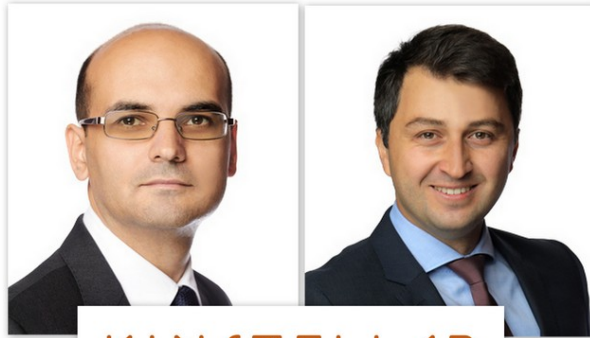


Kinstellar | Joint study of the Romanian Competition Council and Romanian Energy Regulatory Authority identifies barriers to market entry for renewables producers and issues recommendations



The Romanian Competition Council (RCC) continued focusing on the energy markets, not only through investigations or merger control analysis, but also by carefully reviewing the markets through sector inquiries and studies. Given Romania's declared interest into considerably bolstering its renewables capacities on the short term, also backed up by EU funds and the Contracts for Difference (CfD) support scheme in the pipeline, renewables have been high on the RCC's agenda recently.

Roughly two months after publishing the preliminary conclusions following its study on permitting bottlenecks in the renewables sector (that we wrote about [here](#)), the RCC has now teamed up with the Romanian Energy Regulatory Authority (ANRE), in a joint effort to assess grid access and barriers thereto. This point particularly had been one of the thorniest aspects for developing new power generation capacities in Romania.

In brief, some of the main points and recommendations highlighted by the preliminary report published yesterday include:

□ barriers to grid access include the lack of disincentives against speculative investments. The study identifies a market practice of developers only getting projects at 'ready to build' to further sell them to other developers. This is considered speculative, as potentially leading to blocking some more credible investments, as new grid connection permits (ATR) would be very difficult to obtain while previously issued ATRs are valid and many of the 'speculative' projects eventually end up abandoned – suggested deterrents against speculators may include setting up execution guarantees or sanctioning developers' passivity over extended periods;

→ the grid connection process is lengthy because of the legislation which is unclear or uncorrelated in some respects – grid connection regulations should be further clarified and the authorities suggest implementing a "one-stop-shop" contact point for obtaining a single license for RES production, with representatives from the public administration and the network operators;

→ financing-related barriers are mostly related to prohibitive grid reinforcement costs (with tariffs of about EUR 100,000/MW);

→ the power transmission and distribution networks are underdeveloped and previously approved development plans had difficulties in being implemented (due generally by the duration in ticking the boxes on public procurement, works execution, government decisions and environmental permitting, missing cadastral plans) – putting together a strategy on dealing with congestions and placing new generation capacities should be considered by the Ministry of Energy and relevant authorities;

→ the suggestion of allocating grid connection capacities based on competitive procedures, carried out periodically, depending on grid development;

→ the need of further qualification for the various experts and personnel involved in the process, both on the

distribution operators and developers' consultants' side;

A full Romanian language copy of the joint RCC-ANRE report is available [here](#) and the authorities await comments from interested parties by 4 November 2023.