all or part of the assets of an enterprise;
 - b)** rights or contracts that give a decisive influence on the structure of the company, the vote or the decisions of the governing bodies of an enterprise;
- 40.** mettering - the specific activity of permanent and operative balancing, at the level of the systems, of the quantities of natural gas in and out, respectively, at the parameters resulting from the obligations of delivery, as well as taking measures to limit the effects of the exceptional situations, such as: very low temperatures, natural calamities, major damage and the like, through the use of specific means;
- 41.** natural gas distribution - the activity of transporting natural gas through a distribution pipeline system to be supplied to clients, but not including supply;
- 42.** duration of operation - the time interval in which an objective in the natural gas sector achieves the purpose for which it was built under conditions of safety and economic efficiency, according to the regulations in force;
- 43.** natural gas supply - the commercial activity of selling natural gas, including LNG, to clients;
- 44.** supplier - natural or legal person who carries out the activity of supplying natural gas;
- 45.** supplier of last resort - the supplier designated by the competent authority to provide the supply service under specific regulated conditions;
- 45¹.** [the text of Art. 100, point 45 ^ 1. from Title II, Chapter I was repealed on July 19, 2018 by **Art. I, point 16. of Law 167/2018**]
- 46.** [the text of Article 100, point 46. of Title II, Chapter I was repealed on July 19, 2018 by **Article I, point 16. of Law 167/2018**]
- 47** liquefied natural gas (LNG) - natural gas which, following specific processes, is brought into liquid state and stored in special containers;
- 48** natural gases - the free gases from the methane gas deposits, the gases dissolved in the crude oil, those from the gas field associated with the oil deposits, as well as the gases resulting from the extraction or separation of liquid hydrocarbons;
- 49.** [the text of Article 100, point 49. of Title II, Chapter I was repealed on July 19, 2018 by **Article I, point 16. of Law 167/2018**]
- 50.** commercially sensitive information - information whose disclosure could restrict, prevent or distort competition in the natural gas market and / or lead to the injury of market participants;
- 51.** new infrastructure - infrastructure that was not completed until August 4, 2003;

- 52.** surface technological installation related to the production of natural gas - the assembly consisting of the appliances, accessories and pipelines, including upstream ones, used for the production and transport of natural gas;
- 53.** storage facility - the installation used for natural gas storage and which is owned and / or operated by a storage operator, including LNG facilities used for storage, but excluding the part used for production activities, as well as installations reserved exclusively for transmission and system operators, in order to fulfil their duties;
- 54.** installation of use - the assembly of pipelines, appliances and accessories, including the furnace and the flue gas outlet, located after the pressure and measuring the flow adjustment station, as the case may be, except for the flow measuring device, which it is part of the distribution system;
- 55.** natural gas derivative instrument - commodity derivative instrument, such as these types of financial instruments explained in the regulations in force regarding the financial instruments' markets;
- 56.** natural gas storage - the set of activities and operations carried out by the storage operator for or in connection with the reservation of the storage capacity in underground deposits and for the injection, storage and extraction from these capacities of certain quantities of natural gas;
- 57.** direct pipeline - natural gas transmission / distribution pipeline, complementary to the interconnected transport / distribution / upstream pipeline of natural gas;
- 58.** natural monopoly in the field of natural gas - situation in which the transport, storage or distribution services of natural gas are provided by a single operator for a given area;
- 58¹.** granting authority (grantor) for the gas distribution public service - the authorities of the local public administration from the administrative-territorial units or their associations, as the case may be;
- 59.** objective of the natural gas sector - upstream supply pipeline related to natural gas production, a system of transport, distribution or storage of natural gas or a component part of one of them;
- 60.** operator of the LNG terminator - the natural or legal person who carries out the activity of liquefying natural gas or the import, unloading and regasification of LNG and is responsible for the operation of an LNG plant;
- 61.** natural gas market operator - legal entity that ensures the organization and administration of the centralized markets, with the exception of the balancing market, for the natural gas trading on short, medium and long term, on the wholesale market or on the retail market, under the conditions of the regulations issued by ANRE;
- 62.** upstream supply pipeline operator - the natural or legal person who carries out the activity of natural gas production and is responsible for the exploitation, maintenance and, if necessary, the development of upstream supply pipelines in a certain area;
- 63.** distribution operator - the natural or legal person who carries out the activity of natural gas distribution has one or more delimited areas and is responsible for the operation, maintenance and development of the system in the respective area and, as the case may be, of its interconnections with other systems, such as and by ensuring the long-term capacity of the system, in order to meet at a reasonable level the demand for natural gas distribution;
- 64.** storage operator - the natural or legal person who performs the storage activity and is responsible for the exploitation of the natural gas storage facility;
- 65.** transport and system operator - the natural or legal person who carries out the activity of natural gas transport and is responsible for the operation, maintenance and, if necessary, the development of the transport system in a certain area and, as the case may be, its interconnections with other systems, as well as ensuring the long-term capacity of the system, in order to satisfy the demand for the transport of natural gas;
- 66.** affiliated economic operator - any other economic operator that, directly or indirectly, controls the specified economic operator, is controlled by it or is jointly controlled with this economic operator;
- 67.** economic operator in the natural gas sector - the natural or legal person, with the exception of the final clients, carrying out at least one of the following activities: production, transport, distribution, supply,

centralized market administration, purchase or storage of natural gas, including LNG, and which has commercial, technical and / or maintenance responsibilities related to the respective activities;

68. integrated economic operator from the natural gas sector - economic operator from the natural gas sector integrated vertically or horizontally;

69. horizontally integrated economic operator - an economic operator in the natural gas sector that carries out at least one of the activities of production, transport, distribution, supply or storage of natural gas, as well as an activity outside the natural gas sector;

70. vertically integrated economic operator - an economic operator or a group of operators in the natural gas sector in which the same person or persons is (are) entitled, directly or indirectly, to exercise control over it and who performs at least one of the activities of transport, distribution, storage of natural gas, including for LNG, and at least one of the activities of production or supply of natural gas;

71. natural gas market - the organization framework in which natural gas is traded and the associated services;

72. the centralized natural gas market - the organized framework for conducting natural gas transactions between various economic operators, intermediated by a natural gas market operator, based on specific rules approved by the competent authority;

73. natural gas balancing market - the organized framework for conducting natural gas transactions between various economic operators, intermediated by the transmission system operator, based on specific rules approved by ANRE;

74. long-term planning - long-term planning of the supply and transport capacity of the economic operators in the natural gas sector, in order to satisfy the natural gas demand of the system, to diversify the sources and to ensure the supply of clients;

75. regulated price - the price at which the supply of natural gas is realized based on a framework contract, quality standards of the service and / or specific conditions established by the competent authority;

75¹. virtual trading point (VTP) - abstract point, unique at the level of the National Transport System, between the points of entry in the National Transport System and those of exit from the National Transport System, in which the transfer of ownership of gas is allowed. natural from one participant to another participant in the natural gas market; VTP is used by the participants in the natural gas market both for commercial purposes and for the individual balances of their own portfolios, according to ANRE regulations;

76. connection - the connecting pipe between a main branch (upstream supply pipeline, transport pipeline, natural gas distribution pipeline) and a measuring station or a regulating, measuring, delivering natural gas station, which supplies a distribution system, one or more final clients;

77. transport and / or distribution network - the set of pipes connected to each other, including the related installations and equipment for the transport of natural gas, according to the specific technical regulations;

78. capacity reservation - maintaining a part of the available transport / distribution / storage capacity available to users for the transportation / distribution / storage of a given quantity of natural gas;

79. the natural gas sector - all the activities carried out by the economic operators for the production, transport, storage, distribution and supply of natural gas, biogas, biomethane and LNG, as well as the installations and equipment used to carry out these activities;

80. service system - any service required to access and operate transmission networks, distribution networks, LNG and / or storage facilities, including load balancing devices, mix and injecting inert gas devices, but excluding reserved facilities only for the transport and system operators, distribution or storage operators in order to fulfil their duties;

80¹. public service - activity of general interest in natural gas, authorized, and monitored by a public authority.

81. safety - security of natural gas supply and technical security of objectives;

82. system - any transmission network, distribution, LNG terminal and / or storage facility operated by an economic operator in the natural gas sector, including the related installations through which system

services are provided, including storage in the pipelines, as well as the operators' facilities economic affiliates, needed to ensure access to the transportation, distribution, storage deposit or LNG terminal;

83. transport system - the assembly of pipelines connected to each other, including the installations and the related equipment for the transport of natural gas, according to the specific technical regulations, by which it is ensured the acquisition of the natural gas extracted from the operating or import perimeters and the delivery to distributors, direct clients, to storage, and to beneficiaries from different countries;

84. the national transport system (SNT) - the transport system located on the territory of Romania and which is in the public property of the state;

85. connected system - a number of systems connected to each other;

86. storage in the pipeline - gas storage by compression in the systems of transport and distribution of natural gas, but excluding the quantities of natural gas reserved by the operators of the system of transport or distribution in order to fulfil their attributions;

87. coastal terminal - the assembly of installations located on the Black Sea shore where it is ensured the acquisition of natural gas from the submarine exploitation perimeters, respectively the point where the natural gas meet the technical quality conditions in order to be marketed;

88. LNG terminal - all the installations necessary for the liquefaction of natural gas or for the import, unloading and regasification of LNG and which includes the auxiliary services and temporary storage facilities necessary for the process of regasification and subsequent delivery to the transport system, but which does not include any part of the LNG terminals used for storage;

88¹. natural gas trader - a licensed natural or legal person who buys and sells natural gas exclusively on the wholesale gas market;

89. natural gas transmission - the transmission of natural gas through a network consisting mainly of high-pressure pipelines, other than a network of upstream supply pipelines and that part of the high-pressure pipelines which is mainly used for the distribution of natural gas locally for the purpose of delivering it to clients, but not including supply;

89¹. network user - any client of a transmission and system operator, as well as the transport and system operators themselves, insofar as this is necessary for them to perform the functions in the field of transport, based on ANRE regulations and legislation specific of the European Union;

90. system user - the natural or legal person who supplies the system or is served by the system;

91. zone of protection - the area adjacent to the objectives of the natural gas sector, extended in space, which establishes prohibitions regarding the access of persons, the regime of activities and constructions, established by technical norms;

92. safety zone - the area adjacent to the objectives of the natural gas sector, extended in space, in which restrictions and prohibitions are established, in order to ensure the normal functioning and to avoid endangering the persons, goods and the environment, established by technical norms; the safety zone also includes the protection zone.

CHAPTER II: Authorities and competences

Art. 101: Energy strategy and policy in the natural gas sector

(1) The national energy strategy defines the objectives of the natural gas sector in the medium and long term and the ways to achieve them, in the conditions of ensuring a sustainable development of the national economy. The energy strategy is elaborated by the relevant ministry and approved by the Government, in consultation with non-governmental organizations, social partners and representatives of the business environment.

(2) The energy policy, following the directions established by the energy strategy, is elaborated by the relevant ministry, on the basis of the government program, for an average period of time and with consideration of the probable long-term developments, with the consultation of the non-governmental organizations, the social partners and of the representatives of the business environment, considering mainly:

- a) establishing the appropriate institutional framework, by establishing the bodies and the competent authority for the implementation of this policy;
- b) ensuring security in the supply of natural gas;
- c) forecast of imports and exports of natural gas;
- d) elaboration of development programs in the natural gas sector;
- e) ensuring the protection of the environment;
- f) increasing the economic and / or energy efficiency in the production, storage, transport, distribution and use of natural gas;
- g) stimulation of the development of the natural gas storage capacities, of the injection / extraction capacities from the deposits and of the establishment of strategic stocks;
- h) specifying the guidelines for research and development specific to the natural gas sector and promoting advanced technologies in the field;
- i) development of international cooperation.

(3) The government, the relevant ministry and the other specialized bodies of the central public administration take measures to achieve the energy policy objectives provided in para. (2) and examines, annually or whenever necessary, the status of compliance with its provisions.

Art. 102: Duties of the ministry of the line

The relevant Ministry elaborates the policy in the field of natural gas and ensures its fulfilment, according to the provisions of the present title, having the following main attributions:

- a) implements the energy policy of the Government;
- b) elaborates programs and plans of measures for the application of the Government policy in the natural gas sector;
- c) ensures the elaboration of studies based on which the priorities for investments in the natural gas sector are to be established;
- d) elaborates draft normative acts for the natural gas sector, with the consultation of interested parties;
- e) [the text of Art. 102, letter E. of Title II, Chapter II was repealed on July 19, 2018 by Article I, point 21. of Law 167/2018]
- f) supervises the application and observance of the measures established for the protection of the environment by the participants in the activities of the natural gas sector;
- g) ensures the harmonization with the European Union standards and regulations in the field of natural gas and creates the mechanisms necessary for their application;
- h) ensures the monitoring of compliance with the commitments undertaken by the Treaty of accession to the European Union for the natural gas sector and coordinates the transposition and implementation of these commitments by the institutions involved;
- i) elaborates, together with the Ministry of Labour, Family and Social Protection and with employers' and trade unions organizations, the social policy proposals specific to the natural gas sector, the social and medical assistance programs, risk insurance and accidents, in order to avoid professional risks and rehabilitation of those who have suffered accidents at work and occupational diseases;
- j) monitors the aspects regarding the security of the supply, in particular regarding the balance of supply / demand on the national market, at the level of the future forecast demand and of the available reserves, the additional capacity envisaged, planned or under construction, the quality and the maintenance level of the networks, as well as the measures needed to meet the peaks of supply and the supply shortfall of one or more suppliers. In this regard, it publishes every 2 years, until July 31, a report highlighting the findings made in monitoring these issues, as well as any measures taken or envisaged to address them, and immediately submits this report to the European Commission;
- k) promotes and facilitates, together with ANRE, the cooperation between the transport and system operators at regional level, including regarding cross-border issues, in order to create a competitive internal gas market based on the principles of transparency, competition, non-discrimination, solidarity and security, in order to ensure the consumption of natural gas for final consumers under conditions of continuity and

security; this cooperation covers the geographical areas defined in accordance with art. 12 paragraph (3) of Regulation (EC) no. 715/2009 of the European Parliament and of the Council of 13 July 2009 on the conditions of access to the natural gas transmission networks and repealing Regulation (EC) no. 1775/2005, as well as other geographical areas;

l) exercise the quality of competent authority on the basis of Regulation (EU) no. 1.938 / 2017 of the European Parliament and of the Council of 25 October 2017 on the measures to guarantee the security of gas supply and to repeal Regulation (EU) no. 994/2010;

m) approves, together with the Ministry of Labour, Family and Social Protection, labour protection regulations in the natural gas sector;

n) collaborates with the Ministry of Labour and Social Justice, which has the responsibility of carrying out the national action plan in cases of energy poverty, defining the critical situations and the clients who cannot be disconnected in such situations.

Art. 102¹: Regulatory authority

(1) ANRE respects and implements all relevant decisions, with binding legal force, of ACER and of the European Commission, and the Government, the relevant ministry and the other specialized bodies of the central public administration, as the case may be, will take all the necessary steps in this sense, according to their attributions and competences.

(2) ANRE cooperates and consults with the other regulatory authorities within the European Union, providing them, as well as ACER, with the information necessary to carry out their tasks under Directive 2009/73 / EC of the European Parliament and of the Council of 13 July. 2009 on common rules for the internal market in the natural gas sector and repealing Directive 2003/55 / EC. Regarding the exchange of information, ANRE ensures the same level of confidentiality as that imposed on the issuing authority.

(3) ANRE may request the opinion of ACER regarding the conformity of a decision taken by a regulatory authority with the guidelines mentioned in Directive 2009/73 / EC or in Regulation (EC) no. 715/2009.

(4) ANRE may inform the European Commission, if it considers that a decision relevant to cross-border trade, taken by another regulatory authority, does not comply with the guidelines mentioned in Directive 2009/73 / EC or Regulation (EC) no. 715/2009, within 60 days from the date of the respective decision.

(5) ANRE shall comply, within 60 days, with a decision of the European Commission which requires the withdrawal / revocation of an ANRE decision and shall inform the European Commission accordingly.

(6) ANRE approves by order of its president and publishes technical norms that establish the technical safety criteria and the minimum technical requirements of design, execution and operation for the connection to the system of LNG facilities, storage facilities, other transport systems or storage systems and also the direct pipeline. These technical rules ensure the interoperability of the systems and are objective and non-discriminatory and are notified to the European Commission in accordance with the national legislation in force transposing Directive 98/34 / EC of the European Parliament and of the Council of 22 June 1998 establishing a procedure for the provision of information in the field of standards and their technical regulations and norms regarding the services of the information society, as subsequently amended.

(7) ANRE controls, through the authorized persons, the observance of the specifications, characteristics and technical safety criteria of the installations and equipment used in the natural gas transmission and distribution networks, approved in compliance with the European legislation in this matter.

(8) ANRE ensures the increase of the degree of information, education and awareness of the rights of the final clients of natural gas in relation to the economic operators participating in the natural gas market and takes all the necessary measures to make available their practical information.

CHAPTER III: The concession and the regime of rights over the property of third parties

Art. 103: The object of the concession

The public property assets related to the objectives / systems of transport and storage of natural gas, as well as the services of transport, storage and distribution of natural gas are subject to concession to Romanian or foreign legal persons, according to the law.

Art. 104: Concession of the public service for the distribution of natural gas

(1) The public utility service for natural gas distribution shall be concessioned for one or more administrative-territorial units. The concession is exclusive.

(1¹) The quality of granting authority is held by the authorities of the local public administration from the administrative-territorial units or their associations, as the case may be, for the public utility service of general interest provided in para. (1).

(1²) The general framework regarding the legal regime of the concession contracts of the public utility for the distribution of natural gas, the procedures for granting the concessions, as well as the framework content of the specification, are elaborated by the relevant ministry, in accordance with the provisions of the present law and is approved by Government decision.

(1³) By exception from the provisions of para. (11), the quality of granting authority for the economic operators designated by the Government Decision no. 1.649 / 2004 regarding some measures for the development and completion of the privatization of the “Distrigaz Nord” Natural Gas Distribution Company - S A. Târgu Mureş and of the “Distrigaz Sud” Natural Gas Distribution Company - S A. Bucharest is still held by the Ministry of Energy.

(1⁴) All the legal provisions and regulations issued by ANRE regarding the granting authorities also apply to the Ministry of Energy as the granting authority for the situations provided in para. (13).

(2) By derogation from the provisions of Law no. 100/2016 regarding the concessions of works and the concessions of services, with the subsequent modifications and completions, the granting authorities initiate the process of awarding the concession, following the request received from an interested person or public authority, under the conditions of the present law.

(2¹) The administrative-territorial units and / or their associations may request on their own behalf the specific authorizations / licenses provided by the legislation in force, according to the law.

(3) The feasibility study provided in para. (2) it is drawn up, in accordance with the provisions of the methodology developed and approved by ANRE, by an economic operator authorized by ANRE, it is endorsed by ANRE decision and it is an integral part of the concession award documentation.

(4) The favourable decision of ANRE is mandatory for initiating the process of awarding the concession of the public service for the distribution of natural gas.

