

# ROMANIAN PHOTOVOLTAIC INDUSTRY ASSOCIATION

## NEWSLETTER July 20, 2012

According to the press release of the presidential administration dated July 16, 2012, the law approving the EGO 88/2011 has been signed by the interim president. This was the last step required in order for the law to be sent to the Official Gazette of Romania to be published. The law will enter into effect after three (3) days from its publishing.

This law has been long awaited by the renewable sector in Romania that qualifies for the support scheme of Law 22/2008, and it is expected to help the development of such vital sector for the future of Romania. The main characteristics of this law, we believe, are the increased stability and predictability it brings to the market. The extended period before any decision can be taken regarding the reduction of the current subsidy should give the investors the necessary tools in searching high-quality projects that can be operated in secure and sustainable way for long periods of time.

The most important amendments to be brought to Law 22/2008, that will impact the photovoltaic industry as well, can be summarized as follows:

### 1. Priority access to the electrical grid for RES-E

Rules and conditions, both technical and commercial, based upon which some producers of RES-E are ensured the possibility to inject at any moment and to sell the entire electricity produced at a given time, in accordance with the grid connection and availability of units/eligible resources. This is ensured if the security of the National Electroenergetical System is not affected.

### 2. Quarterly fulfillment of GC quota

Energy suppliers and producers will have to meet their GC quota each quarter, as established by NRAE.

If they do not meet their GC quota each quarter, then are obliged to pay to the warranty fund<sup>1</sup>, within 45 days, the maximum value of the GC they failed to acquire. GCs paid to the warranty fund will be computed in the GC quota of the supplier.

### 3. Quantity of RES-E for which is imposed the GC purchase

The RES-E quantity which is taken into consideration to determine the mandatory GC number is computed from (i) electricity purchased by electricity suppliers, for their final consumption or for selling to end consumers,

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<sup>1</sup> A warranty fund will be created. The warranty fund will buy pro-rata GCs from the producers that did not sell their GCs for a price at least equal to the minimum legal price of GCs (*i.e.* EUR 27/GC).



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(ii) electricity used for own final consumption, except the own technological consumption, by an electricity producer, (iii) electricity used by a producer for supplying with electricity consumers connected directly to its power plant.

#### **4. Electricity produced in facilities with installed power under 1MW**

The electricity produced in facilities with installed power under 1MW can be sold to electricity suppliers which have license in the area of the production facility at regulated price. The electricity sold at regulated prices is not eligible for GCs.

Natural persons and legal persons with installations under 100kW may request regularization service for the electricity produced or consumed from the grid.

#### **5. Simplified procedures**

The new law specifies that production facilities with installed capacity under 10 MW, will benefit from simplified procedures. This threshold is increased, in comparison to the old provisions, from 1 MW to 10 MW.

#### **6. Reduction of the GCs**

The present number of GCs allocated for each technology, cannot be decreased before January 1, 2014 for solar and before January 1, 2015 for other technologies.

The Romanian Photovoltaic Industry Association will continue to stay alert and properly inform the photovoltaic sector in due time, regarding the important changes which are taking place lately. We believe that the changes brought by the new energy and gas law no. 123/2012 enacted on July 19, 2012 and the changes to be brought by the newly promulgated law, after enactment, will support the long term development of the energy sector in Romania as a whole and the photovoltaic industry in special.

Sincerely yours,

Ciprian Glodeanu – President

Robert Cruceru – Executive Director