(5) By derogation from the provisions of Law no. 100/2016, with the subsequent modifications and completions, the granting authorities, in collaboration with ANRE, will take the necessary measures so as to ensure, as the case may be, the concession of the natural gas distribution systems for several neighbouring administrative-territorial units and / or their associations within a single contract and the same technical supply solution in the national natural gas transmission system. The licensor and the competent authority will ensure that the technical solution for supplying the concessioned area is usually achieved through a single connection.

(6) Under justified conditions, the grantor of the public distribution service, with the prior approval of ANRE, may decide to extend the concessioned area for one or more localities belonging to the administrative-territorial unit, within which, for at least one locality, the distribution service of has already been granted; the extension of the concessioned area is accomplished by an additional deed to the concession contract concluded with the concessionaire in the respective area, defined according to the provisions of para. (1).

(6¹) The licensor / concessionaire, in order to set up the natural gas distribution system, has the obligation to obtain in advance the specific authorizations provided by the legislation in force.

(7) After awarding the concession, in order to carry out the activity, the concessionaire requests the specific licenses provided by the legislation in force. It has the obligation to ensure the supply of natural gas under regulated regime to the household clients who have not exercised their right of eligibility until the date of elimination of the regulated prices, for which purpose it is also required to hold the license for the natural gas supply activity; for the economic operator who, according to the legal provisions, has the obligation to carry out the legal separation of the distribution and supply activities, the economic operator affiliated to it

holds the license for the activity of supplying natural gas and has the obligation to ensure the supply of natural gas in a regulated regime to the household clients who did not exercise their right of eligibility until the date of elimination of regulated prices.

(8) The applicants for natural gas located in delimited areas that are not concessioned can be supplied under the conditions provided in art. 152.

(9) Operators who have licenses to operate the natural gas distribution system and have concluded contracts for the provision of the public gas distribution service with the local authorities, assimilated to the concession contracts, benefit from all the rights and obligations of the concessionaire provided in this law.

(10) The distribution operator designated by ANRE to take over the operation of a distribution system, under the conditions of art. 138 paragraph (1) letter g), benefits from all the rights and obligations of the concessionaire provided in this law.

Art. 105: Ensuring the monitoring of the execution of the works

The grantor / concessionaire of the natural gas distribution service must ensure the surveillance of the works provided for in the establishment authorization / concession contract, through his own personnel or through contract staff, authorized according to ANRE regulations.

Art. 106: Withdrawal of the concession

(1) The concession right may be withdrawn by the grantor in the situations in which the holder:

- a) does not perform the volume of works within the terms stipulated in the contract;
- b) does not comply with the essential clauses defined as such by the parties to the contract, which necessarily include the clauses regarding payment of royalties and environmental protection;
- c) systematically violates the conditions of validity of the natural gas distribution licenses or the legislation regarding the safety in operation of the objectives.

(2) The decision to withdraw the concession issued by the licensor may be appealed, within 60 days from the communication, to the competent administrative court. The final decision will be published according to the legal provisions.

(3) The license corresponding to the concession shall be withdrawn by ANRE, under the conditions of termination of the concession contract.

Art. 107: Termination of the concession contract

(1) Upon termination of the concession contract for any reason, the goods related to the public distribution service owned by the concessionaire may be taken, in whole or in part, by the grantor or another concessionaire, with the grantor's agreement, in exchange for payment a compensation equal to the regulated value remaining unamortized, established by ANRE.

(2) If the concession contract ceases by the exclusive fault of the concessionaire, he may not receive compensations from the grantor or other concessionaire, except for compensation equal to the regulated value remaining unamortized, established by ANRE.

Art. 108: The rights of the concessionaire

(1) In order to carry out the transport or distribution service, in the case of using the goods owned by third parties, the concessionaire has the following rights:

- a) to use these goods through the effect of the law;
- b) without prejudice to the right provided in letter a), the conditions for its exercise are those provided in the report of handing over into operation and / or in the contract;
- c) to include the costs related to the works of operation, maintenance, repairs and modernization and others, performed for goods, when setting the tariff for the service provided, under the specific ANRE regulations;
- d) with the consent of the owner, to take these goods in his property, with a fair compensation;
- e) to develop the system;
- f) to use the full capacity of the good;
- g) to ensure the access of new applicants, in compliance with one of the following conditions:
 - 1. the presentation of the owner's approval;

2. presentation of the applicant's approval to access regarding the owner's compensation; the consent of the applicant is presumed when such agrees in writing, by an authentic document, to compensate the owner for the part that comes from the investment made;

h) to request the owner of the good technical-economic documents to prove the quality of the materials and works performed, as well as the value of the investment;

i) to replace the goods due to needs arising in order to modernize, increase the capacity of the system or as a result of increasing the degree of wear or deterioration; the concessionaire has the obligation to replace these goods in accordance with the regulations approved by ANRE for this purpose; the concessionaire is the owner of the goods thus replaced.

(2) Correlating with the rights provided in para. (1), the operators of the transport / distribution systems undertake:

a) to finance, at the expiration of its duration, the investments related to the replacement of goods;

b) to operate and maintain the goods for the safe operation of the system.

(3) In order to ensure the continuity and safety in the natural gas supply of the clients, if the provision of the public transport / distribution service is carried out through the goods owned by third parties, it is forbidden to change the destination for which these goods were built.

Art. 109: Right of use and right of easements

On lands and other goods public or private property of natural or legal persons, as well as on activities carried out by natural or legal persons in the vicinity of capacities, the concessionaires in the natural gas sector benefit, according to the law, during the works of development, rehabilitation, modernization, respectively of exploitation and maintenance of the respective capacities, of the following rights:

a) the right of use for executing the necessary works in order to achieve, rehabilitate or modernize the objectives / systems;

b) the right of use to ensure the normal functioning of the capacity by carrying out the necessary revisions, repairs and interventions;

c) the right of legal easements for underground, surface or aerial passage for the installation of networks, pipelines, lines or other equipment related to the objectives / systems and for access to their location;

d) the right to obtain the restriction or cessation of activities that could endanger persons and goods;

e) the right of access to public utilities.

Art. 110: The right of use for the execution of works

In exercising the right of use for the execution of the necessary works in order to achieve, rehabilitate or modernize the objectives / systems, the concessionaire may:

a) deposit on the land private property, to the extent strictly necessary, materials, equipment, machinery and installations;

b) abolish crops or plantations or other existing arrangements or only to restrict them, to the extent strictly necessary, for the execution of the works, according to the law;

c) extract materials, to capture water, under the conditions provided by the legislation in force;

d) install and work on machinery, to set up offices and construction sites;

e) stop or restrict the activities of the owner, to the extent strictly necessary, for the execution of the works for the respective objective / system.

Art. 111: The right of use to ensure the normal functioning of the objective / system

(1) The right of use to ensure the normal functioning of the objective / system shall extend throughout its duration, and its exercise shall be carried out whenever necessary to ensure the normal functioning of the objective / system.

(2) In exercising the right provided in para. (1) the concessionaire may:

a) store materials, equipment, machinery, installations for maintenance, overhauls, repairs and interventions;

b) install machines and work with them;

c) affect crops, plantations or other existing arrangements and to restrict activities of the owner, to the extent and for the duration strictly necessary, in order to carry out maintenance, repairs, revisions or interventions.

Art. 112: The right of legal easements for underground, surface or air passage

The subsurface, surface or air legal easement includes the right to install networks, pipelines, lines, pillars and other equipment related to the capacity, as well as access to their location for interventions, maintenance, repairs, overhauls, modifications and exploitation, according to the legal provisions in force.

Art. 113: Exercise of rights of use and easements

(1) The rights of use and easements are for public utility, have a legal character, and their content is provided in art. 109 and is exercised without registration in the land book.

(2) The exercise of the rights of use and easements shall be carried out on a compulsory basis throughout the existence of the objective / system of natural gas, both on the occasion of its realization, and on the occasion of the refurbishment of a functioning capacity, repair, overhaul, intervention works, in case of damage, according to the law, without any other formalities.

(3) For the purpose of granting compensation and fair compensation related to the exercise of the rights of use and easements, the licensees and authorizations conclude with the owners of the lands affected by the exercise of the rights of use and easements a framework convention whose content is established by a decision of the Government.

(4) The licensees and authorizations are obliged to proceed to the conclusion of the framework conventions provided in para. (3), within a maximum of 30 days from the request of the affected owners.

(5) If, during the interventions for development, modernization, repairs, overhauls, breakdowns, damages occur to the owners in the vicinity of the objectives / systems in the natural gas field, the concessionaires have the obligation to pay damages according to the law.

(6) The compensations are established taking into account the following criteria:

a) the area of land affected during the works;

b) the values for the estimated productions of the affected crops and plantations, communicated by the authorized bodies, as well as the arrangements affected by the works;

c) the movement value of the affected immovable property.

(7) The amount of the compensation is established by the agreement of the parties or, if the parties do not agree, by a court decision.

Art. 114: The right to obtain the restriction or cessation of activities

(1) To avoid endangering the persons, goods or activities carried out in the area of execution of the works of development, rehabilitation, modernization of the objectives / systems, as well as of the operations of revision, maintenance or repair to the objective / the system in operation, the concessionaire has the right to obtain the restriction or cessation, to the extent necessary and during the mentioned works or operations, of the activities carried out in the vicinity of other persons.

(2) The operator of the distribution system has the right to intervene at any time on the natural gas distribution networks in order to carry out emergency repairs, in accordance with ANRE regulations, without having to obtain prior approvals and authorizations provided for in this title, in order to remedy those defects that endanger the safety and security of consumers.

Art. 115: The right of access to public utilities

The right of access to public utilities must be exercised by the concessionaire in good faith, without prejudice to the access of other persons to the respective public utilities.

Art. 116: The right to contract the supply or provision of services

For the secondary consequences caused or that can be produced by the development, rehabilitation or modernization, respectively by the functioning of some objectives / systems in the natural gas sector, the concessionaire can contract with the interested persons, as beneficiary, the supply or provision of appropriate services, according to the law.

Art. 117: Establishment of the protection or safety zones

For the protection and normal functioning of the objectives / systems in the natural gas sector, ANRE establishes, by technical norms, their protection and safety zones.

CHAPTER IV: Authorizations and licenses

Art. 118: Authorization regime

- (1) Establishment of new upstream supply pipelines for the production of natural gas, as well as new production targets for biogas, biomethane and LNG or new systems for transport, storage and distribution of natural gas by Romanian or foreign legal entities is carried out on the basis of setting-up authorizations.
- (2) Conducting the activities of supplying natural gas, biogas / biomethane, LNG, operating upstream supply pipelines for the production or storage of natural gas, transport, distribution, LNG terminals, and administration centralized natural gas markets are licensed.
- (3) The procedure for granting, modifying, suspending and withdrawing the authorizations and licenses, the terms and conditions of granting are established by regulations elaborated by ANRE.

Art. 119: Categories of authorizations and licenses

The competent authority issues:

1. design / execution / exploitation authorizations for:

- a) upstream pipelines;
- b) natural gas transmission systems;
- c) natural gas distribution systems;
- d) installations for the use of natural gas;
- e) installations related to the activity of biogas / biomethane production / storage;
- f) surface technological installations related to natural gas storage;
- g) [the text of Art. 119, point 1., letter G. of Title II, Chapter IV was repealed on July 19, 2018 by Art. I, point 31. of Law 167/2018]

2. authorizations for setting up:

- a) upstream supply pipes;
- b) surface technological installations related to storage, in case of new deposits;
- c) biogas / biomethane production facilities;
- d) natural gas transmission / distribution systems, in the case of new systems;
- e) LNG facilities.

3. licenses for the activities of:

- a) supply of natural gas, biogas / biomethane and LNG;
- b) operation of transport, distribution or underground storage systems;
- c) operation of upstream supply pipelines related to natural gas production;
- d) operation of LNG terminals;
- e) administration of centralized markets.
- f) natural gas trader.

Art. 120: Refusal to grant an authorization or license

(1) ANRE may refuse to grant an authorization / license in the following cases:

- a) the applicant does not fulfil the conditions stipulated in the specific regulations;
- b) the applicant is in the process of judicial reorganization or bankruptcy;
- c) the applicant has been withdrawn by ANRE an authorization / license in the last 5 years for reasons attributable to it;
- d) for the construction and operation of natural gas distribution systems in a delimited area for which authorization / license was issued to another economic agent.

(2) The reasons for refusing to grant an authorization / licenses must be objective and non-discriminatory, the refusal shall be ordered and motivated by the decision of the president of ANRE, the applicant being able to appeal the decision to the administrative court, according to the law.

(3) The reasons for refusing to grant an establishment authorization shall be notified to the European Commission.

Art. 121: Design and execution of objectives in the natural gas sector

(1) In order to design, execute and exploit the objectives / systems of the natural gas sector, the economic operators have the obligation to hold authorizations issued by ANRE based on a specific regulation.

(2) The objectives of the natural gas sector, as well as the works of modification, modernization or extension thereof, are designed and executed by authorized legal persons.

(3) In order to design and execute the objectives / systems of the natural gas sector, the natural persons have the obligation to hold the quality of authorized installer, granted by ANRE on the basis of a specific regulation.

CHAPTER V: General provisions regarding the production, transport, distribution, underground storage, supply and administration of centralized natural gas markets

Art. 122: Common obligations of license holders

(1) The common obligations of the license holders in the natural gas sector, regardless of the form of ownership or their legal status, are the following:

a) to keep, in the internal accounting system, separate accounting records by types of activities carried out and for each of the regulated activities, as they would be required to do if the respective activities were carried out by separate economic operators, so as to allow accurate reflection of the incomes and expenses related to each activity, in order to avoid discrimination and cross subsidies, as well as to encourage competition; they also keep separate accounting records, which can be consolidated, for other activities in the natural gas sector, as well as for other activities outside the natural gas sector; the revenues resulting from the ownership of the transmission or distribution network must be specified separately in the income analytical accounts; the internal accounting records include a balance sheet and a profit and loss account for each activity;

b) to prepare, submit for audit and publish the annual financial statements at the level of economic operator, which do not distinctly include the secondary offices without legal personality, according to the specific legislation, adopted in accordance with the Fourth Directive 78/660 / EEC of the Council of 25 July 1978;

c) to maintain the confidentiality of the commercial information obtained from third parties;

d) not to abuse the commercially sensitive information obtained from third parties in the process of ensuring access to the system;

e) to provide the information needed for third party access to the system in a clear, transparent, easily accessible manner and at appropriate intervals;

f) hold all the authorizations and licenses provided by the legislation in force;

g) to comply with the conditions of validity associated with the authorizations and licenses granted by ANRE;

h) to use natural gas in compliance with the provisions of art. 181;

i) to make available to ANRE, upon request, copies of all contracts for the purchase / sale-purchase / supply of natural gas and of transit of natural gas, as the case may be.

j) not to abuse of the information classification system and to allow the transparency of public information;

k) to provide correctly and completely the data and information requested by ANRE, to fulfil the measures ordered by ANRE and to follow the calls addressed by ANRE.

(2) Economic operators who are not obliged to publish the annual financial statements shall keep at their premises a copy of them, available to the public.

(3) The audit activity provided in para. (1) letter b) consists, in particular, in verifying compliance with the obligation to avoid discrimination and cross subsidies between the activities carried out by the audited economic operator.

(4) In their internal accounting, the economic operators are obliged to establish the rules for the allocation of the assets and liabilities, of the expenses and incomes, as well as of the losses, which they will apply to

keep the separate records provided in para. (1) letter a); these rules can be modified only in exceptional cases and must be properly mentioned and justified, according to ANRE regulations.

(5) The economic operators indicate by explanatory notes to the regulated accounting records any transaction made with the related companies, of a certain importance, according to ANRE regulations; by related companies means affiliated companies, within the meaning of art. 41 of the Seventh Council Directive 83/349 / EEC of 13 June 1983 and / or associated enterprises within the meaning of art. 33 paragraph (1) from the same document, and / or companies belonging to the same shareholders.

Art. 123: The natural gas producer

The natural gas producer is the natural or legal person whose specific activity is the production of natural gas, biogas / biomethane or other types of gas, under the conditions of this title.

Art. 124: Obligations and rights of the natural gas producer

(1) The main obligations of the natural gas producer are:

- a) to hold the authorizations for setting up the upstream supply pipelines related to the natural gas production activity and their operating license;
- b) to ensure the operation of the upstream supply pipelines related to the production of natural gas under conditions of safety, efficiency and environmental protection;
- c) to ensure the access of third parties to the upstream supply pipes under non-discriminatory conditions, according to the specific regulations;
- d) to carry out activities related to the operation of the upstream supply pipelines, according to the specific regulations elaborated by ANRE, within the limits of the rights conferred by the validity conditions associated with the license;
- d¹) to ensure the supply of natural gas, in compliance with the conditions imposed by licenses, contractual clauses and regulations in force;
- e) by March 31, 2017, to make available to the suppliers the quantities of natural gas resulting from the production activity, necessary to cover the consumption of household clients, including the quantities designed to the producers of thermal energy, only for the quantities of natural gas used in the production of thermal energy in the cogeneration plants and in the thermal plants intended for the consumption of the population, in accordance with the ANRE regulations and with the respect of the schedule of price liberalization and of natural gas insurance for them; non-household suppliers and clients who benefit from these quantities have the obligation to respect the destination of these quantities of natural gas; the rest of the own production realized by the producers, less the quantity of natural gas related to the technological consumption defined in art. 100 point 35, will be made available to the competitive market;
- e¹) to trade through a public, transparent and non-discriminatory offer on centralized natural gas markets, in accordance with the provisions of art. 177 and ANRE regulations;
- f) to ensure the odorization of natural gas according to the regulations in force, for the natural gas delivered at the points of commercial take-over of natural gas to the clients directly connected in the upstream pipelines, as well as to the distribution systems.

(1¹) For the period May 1, 2019-28 February 2022, producers, including their subsidiaries and / or affiliates belonging to the same economic interest group that carry out both extraction activities and sales activities of natural gas extracted from the Romanian territory have the obligation to sell at the price of 68 lei / MWh the quantities of natural gas resulting from the activity of current domestic production to the suppliers of the household clients and of the producers of thermal energy, only for the quantity of natural gas used in the production of thermal energy in the cogeneration plants and in the plants heat intended for population consumption. During this period, the producer has the obligation to sell first to suppliers or clients, as the case may be, under conditions regulated by ANRE, in order to ensure the entire consumption requirement of household clients and producers of thermal energy, only for the quantity of natural gas used at the production of thermal energy in the cogeneration plants and in the thermal plants destined for the consumption of the population, from the current production and / or from the storage deposits.

(1²) Producers, including their subsidiaries and / or affiliates belonging to the same economic interest group that carry out both extraction activities and sales activities of natural gas extracted from the territory of Romania will no longer conclude sales contracts with delivery on the territory of Romania, at prices higher than 68 lei / MWh for the quantities of natural gas intended to cover the consumption of domestic clients and of the producers of thermal energy, only for the quantity of natural gas used for the production of thermal energy in the cogeneration plants and in the thermal plants meant for population consumption. The differences in the acquisition costs of the 2018 and 2019 suppliers, not recovered through the prices applied, will be recovered by June 30, 2022, according to ANRE regulations.

(1³) The purchase price paid for the gases of the current domestic production necessary to cover the consumption of the household clients and of the thermal energy producers, only for the quantity of natural gas used in the production of thermal energy in the cogeneration plants and in the thermal power plants intended meant for population's consumption, cannot exceed the value of 68 lei / MWh, regardless of the seller.

(2) The main rights of the natural gas producer are:

a) to elaborate technical / commercial norms specific to their own activity and to submit them for ANRE approval;

b) to commercialize the natural gas resulting from the extraction process, within the limits of the supply license;

c) to interrupt the operation of the installations during the time strictly necessary for the execution of the maintenance and repair works, as well as in other situations provided by the law, with the prior notification of the dispatchers of the affected systems and, as the case may be, of the final clients;

d) to refuse the access of third parties to the upstream supply pipelines:

1. when there is, as regards the technical specifications, an incompatibility that cannot be resolved in an acceptable way;

2. to avoid difficulties which cannot be overcome in an acceptable manner and which could harm the efficient, current and future production of hydrocarbons, including deposits whose economic viability is low;

3. to meet the reasonable and duly justified needs of the owner or operator of the upstream pipeline network, regarding the transportation and processing of natural gas, as well as the interests of all other upstream or downstream pipeline network users; the main processing and handling facilities that may be affected;

4. In the situations provided in art. 149;

e) to refuse the connection of third parties to the upstream supply pipelines, according to the provisions of art. 148.

Art. 125: Transport of natural gas

(1) The natural gas transport activity constitutes a public service of national interest.

(2) The transportation of natural gas is performed by the transmission system operator, certified by the competent authority under the conditions of the law.

(3) The national transport system is the public property of the state.

(4) The works of development, rehabilitation, modernization, operation and maintenance of the objectives / systems of natural gas transport are works of public utility.

(5) The delimitation points of the transport system are from the tap at the entrance to the regulating-measurement-teaching station belonging to the producers or operators of the storage systems, respectively the border crossing point, in the case of interconnection pipelines to the transport systems from neighbouring countries, up to the valve from the exit of the control station - measuring-teaching belonging to the transport operator, respectively the border crossing point, in the case of interconnection pipelines to the transport systems from the neighbouring countries.

(6) The transmission and system operator has the obligation to elaborate investment and development plans for the 10-year transport system, in accordance with the current stage and future evolution of natural gas consumption and sources, including imports and exports of natural gases.

(7) The plans shall contain the modalities of financing and carrying out the investments regarding the transport installations, taking into account also the plans for the planning and systematization of the territory crossed by them, in compliance with the environmental protection norms.

(8) The plans provided in para. (6) is approved by ANRE.

(9) If the state or other central body of public law has control over both the economic operators carrying out any of the production or supply activities, as well as the transport and system operators or a transport system of natural gas or electricity, through a Government decision, establishes, on the one hand, the public entity that represents the state in the control of the economic operators that carry out production and supply activities in the field of natural gas and in the field of electricity and, on the other hand, the public entity representing the state in the control of the natural gas and electricity operators.

(10) Any public or private entity, including natural persons designated or in their own name, who exercises direct or indirect control over an economic operator who carries out any of the activities of production or supply in the field of natural gas or in the field of electricity is not entitled to exercise control, directly or indirectly, on a transport operator or on a transport system in the field of natural gas or electricity.

(11) Any public or private entity, including natural persons appointed or in their own name, who exercises direct or indirect control over a transmission system in the natural gas or electricity field, has no right to exercise control, directly or indirectly, on an economic operator that carries out any of the activities of production or supply in the field of natural gas or in the field of electricity.

(12) If a transport and system operator was part of a vertically integrated economic operator, its management bodies, as well as the personnel within it, are prohibited from transferring commercially sensitive information held at art. 130 paragraph (1) letter t), to any economic operators in the natural gas sector that carry out production or supply activities.

(13) Persons exercising within the transmission and system operator relevant functions under which they have had access to commercially sensitive information have the obligation to maintain their confidentiality and cannot hold similar functions within the economic operators in the field of production or the supply of natural gas, for a period of at least 2 years from the date of termination of contractual relations with the transmission system operator, according to the clauses provided and regulated in the individual employment contract.

(14) ANRE monitors the investment plans of the transmission system operators and provides in its annual report an evaluation of these investment plans from the point of view of their compliance with the network development plan provided at art. 8 paragraph (3) letter b) of Regulation (EC) no. 715/2009; such an assessment may include recommendations for changes to these investment plans.

Art. 126: Operation of the national transport system

(1) The transport and system operator of the national transport system shall organize and function as an independent system operator and shall be the legal person certified by ANRE under the conditions provided in art. 128.

(2) In the case of the certification of a transmission and system operator to which the state has the control simultaneously with the control of the economic operators that carry out production and supply activities in the field of natural gas and in the field of electricity, the certification request, accompanied by the supporting documentation regarding the fulfilment of the requirements provided in art. 128, will be submitted to ANRE by the transmission and system operator, with the approval of the owner of the transmission system, within 15 days from the date of entry into force of the Government decision provided in art. 125 paragraph (9).

(3) ANRE issues a preliminary certification decision, within 120 days from the date of registration of the request of the transmission system operator, which shall be notified to the European Commission, accompanied by the relevant documentation.

(4) After the expiry of the term provided for in paragraph (3), the certification shall be considered granted, the tacit certification regarding the certification of a transmission system operator shall be notified to the European Commission, together with the relevant documentation.

(5) The procedure for the certification of the transmission system operator is finalized according to the provisions of art. 3 of Regulation (EC) no. 715/2009.

(6) The designation of the transmission and system operator as an independent system operator is approved by the European Commission following the communication by ANRE of the certified economic operator, after the conclusion of the certification procedure according to para. (5).

(7) In addition to the certification decision, the competent authority is required to notify the European Commission of any request for certification of the owner of the transmission system or of the transmission and system operator, which is controlled by a person or persons from one or more third countries, as well as any circumstances in which a person or persons from one or more third countries would gain control over the transmission system or the transmission and system operator, if any.

(8) Upon termination of the concession contract for any reason, the assets related to the investments made by the transmission and system operator of the national natural gas transmission system, as a concessionaire, are taken over by the owner of the national natural gas transmission system, as a grantor, or by another concessionaire with the grantor's agreement, in exchange for the payment of compensation equal to the regulated value remaining unamortized, established by ANRE.

(9) The independent system operator has the obligation to plan, execute directly or through the economic operators authorized by ANRE and put into operation the new objectives.

Art. 126¹: Operation of transport systems, other than the national transport system

(1) An economic operator who owns a natural gas transmission system acts as a transmission and system operator, as holder of an oil agreement for the transport of natural gas, according to the law.

(2) Before being approved and designated as a transmission system operator, an economic operator who owns a natural gas transmission system must be certified according to art. 126².

(3) The decision of ANRE for certification is published in the Official Gazette of Romania, Part I, and on the ANRE website.

Art. 126²: Certification of the transmission system operators which own a natural gas transmission system

(1) The economic operator who owns a natural gas transmission system sends ANRE a request to initiate the certification procedure.

(2) The certification procedure includes the verification by ANRE of the fulfilment by the economic operator provided in para. (1) of the following conditions:

a) the same person or the same persons has / have not the right:

(i) to exercise, directly or indirectly, control over an economic operator who carries out any of the activities of production or supply of electricity or natural gas and to exercise, directly or indirectly, control or exercise any right over an transmission and system operator in the field of electricity or natural gas or on a system of transport of electricity or natural gas; or

(ii) to exercise, directly or indirectly, control over a transmission and system operator in the field of electricity or natural gas or a system of transmission of electricity or natural gas and to exercise, directly or indirectly, control or to exercise any right over an economic operator that carries out any of the activities of production or supply of electricity or natural gas;

b) the same person or persons is not / are not authorized to appoint members to the supervisory board, the board of directors or other bodies representing the economic operator from a legal point of view in the case of a transmission system operator or in the case of a natural gas transmission system and also to exercise, directly or indirectly, control or exercise any right over an economic operator that carries out any of the activities of natural gas production or supply; and

c) the same person may not be a member of the supervisory board, the board of directors or other bodies representing the economic operator from a legal point of view, both in the case of an economic operator that carries out any of the activities of production or supply of natural gas, as well as in the case of a transport and system operator or a transport system.

(3) The rights provided in para. (2) letter a) and b) include, in particular:

- a) the competence to exercise voting rights;
- b) the competence to appoint members to the supervisory board, to the board of directors or to other bodies that represent the company from a legal point of view; or
- c) holding a majority quota.

(4) ANRE issues a certification decision, within 120 days from the date of registration of the request of the transmission and system operator, which shall be notified to the European Commission, together with the related documentation.

(5) After the expiry of the term provided in para. (4) the certification is considered granted. The tacit certification regarding the certification of a transmission and system operator shall be notified to the European Commission, together with the relevant documentation.

(6) The procedure for the certification of the transmission system operator is finalized according to the provisions of art. 3 of Regulation (EC) no. 715/2009.

(7) A vertically integrated economic operator who owns a transport network cannot be prevented from adopting the necessary measures to implement the property separation model in accordance with the provisions of art. 126¹ paragraph (1).

Art. 127: Certification of the transport and system operators controlled by third countries

(1) Prior to the certification of a transmission and system operator which is controlled by a person or persons from one or more third countries, ANRE requests an opinion from the European Commission that:

- a) the respective entity fulfils the conditions stipulated in art. 126² or at art. 128, as the case may be; and
- b) granting the certification does not endanger the security of the natural gas supply of the European Union.

(2) ANRE refuses the certification of a transmission and system operator that is controlled by a person or persons from one or more third countries, in the following situations:

- a) the respective entity does not fulfil the conditions stipulated in art. 126² or at art. 128, as the case may be;

b) granting the certification may endanger the security of the supply of natural gas in the national territory and of the European Union; When examining this aspect, ANRE takes into account:

- (i) the rights and obligations of the European Union towards that third country under international law, including any agreement concluded with one or more third countries to which the European Union is a party and in which aspects related to the security of natural gas supply are addressed;
- (ii) the rights and obligations of Romania towards the respective third country under the agreements concluded with the respective third country, insofar as they respect the European Community law; as well as
- (iii) other specific elements related to the case or the third country involved.

(3) Within two months as of the issuance of the opinion by the European Commission, ANRE adopts the final decision on certification, taking into account, in the highest degree, this opinion. The ANRE decision is published together with the opinion of the European Commission in the Official Gazette of Romania, Part I, and on the ANRE website. If the European Commission does not issue an opinion within two months of receiving the request or within 120 days if it has requested an additional opinion, it may be considered that it did not raise objections to ANRE's decision.

(4) If the final decision of ANRE differs from the opinion of the European Commission, the reasons for this decision shall be published.

(5) ANRE may, in any situation, refuse the certification provided in para. (1) whether granting it would endanger the security of natural gas supply in the national territory or in the territory of another Member State of the European Union.

Art. 127¹: Joint venture as transport and system operator

Any transmission and system operator or independent system operator, who holds the status of holder of an oil agreement for the transportation of natural gas, according to the law, and is certified from the territory of Romania under the conditions of art. 126² or 128, may be part of a joint venture, made up of 2 or more economic operators who have transport networks and who play the role of transport and system operator in two or more Member States, for the transport systems concerned.

Art. 128: Conditions for certification of the transport operator and / system of the National Transport System

(1) The certification of the transmission and system operator shall be performed if the following requirements are met:

a) the same person or the same persons are not entitled:

(i) to exercise, directly or indirectly, control over an economic operator who carries out any of the activities of production or supply and at the same time to exercise, directly or indirectly, control or exercise any right over the transmission and system operator; on a transport system; or

(ii) to exercise, directly or indirectly, control over the transmission system operator or over a transmission and system and to exercise, directly or indirectly, control or exercise any right over an economic operator carrying out any of the production activities; or supply;

b) the same person or the same persons is/are not authorized to appoint members to the supervisory board, the board of directors or other bodies representing the transmission and system operator from a legal point of view in the case of a transmission and system operator or in the case of a transmission network and also to exercise, directly or indirectly, control or exercise any right over an economic operator that carries out any of the activities of production or supply of natural gas;

c) the same person is not authorized to be a member of the supervisory board, the board of directors or other bodies that represent the economic operator from the legal point of view, both in the case of an economic operator who carries out any of the activities of production or supply, as well as and in the case of a transmission system operator or a transmission network;

d) the transport and system operator has the financial, technical, physical and human resources to perform its tasks;

e) the transport and system operator undertakes to comply with a 10-year transport network development plan, approved by ANRE;

f) the transmission and system operator has the capacity to comply with its obligations under Regulation (EC) no. 715/2009, including regarding the cooperation with other transport and system operators at European and regional level;

g) the owner of the transmission network and system meets the requirements stipulated in art. 131.

(2) The rights provided in para. (1) letters a) and b) include, in particular:

(i) the competence to exercise voting rights;

(ii) the competence to appoint members to the Board of Supervisors, the Board of Directors or other bodies representing the economic operator from a legal point of view; or

(iii) holding a majority quota.

(3) For the purpose of para. (1) letter a), the notion of "economic operator that carries out the activity of producing or supplying natural gas" also includes the activities of electricity production and supply, and the terms "transmission and system operator" and "transmission network" include the terms which it is used in the same sense in the electricity sector.

Art. 129: Reassessment of the certification of the transmission system operator

(1) The transmission and system operator shall notify ANRE of any planned transaction that may require a reassessment of its compliance with the requirements of art. 128, as well as any circumstances under which a person or persons from one or more third countries would gain control over the transmission system or the transmission and system operator.

(2) ANRE may decide a reassessment of the fulfilment by the transmission and system operator of the requirements stipulated in art. 128:

a) following the notification by the transmission and system operator under the conditions of para. (1);

b) ex officio;

c) at the motivated request of the European Commission.

Art. 130: Obligations and rights of the transmission and system operator

(1) The transmission and system operator has mainly the following obligations:

- a)** to operate the transport system and to ensure the residual physical balance thereof, respectively the programming, dispatching and functioning of the transport system in safe conditions;
- b)** to maintain, rehabilitate, modernize and develop the transport system in terms of safety, efficiency and environmental protection;
- c)** to develop, maintain and develop a computerized system for monitoring, controlling and acquiring data, which will allow monitoring and operational management of the functioning of the natural gas transmission system;
- d)** to ensure the access of third parties to the transport system, according to specific regulations, in non-discriminatory conditions, within the limits of the transport capacities and in compliance with the technological regimes;
- d¹)** to elaborate and transmit ANRE, in order to approve and publish them, the methodologies used to calculate or establish the clauses and conditions regarding the access to the cross-border infrastructures, including procedures for capacity allocation and congestion management;
- e)** to ensure the connection of third parties to the transport system, according to specific regulations, within the limits of the transport capacities and in compliance with the technological regimes;
- e¹)** to extend, until December 2021, the pipeline network, until the entry into the localities certified as tourist resorts of national interest, respectively local, when these localities are at a distance of maximum 25 km from the connection points of the transport operators and system;
- e²)** to give priority to the connection to the natural gas network in the case of new investments, generating jobs;
- f)** to carry out activities related to the operation of the system, according to the specific regulations approved by ANRE, within the limits of the rights conferred by the conditions of validity associated with the license;
- g)** to elaborate and apply the optimal transport and delivery regimes for the quantities of natural gas notified by the network users, for a certain period, according to the contracts concluded;
- h)** to elaborate and update the technical exploitation agreements in the border area and to transmit them for ANRE approval, before the entry into force;
- i)** to draw up and to monitor the balance of natural gas entered in the system and, respectively, out of the system, according to ANRE regulations;
- j)** to hold in underground deposits or to ensure the purchase of gas, including from import, for the quantities necessary for the operation and to ensure the physical balance of the transport system, according to the specific regulations approved by ANRE;
- k)** to ensure the odorization of natural gas upon exit from the SNT, according to the regulations proposed by the transmission and system operator and approved by ANRE;
- l)** to elaborate at the request of ANRE and to submit for approval to ANRE the pricing methodologies related to the development of the balancing services activity;
- m)** to exchange information with other interconnected transport and system operators, with LNG and distribution operators and with other collaborators in the energy field, in compliance with ENTSO-G regulations on information exchange protocols, reports, structure and procedures for accessing databases;
- n)** to perform system services necessary for access and operation of transport networks;
- o)** to elaborate specific regulations necessary for the realization of the operational management activity, with the consultation of the participants in the natural gas market, which it submits for ANRE approval;
- p)** to elaborate studies, programs and works regarding the development of the natural gas transmission system;
- q)** to ensure the allocation of capacities on the interconnection pipelines in compliance with Regulation (EC) no. 715/2009;
- r)** to ensure the application of the rules on congestion management, including on interconnection pipelines, as well as the norms of capacity allocation on these pipelines;
- s)** to organize and manage the natural gas balancing market;

§) to ensure the exploitation of the natural gas collection stations from the upstream pipelines or from the storage systems in the transport system, as well as of the natural gas delivery stations to the distribution systems, end clients or storage systems.

t) to provide adequate means for fulfilling the obligations regarding the public service;

f) to maintain the confidentiality of commercially sensitive information that it obtained during the course of its activities and prevents the discriminatory disclosure of information regarding its own activities that could induce economic benefits; in particular, it does not disclose any commercially sensitive information to the other parts of the economic operator unless this is required in order to conclude a commercial transaction;

u) to acquire the electricity, it uses to carry out its activities in accordance with transparent, non-discriminatory and market-based procedures.

(2) The operator of the system of transmission and system has, mainly, the following rights:

a) to charge non-discriminatory tariffs, corresponding to the services provided, to limit and / or interrupt the service provision, according to the specific regulations;

b) to refuse the access of third parties to the transport system, according to the law;

c) to interrupt or limit the transport of natural gas under the conditions in which the safety and integrity of the transport system are endangered, according to the specific regulations;

d) to interrupt the operation of the installations for the strictly necessary time, in order to carry out the maintenance and repair works, as well as in other situations provided by law, with the prior notification of the dispatchers of the affected systems and, as the case may be, of the clients;

e) to elaborate technical / commercial / operational norms specific to their own activity and to submit them for ANRE approval;

f) to elaborate projects of objective, transparent and non-discriminatory regulations for the physical balancing of the natural gas transmission system, including proposals for substantiating the tariffs to be paid by the system users in case of physical imbalance, and to submit them for ANRE approval;

g) to store natural gas in the transport system, under the conditions of specific regulations approved by ANRE;

h) to use, for free of charge, the public property lands occupied by the objectives related to the transport system, as well as the public property lands used for the works of execution, operation, maintenance and repairs, including the lands that are part of the national forestry fund, by derogation from the provisions of art. 42 paragraph (1) letter b) of Law no. 46/2008 - Forestry code, with subsequent modifications and completions;

i) to manage the balancing market in order to ensure the physical balance and to maintain in the operational parameters the system, with the respective commercial operations; the commercial records regarding such operations are kept distinct from those regarding the transport activity.

j) to participate in the trading of natural gas only for the balancing activity of the system, by means of sale-purchase operations in the balancing market or in other markets, according to the regulations in force and the ENTSO-G norms. Natural gas transactions are performed on the basis of transparent and non-discriminatory procedures, through competitive mechanisms, according to the regulations of the competent authority.

(3) The operation of the pipelines through which the interconnection with the states that are not members of the European Union is realized, as well as the allocation of capacities thereon, is carried out according to the provisions of the agreements with these states.

(4) The transport and system operator and the owner of the transport system shall publish the information regarding their own activities, required by the system users, according to ANRE regulations, in order to ensure the efficient access to the system, an effective competition and the efficient functioning of the natural gas market, not being allowed to disclose commercially sensitive information obtained during their activities, including those obtained from third parties, in the context of granting network access.

(5) As operator of the balancing market, the transmission and system operator carries out the following activities in order to inform the interested parties:

- a) management of measuring equipment and provision of natural gas measurement services for the users of the transport system;
- b) the collection, centralization and distribution of data and information to the economic operators in the natural gas sector that use the transport system for conducting commercial operations in order to manage the imbalances recorded between the quantities of natural gas contracted and those physically delivered;
- c) elaboration of forecasts of natural gas consumption of clients who do not benefit from daily measurement;
- d) elaboration of reports and provision of statistical data, according to the legislation in force.

Art. 130¹: Obligations of the operator of the virtual trading point

(1) The transmission and system operator of natural gas, in his capacity as operator of the virtual trading point, hereinafter referred to as the VTP operator, ensures the organization and administration of the VTP based on the license and regulations issued by ANRE.

(2) The VTP operator has the following responsibilities and attributions:

- a) offers to the participants on the natural gas market services of transfer of ownership of natural gas in VTP, under transparent and non-discriminatory conditions;
- b) makes available to the participants on the natural gas market the services provided in letter a), continuously, respectively 24 h x 7 days / week, through an online electronic platform;
- c) continuously records and processes the VTP notifications related to the transactions concluded by the participants in the natural gas market registered as VTP users;
- d) ensures the connection of the electronic VTP service platform to the natural gas trading platforms;
- e) collaborates with the operators of the centralized markets for natural gas for the design and promotion of standardized products in the short term which will lead to the increase of the liquidity of the wholesale market for natural gas in the short term;
- f) actively participates in the public debates organized in order to consult the participants on the natural gas market and ANRE regarding the harmonization of the services offered in the VTP with the international standards and good practices;
- g) ensures the protection and preserves the confidentiality of the information and data that was provided to him or to which he had access during his activity, except for the cases expressly provided by the legislation in force;
- h) can offer to the participants of the natural gas market other auxiliary services necessary to the VTP users, according to ANRE regulations;
- i) the VTP operator elaborates and publishes, according to ANRE regulations, general, anonymous and aggregate market information of the transactions notified in the PVT.

Art. 131: Duties of the owner of the transport system

(1) The owner of the transport system:

- a) cooperates with the transmission and system operator in order to fulfil its tasks, providing with all relevant information;
- b) it finances the investments decided by the independent system operator and approved by ANRE or it agrees that they will be financed by any interested party, including by the independent system operator. The relevant financing measures are subject to approval by ANRE. Prior to approval, ANRE consults with both the asset owner and other interested parties;
- c) holds the responsibility for the assets of the transmission system, except for the responsibility regarding the attributions of the transmission system operator;
- d) it offers guarantees to facilitate the financing of any extensions of the system, except for the investments for which it has given its agreement to be financed by any interested party, including the transmission system operator, according to the letter b).
- e) is not responsible for the activity of granting or managing the access of third parties to the transport system organized by the independent system operator and for the planning of investments;
- f) keeps the confidentiality of commercially sensitive information obtained during the course of its activities and prevents the discriminatory disclosure of information regarding its own activities that could bring

economic benefits. In particular, it does not disclose any commercially sensitive information to the other parts of the economic operator unless this is required in order to conclude a commercial transaction.

(1¹) The owner of the transmission system, including in the case of a combined system operator, the distribution operator and the remaining part of the economic operator is prohibited to use common services, for example the use of a common legal service, except for purely administrative or IT services.

(2) The Competition Council, in cooperation with ANRE, is empowered with all the necessary competencies to monitor effectively the compliance of the transport system's obligations with the owner, pursuant to para. (1).

(3) ANRE monitors the relations and exchanges of information between the owner of the transmission system and the independent system operator, in order to guarantee the latter's fulfilment of his obligations, and, in particular, approves the draft contracts to be concluded between them and acts as a dispute settlement authority between the independent system operator and the owner of the transmission system regarding the complaints submitted by any of them, according to art. 174 para. (11).

Art. 132: Separation of the owner of the transport system

(1) If the owner of the transport system is part of a vertically integrated economic operator, the owner of the transport system is independent at least as regards its legal status, the organization and the decision-making process with respect to other unrelated activities with the transport of natural gas.

(2) To ensure the independence of the owner of the transport system under the conditions of para. (1), the following criteria apply:

a) the persons with the management function of the owner of the transport system cannot be part of the structures of the integrated economic operator in the natural gas field which is responsible, directly or indirectly, for the daily management of the activities of natural gas production, distribution and supply;

b) the persons with management position within the owner of the transport system act independently of any market interest in fulfilling the duties of the service;

c) the owner of the transport system establishes a compliance program, which contains the measures taken to guarantee the exclusion of discriminatory practices and establishes the specific obligations imposed on the employees to achieve the independence objective;

d) the owner of the transport system shall designate a person or body, called a compliance officer, to ensure adequate monitoring of compliance with the compliance program and to submit to ANRE in December of each year a report on the measures taken, report which is published on the website of the transmission and system operator.

(3) The owner of the transmission network transmits for approval to ANRE all the draft contracts to be concluded with the transmission and system operator, including those regarding the use of existing goods, as well as those realized as a result of investments in the transport network.

(4) The persons who have exercised within the transport and system operator management positions or other relevant functions under which they had access to sensitive commercial information, defined according to the law, cannot hold similar functions within the economic operators in the field of production and / or the supply of natural gas, for a period of at least 6 months from the date of termination of the contractual relations with the transmission and system operator.

Art. 133: Prohibitions regarding the control over the transmission system operators

Economic operators carrying out any of the activities of production or supply of natural gas are prohibited, directly or indirectly, from exercising control or exercising any right with regard to the transport and system operators separated from other EU countries applying the provisions of art. 9 paragraph (1) of Directive 2009/73 / EC of the European Parliament and of the Council of 13 July 2009 on common rules for the internal market in natural gas and repealing Directive 2003/55 / EC.

Art. 134: Natural gas distribution

(1) The distribution of natural gas is carried out by the distribution operator.

(2) The distribution operator shall provide the distribution service for all users of the distribution system, in non-discriminatory conditions, ensuring access to it to any applicant who meets the requirements of this

title, in compliance with the norms and performance standards stipulated in the technical regulations in force.

(3) The delimitation of a distribution system shall be carried out, as the case may be:

- a)** of the production objectives from the tap located at the exit of the manufacturer's regulation-measurement-delivery station;
- b)** by the transport system from the exit of the regulation-measurement-delivery station of the transport operator;
- c)** by another distribution system from the exit of the regulating / measuring station between the distribution operators;
- d)** by the final clients from the exit from the stations / adjusting / measuring stations or, as the case may be, the exit from the plug faucet to their use facilities.

Art. 135: Character of the distribution activity

The activity of natural gas distribution, with the exception of that realized through the closed distribution systems, constitutes a public utility service of general interest.

Art. 136: Independence of the distribution operator

(1) If the distribution operator is part of a vertically integrated economic operator, it must be independent at least in terms of its legal form, organization and decision-making process, in relation to the other unrelated activities with distribution; this rule does not create the obligation to separate the ownership over the assets belonging to the distribution operator from the vertically integrated economic operator.

(2) In order to ensure the independence of the distribution operator that is part of a vertically integrated economic operator over the other activities carried out by the latter, the following criteria apply:

- a)** the persons who ensure the management of the distribution operator cannot be part of the structures of the vertically integrated operator who are responsible, directly or indirectly, for the management of the activities of production, transport and supply of natural gas;
- b)** taking the appropriate measures to ensure that the professional interests of the persons responsible for the management of the distribution operator are taken into account, in a way that ensures their independence of action;
- c)** the distribution operator has the right to make decisions, effectively, independently of the vertically integrated economic operator, regarding the assets necessary for the operation, maintenance or development of the distribution system; in order to fulfil these tasks, the distribution operator has the necessary resources, including human, technical, financial and physical resources; this should not affect the existence of appropriate coordination mechanisms that must ensure that the parent company's economic and managerial rights regarding the profitability of the assets by the subsidiary are protected; these mechanisms will in particular enable the parent company to approve the annual financial plan or any equivalent instrument of the distribution operator and to set the overall indebtedness limits of the subsidiary; However, the parent company will not be allowed to give instructions on current operations or on individual decisions regarding the construction or modernization of the objectives belonging to the distribution systems that do not exceed the terms established in the approved financial plan or any other equivalent instrument;
- d)** the distribution operator must establish a compliance program, in which it must present the measures taken that ensure the exclusion of any discriminatory behaviour and guarantee that its compliance is adequately monitored; this program must also present the specific obligations of the employees to achieve this objective; the person or body responsible for monitoring the compliance program, called the compliance officer, sends ANRE and publishes, in December of each year, a report containing the measures taken; the compliance agent of the distribution operator is completely independent and has access to all the information of the distribution operator or of any affiliated economic operator, which are necessary for the fulfilment of its attribution.

(3) Vertically integrated distribution operators shall not, in their communication and advertising activities, create confusion as to the separate identity of the supply subsidiary within the vertically integrated economic operator.

(4) As exception from the provisions of para. (1) - (3) are economic operators that carry out natural gas distribution activities and serve a maximum number of 100,000 final clients.

Art. 137: Obligation to maintain confidentiality

(1) The distribution operator is obliged to keep confidential the commercially sensitive information obtained during the course of its activity.

(2) The distribution operator is obliged to prevent the discriminatory disclosure of information regarding its own activity, which may be commercially advantageous.

Art. 138: Obligations and rights of the distribution operator

(1) The natural gas distributor has, mainly, the following obligations:

a) to operate, maintain, repair, modernize and develop the distribution system in conditions of safety, economic efficiency and environmental protection, the activities to be carried out based on the specific authorizations for the design and execution of the distribution systems of the natural gas, and the operation is to be carried out on the basis of the distribution license;

b) to ensure the odorization of natural gas according to the regulations approved by ANRE, on the basis of the contracts for the provision of services concluded with the upstream operator, and, where appropriate, through additional odorization in the distribution system;

c) to make interconnections with other systems, as the case may be, and to ensure the capacity of the long-term distribution system;

d) to ensure the access of third parties to the distribution systems, in non-discriminatory conditions, within the limits of the distribution capacities, in compliance with the technological regimes, according to the specific regulations elaborated by ANRE;

d¹) to ensure the connection of third parties to the distribution system, according to specific regulations, within the limits of the distribution capacities and with respect to the technological regimes;

e) to draw up and to monitor the balance of natural gas in and out of their own system, respectively;

f) to avoid cross-subsidization between the categories of final clients regarding the distribution of costs;

g) to take for a determined period, but not more than 2 years, upon request and according to ANRE regulations, the operation of a distribution system in case the initial operator was withdrawn his distribution license, or the concession contract was terminated;

h) to ensure the permanent balance of the operated system;

i) to ensure the security conditions in the supply of natural gas;

l) to carry out activities related to the operation of the system, according to the specific regulations elaborated by ANRE, within the limits established by the validity conditions associated with the license;

k) to elaborate and send ANRE for approval investment plans that are based on prospective studies, carried out for a minimum period of 5 years, by consulting, as the case may be, with the transmission and system operator and with the local authorities in the license area; the prospective studies are transmitted to ANRE at least 6 months before the beginning of a regulatory period.

(2) The natural gas distribution operator has, mainly, the following rights:

a) to carry out commercial activities related to the natural gas distribution service;

b) to collect the value of the tariffs corresponding to the services provided, to limit and / or interrupt the provision of the service, according to the specific regulations;

c) to interrupt the functioning of the objectives of the distribution system and the supply of natural gas to the clients for the time strictly necessary to perform the maintenance and repair work, as well as in other situations provided by this title or in case of force majeure, with the prior notification of the dispatched systems and, as the case may be, clients;

d) to use, for free of charge, the land of local public property occupied by the objectives of the distribution system, as well as for carrying out the works of execution, operation, maintenance and repairs, according to the law;

e) [the text of Art. 138, para. (2), letter E. of Title II, Chapter V was repealed on October 04, 2014 by Art. I, point 71. of Law 127/2014]

- f)** to stop the supply of natural gas, in the event of danger of explosion and the safety in operation is affected; (on October 04, 2014 Art. 138, paragraph (2), letter F. from title II, chapter V modified by Art. I, point 72. of Law 127/2014)
- g)** to store natural gas in the distribution systems, according to the regulations approved by ANRE;
- h)** to refuse the connection to the distribution system under the conditions of art. 150;
- i)** to elaborate technical / commercial norms specific to their own activity and to submit them for ANRE approval;
- j)** in the case of interventions by unauthorized persons on the regulation-measuring facilities at the property limit, which endanger the security of the supply of natural gas, the distribution operator is entitled to interrupt the supply, in accordance with the specific regulations of ANRE.

(3) When a distribution operator is responsible for balancing the natural gas distribution system, he is obliged to elaborate objective, transparent and non-discriminatory rules for balancing the operating system, including rules for tariff classification of system users in case of a system imbalance. The conditions, including the rules and tariffs, applicable to the provision of balancing services by the distribution operator are established in a non-discriminatory manner and taking into account costs, in accordance with a methodology approved by ANRE, and are published.

Art. 139: The closed distribution system

(1) The closed distribution system is that system through which natural gas is distributed in a common industrial, commercial or service area, geographically limited and which, without prejudice to the provisions of para. (4), does not feed the household clients, if, for reasons of technological organization, the activities carried out by the users of the respective system are integrated or the respective system provides natural gas mainly to the system owner, the system operator or an economic operator affiliated to them, as the case may be.

(2) The obligations regarding the development of the distribution system, provided in art. 138 paragraph (1) letters c), g) and k) are not applicable to the operator of a closed distribution system.

(3) The tariffs for the distribution service from a closed distribution system or the methodologies underlying their calculation are approved by ANRE, at the request of the closed distribution system operator.

(4) The exception provided in para. (2) also applies if in the area served by a closed distribution system, household clients are located, only if they are in a working relationship or in a form of association with the owner of the distribution system at the time of connection.

(5) The establishment, respectively the operation of a closed distribution system is realized by the establishment authorization, respectively based on license, granted by ANRE.

Art. 140: Natural gas storage

(1) The storage of natural gas shall be performed by the storage operator.

(2) Natural gas is stored for the purpose of:

- a)** ensuring the security in the supply of natural gas to the final clients;
- b)** harmonizing the variations of seasonal, daily and hourly consumption with the available gas sources;
- c)** permanent assurance of the physical balance of the SNT;
- d)** carrying out other commercial activities.

Art. 141: Independence of the storage operator

(1) A storage operator that is part of a vertically integrated economic operator must be independent at least as regards the legal form, the organization and the decision-making process with respect to other activities not related to transport, distribution or storage.

(2) The provisions of para. (1) applies only in respect of storage facilities that are technically and / or economically necessary to ensure efficient access to the system for the purpose of supplying clients, in accordance with the specific regulations.

(3) In order to ensure the independence of the storage operator with respect to the vertically integrated economic operator of which it is part and which carries out at least one of the production or supply activities, the following minimum criteria apply:

- a) the persons who ensure the management of the storage operator cannot be part of the structures of the vertically integrated economic operator who are responsible, directly or indirectly, for coordinating the activity of natural gas production and supply;
- b) appropriate measures must be taken to ensure that the professional interests of the persons in management positions within the storage operator are taken into account, so as to ensure that they have the opportunity to act independently;
- c) the storage operator has sufficient decision-making powers, independent of the parent company, regarding the elements of assets necessary for the operation, maintenance or development of the storage facilities; this does not prevent the existence of adequate coordination mechanisms that guarantee the protection of the rights of economic supervision and those of the management supervision of the parent company on the return of the assets of a subsidiary; the parent company has the right to approve the annual financial plan of the storage operator or any equivalent document and to set overall limits on the level of indebtedness of its subsidiary; the parent does not have the right to give instructions on the current management, nor on the individual decisions regarding the construction or modernization of the storage facilities, which do not exceed the limits of the approved financial plan or any equivalent document;
- d) the storage operator establishes a compliance program, which contains the measures taken to guarantee the exclusion of discriminatory practices and establishes the specific obligations imposed on the employees to achieve the independence objective;
- e) the storage operator shall designate a person or body, called a compliance officer, to ensure adequate monitoring of observing with compliance program and to submit to the competent authority in December of each year a report on the measures taken, a report to be published on the site of the storage operator.

Art. 142: Obligations and rights of the storage operator

(1) The storage operator has, mainly, the following obligations:

- a) to operate, maintain, rehabilitate and modernize the surface technological installations related to storage deposits, in safe, efficient and environmental protection conditions;
- b) to ensure the access of third parties to the storage deposits, on the basis of objective, transparent and non-discriminatory criteria, according to ANRE regulations;
- c) publish the list of storage facilities or parts thereof that are offered for access to third parties;
- d) to provide information to the users of the storage system, necessary for efficient access to the system;
- e) to elaborate and send ANRE for approval investment plans that are based on prospective studies, carried out for a minimum period of 5 years, by consulting, as the case may be, with the transport and system operator, and are endorsed by the ministry of resort; prospective studies are transmitted to ANRE at least 6 months before the beginning of a regulatory period;
- f) to provide the adequate means for fulfilling the obligations regarding the public service.

(2) The operator of the storage deposit has, mainly, the following rights:

- a) to collect the tariff related to the provision of the underground gas storage service, to limit and / or interrupt the service provision, according to the specific regulations;
- b) to elaborate technical / commercial norms specific to their own activity and to submit them for ANRE approval;
- c) to interrupt the operation of the installations for the strictly necessary time, in order to carry out the maintenance and repair works, as well as in other situations provided by the law, with the prior notification of the dispatchers of the affected systems and, as the case may be, of the clients;
- d) to justifiably refuse the access of third parties to the storage deposits, according to the law.

(3) The storage operator maintains the confidentiality of the commercially sensitive information that it has obtained during the course of its activity and prevents the discriminatory disclosure of information regarding its own activities that could induce economic benefits. In particular, it does not disclose any commercially sensitive information to the other parts of the economic operator unless this is required in order to conclude a commercial transaction.

Art. 143: Obligations and rights of the natural gas supplier

(1) The natural gas supplier has the following main obligations:

- a)** to conclude contracts for the purchase of natural gas, so as to ensure the consumption coverage for its clients;
- a¹)** to purchase the natural gas that it supplies to the household clients, under conditions of minimizing the cost of the allocated resources, on the basis of their own procedures that ensure the transparent character of the process of the purchase of natural gas and, at the same time, the equal and non-discriminatory treatment of persons participating in the natural gas procurement procedure, as bidders;
- b)** to pay the value of the purchased natural gas, according to the contracts concluded;
- c)** to carry out the activity of supplying natural gas on the basis of commercial contracts concluded in accordance with ANRE regulations;
- d)** comply with the performance standards for the natural gas supply activity;
- e)** to promptly and free of charge make available to the final clients the relevant consumption data, using at their request the easily understandable format of presentation, harmonized at national level, established by ANRE;
- f)** to establish single contact points for informing the final clients about their rights, the legislation in force and the ways of resolving disputes in case of requests, complaints, notifications, complaints or appeals. The single point of contact is made up of a central point that coordinates the regional / local information points, which are easily accessible, and in the case of the household clients they are located at a distance of maximum 50 km from the place of consumption and to provide the final clients with information free of charge;
- g)** to allow the clients, free of charge, the effective change of the natural gas supplier within 21 days from the date of the request and to send them a final settlement statement, within maximum 42 days from the change of the supplier;
- h)** to conclude contracts with the final clients, which provide for fair contractual conditions and at least the information provided in art. 145 paragraph (4) letter b) and send a copy of the contract free of charge to the final client before the conclusion or confirmation of its conclusion. When the contract is concluded through intermediaries, the information provided in art. 145 paragraph (4) letter b) are also offered before the conclusion of the contract;
- i)** to notify the final clients properly of any intention to modify the contractual clauses, as well as regarding any increase in the price / tariff applied, as the case may be, directly and in a timely manner, but not later than the end of the first normal billing period following the entry into force of the increase, in a transparent and easy to understand manner;
- j)** to inform the final clients, at the time of the notification provided in letter i), regarding the right to terminate the contract, if it does not accept the new conditions notified;
- k)** to transmit to the final clients, transparent information on the prices / tariffs applied, as the case may be, as well as on the general conditions of access and use of the services offered by it;
- l)** to make available to final clients a wide range of payment methods, which does not create unjustified discrimination between clients. Prepayment systems must be fair and adequately reflect likely consumption. Any difference in terms of terms and conditions of payment systems should reflect the costs incurred with these different payment systems. The general conditions must be fair and transparent, presented in clear and easy-to-understand language, and do not include non-contractual barriers to the exercise of client rights, such as excessive contractual documentation;
- m)** not to use unfair or deceptive commercial practices;
- n)** to offer to the final clients a high standard of services and to solve the complaints;
- o)** to inform the clients connected to the objectives / systems in the natural gas sector about their rights to be supplied with natural gas of a specified quality, at reasonable prices, in accordance with the legal provisions in force;

p) to properly inform the final clients about their actual consumption of natural gas and the related real costs, frequently enough so that they have the possibility to adjust their own consumption of natural gas. This information is communicated at the appropriate time intervals, taking into account the capacity of the end-client's measuring equipment and the cost-benefit ratio of these measures, without incurring additional costs to the final clients for this service;

q) to store natural gas at the levels necessary to ensure continuity in the supply of natural gas to its clients, in accordance with the legal provisions in force.

r) not to unilaterally denounce the natural gas supply contracts concluded with final clients.

(2) The natural gas supplier has, mainly, the following rights:

a) to collect the value of the supplied natural gas, according to the contracts concluded with the clients;

b) to collect the value of the natural gas supplied under the last-minute supply regime, according to ANRE regulations;

c) limit and / or stop the supply of natural gas to clients, under the conditions specified in the contracts.

(3) The quantities of natural gas representing the minimum stocks to be stored by each supplier, according to para. (1) letter q), will be established annually, in transparent and non-discriminatory conditions, by decision of the president of ANRE, in accordance with the specific regulations of ANRE, so as to ensure an adequate level of internal consumption, under conditions of continuity and security.

Art. 144: Obligations of the supplier of last resort

(1) The supplier of last resort has the obligation to ensure the supply of natural gas to the final clients, in accordance with ANRE regulations, at prices regulated by ANRE.

(2) The supplier of last resort has the obligation to supply, according to the regulations issued by ANRE, natural gas to the final clients whose supplier is in the situation of withdrawing his supply license during the activity or in any other situation identified by ANRE in which final clients have not ensured the supply of natural gas from any other source.

Art. 144 ¹: The natural gas trader

The natural gas trader has, mainly, the following obligations:

a) to carry out activities of sale / purchase exclusively on the wholesale market of natural gas, in accordance with the provisions of the present law, on the basis of commercial contracts concluded in a transparent, non-discriminatory and competitive manner, import / export contracts, in compliance with the rules of trading applicable according to ANRE regulations;

b) not to use unfair or deceptive commercial practices;

c) to ensure the reporting of data regarding the activity carried out on the sale / purchase of natural gas, in accordance with the legal provisions in force;

d) to ensure the supplies of natural gas in compliance with the conditions imposed by licenses, contractual clauses and regulations in force;

e) to submit to ANRE reports according to the regulations in force;

f) if it carries out other activities on the natural gas market, it is obliged to ensure the accounting separation, according to the legal norms and regulations of ANRE;

g) to comply with the regulations and conditions established by the license granted by ANRE;

h) to trade natural gas in accordance with the provisions of art. 177.

Art. 145: Obligations and rights of the final client of natural gas

(1) The final clients have the obligation to pay the invoices representing the value of the services provided by the system provider, within the term and under the conditions stipulated in the contract concluded with it.

(2) For the non-fulfilment of the contractual obligations, other than the payment obligation of the final client, the guilty party pays to the other party damages until the full damage caused, according to the provisions stipulated in the contract.

(3) In the case of intervention on a system in the natural gas sector, including a utilization system, which endangers the security of the natural gas supply, the operator of the system / installation is entitled to

interrupt the supply, in accordance with the specific regulations of ANRE. In the case of finding, according to the legal provisions in force, of actions meant to distort in any way the indications of the measuring equipment or to evade natural gas by circumventing the measuring equipment, the supplier is entitled to request the final client to establish financial guarantees for a period of consumption equivalent to a maximum of one year. The refusal of these guarantees gives the supplier the right to request the transmission / distribution operator to interrupt the supply of the final client.

(4) The final clients of natural gas have the following rights:

- a)** to have access to the objectives / systems of the natural gas sector under the conditions of the law and to be informed, when connected to them, about their rights to be supplied with natural gas of a specified quality, at reasonable prices, according to the legal provisions in force;
- b)** without prejudice to Law no. 193/2000, republished, as subsequently amended and supplemented, and the Government Emergency Ordinance no. 34/2014, to conclude with the natural gas supplier a contract stipulating fair contract terms / clauses and containing at least the following information:
 - (i) the identity and address of the supplier;
 - (ii) the services offered, the quality of the services offered, as well as the period of commencement of the performance of the contract, respectively the deadline for starting the initial supply of natural gas, as the case may be;
 - (iii) the types of maintenance services provided, as the case may be, by contract;
 - (iv) the means by which up-to-date information can be obtained on all applicable prices / rates, including those for maintenance, as the case may be;
 - (v) the duration of the contract, the conditions for renewal / extension and termination of services and of the contract and if the right to terminate the contract for free is recognized;
 - (vi) any compensations / damages and the reimbursement method applicable in case of non-compliance with the quality of the services provided in the contract, including in the case of inaccurate and late invoicing;
 - (vii) the modalities for initiating litigation procedures in accordance with letter j);
 - (viii) information on the rights of the clients, including on the settlement of complaints and all the information mentioned in letter b) communicated clearly through the invoices or on the websites of these economic operators;
- c)** to receive free of charge from the natural gas supplier a copy of the contract containing at least the information provided in letter b) before the conclusion or confirmation of its conclusion. When the contract is concluded through intermediaries, the information provided in letter b) they are also received before the conclusion of the contract;
- d)** to request the supplier / system operator to modify and supplement the contract concluded with him, when new elements appear or when he considers it necessary to detail or supplement some contractual clauses, in accordance with the legal provisions in force;
- e)** be duly notified of any intention to modify the contract, as well as of any increase of the price / tariff, directly and in a timely manner, but not later than the end of the first normal billing period that follows the entry into force of the increase, in a transparent and easy to understand manner, as well as being informed, when notified, of the right to terminate the contract, if it does not accept the new conditions;
- f)** to terminate the contract if it does not accept the new conditions notified by the natural gas supplier;
- g)** to provide them with a wide range of payment methods, which will allow them to fulfil their invoice payment obligations, payment obligations stipulated in the contract and which do not create unjustified discrimination between clients. Prepayment systems must be fair and adequately reflect likely consumption. Any difference in terms and conditions of payment systems should reflect the costs incurred by the supplier for the different payment systems. The general conditions must be fair and transparent, presented in clear and easy to understand language, and should not include non-contractual barriers to the exercise of client rights, such as excessive contractual documentation. Clients are protected against unfair or misleading business practices;

- h)** to change its supplier free of charge, in compliance with the contract conditions / clauses, within 21 days from the date of the request, according to a procedure approved by ANRE, which establishes mainly the stages of the supplier change process, the way of extinguishing the payment obligations owed by the final client to the supplier to be changed, the data that may be requested by the final client or the new supplier in the process of change, as well as the system operators who are obliged to provide them;
 - i)** to receive a final settlement statement, after the change of the natural gas supplier, within a maximum of 42 days from the change of the supplier;
 - j)** to benefit from transparent, simple procedures and at the lowest costs of solving complaints. All final clients have the right to a high standard of service and complaint settlement by their natural gas supplier. Such out-of-court dispute settlement procedures must allow for their correct and prompt settlement, within a maximum of 90 days, and provide, in all justified cases, a system of reimbursement and / or setting-off; these procedures should, where possible, comply with the principles set out in Recommendation 98/257 / EC; these procedures are elaborated in compliance with a framework procedure issued by ANRE;
 - k)** to receive transparent information on the applicable prices / tariffs, as well as on the general conditions of access and use of the services offered by the natural gas supplier;
 - l)** to request the supplier to interrupt the supply of natural gas, if the interruption is related to the safe operation of the final client's installations or of the system operator;
 - m)** to ask the supplier / system operator that when technical deficiencies are found to take measures to ensure the safety parameters in the supply of natural gas;
 - n)** to request and receive the penalties incurred by the system provider / operator for non-fulfilment of the obligations, in accordance with the provisions of the performance standards;
 - o)** to request and receive, without incurring additional costs for this service, all relevant data regarding their own consumption or to empower any licensed supplier, based on an explicit and free agreement, to have access to the measurement data, the operator system responsible for managing this data having the obligation to provide it. ANRE ensures access to the data regarding the consumption of final clients, establishing, for the optional use, a format for presenting these data, easy to understand, harmonized at national level, as well as the way of access of final clients and their suppliers;
 - p)** be properly informed about their actual consumption of natural gas and the actual costs involved, sufficiently frequently so that they have the possibility to adjust their own consumption of natural gas. This information is communicated by the supplier at appropriate time intervals, taking into account the capacity of the end-client measuring equipment and the cost-benefit ratio of these measures, without the end-user incurring additional costs for this service.
- (5)** The final clients participating in the wholesale market of natural gas have the right to sell natural gas only in order to effectively balance their own portfolio, according to ANRE regulations.

Art. 146: Obligations and rights of the natural gas market operator

- (1)** The natural gas market operator is the legal person holding the license that ensures the administration of the centralized natural gas markets, except for the balancing market, in order to trade natural gas in the short, medium and long term, according to the regulations issued by the competent authority.
- (2)** The operator of the natural gas market is not allowed to disclose the information related to the transactions of natural gas that he holds, obtained during his activity, otherwise than under the conditions of the law.
- (2¹)** In order to obtain the license to carry out the activity of managing the centralized natural gas markets, the applicant must:
 - a)** have information systems and applications capable of ensuring the organization and administration of the centralized wholesale gas markets defined by this law;
 - b)** to ensure the separation of the activities that are the subject of the license through the management accounting, realized with the help of a specialized integrated computer application;
 - c)** to prove the certification of the information systems used according to an international standard that contains the requirements for an information security management system, so as to confirm the

organization's ability to assess the risks regarding the security of information and to implement control measures in order to ensure the confidentiality, integrity and availability of information;

d) to prove the certification of the management system used according to an international standard that demonstrates its ability to provide products and services that meet both the clients' requirements and the applicable legal and regulatory requirements;

e) to prove the existence of a valid contract with an independent auditor for auditing the financial statements;

f) to make available to the public information on the annual financial statements and the auditors' report;

g) to submit ANRE reports according to the regulations in force;

h) to comply with the regulations and conditions established by the license granted by ANRE.

(2²) The operators of the centralized natural gas markets have the obligation to obtain the license under the conditions of para. (2¹) and in accordance with ANRE regulations; otherwise the current licenses expire.

(3) The prices established on the centralized natural gas markets shall be made public in accordance with ANRE regulations.

CHAPTER VI: Network access and connection

Art. 147: The regime of access of third parties to the network

The access of third parties to the upstream supply pipelines, to the transport systems, to the storage deposits, to the LNG systems and to the natural gas distribution systems is carried out under a regulated regime.

Art. 148: The regime of connection to objectives in the natural gas sector

(1) The connection of third parties as system users to the upstream supply pipelines, to the transport systems, to the LNG facilities / terminal and to the natural gas distribution systems shall be carried out in a regulated regime, according to the specific regulations elaborated by ANRE.

(2) The connection to the upstream supply pipes and to the transport system is allowed to the following categories of applicants:

a) the holders of the concession contracts of public gas distribution service, in order to fulfil the contractual obligations incumbent upon them in such quality;

b) LNG terminal operators;

c) operators of underground gas storage deposits;

d) industrial clients with an annual consumption of more than 150,000 MWh;

e) the economic operators holding the distribution license;

f) natural gas producers;

g) [the text of Art. 148, para. (2), letter G. of Title II, Chapter VI was repealed on December 20, 2014 by Art. 1, point 1. of Law 174/2014]

Art. 149: Refusal of access

(1) The refusal of the access of third parties to the objectives / systems of the natural gas sector can be done in the following situations:

a) the system capacity is insufficient;

b) access to the system prevents the fulfilment of public service obligations and safety in operation;

c) access to the system can lead to serious economic and / or financial difficulties related to the take-or-pay type contracts for the licensee / authorization holder to whom access is requested;

d) the quality of the natural gas to be introduced in the systems and / or in the deposits does not correspond to the requirements imposed by the regulations in force.

(2) The refusal of access to the system is materialized by a document called "Refusal of access", which must include the reasons for the refusal.

Art. 1491: Derogations regarding the payment commitments assumed through take or pay contracts

(1) If an economic operator in the natural gas sector is facing or considers that he is facing serious economic and financial difficulties due to payment commitments made through take or pay contracts, commitments

accepted by one or more of the its contracts for purchase of natural gas, it can send ANRE a request for a temporary derogation from the application of the provisions of art. 147 and 148.

(2) The request for derogation may be submitted to ANRE either before or after the access to the system is denied, in case the economic operator in the natural gas sector has refused access to the system, the request shall be submitted immediately.

(3) The request must be accompanied by all the relevant information regarding the nature and importance of the problem, as well as on the efforts made by the economic operator, respectively to solve the problem.

(4) The decision regarding the request for derogation regarding take or pay contracts concluded before August 4, 2003 should not lead to situations that would make it impossible to find alternative, economically viable markets.

(5) The request is not accepted if the natural gas sales do not fall below the minimum demand guarantees included in the take or pay natural gas purchase contracts or to the extent that these contracts can be adapted, respectively the economic operator in the gas sector is able to find alternative markets.

(6) ANRE analyses the request for derogation, by taking into account the following criteria:

a) the objective of achieving a competitive natural gas market;

b) the need to fulfil the public service obligations and to guarantee the security of supply;

c) the market position of the economic operator in the natural gas sector and the real situation of the competition in this market;

d) the severity of the economic and financial difficulties faced by the economic operators in the natural gas sector, the transmission and system operator and the eligible clients;

e) the signing dates and the clauses of the contract or contracts in question, including the extent to which they take into account the changes in the market;

f) the diligence taken to solve the respective problem;

g) the extent to which, in the case of accepting the payment commitments in question undertaken by take or pay contracts, the economic operator could have provided, in a reasonable manner, taking into account the provisions of the present law, the possibility of serious difficulties;

h) the degree of connection of the system with other systems and the degree of interoperability of these systems;

i) the effects that the granting of a derogation would have on the correct application of the provisions of the present law regarding the proper functioning of the internal market of natural gas.

(7) If there are no reasonable alternative solutions and, taking into account the criteria mentioned in para. (6), ANRE may decide to grant a derogation.

(8) ANRE shall immediately notify the European Commission of the decision to grant the derogation, providing, in a consolidated form, all relevant information regarding the respective derogation.

(9) In case the European Commission requests ANRE to modify or withdraw the decision to grant the derogation, it shall comply within 28 days.

(10) Any derogation granted under the above provisions will be duly motivated and will be published in the Official Journal of the European Union.

(11) Economic operators in the natural gas sector who have not been granted a derogation, within the meaning mentioned in this article, do not refuse or do not continue to refuse access to the system due to the payment commitments made under the natural gas purchase contracts type take or pay.

Art. 150: Refusal to connect

Refusal to connect to the objectives / systems in the natural gas sector can be done in the following situations:

a) the system capacity is insufficient;

b) there are no pipelines component parts of the systems to which the connection is to be made;

c) in case of non-fulfilment of the obligation to pay the connection fee.

Art. 151: Financing the works to pipelines necessary for connection

(1) The distribution operator or the transmission and system operator cannot refuse the connection to the system and is obliged to finance the works to develop the installations/ pipelines necessary for the connection of the consumers within the perimeter of the concessioned distribution system. The extensions are made under conditions of economic efficiency, in accordance with ANRE regulations.

(1¹) In the execution of the concession contract, at the request of the authorities of the local or central public administration, based on the regional or local development and urban development plans, the distribution operator is obliged to ensure the development of the distribution systems and the financing for the expansion of the distribution systems in the area covered by the concession contract, respectively the license, which he holds.

(2) To achieve the objectives / pipelines provided in para. (1), the applicant may participate, in part or in full, in the initial financing of the objectives / pipelines with own funds, with funds from local budgets and / or from the state budget, according to the law.

(3) The assets resulting in the conditions of para. (2) are taken into use by the distribution operator or the transmission and system operator, based on a contract in which the financial conditions are explicitly stipulated, based on the procedure approved by ANRE.

(4) The distribution operator or the transmission and system operator to whom the assets were delivered in accordance with the provisions of para. (3) is obliged to reimburse the c/v of the amount invested by the applicant, in accordance with ANRE regulations.

(5) In applying the provisions of para. (1) and (2), the operator has the obligation to carry out a technical-economic study, prepared according to a procedure approved by ANRE, within 30 days from the date of receiving the request.

(5¹) In order to develop the natural gas supply programs of the localities and to extend the natural gas distribution systems, the local public administration authorities and the ministries involved will respond, within 60 days from receiving the requests of the transmission and system operator, as well as of the distribution operators, for the realization of the development plans of the system in the medium and long term.

(6) At the expiration of the term provided in para. (5), the study is transmitted to the applicants, free of charge.

(7) The distribution operator or the transmission and system operator has the obligation to realize and put into operation the objective / pipeline achieved within 270 days from the date of issuing the technical connection notice or from the date of signing the contract, after case, or no more than 180 days from the date of obtaining the building permit.

Art. 152: Direct pipelines

(1) In order to ensure the need for natural gas, the applicants who are in areas other than those provided in art. 104 paragraph (1) may request ANRE approval for the construction of a direct pipeline.

(1¹) In justified situations, ANRE may approve the supply of natural gas to certain natural gas applicants located in delimited areas for which the public service for natural gas distribution was granted, through a direct pipeline from a neighbouring distribution system.

(2) ANRE issues authorizations for the construction of a direct pipeline to allow:

- a) to the suppliers licensed by ANRE to supply natural gas to eligible clients supplied by a direct pipeline;
- b) the supply of natural gas by a supplier licensed by ANRE to any such eligible client, through a direct pipeline.

(3) The direct pipeline is fully funded by the applicants and is their ownership.

(4) The transparent and non-discriminatory criteria for granting the authorizations for setting up, as well as the operating conditions of the direct pipeline are approved by ANRE.

(5) The design / execution / operation of the direct buses will be made according to the technical norms specific to the upstream / transport / distribution pipelines, as the case may be.

Art. 153: Solving the differences of access to the system

- (1) A specialized commission is constituted within ANRE for the administrative-jurisdictional solution of the divergences of access to the system.
- (2) The organization and functioning of the commission provided in para. (1) is carried out on the basis of a regulation approved by ANRE.
- (3) The commission provided in para. (1) adopt a decision within 60 days of receiving the complaint.
- (4) The decision of the commission provided in para. (3) has definitive character, it is obligatory for the parties and it can be challenged under the terms of the Law of the administrative contentious no. 554/2004, as subsequently amended and supplemented.

CHAPTER VII: General provisions regarding liquefied natural gas (LNG)

Art. 154:

[the text of Art. 154 of Title II, Chapter VII was repealed on July 19, 2018 by [Art. I, point 57. of Law 167/2018](#)]

Art. 155:

[the text of Article 155 of Title II, Chapter VII was repealed on July 19, 2018 by [Article I, point 58. of Law 167/2018](#)]

Art. 156: Regulation of LNG use

The general regulatory framework on LNG is established by ANRE through the LNG Technical Code.

Art. 156¹: LNG installations

- (1) LNG liquefaction, unloading, storage and regasification of LNG shall be carried out by the operator of the LNG storage terminal / facilities.
- (2) LNG is used for the purpose of:
 - a) carrying out commercial activities;
 - b) ensuring the security in the supply of natural gas to the final clients;
 - c) harmonization of variations in seasonal, daily and hourly consumption with other available gas sources.

Art. 156²: Obligations and rights of the LNG terminal operator

- (1) The LNG terminal operator mainly has the following obligations:
 - a) to operate, maintain, rehabilitate and modernize the surface technological installations related to the LNG terminal, under conditions of safety, efficiency and environmental protection;
 - b) to ensure the access of third parties to the LNG terminal, based on objective, transparent and non-discriminatory criteria, according to ANRE regulations;
 - c) publish the list of LNG facilities or parts thereof which are offered for access to third parties;
 - d) to provide information to LNG terminal users necessary for efficient access to the system;
 - e) to elaborate and send to ANRE the 5-year investment plans of the systems they operate; these plans are updated annually by the operator until the end of December and are approved by ANRE;
 - f) to provide adequate means for fulfilling the obligations regarding the public service;
 - g) preserves the confidentiality of commercially sensitive information that it has obtained during the course of its activities and prevents the discriminatory disclosure of information regarding its own activities that could induce economic benefits; does not disclose any commercially sensitive information to the other parts of the economic operator unless this is required in order to conclude a commercial transaction.
- (2) The LNG terminal operator mainly has the following rights:
 - a) to collect the tariff related to the provision of the LNG terminal operating service, to limit and / or interrupt the service provision, according to the specific regulations;
 - b) to elaborate technical / commercial norms specific to their own activity and to submit them for ANRE approval;
 - c) to interrupt the operation of the LNG facilities for the strictly necessary time, in order to carry out the maintenance and repair works, as well as in other situations provided by law, with the prior notification of the dispatchers of the affected systems and, as the case may be, of the clients;
 - d) to justifiably refuse the access of third parties to the LNG terminal, according to the law.

(3) The LNG terminal operator publishes information regarding its own activities, required by the system users / access applicants, according to ANRE regulations, in order to ensure the efficient access to the system, an effective competition and the efficient functioning of the natural gas market, not being allowed the disclosure of commercially sensitive information obtained during their activities, including those obtained from third parties in the context of granting network access.

Art. 157: Authorization regime in the LNG field

The economic operators and / or the natural persons carrying out design, execution and exploitation activities in the LNG field must hold authorizations / licenses issued by ANRE based on specific regulations.

CHAPTER VIII: Quality assurance of equipment, installations, appliances, products and processes used in the natural gas sector

Art. 158: Use of equipment, installations, apparatus, products and processes in the natural gas sector

(1) The use of equipment, installations, apparatus, products and processes in the natural gas sector is allowed after obtaining the prior approval of the system operator, based on methodologies / procedures elaborated by it and endorsed by ANRE.

(2) ANRE ensures the transparency of this process by publishing the approved methodologies / procedures on its own site.

Art. 159: Intelligent measuring systems

(1) Until September 3, 2012, ANRE evaluates the implementation of intelligent metering systems that contribute to the active participation of consumers in the market for the supply of natural gas, in terms of costs and long-term benefits for the market and for individual consumers, of the type of smart metering, as well as of the feasible terms of implementation.

(2) In the conditions where, by the evaluation provided in para. (1), it is found that the implementation of intelligent metering systems is advantageous for the functioning of the natural gas market, ANRE elaborates, in consultation with the distribution and transport operators, and approves an implementation calendar, paying due attention to the use of adequate and good standards. practices, as well as the importance of developing the natural gas market.

Art. 160: Verification of projects

(1) Before the execution of the works for the objectives / systems of the natural gas sector, in order to comply with the requirements regarding the quality in constructions, the economic operators that exploit the respective objectives / systems have the obligation to verify the execution projects through the project verifiers certified by ANRE.

(2) The projects related to the execution / modifications of the utilization installations shall be verified by the verifiers certified by the Ministry of Regional Development and Tourism.

(3) The projects related to the natural gas systems and installations are considered to be approved if they have been declared compliant by the project verifier.

Art. 161: Certification of project verifiers

(1) Certification of the project verifiers provided in art. 160 paragraph (1) is made according to a regulation approved by ANRE.

(2) The project verifiers that have been certified by other institutions retain their competences by equivalent of the certificate, according to the regulation provided in para. (1).

(3) The certified project verifiers respond in solidarity with the designers for ensuring through project all the technical and quality requirements provided by the legislation in force, with a view to achieving and exploiting the projected objective in safe conditions, as well as for any project modifications during the execution.

Art. 162: Reception of works

(1) The reception of the objectives / systems of the natural gas sector is performed by specialists, installers authorized by ANRE, employees of the licensed economic operators who have followed their execution, according to the provisions of the specific technical norms.

(2) The reception of the installations for the use of natural gas belonging to the final consumers is performed by the beneficiary of the work and by the specialists of the economic operator authorized by ANRE who executed the respective work, according to the provisions of the specific technical norms.

Art. 163: Expertise of works

(1) The objectives / systems of the natural gas sector are subject, as the case may be, to the technical expertise by authorized experts, according to a regulation approved by ANRE.

(2) The experts who have been certified by other institutions maintain their competences by equivalent of the certificate, according to the regulation provided in para. (1).

CHAPTER IX: New infrastructure

Art. 164: Exemption conditions for new infrastructures

(1) New major natural gas infrastructures, such as interconnections between Member States, LNG facilities and storage facilities, may benefit from a derogation, for a fixed period of time, upon request, from the provisions of the legislation in force, regarding third party access to the transportation, storage and upstream supply pipelines, as well as from the pricing methodologies, under the following conditions:

a) the investment must strengthen the competition in the supply of natural gas and improve the security of supply;

b) the level of risk related to the investment is such that the investment is not realized unless a derogation is granted;

c) the infrastructure must be owned by a legal person that is at least separated in terms of its legal form from the system operators in whose systems the infrastructure is built;

d) tariffs are levied for the users of the respective infrastructure;

e) the derogation does not adversely affect the competition, the efficient functioning of the internal market of natural gas or the efficient functioning of the regulated system to which the infrastructure is connected.

(2) The provisions of para. (1) also applies to significant increases in the capacity of existing infrastructures, as well as to the modifications of these infrastructures that allow the development of new sources of natural gas supply.

Art. 165: Granting of derogations

ANRE decides on granting the derogation provided in art. 164, adopting a properly reasoned decision. ANRE decision is published in the Official Gazette of Romania, Part I.

Art. 166: Type of derogation

The derogation may cover all or part of the new infrastructure, the existing infrastructure with significantly increased capacity or the modification of the existing infrastructure.

Art. 167: Conditions for granting the derogation

When making the decision to grant a derogation, the need to impose conditions regarding the duration of the derogation and non-discriminatory access to the interconnection pipeline shall be considered.

Art. 168: Conditions for granting the derogation in the case of an interconnection pipeline

When taking the decision regarding the conditions provided in art. 170 will mainly take into account the duration of the contracts, the additional capacity to be built or the modification of the existing capacity, the time horizon of the project and the national conditions.

Art. 169: Rules and mechanisms for capacity management and allocation

When granting a derogation, ANRE may decide on the rules and mechanisms for managing and allocating capacity, if they do not prevent the implementation of long-term contracts.

Art. 170: Consultation with other Member States or regulatory authorities

In the case of an interconnection pipeline, any derogation decision shall be taken after consultation with the other Member States or, as the case may be, with the regulatory authorities or with the Agency for the Cooperation of Energy Regulators - ACER.

Art. 171: Transmission of the derogation requests

The regulatory authority shall send the European Commission, without delay, a copy of all requests for derogation, immediately upon receipt. The derogation decision shall be communicated without delay by ANRE to the European Commission, together with all relevant information.

(2) ANRE shall comply with the decision of the European Commission to amend or withdraw the derogation decision within 30 days and shall notify the European Commission thereof.

Art. 172: Relevant information

The information provided in art. 171 must include, in particular:

- a) the detailed reasons on which the regulatory authority or the Member State granted the derogation, including the financial information justifying the necessity;
- b) the analysis regarding the effect on the competition and the efficient functioning of the internal market of natural gas resulting from the granting of the derogation;
- c) the reasons for the time period and the part of the total capacity of the respective natural gas infrastructure for which a derogation was granted;
- d) in case the derogation refers to an interconnection pipeline, the result of consultation with the respective Member States or with the regulatory authorities;
- e) the contribution of the infrastructure to the diversification of the natural gas supply sources.

CHAPTER X: Public service obligation

Article 173: Obligation of public service

(1) The holders of licenses for storage, transport, distribution and supply of natural gas and the holder of the operating license of the LNG terminal have the obligation to carry out their activities in compliance with the obligations stipulated in the licenses, respectively the authorizations issued by ANRE, regarding the safety, quality, continuity supply, energy efficiency, complying with the safety and health rules of the workplace and environmental protection, as well as the provisions of the direct contracts with clients.

(2) ANRE may establish by the specific regulations public service obligations for each activity in the natural gas sector, applicable to all license holders, or authorizations in a transparent, equidistant and non-discriminatory manner.

(3) The public service obligations provided in para. (2) shall not prevent the liberalization of the natural gas market, shall not constitute barriers to the entry of new operators into the market or distort competition and the transparent functioning of the market.

(4) The public service obligations that may affect the natural gas market within the meaning of the provisions of para. (3) is notified to the Competition Council.

(5) The costs incurred in a prudent manner by the economic operators for the fulfilment of the public service obligations are justified costs and are covered by the prices or tariffs practiced by them, in accordance with the specific regulations of ANRE.

(6) ANRE reviews every 2 years the necessity and the way of imposing the public service obligations, taking into account the evolution of the natural gas sector.

(7) ANRE elaborates and sends to the prime minister and the relevant ministry a report on the measures taken to fulfil the public service obligations, including consumer and environmental protection, and their possible effect on domestic and international competition, which will be updated every 2 years, given the changes made to these measures. This report is sent to the specialized committees of the Romanian Parliament and the European Commission, for information.

CHAPTER XI: Natural gas market

Art. 174: Structure of the natural gas market

- (1) The natural gas market is composed of the regulated market and the competitive market, and the transactions with natural gas are performed wholesale or retail.
- (1¹) In the natural gas wholesale market, all prices and quantities established as a result of transactions carried out on each of the centralized natural gas markets, the prices and quantities of natural gas used for balancing NTS, as well as all prices and quantities in export contracts, the import contracts, the intra-group contracts and the related quantities are made public, by types of transactions, in aggregate forms that do not affect the commercial interests of the operators, according to ANRE regulations.
- (2) The increase of the share of the competitive market is achieved gradually, by ensuring access to this market for as many participants, suppliers and final clients, in accordance with the provisions of art. 175.
- (3) The participants in the natural gas market must comply with its operating rules, approved by ANRE.
- (4) The participants in the natural gas market and the associated operational structures are: producers, suppliers, traders of natural gas, final clients, the operator / operators of the transport and system, the operators of the upstream supply pipelines related to the production of natural gas, the operators of the centralized markets of natural gas, distribution operators, storage operators and LNG terminal operator.
- (5) The participants in the natural gas market are obliged to undertake the financial responsibility for the payment of the imbalances they generate on the natural gas market, in accordance with the regulations approved by ANRE.
- (6) The final clients of natural gas have the right to choose their supplier and to negotiate directly contracts of sale-purchase with him.
- (7) If they have exercised their right of eligibility, the final clients will no longer have the right to return to the regulated supply.
- (7¹) By exception from para. (7), the household clients who have exercised the right of eligibility have the right to return to the regulated supply.
- (8) The Dispute Settlement Commission shall be set up as a body that resolves disputes on the wholesale and retail market arising between the participants in the natural gas market.
- (9) The dispute settlement commission is made up of 5 members who are appointed by decision of the president of ANRE, for a period of 3 years, among ANRE employees having at least 5 years of age in the natural gas field.
- (10) The dispute settlement commission carries out its activity on the basis of a regulation of organization and functioning approved by decision of the president of ANRE, after public consultation.
- (11) ANRE acts as a dispute resolution authority for any complaint made by third parties to a transmission and system operator, LNG terminal operator, storage or distribution operator regarding the obligations incumbent upon the operator under this law and issue a decision within two months from the date of receipt of the complaint. This period can be extended by two months if ANRE wishes to obtain additional information. Thereafter, this period may be extended with the applicant's consent. Starting the process of solving complaints by ANRE is without prejudice to the right of the petitioners to address the courts for solving the same complaints.

Art. 175: Operation of the regulated gas market

- (1) The regulated gas market operates mainly to ensure the supply of natural gas to the final clients referred to in art. 179 para. (2) letters a) - c).
- (2) On the regulated market of natural gas, the competent authority has the right:
- a) to impose public service obligations, according to art. 173;
 - b) to impose the suppliers, transparent procedures for the purchase of natural gas from the competitive market destined to carry out the activities provided for in art. 179 para. (2) letters a) - c).
 - c) to establish the prices applied by the natural gas suppliers of last resort to the final clients;
 - d) to approve methodologies for verification / control of the expenses with the purchase of natural gas.

e) to request the transmission system operators, distribution operators, storage operators and LNG terminal operator, if necessary, to modify the terms and conditions of the commercial / technical regulations, including the tariffs and methodologies elaborated by them, in order to ensure proportionality and their application in a non-discriminatory manner.

(3) The supply of natural gas on the regulated market is made on the basis of framework contracts approved by ANRE.

(4) ANRE continuously monitors the effect of the regulated market on the natural gas competitive market and takes the necessary measures to avoid any possible distortions of competition and to increase the degree of transparency of commercial transactions.

(5) ANRE organizes, within the monitoring action, a process of evaluating the functioning of the natural gas market in the conditions of renouncing the application of regulated prices for final clients, in which at least the following general criteria will be used:

a) the number of suppliers active in the natural gas market each year;

b) the market share of each of the active suppliers;

c) the economic-financial capacity of the active suppliers and their behaviour in the market;

d) the evolution of the annual number of changes of the natural gas supplier;

e) the level and evolution of prices in the market;

f) the number and type of vulnerable consumers.

Art. 176: Safeguard measures

(1) In the event of unexpected crisis on the natural gas market and if the physical safety or security of persons, devices or installations or the integrity of the system is threatened, the transmission and system operator shall propose to the relevant ministry the adoption of measures of safety.

(2) The measures mentioned in para. (1) should affect the smooth functioning of the internal market of the European Union as little as possible and should be strictly limited to remedy the crisis that generated them.

(3) The implementation of the measures provided for in para. (1) is made by Government decision initiated by the relevant ministry.

(4) The Ministry of Emergency shall notify the other Member States of the European Union, as well as the European Commission, of the safety measures adopted in each case.

Art. 177: Functioning of the competitive market for natural gas

(1) In the competitive market, commercial transactions with natural gas are made wholesale or retail, in compliance with ANRE regulations, and prices are formed on the basis of demand and supply, as a result of the competitive mechanisms.

(2) The wholesale competition market operates based on:

a) bilateral contracts between the economic operators in the natural gas field;

b) transactions on centralized markets, managed by the natural gas market operator or the balancing market operator, as the case may be;

c) other types of transactions or contracts.

(3) In the retail competitive market, suppliers sell natural gas to final clients through contracts at negotiated prices or standard offers.

(3¹) Between July 15, 2014 - November 30, 2016, natural gas producers in Romania or their affiliates, as the case may be, have the obligation to conclude transactions on the centralized markets in Romania, in a transparent and non-discriminatory way, for the sale of a minimum quantity of natural gas from own production, intended for domestic consumption, in accordance with the regulations issued by ANRE.

(3²) Between January 1, 2015 - November 30, 2016, the licensed suppliers have the obligation to conclude transactions on centralized, transparent and non-discriminatory markets, for the sale / purchase of a minimum quantity of natural gas, in accordance with the regulations issued by ANRE.

(3³) In order to ensure non-discrimination between the same categories of consumers, until March 31, 2017, household clients and producers of thermal energy, only for the quantities of natural gas used for the production of thermal energy in the cogeneration plants and in the thermal plants intended for the

consumption of the population, have the same treatment from the point of view of ensuring the quantities and the selling price of the consumed natural gas, whether they chose to be eligible or regulated.

(3⁴) [the text of Art. 177, par. (3 ^ 4) of Title II, Chapter XI was repealed on July 19, 2018 by Art. I, point 62. of Law 167/2018]

(3⁵) [the text of Art. 177, par. (3 ^ 5) of Title II, Chapter XI was repealed on July 19, 2018 by Art. I, point 62. of Law 167/2018]

(3⁶) Between January 1, 2018- December 31, 2018, each natural gas producer, insofar as it contracts the sale of natural gas, in a calendar year, has the obligation to conclude contracts in the centralized markets in that calendar year. Romania, transparent and non-discriminatory, in accordance with the regulations issued by ANRE, for the sale of a minimum quantity of natural gas from its own production which cannot be lower than that represented by a percentage quota, established by Government decision, from the quantity of natural gas for which it concludes sales-purchase contracts, in the respective calendar year, as a seller. If the delivery term stipulated in the contracts is in a different calendar year than the one in which the contracting is carried out, the obligation to trade on the centralized markets in Romania is carried out in the year of delivery.

*) In order to apply the provisions of art. 177 para. (3⁶) of the Law on electricity and natural gas no. **123/2012**, with the subsequent modifications and completions, corroborated with those of art. 1 of the Government Decision no. **925/2017** regarding the establishment for 2018 of the percentage quotas provided in art. 177 para. (3⁶) and (3⁷) of the Law on electricity and natural gas no. **123/2012**, the following calculation formula applies:

$$Q_{VP2018} = CP\%_{VP.2018} * Q_{ctr.PV2018},$$

in which:

Q_{VP2018} - the quantity of natural gas from its own onshore production, which the producer, as a seller, has / was obliged to transact through the conclusion of contracts on the centralized markets in 2018;

$CP\%_{VP.2018}$ - the percentage quota established in art. 1 of the Government Decision no. 925/2017 for the year 2018;

$Q_{ctr.PV2018}$ - the quantity of natural gas for which it concluded / concluded sales-purchase contracts, as a seller, with delivery in the calendar year 2018, less the quantities of natural gas provided in art. 177 para. (3⁹) of Law no. 123/2012, as subsequently amended and supplemented.

*) Starting with January 1, 2019, each natural gas producer, insofar as it contracts the sale of natural gas, in a calendar year, has the obligation to conclude in the calendar year in which it supplies natural gas contracts on the centralized wholesale markets, transparent, public and non-discriminatory, for the sale of a minimum quantity of natural gas from its own onshore production, determined by applying the percentage quota provided in art. 177 para. (3¹⁶) of Law no. 123/2012, with the subsequent modifications and completions, to the quantity of natural gas contracted with delivery in the respective calendar year, as a seller, according to the following formula:

$$Q_{VP} = CP\%_{VP} * Q_{ctr.VP}$$

where:

Q_{VP} - the quantity of natural gas from its own onshore production, which the producer, as a seller, has the obligation to transact through the conclusion of contracts on centralized markets;

$CP\%_{VP}$ - the percentage quota established according to the provisions of art. 177 para. (3¹⁶) of Law no. 123/2012, with subsequent modifications and completions, in the respective calendar year;

$Q_{ctr.VP}$ - the quantity of natural gas from its own onshore production, for which it concludes sales-purchase contracts, as a seller, and which it delivers in the respective calendar year.

*) In the case of the producers who conclude, as a seller, contracts with delivery time in a calendar year other than the one in which the contracting is carried out, the obligation to transact through the conclusion of contracts on the centralized markets is calculated according to the following formula:

Q^n_{VP} - represents the quantity of natural gas delivered in year n based on the contracts that the producer has the obligation to conclude on the centralized markets;

n - represents the calendar year in which the contracted natural gas is delivered;

i - represents the calendar year in which the additional contracts / documents were concluded;

Q_{ctrPi} - represents the quantity / sum of the quantities of natural gas contracted by the conclusion of sales-purchase contracts / additional deeds in year i with delivery in year n;

$CP\%_i$ - represents the minimum mandatory quota in force at the date of the conclusion of the contract / addendum in year i for year n. In the situation when the minimum mandatory quota is not known at the date of conclusion of the contract/additional deed from year i for year n, to the quantities delivered based on these contracts / additional deed, the minimum mandatory quota applicable in year i is applied.

*) The natural gas producers have the obligation to make available to the market, in a competitive and non-discriminatory way, all the quantity of natural gas produced in the respective calendar year, as follows:

a) on the centralized wholesale markets, according to the provisions of para. (1), (2) and (3);

b) the rest of the production based on other types of transactions or contracts.

(3⁷) Between January 1, 2018- December 31, 2018, each natural gas supplier, which does not have the quality of producer, insofar as it contracts the sale / purchase of natural gas, within a calendar year, is obliged to conclude, in that calendar year, contracts on the centralized markets in Romania, transparent and non-discriminatory, in accordance with the regulations issued by ANRE, for:

a) the purchase of a minimum quantity of natural gas that cannot be lower than the one represented by a percentage quota, established by Government decision, of the quantity of natural gas for which contracts for sale - purchase of natural gas are concluded, in the respective calendar year, as a buyer;

*) In order to apply the provisions of art. 177 para. 3⁷ letter a) of the Law on electricity and natural gas no. 123/2012, with the subsequent modifications and completions, corroborated with those of art. 2 of the Government Decision no. 925/2017, the following calculation formula applies:

$$Q_{FTC2018} = CP\%_{FTC} * Q_{ctr.FTC2018},$$

in which:

$Q_{FTC2018}$ - the quantity of natural gas for which the supplier / trader of natural gas has / had the obligation to conclude contracts on the centralized markets in 2018, as a buyer;

$CP\%_{FTC}$ - the percentage quota established in art. 2 of the Government Decision no. 925/2017 for the year 2018;

$Q_{ctr.FTC2018}$ - the quantity of natural gas for which it concludes / has concluded sale-purchase contracts, as a buyer, with delivery in the calendar year 2018, from which the quantity of natural gas that is the subject of the transactions concluded with an external partner that decreases is not an economic operator in the natural gas sector in Romania, outside the wholesale market in Romania.

b) the sale of a minimum quantity of natural gas to the wholesale clients, which cannot be lower than the one represented by a percentage, established by Government decision, of the quantity of natural gas for which contracts for sale and purchase of natural gas are concluded, in the respective calendar year, with wholesale clients, as a seller;

*) In order to apply the provisions of art. 177 para. 3⁷ letter b) of the Law on electricity and natural gas no. 123/2012, with the subsequent modifications and completions, corroborated with those of art. 3 of the Government Decision no. 925/2017, the following calculation formula applies:

$$Q_{FTV2018} = CP\%_{FTV} * Q_{ctr.FTV2018} + CP\%_{VP.2018} * Q_{tr}$$

in which:

$Q_{FTV2018}$ - the quantity of natural gas for which the natural gas supplier / trader has / was obliged to conclude sales / purchase contracts on the centralized markets in 2018, as a seller;

$CP\%_{FTV}$ - the percentage quota established in art. 3 of the Government Decision no. 925/2017 for the year 2018;

$Q_{ctr.FTV2018}$ - the quantity of natural gas for which it concluded / concluded sales-purchase contracts, as a seller, with delivery in the calendar year 2018, less the quantities of natural gas provided in art. 177 para. (3⁹) of Law no. 123/2012, with subsequent modifications and completions, and those intended for final clients;

CP% VP.2018 - the percentage quota established in art. 1 of the Government Decision no. 925/2017 for the year 2018;

Q_{tr} - the quantity of natural gas whose property was transferred to the supplier by an affiliate producer, under the conditions of art. 177 para. (3⁹) of Law no. 123/2012, as subsequently amended and supplemented.

c) if the delivery term stipulated in the contracts is in a different calendar year than the one in which the contracting is performed, the trading obligation on the centralized markets in Romania is carried out in the delivery year.

(3⁸) [the text of Art. 177, par. (3 ^ 8) of Title II, Chapter XI was repealed on July 19, 2018 by Art. I, point 64. of Law 167/2018]

(3⁹) The provisions of para. (3⁶) are not applicable to the quantities of natural gas for which the producer transfers the property, regardless of what form, to an affiliate, which has the quality of supplier, without also having the quality of producer, provided that these quantities are traded by the affiliate in conditions and with respect to the quantitative limits established by par. (3⁶), under the producer's responsibility.

(3¹⁰) The provisions of para. (3⁷) letter b) are not applicable to suppliers who do not conclude sales-purchase contracts with wholesale clients, as a seller.

(3¹¹) Until November 30, 2016, ANRE will approve, with the opinion of the Competition Council, the specific rules that will be applied on the centralized markets for natural gas, for the purpose of trading natural gas, under competitive conditions and in a transparent, public and non-discriminatory manner.

(3¹²) Until November 30, 2016, ANRE will issue, with the opinion of the Competition Council, the necessary regulations for the application of the provisions of this article, in order to ensure the conditions of competition and of transparent and non-discriminatory access of the buyers to the quantities of natural gas offered. on the competitive market.

(3¹³) [the text of Art. 177, par. (3 ^ 13) of Title II, Chapter XI was repealed on July 19, 2018 by Art. I, point 66. of Law 167/2018]

(3¹⁴) [the text of Art. 177, par. (3 ^ 14) of Title II, Chapter XI was repealed on July 19, 2018 by Art. I, point 66. of Law 167/2018]

(3¹⁵) Starting with January 1, 2019, all participants in the natural gas market, insofar as they contract the sale of natural gas on the wholesale market, in a calendar year, have the obligation to conclude, in the calendar year in which they deliver the natural gas, contracts on centralized markets, transparent, public and non-discriminatory, in accordance with the regulations issued by ANRE, for the sale of a minimum quantity of natural gas that cannot be less than that represented by a percentage of 50% of the quantity of natural gas contracted with delivery in the respective calendar year, as a seller.

(3¹⁶) Starting with January 1, 2019, all natural gas producers, insofar as they contract the sale of natural gas, in a calendar year, have the obligation to conclude contracts in the calendar year in which they deliver natural gas on centralized wholesale, transparent, public and non-discriminatory, in accordance with the regulations issued by ANRE, for the sale of a minimum quantity of natural gas that cannot be lower than that represented by a percentage of 50% of the quantity of natural gas contracted with delivery in the respective calendar year, as a seller.

(3¹⁷) Starting with January 1, 2019, all participants in the natural gas market, insofar as they contract the purchase of natural gas on the wholesale market, in a calendar year, have the obligation to conclude, in the calendar year in which they purchase the natural gas, contracts on centralized markets, transparent, public and non-discriminatory, in accordance with the regulations issued by ANRE, for the purchase of a minimum quantity of natural gas that cannot be lower than that represented by a percentage of 40% of the quantity of natural gas contracted in the respective calendar year, as a buyer.

(3¹⁸) The percentage quotas provided in par. (3¹⁵), (3¹⁶) and (3¹⁷) can be increased annually, following an analysis, by decision of ANRE, which has the obligation to monitor the evolution of the wholesale market of natural gas in Romania, until the latest on March 31 of each calendar year prior to the calendar year for

which the obligation to trade on the centralized wholesale markets of the minimum quantities of natural gas is established.

(3¹⁹) The provisions of para. (3¹⁷) are not applicable to suppliers who have access to a single source of natural gas procurement, according to the connection solution.

(4) The relevant data such as the duration, the rules regarding the delivery and settlement, the quantity, the terms of execution, the transaction prices, the means of identification of the wholesale client, regarding all transactions within the natural gas supply contracts and the derivative instruments from the field of natural gas concluded with wholesale clients and with the transport and system operators, as well as with the storage and LNG operators shall be kept by suppliers for at least 5 years and made available to ANRE, the Competition Council, the European Commission and the other national competent authorities, at their request.

(5) The obligation to keep the data regarding the transactions within the derivatives instruments shall apply only after the publication of the guidelines by the European Commission.

(6) The data provided in para. (5) may be published respecting the confidentiality of commercially sensitive information.

Art. 177¹: Technological consumption

(1) The National Agency for Mineral Resources elaborates the methodology based on which it calculates and certifies the quantities of natural gas needed to be consumed by the economic operators in order to ensure the technological parameters necessary to carry out the production and storage activity, representing the technological consumption related to this activity.

(2) ANRE elaborates the methodologies based on which the quantities of natural gas needed to be consumed by the economic operators are calculated and certified, in order to ensure the technological parameters necessary to carry out the distribution activity, respectively the transport activity, representing the technological consumption related to this activity.

CHAPTER XII: Prices and tariffs

Art. 178: The system of prices and tariffs. Principles

(1) The system of prices and tariffs for natural gas is designed in such a way as to ensure:

- a) the approximation of the market value of the alternative fuels, the promotion of the competition on the natural gas market, the diversification of the natural gas supply sources and the increased security of supply;
- b) the recovery of the costs incurred in a prudent manner, related to the regulated activities, ensuring a reasonable rate of return for the capital invested in the regulated activities, stimulating the development of the capacities of production, transport, storage, distribution of natural gas and LNG terminal, both on short term as well as long term;
- c) saving energy to final clients;
- d) improving the quality of natural gas and the services provided to clients.

(2) The principles underlying the elaboration of the regulations regarding the price and tariff systems for the regulated activities are the following:

- a) the regulated prices and tariffs are established on the basis of their methodologies approved and published by the competent authority;
- a¹) the methodologies for establishing the regulated prices and tariffs are applied in a non-discriminatory manner, they are based on objective and transparent criteria and are subject to the public consultation process before their approval;
- b) stimulating the efficient use of natural gas, ensuring the quality of services, ensuring the calorific power of natural gas, promoting competition on the natural gas market and protecting the interests of clients;
- c) prevention of speculation and speculative behaviour on the natural gas market;
- d) encouraging the transition of the demand from the peak consumption period to the reduced consumption periods.

(3) It is forbidden to recover the costs corresponding to the service provided for a certain category of final clients by the tariffs applied to other categories of final clients.

(4) The cross subsidy between the regulated activities and between the regulated and unregulated activities of an economic operator is prohibited.

(5) All trading prices, including from intra-group contracts, of natural gas from domestic production, import, export shall be made public, by types of transactions, in an aggregate form if the commercial interests of the parties involved in transactions are affected, according to ANRE regulations.

(6) For the calculation of the tariffs for the transmission and distribution of natural gas, during the regulatory period 2019-2024, the rate of return of the invested capital, representing the average cost of the invested capital, expressed in real terms, before taxation, is 6.9 %.

Art. 179: Activities related to the regulated market

(1) On the regulated market that includes the activities of a natural monopoly, activities related to the operation of the LNG terminal, their related activities and the supply at regulated prices and based on the framework contracts, the price and tariff systems are established by ANRE.

(2) The activities related to the regulated market include:

a) the supply of natural gas at regulated prices and on the basis of the framework contracts until 31 December 2014 for non-household clients, unless at this date the existence of a significant difference between the selling price of domestic production and the European import price is found, which could endanger the stability of the market, in which case the deadline is extended until December 31, 2015;

b) supply of natural gas at regulated price and based on framework contracts until June 30, 2022 for household clients;

c) natural gas supply;

d) [the text of Art. 179, par. (2), letter D. of title II, chapter XII was repealed on 04-Oct-2014 by Art. I, point 101. of Law 127/2014]

e) natural gas transmission;

f) natural gas transmission through the upstream supply pipelines, according to the provisions of the license validity conditions;

g) underground storage of natural gas;

h) natural gas storage in the pipeline;

i) distribution of natural gas and biogas / biomethane;

j) related activities carried out by the licensed operators.

k) activities related to the operation of the LNG terminal.

(3) The schedule for the gradual elimination of regulated prices for final clients beginning on December 1, 2012 for non-household clients, respectively from July 1, 2013 for domestic clients, is established by the Government, in accordance with the schedule of producer prices, proposed by ANRE and ANRM, taking into account the possible negative effects of the elimination of the regulated prices, so that they are felt as little as possible by the clients.

(4) For the activities related to the regulated market, prices and tariffs are established on the basis of the methodologies approved and published by ANRE.

(5) The methodologies for establishing regulated prices and tariffs shall be approved by ANRE, after informing and consulting all interested parties. In their calculation, the justified costs for the respective activities, the expenses for development and the protection of the environment, as well as a reasonable profit share.

(6) The order approving the regulated prices and tariffs in the natural gas sector, as well as the order approving their regulatory methodologies, is published in the Official Gazette of Romania, Part I. The order approving the regulated prices and tariffs in the natural gas sector shall include the date of their entry into force.

(7) ANRE monitors annually the results of the calendar of the gradual elimination of the regulated prices for final clients and proposes to the Government, as the case may be, the use of internal production of natural gas on the internal market until the end of the approved calendar.

Art. 180: Limiting prices / tariffs

(1) In the event of a major imbalance between supply and demand and / or an obvious dysfunction of the natural gas market, the Government, at ANRE's proposal and with the opinion of the Competition Council, may limit the excessive increase of prices / tariffs or block them for a period determined by a maximum of 6 months, which can be extended successively for durations of up to 3 months, as long as the circumstances that determined the adoption of the respective decision persist, by:

- a) setting a higher price limit;
- b) limitation of the income from the regulated activity.

(2) The costs recognized and deferred, according to para. (1), shall be fully recovered, in accordance with the procedure approved by the competent authority.

Art. 181: Determination of the energy mix

(1) In order to cover the consumption needs, the final clients have the right to be supplied with natural gas in internal / import mix, according to the structures approved / established by ANRE.

(2) The provisions of para. (1) is applied until the convergence of the price of natural gas from domestic production with that of natural gas from import.

(3) ANRE may establish:

- a) until December 31, 2014, respectively until December 31, 2015, under the conditions of art. 179 para. (2) letter a), a specific structure of import / domestic mix for the quantity of natural gas intended for the consumption of the domestic clients and the producers of thermal energy, only for the quantity of natural gas used for the production of thermal energy in the cogeneration plants and in the thermal power plants, intended for the consumption of the population, and a specific structure of import / domestic mix for the quantity of natural gas intended for the consumption of non-household clients, with the exception of the thermal energy producers, for the quantity of natural gas used for the production of thermal energy in the cogeneration plants and in the thermal plants for the population consumption;
- b) starting with January 1, 2015, respectively with January 1, 2016, under the conditions of art. 179 para. (2) letter a), and until June 30, 2021, under the conditions of art. 179 para. (2) letter b), a specific structure of import / internal mix for the quantity of natural gas intended for the consumption of the household and non-household clients, thermal energy producers, only for the quantities of natural gas used for the production of thermal energy in the cogeneration plants and in the thermal plants destined population consumption.

(4) In order to ensure the compatibility of the costs related to the energy invoice, especially those related to the heating of the population, the establishment of the import / internal mix structure and the approval of the final regulated price for the household clients will also take into account the premises considered when establishing the data for the elimination of regulated prices to this category of clients.

(5) Until March 31, 2017, the purchase price of natural gas from domestic production for household clients and for thermal energy producers, only for the quantities of natural gas used for the production of thermal energy in cogeneration plants and thermal power plants intended for the consumption of the population, it is established by Government decision, at the proposal of the relevant ministry.

(6) The structures of the natural gas mix established / approved by ANRE are exempted from:

- a) the quantities of natural gas reinjected into deposits, except for the payment of the royalty, according to the law;
- b) the quantities of natural gas destined for the technological consumptions specific to the oil operations carried out by the holders of oil agreements;
- c) the quantities of natural gas destined to balance SNT.

(7) Exceptions from observing the structures of the natural gas mix established / approved by ANRE are established by Government decision, at the proposal of the relevant ministry, within 45 days from the entry into force of this law.

(8) Based on the data provided in art. 179 para. (2) and (3), ANRE will gradually eliminate regulated prices for the supply of natural gas to final clients.

(9) [the text of Art. 181, para. (9) of Title II, Chapter XII was repealed on March 29, 2019 by Art. I, point 8. of Emergency Ordinance 19/2019]

Art. 182: Accounting separation obligation

The legal persons from the natural gas sector who practice regulated activities according to art. 179 para. (2) are obliged to ensure the accounting separation, according to the legal norms and regulations of ANRE.

CHAPTER XIII: Procedure for conducting investigations

Art. 183: Arrangement for conducting investigations

The president of the competent authority disposes by decision to carry out investigations under the conditions of art. 185 by the own personnel empowered in this respect, ex officio or in response to a complaint registered with the competent authority, formulated by a natural or legal person who is really and directly affected by a potential violation of the provisions of this title, only in the fields in which ANRE has the power to investigate, according to the law.

Art. 184: Requesting information and documents

In carrying out the investigations, as well as the competences conferred on the basis of this title, the competent authority may request the economic operators the information and documents that are required, mentioning the legal basis and the purpose of the request, and may set deadlines by which this information and documents will be provided.

Art. 185: Rights of investigation

(1) In order to investigate the violation of the provisions of this title, under the conditions of art. 183, ANRE personnel empowered in this regard have the following rights:

- a) to enter the spaces, the lands or the means of transport that the economic operators legally own;
- b) to examine any documents, registers, financial-accounting and commercial documents or other records related to the activity of the economic operators, regardless of where they are stored;
- c) to ask any representative or employee of the economic operator for explanations regarding the facts or documents related to the object and purpose of the investigation and to record his answers;
- d) to raise or obtain in any form copies or extracts from any documents, registers, financial-accounting and commercial documents or from other records related to the activity of the economic operator;
- e) to seal any site intended for the activities of the economic operator and any documents, registers, financial-accounting and commercial documents or other records related to the economic operator's activity, for the duration and to the extent necessary for the investigation.

(2) The competent authority shall proceed to the actions provided in para. (1) only if there are indications that documents can be found or information deemed necessary for the fulfilment of its competences can be obtained, and the result of the investigation will be recorded in a protocol of finding and inventory.

(3) The competent authority may make unannounced inspections and may request to be presented within a reasonable period of time any kind of information or justifications related to the fulfilment of the investigative powers, both on the spot and by summons at its headquarters.

Art. 186: Judicial authorization of investigations

On the basis of the judicial authorization given by conclusion, according to art. 187, ANRE personnel empowered under the conditions of art. 183 may carry out inspections in any other spaces, including the domicile, land or means of transport belonging to the managers, administrators, directors and other employees of the economic operators or associations of the economic operators under investigation.

Art. 187: Obtaining judicial authorization

(1) ANRE personnel carry out inspections in accordance with the provisions of art. 186 only on the basis of the decision of empowerment issued by the president of the competent authority and with the judicial authorization given by conclusion by the president of the Bucharest Court of Appeal or by a judge delegated by it. A certified copy of the decision of empowerment and the judicial authorization shall be communicated to the person subject to the inspection prior to the commencement.

(2) The request for authorization is solved in the council chamber, without summoning the parties. The judge shall rule on the request for authorization within 48 hours from the date of registration of the request by final conclusion. The conclusion shall be motivated and communicated to the competent authority within 48 hours at most of the decision.

(3) In case the inspection must be carried out simultaneously in several spaces between the ones provided in art. 186, the competent authority will submit a single request, the court ruling by a decision indicating the spaces in which the inspection is to be carried out.

(4) The application for authorization must contain all the information that may justify the inspection, and the judge notified shall be required to verify that the application is well founded.

(5) Whatever the circumstances, the inspection shall take place between 8.00 and 18.00 hours and must be carried out in the presence of the person to whom the inspection is carried out or of his representative. The inspection may continue after 18.00 only with the consent of the person to whom the inspection is carried out or of his representative.

(6) The inventories and the placing of seals are made according to the provisions of the Code of criminal procedure.

(7) [the text of Art. 187, par. (7) of Title II, Chapter XIII was repealed on 01-Feb-2014 by Art. 101, point 2. of Title II of Law 255/2013]

(8) The president of the Bucharest Court of Appeal or the judge delegated by it has the power to issue the judicial authorization in order to carry out the inspection according to art. 186. The court verifies whether the decision of empowerment issued by the president of ANRE is authentic and if the coercive measures envisaged are neither arbitrary nor excessive, considering, in particular, the seriousness of the suspected infringement, the importance of the evidence sought, the involvement of the company in cause and the reasonable probability that the activity records and documents related to the object of the inspection will be kept in the premises for which the authorization is requested. The court can ask ANRE for detailed explanations regarding the elements that are required to enable it to verify the proportionality of the coercive measures envisaged.

Art. 188: Access to documents and information

(1) The central and local public administration bodies, as well as any other institutions and public authorities are obliged to allow the competent authority access to the documents, data and information held by them, in compliance with the legal provisions.

(2) The competent authority, receiving access to the documents, data and information mentioned in para. (1), has the obligation to respect the character of state secret or service secret legally attributed to the respective documents, data and information.

Art. 189: Investigation procedure

The investigation procedure is carried out in accordance with the regulation regarding the organization and conduct of the investigative activity approved by order of the president of ANRE.

CHAPTER XIV: Prohibitions

Art. 190: Protection of objectives / systems

In order to protect the objectives / systems of the natural gas sector, it is forbidden to third parties:

- a) to carry out constructions of any kind in the area of safety of natural gas objectives; if, exceptionally, it is necessary for the construction site to be executed, the applicant will bear all the expenses related to the necessary modifications, in compliance with all the provisions regarding the design and execution of works in the natural gas sector and under the condition of assigning the good result to the operator in the assets;
- b) to carry out excavations or works of any kind in the area of protection of natural gas objectives, without the prior approval of the system operator;
- c) to store materials on the access roads and in the protection area of the natural gas objectives;
- d) to intervene in any way on natural gas pipelines, equipment and installations.

Art. 191: Prohibitions

For the safe operation of the natural gas transmission system, except in the case of force majeure, the interruption of the electricity supply, the telephone or radiocommunication links and the railway transport is prohibited.

CHAPTER XV: Offenses and contraventions

Art. 192: Responsibilities

Violation of the provisions of this title entails disciplinary, civil, contravention or criminal liability, as the case may be, of the guilty persons.

Art. 193: Offenses

(1) Deterioration, modification without law or blocking the functioning of the equipment used to measure the consumption of natural gas provided constitutes a crime and is punished by imprisonment from 3 months to 2 years or with a fine.

(2) The execution or use of underground installations for the purpose of direct connection to the natural gas supply system or for the circumvention of the measuring equipment constitutes a crime and is punished by imprisonment from 3 months to 2 years or with a fine.

(3) If the offenses mentioned in para. (1) and (2) are committed by an employee of a license holder, the special limits are increased by half.

(4) Attempt to the offenses mentioned in para. (1) and (2) shall be punished.

Art. 194: Contraventions

The following facts constitute contraventions to the rules regarding the activities of the natural gas sector:

1. the design, approval, verification, technical expertise, execution, reception, commissioning and / or operation of new works, modifications, extensions or revisions of the objectives in the natural gas sector and natural gas utilization facilities by natural or legal persons unauthorized

1¹. unauthorized intervention on natural gas utilization installations in operation by natural or legal persons;

1². unjustified suspension of the natural gas supply of the final client by natural or legal persons;

2. the design and / or the execution of new works, modifications, extensions of the objectives in the natural gas sector and natural gas utilization installations without obtaining the necessary agreements, approvals and authorizations and / or without observing the restrictions / conditions established by them;

3. the design, execution, reception, commissioning and / or exploitation of new works, modifications, extensions, verifications / revisions of the objectives in the natural gas sector and natural gas utilization installations, in violation of the technical regulations issued in the field;

4. approval / verification by a certified project verifier of the technical projects / documentation for the execution, reception and / or commissioning of new works, modifications, extensions of the objectives in the natural gas sector and natural gas utilization installations, which do not comply with the requirements of the technical regulations in force;

5. the execution of new works, modifications, extensions of the objectives in the natural gas sector, in violation of the provisions of art. 104, 105 and 151;

6. execution of new works, modifications, extensions of objectives in the natural gas sector and natural gas utilization installations, without project / technical documentation of verified execution, according to the legal provisions;

7. the execution of new works, modifications, extensions of the objectives in the natural gas sector, excluding the installations of use of any kind, without their surveillance by a licensed operator;

8. the use of equipment, installations, apparatus, products and procedures that do not comply with the technical regulations in force;

9. the use / operation of installations, equipment and appliances that do not have metrological checks and / or technical checks / revisions within the validity period, according to the regulations in force;

10. the carrying out, without the agreement of the licensed operator, of any works, operations, manoeuvres or interventions, of any kind, to pipelines, appliances, equipment, measuring facilities and accessories, related to the objectives/systems of natural gas production / storage, transport or distribution;

- 11.** the reception, commissioning and / or exploitation of the objectives / systems / installations / equipment in the natural gas sector for which the documents provided by the regulations in force and / or for which the necessary authorizations and / or licenses were not obtained;
- 12.** the non-fulfilment and / or the inappropriate fulfilment of the conditions of validity of the authorizations provided in art. 119 point 1, other than those mentioned in the present article;
- 13.** compliance and / or inadequate fulfilment of the conditions of validity of the authorizations / licenses specified in art. 119 points 2 and 3, other than those mentioned in this article;
- 14.** not observing the provisions of the regulations regarding the access and / or the connection to the transport / distribution systems and / or to the upstream supply pipelines;
- 15.** not observing the framework contracts approved by ANRE;
- 16.** not observing the provisions of the performance standards in the natural gas sector;
- 17.** unjustified interruption or delay of the supply of natural gas;
- 18.** the unjustified refusal of the access / connection of the applicants to the upstream supply pipelines, to the transport system, to the distribution system or to the storage deposits of natural gas;
- 19.** resale of natural gas by final clients;
- 20.** the refusal or obstruction of the investigating agents authorized by ANRE to carry out verifications and / or inspections, according to the legal provisions;
- 21.** not providing / not presenting the data, documents and / or information requested within the deadlines set by ANRE or the incomplete / erroneous provision/presentation thereof, as well as and/or the failure to comply with the deadlines set by ANRE and / or the refusal to accept the convocation addressed by ANRE;
- 22.** failure to comply with the obligations / requirements provided in the regulations for the authorization and verification of natural persons and economic operators carrying out design, execution and exploitation activities in the natural gas field;
- 23.** not observing the obligations / requirements provided in the regulations regarding the granting of authorizations and licenses in the natural gas sector;
- 24.** not observing the storage program, established according to the regulations in force;
- 24¹.** not observing by the participants in the natural gas market of their obligations under the provisions of art. 143 para. (1);
- 25.** the non-establishment of the minimum natural gas stock, which the holders of the supply / transport licenses have the obligation to hold in the underground storage deposits, established according to the regulations in force;
- 26.** not respecting the norms regarding the zones of protection and security, established according to the law;
- 27.** not respecting the commercial regulations approved by ANRE, including the methodologies regarding prices and tariffs;
- 28.** not respecting the regulations regarding the legal and / or accounting separation of the regulated activities in the natural gas sector;
- 29.** to carry out any commercial activities and / or services without holding the necessary license / authorization, issued according to the provisions of this title and the regulations elaborated under it;
- 30.** not observing the legal provisions regarding the change of the natural gas supplier;
- 31.** not observing the legal provisions regarding the measurement of natural gas;
- 32.** not respecting the reporting requirements of the information provided by the regulations in force, including in the European regulations;
- 33.** not observing the provisions regarding the information of the natural gas consumers;
- 34.** not observing the provisions of the technical regulations issued / approved by ANRE;
- 35.** the inspection by the transmission and system operator of the provisions regarding the conditions of access to the natural gas transmission networks, provided by the European regulations;
- 35¹.** the failure of fulfilment by the producers or their affiliates, as the case may be, as well as by the licensed suppliers of the obligations provided in art. 177 and 178;

- 36. not observing by the transmission and system operator of the provisions regarding the capacity allocation mechanisms and congestion management procedures, provided by the European regulations;
- 36¹. not observing by the transmission and system operator of the requirements stipulated in the European regulations, other than those mentioned in points 35 and 36;
- 37. not respecting the transparency requirements provided in ANRE regulations, as well as in European regulations;
- 38. not providing or incomplete provision by the transmission and system operator of the information necessary for network users to take timely corrective measures to avoid imbalances;
- 39. not respecting ANRE orders and decisions, other than those provided in the present article;
- 40. breach of confidentiality provisions.
- 41. [the text of Art. 194, point 41. of Title II, Chapter XV was repealed on July 19, 2018 by Art. I, point 75. of Law 167/2018]
- 42. not observing by the transmission and system operator of natural gas and by the operators of the natural gas distribution systems of the maintenance and investment programs, within the deadlines and under the conditions established by the ANRE regulations.
- 43. not observing the provisions of art. 124 paragraph (1¹) - (1³) of article 124.

Art. 195: Sanctions

(1) The contraventions provided in art. 194 are sanctioned as follows:

1. If they were committed by natural persons:

- a) with a fine from 1,000 lei to 2,000 lei, those from points 1¹, 1², 9, 20 and 21;
- b) with a fine from 2,000 lei to 4,000 lei, those from items 2, 3, 8, 22 and 34;
- c) with a fine from 4,000 lei to 8,000 lei, those from points 4, 10, 26 and 40;

2. if they were committed by legal persons:

- a) with a fine from 5,000 lei to 100,000 lei, those from points 1, 1¹, 1², 2, 9, 12, 20, 22 and 33;
- b) with a fine from 10,000 lei to 200,000 lei, those from items 3, 6, 8, 15, 16, 19, 21, 23, 30, 34 and 41;
- c) with a fine from 20,000 lei to 400,000 lei, those from points 4, 5, 7, 10, 11, 13, 14, 17, 24, 24¹, 26, 27, 29, 31, 32, 39 and 40;
- d) with a fine from 100,000 lei to 500,000 lei, those from items 18, 28, 36, 37 and 38;
- e) with a fine between 5% and 10% of the annual turnover, those from points 25, 35, 35¹, 36¹ and 42;
- f) with a fine from 50,000 lei to 100,000 lei, for failure by the producers or their affiliates, as the case may be, as well as by the licensed suppliers of the obligations stipulated in art. 177 para. (3¹) and (3²), and with a fine between 0.2% and 1% of the annual turnover for non-fulfilment by the producers or their affiliates, as the case may be, as well as by the licensed suppliers of the obligations provided in art. 177 para. (3⁴) - (3⁷).

(2) For the contraventions provided in art. 194, repeatedly committed by legal entities, the regulatory authority may apply a fine between 1% and 5% of the annual turnover of the contravening person.

(3) By contravention committed repeatedly is understood the previous committing of at least twice of the same contravention during 12 consecutive months, within the same organizational structure, except those provided in art. 194 points 25, 35, 35¹, 36¹ and 42.

(4) The annual turnover means the turnover of the contravening legal person obtained from the regulated activity for which the contravention was established, in the financial year prior to the sanction of the act.

(4¹) For the contraventions provided in art. 194 point 18, the regulatory authority may apply a complementary contravention sanction consisting in the prohibition of the right to participate in order to obtain new licenses.

(4²) By derogation from the provisions of art. 8 paragraph (2) of the Government Ordinance no. 2/2001 regarding the legal regime of contraventions, approved with modifications and completions by Law no. 180/2002, the contravention provided in art. 194 point 43 is sanctioned with a fine of 10% of the turnover of the year prior to the application of the contravention sanction.

(5) [the text of Art. 195, para. (5) of Title II, Chapter XV was repealed on July 19, 2018 by Art. I, point 80. of Law 167/2018]

(6) The application of the sanction of the contravention fine is prescribed within 2 years from the date of the commission of the deed.

Art. 196: Finding contraventions and applying sanctions

The finding of contraventions and the application of sanctions are made by persons empowered for this purpose by the president of ANRE.

Art. 197: [the text of Article 197 of Title II, Chapter XV was repealed on July 19, 2018 by Article I, point 80. of Law 167/2018]

Art. 198: Legal Regime of contraventions

To the contraventions provided in art. 194 shall apply the provisions of Government Ordinance no. 2/2001, approved with modifications and completions by Law no. 180/2002, with subsequent modifications and completions.

Art. 199: Access for the purpose of finding contraventions

(1) In order to find the contraventions, the investigating agents have access, according to the law, to the production objectives, to the systems in the natural gas sector, including to the installations and their related equipment, as well as to the natural gas utilization installations.

(2) The owners of the utilization installations or those who operate them are obliged to make available to the agents ascertaining relevant documents, data and / or information.

(3) The police bodies, as well as the other bodies with attributions in the field, are obliged to provide support, upon request, to the investigating agents.

CHAPTER XVI: Transitional and final provisions

Art. 200: Entry into force

(1) The provisions of art. 127 enters into force on March 3, 2013.

(2) At the date of entry into force of this law, the following shall be repealed:

a) The gas law no. 351/2004, published in the Official Gazette of Romania, Part I, no. 679 of July 28, 2004, with subsequent modifications and completions, except for art. 6-10;

b) any other contrary provisions.

(3) Within 9 months from the date of entry into force of this law, ANRE will adapt, as the case may be, the regulatory framework in accordance with this title.

(4) Until the adaptation, as the case may be, of the regulatory framework, all normative acts issued under Law no. 351/2004, as subsequently amended and supplemented, remains valid, except for the provisions that are contrary to the present law.

Art. 201: Final provisions

(1) The relevant Ministry notifies to the European Commission the adoption of this law and of other administrative acts necessary for the implementation of the provisions of Directive 2009/73 / EC, including by sending the texts of these normative acts.

(2) [the text of Art. 201, par. (2) of Title II, Chapter XVI was repealed on 04-Oct-2014 by Art. I, point 110. of Law 127/2014]

(3) The Government, with the approval of the Competition Council, may decide to set up a solidarity fund for the financial support of the vulnerable consumer, from the contribution and / or additional taxation of the unexpected profits of the producers and suppliers of electricity and natural gas, obtained as a result of some favourable market situations and / or short-term transactions. The method of setting up and using the fund is determined by Government decision.

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- Title I of this law transposes Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 on common rules for the internal market of electricity and repealing Directive 2003/54/EC, published in the Official Journal of the European Union series L no. 211 of 14 August 2009, Directive

2005/89/EC of the European Parliament and of the Council of 18 January 2006 on measures to guarantee the security of electricity supply and investments in infrastructure, published in the Official Journal of the European Union series L no. 33 of February 4, 2006, and the provisions of art. 4 paragraph (3) of Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on the demand for useful thermal energy in the internal energy market and amending Directive 92/42/EEC, published in the Official Journal of the European Union series L no. 52 of February 21, 2004.

- Title II of this law transposes Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 on common rules for the internal market of natural gas and repealing Directive 2003/55/EC, published in the Official Journal of the Union European series L no. 211 of August 14, 2009.

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This law was adopted by the Romanian Parliament, in compliance with the provisions of art. 75 and of art. 76 para. (1) of the Constitution of Romania, republished.

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